



2022 ANNUAL REPORT

(October 01, 2021 to September 30, 2022)



FORGE, Inc. is awarded 2022 Microlender of the Year by Small Business Administration

Once again, the U.S. Small Business Administration recognized FORGE as the Arkansas Microlender of the Year. Honored as such since 2014, FORGE continues to be the top microlender in the state.

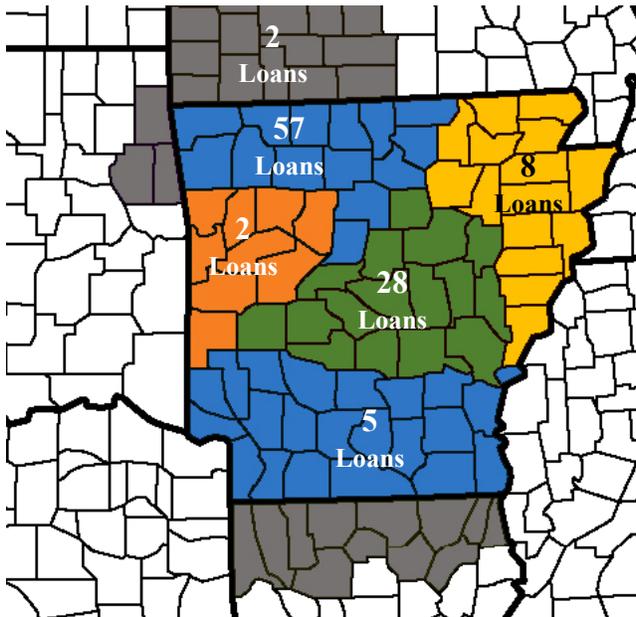
TOTAL LOANS per FISCAL YEAR



Fiscal Year (FY) 2022: Year in Review

In FY 2022 (10/01/2021 - 09/30/2022), FORGE made 102 loans, totaling \$3,025,565.00 to underserved entrepreneurs, including 58 loans (56%) to minority entrepreneurs, 60 loans (59%) to women, and 5 loans (5%) to veterans.

Loan Location by Region:



<u>Region Name</u>	<u># Loans</u>	<u>% Loans</u>
Central Ark	28	27%
Eastern Ark	8	8%
Northwest Ark	57	56%
Southern Ark	2	2%
Western Ark	5	5%
Missouri	2	2%

Demographics:

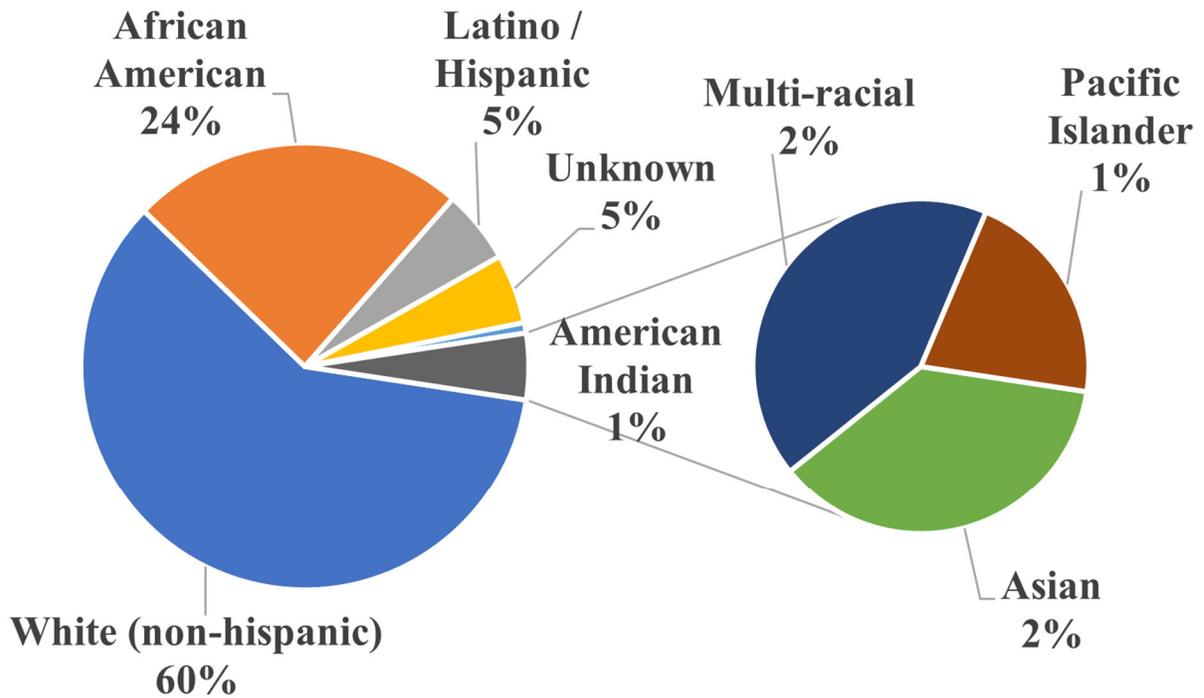
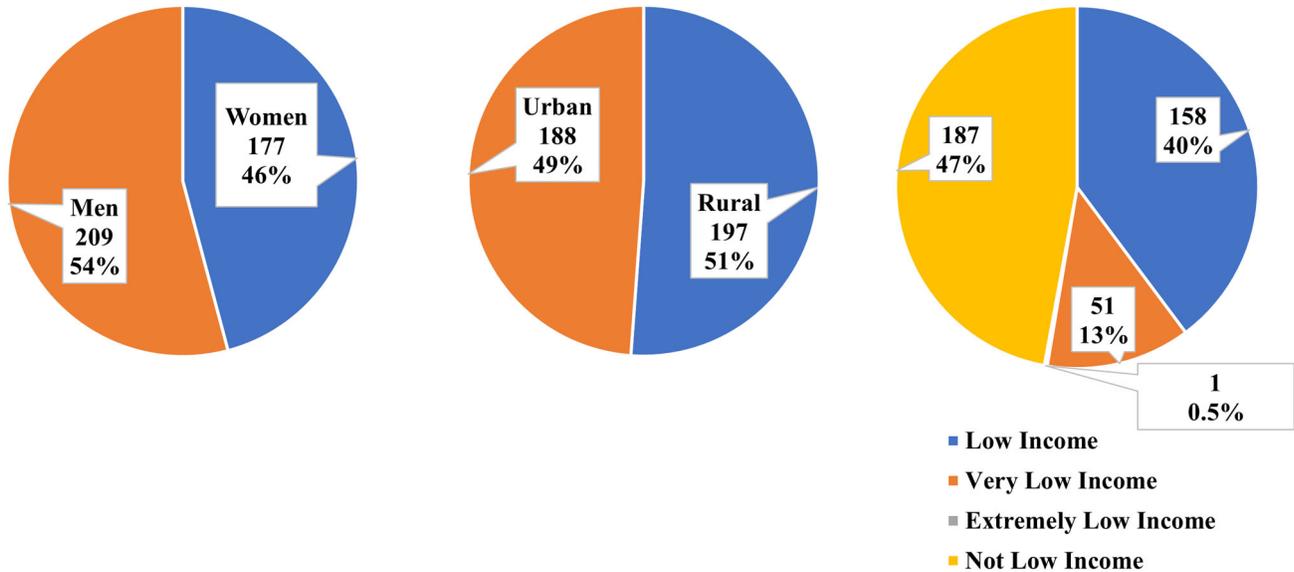
	<u># Loans</u>	<u>% Loans</u>		<u># Loans</u>	<u>% Loans</u>
Women	62	59%	Rural	30	30%
Men	40	39%	Urban	69	69%
Low Income	56	55%	Veteran	5	5%

	<u># Loans</u>	<u>% Loans</u>
African American	30	29%
American Indian	1	1%
Latino / Hispanic	11	11%
Asian	5	5%
White	37	36%
Pacific Islander	4	4%
Other	14	14%

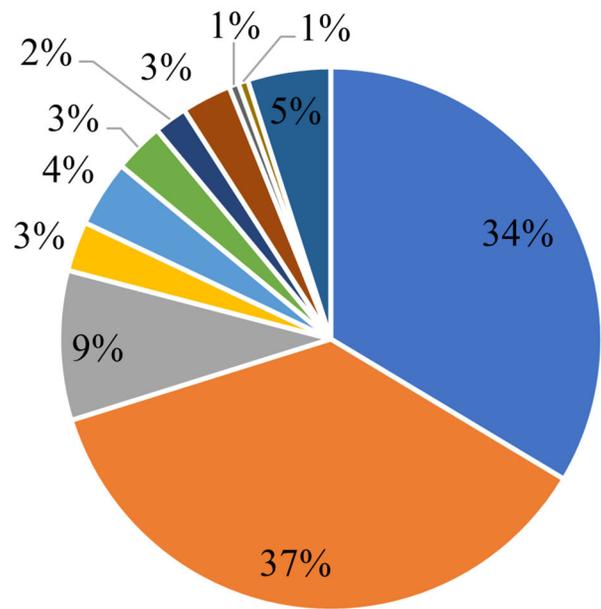
The FORGE Loan Portfolio: An Overview

At the end of FY 2022, the total loan portfolio includes 396 individual loans valued at \$6,404,060.48.

FORGE had \$185,960.72 in charged off loans in FY 2022. Since 2016, the Annual Default Rate is 1.38%.



- Working Capital
- Equipment
- Inventory
- Real Estate Purchase
- Purchase of Business
- Material
- Home Rehab
- Refinance Debt
- Home Purchase
- Real Estate Development
- Other



<u>Loan Fund</u>	<u># Loans</u>	<u>Outstanding Loan Balance</u>
General Credit Fund	141	\$2,516,680.65
US Small Business Administration	213	\$2,992,957.38
US Economic Development Administration	17	\$405,434.64
US Department of Agriculture	25	\$488,987.81

FORGE Expands Latinx Community Outreach



During 2022, FORGE began several new outreach initiatives to make FORGE more accessible to the Latinx community by providing all its services in Spanish, and offering a new book/resource collection, that is available in English and Spanish. This entrepreneurial library was acquired to assist entrepreneurs as they establish and expand their businesses.

FORGE presented financing opportunities to students of the Plan It! Entrepreneurship Program offered by CANOPY NWA that is focused on assisting immigrants and refugees.

The University of Central Arkansas (UCA) and the Arkansas Business Navigator program invited FORGE to offer seminars to the Latinx community. The seminar, Financiando tu Negocio (Financing your Business), was presented as part of the Minority Vendor Partnership Initiative with UCA. Also, Acceso a Capital y la Importancia de las Finanzas en tu Negocio (Access to Capital and the Importance of Finance in your Business), was hosted in Little Rock by the Arkansas Business Navigator program and financial institutions from the state of Arkansas.

FORGE sponsored and/or attended the following events in NWA:

- Maker to Market events at the Fayetteville Public Library
- Barrier Breakers at Theater Squared
- Girl Gang markets in Springdale

And several other Speaker Panels in collaboration with the Rogers Chamber of Commerce, ASBTDC, Conexion de Negocios Latinos, and the SBA Showcase that focused on funding for entrepreneurial businesses.

FORGE supported the Latinx community by sponsoring and attending five events throughout 2022, including El Mariachi Festival, Arkansalsa, Día de Muertos, Small Business Showcase, and El Mercadito Latino. To connect with new entrepreneurs the FORGE team volunteered for the program Entrepreneurship for All (EforAll) where over 70 hours of mentorship were committed.



IMANI Fund brings needed capital to Central Arkansas

In 2021, ReMix Ideas in partnership with FORGE Community Loan Fund (a CDFI) launched the Imani Fund, an innovative loan product which is rooted in equity. Imani, is the Swahili word for "faith". The IMANI Fund provides under-resourced entrepreneurs with technical assistance with patient, flexible capital that matches their needs, and can provide cash to borrowers within 10 days of submission of their application. The IMANI Fund offers microloans ranging from \$5,000 to \$25,000 to entrepreneurs. IMANI Fund participants can borrow for five years at a 5% interest rate with the option of interest only payments for the first six months.

In Fiscal Year 2022, FORGE made sixteen (16) loans from the IMANI Fund totaling \$331,000.00. The IMANI Fund is capitalized by a program related investment from the Arkansas Community Foundation. Along with their initial \$325,000.00 investment in the IMANI Fund, Arkansas Community Foundation has invested an additional \$600,000.00 as of November 2022.

The IMANI Fund uses an uncommon underwriting process that emphasizes the character of business owners, their ability to execute on their viable business model and community-engagement efforts. ReMix Ideas of Little Rock provides technical assistance and supports businesses to become loan ready. ReMix has been a key partner in helping FORGE expand its lending in Central Arkansas while supporting underserved small businesses that can thrive with financial support.

Along with funding, the IMANI Fund provides borrowers mentoring and practicum experience in a variety of core areas including business model, finance, marketing, business landscape analysis, cash flow management, pricing strategy, and intellectual property through the ReMix Ideas Business Academy.

IMANI Fund: September 30, 2022	
Men #	8
Men \$	\$205,000.00
African American Male #	8
Women #	8
Women \$	\$126,000.00
African American Women #	6
Latina Women #	1
Multi-racial Women #	1
Average Loan \$	\$20,687.50

FORGE Establishes Little Rock Kiva Hub

Little Rock Kiva Hub is a partnership between Kiva, an international nonprofit, and FORGE, Inc. Through this partnership, FORGE is serving as a local Hub of Kiva. The Little Rock Kiva Hub is funded through a grant from the Winthrop Rockefeller Foundation. The purpose of the

grant is to provide additional entrepreneurial support and crowdfunded capital to small and micro businesses in Central Arkansas, specifically for businesses started and run by Latinx entrepreneurs.

Kiva's unique crowdfunding model helps business owners access 0% interest and no fee small business loans with the help of their community. Terms are up to three (3) years, and loans can range from \$1,000.00 to \$15,000.00. Kiva sets a minimum community investment goal, and borrowers have up to two (2) weeks to secure private investment. After the private investment goal is met, borrowers have thirty (30) days to fully fund their loan through the Kiva online lending/crowdfunding platform.

KIVA Little Rock: November 30, 2022	
Women #	7
Women \$	\$50,500.00
African American Women #	4
Latina Women #	3
Men #	2
Men \$	\$12,500.00
African American Men #	1
Latino Men #	1
Average Loan \$	\$7,000.00

Ms. Itzel Velazquez is the Little Rock Kiva Hub Capital Access Manager for Forge as well as the Little Rock Business Consultant for Conexion de Negocios Latinos (Latinx Business Connections) where she provides support to Latinx business owners. Itzel holds a master's degree in Higher Education from Loyola University Chicago, and a bachelor's degree in International Studies and Political Science from the University of Central Arkansas. She has worked for several nonprofits in Arkansas focusing on educational equity and immigrants' rights advocacy. She previously worked as the Director for Replicate, an initiative of the City of Hope Outreach (CoHO) where she was responsible for the implementation, coordination, and logistical support of nonprofit organizations established and supported by CoHO. She is a member of Junior League Little Rock, and serves as a board member for Create Little Rock.



Walton Family Foundation grant expands Cureate Courses in NWA

In July 2022, FORGE and Cureate Courses signed a new contract for three (3) cohorts during the 2022 - 2023 fiscal year. The three (3) cohorts are focused on the following Food & Beverage Industries:

- Fall 2022: Package Foods
- Winter 2022: Farming
- Spring 2023: Catering / Prepared Foods

WALTON FAMILY FOUNDATION



In September 2022, The Walton Family Foundation awarded FORGE a \$92,000.00 grant with the purpose of expanding Cureate Courses.

Specifically, the WFF grant provides for:

- “Outstanding in a Field” Dinner Showcase. A winter showcase event where Cureate Courses will pair each business in the farm cohort with a business in the caterer cohort to execute a 10-course meal.
- Following each Cohort Pitch Competition (X3), a panel of judges will choose up to two (2) food entrepreneurs per cohort to participate in Cureate PRO. Cureate PRO is a two (2) month extension of Cureate Courses and is comprised of weekly coaching sessions and business consultation (16 hours).
- Upon completion of the two (2) month Cureate Pro extension, the selected business will be eligible to receive an Implementation Grant of \$3,000.00 to execute the strategy defined in the PRO consulting. These Implementation Grants (\$12,000.00 total) will be 100% funded by FORGE.

The ultimate goal for the program, and overall measure of its success, is to answer the question “Can we build up an empowered food and beverage supply system, that is representative, diverse, and resilient, to meet this change in consumer demand?”

FORGE and Cureate believe that the overarching goals of this program align with FORGE’s mission and The WFF's platform: wealth building for underrepresented founders; small business development; skill building and work-force placement; job creation; supply chain connections to empower small business owners; and, of course, growing the local economy through earned revenue and investment opportunities. The targeting of entrepreneurs in the food & beverage industry means a focus on person-of-color- and woman-owned businesses.

FORGE hires Latanyua Robinson as new Eastern Arkansas Regional Director



Latanyua Taylor Robinson comes to FORGE with over a decade of entrepreneurial and technical assistance experience. She has almost three decades of experience in industrial manufacturing and engineering, workforce, and business development. In her role as regional director, she helps to expand the organization's services and impact with a focus on the Delta Region. She earned a B. S. in Industrial Engineering from the University of Arkansas and an MBA from Indiana Wesleyan University. Her life's motto is "to whom much is given, much is required" and she exemplifies that in her daily walk of advocacy for economic empowerment through education + work experience + entrepreneurship. A native of Stuttgart, Latanyua currently resides in Marion with her husband, James, and their son, Quincy.



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We have created a business directory to promote FORGE members and their businesses.

<https://rejoicy.com/FORGE>

Use the URL above or the QR code to find a FORGE business to support. If you are a member of FORGE and would like to add your business to the directory, please let us know!



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Bill Fox
Director of Technical
Assistance



Latanyua T. Robinson
East AR Director



Jerry Huddleston
Director of Compliance



Brea Cook
Loan Manager



Brittany Blisard
Administrative Assistant

Invest in FORGE

FORGE makes loans that change lives and strengthen communities. As a 501(c) 3 nonprofit, your support is critical to our long-term success. There are several ways you can support FORGE, including:

- Make a tax-deductible gift to FORGE to support small businesses loans.
- Become a FORGE investor and earn a quarterly return while making a social impact for local economic development.
- Support FORGE's Member Businesses.

For more information, please contact:
Philip Adams, Executive Director and/or your financial advisor.

Financial Position (unaudited)
Oct. 1, 2021 to Sept. 30, 2022

Income

Interest Income	\$353,103.04
SBA Technical Assistance Grant	\$887,614.01
Foundation Grants	\$646,000.00
CDFI Grant	\$759,182.97
Other Income	\$65,158.68
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Total Income	\$2,711,058.70

Assets

Cash and Cash Equivalents	\$ 4,074,058.71
Loan Portfolio	\$6,261,456.59
Accrued Interest	\$34,353.56
Fixed Assets	\$ 225,405.46
Receivables	\$ 395,403.58
Other Assets	\$14,655.47
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Total Assets	\$ 11,005,333.37

Liabilities

Liabilities	\$ 5,913,392.05
Equity	\$ 5,091,941.32
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Total Equity and Liabilities	\$ 11,005,333.37

Total Loans	396
Average loan size	\$29,164.27
Number of investors	62
FYTD Charge Offs (since 10/01/22)	\$0.00

Committed funds available for the loan pool that are not included in the financial statements:

ADFA Capital Access Program: \$138,252.13

*Audited Financial Statements from FY 2021
are available upon request.*



FORGE: FINANCING OZARK RURAL GROWTH & ECONOMY

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