

The background of the entire page is a blue grid pattern. Overlaid on this is a photograph of a large, modern arch bridge with a steel truss structure, spanning a river. The bridge is rendered in a sketch-like, technical drawing style. In the top right corner, there is a white rectangular box with a green border containing the logo and tagline of Enterprise Development Group (EDG).

EDG Enterprise Development Group
EDG

Your bridge to a brighter future

2021 ANNUAL IMPACT REPORT

WWW.EDGUS.ORG



“Money is no good unless it contributes something to the community, unless it builds a bridge to a better life.”

– A. G. Gaston

The inspiration for the 2021 ECDC Enterprise Development Group Annual Impact Report is the newly constructed Frederick Douglass Memorial Bridge in Southeast Washington, DC. It is dedicated to nationally renowned abolitionist Frederick Douglass, an African-American social reformer, orator, writer, and statesman.

When reflected into the water, its symbolic arches form three figure eights signifying infinity. The Frederick Douglass Memorial Bridge is not only a beacon of an American legend that has passed but serves as a vision of hope and inspiration for new Americans and those that dream of financial independence as they endeavor to fulfill their entrepreneurial destinies.

President's Message



Dear Valued Supporters & Community Partners:

On behalf of the ECDC Enterprise Development Group's (EDG) Board of Directors, I am pleased to share with you the staff's work to help U.S. citizens and immigrants along with refugees and asylees achieve self-sufficiency during a tumultuous time in American history. Many people have suffered and struggled, but the communities in Virginia, Washington, DC, and Maryland rallied to help neighbors, support small businesses and make the best of an unfortunate health crisis.

As I reflect on 2021, I am grateful for the dedication of the EDG staff to clients and the local communities served. There are many businesses, families and communities that we continued to support in spite of the irregular business operations. EDG processed 111 Small Business Administration (SBA) Payroll Protection Program loans totaling \$1,255,795.62. With the Wells Fargo "Open for Business" program, EDG restructured 15 clients' loans totaling \$315,372.84. For a year-end total of 254 loans disbursed in the sum of \$5,098,791.16.

During the first quarter, our communities, employers, businesses and institutions faced grave challenges to overcome the inconveniences caused by the pandemic. Even though by January 2021 the federal government lifted the mandate requiring businesses to close and people to self-isolate, in a matter of 10 months we saw countless numbers of small businesses go under, especially those in the service industry. At the same time, we witnessed the resiliency of the nation's people to reinvent themselves by finding remote job opportunities along with the use of technology to stay connected, continue to provide important human services, and work collaboratively to find solutions to the day-to-day adversities faced.

Nothing during the second quarter of 2021's recovery phase from the pandemic was easy. Many resources were stretched — emotionally, mentally and financially. However, EDG provided a lifeline to the small business community. Many sought EDG's financial help to bridge the financial gaps caused by the slowing of business in order to keep staff employed and stay open.

By the third quarter, our local county, state and federal governments lifted mandates allowing people to resume a new normal with hope, newfound energy and inspiration, having survived the worst of the pandemic. Businesses began to operate with regular hours and people resumed community activities. Of course, the COVID-19 Delta variant caused a momentary pause. However, we collectively weathered that hiccup and continued forward with business as usual.

In the fourth quarter, it was the same atmosphere and economic outlook as the previous three months — steady, consistent progress achieved. Even when faced with the Omicron variant, many weathered the outbreak by receiving booster shots and practicing "safety first."

In closing, I want to thank you for your continued generous support and confidence. I also want to thank our partners — federal, state and local governments, corporations, foundations and community businesses without which none of the good works of EDG would have been possible.

My best to all for continued prosperity in 2022.

Sincerely,

A handwritten signature in black ink, reading "Tsehaye Teferra". The signature is written in a cursive, flowing style.

Dr. Tsehaye Teferra, Ph.D.
President & CEO

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2021 Lending Performance Snapshot

As outlined in the ECDC Enterprise Development Group's (EDG) Strategic Plan for Fiscal Years 2019 through 2023, EDG remains resolved to bring about a robust growth in its lending performance. Implementation of the strategic plan started in 2019 with the development of defined goals and objectives for a five-year period. The first year of implementation, EDG closed 136 loans amounting to \$3.1 million, providing a solid foundation to build upon. The second-year lending performance saw an increase of 22 percent.

In 2020, COVID-19 struck, delivering a devastating blow to small businesses resulting in a shift in EDG's primary focus to the re-habilitation of small businesses impacted by COVID-19, including business closures and a slowing consumer market demand. EDG disbursed loans totaling \$1.9 million for the year.

While evaluating the lending performance for Fiscal Year 2021, it is important to consider the context of the overall changes in the national economy following the manifestation of the COVID-19 pandemic in addition to the efforts made by the local, state and federal governments and other key stakeholders to ensure the recovery of the small business community.

As the government continued to implement a number of small business recovery programs, EDG played an integral role in the step-by-step reopening of regular business activities throughout 2021. However, the economic recovery process is far from over. EDG continues to assist in the recovery of the national economy by providing much-needed capital to start or expand businesses at the community level.

Once the telecommuting phase of operation ended in 2021, EDG staff returned to the office in full force to conduct full-time community outreach services and underwriting loans as expeditiously as possible to do its part to reinvigorate our local business communities.

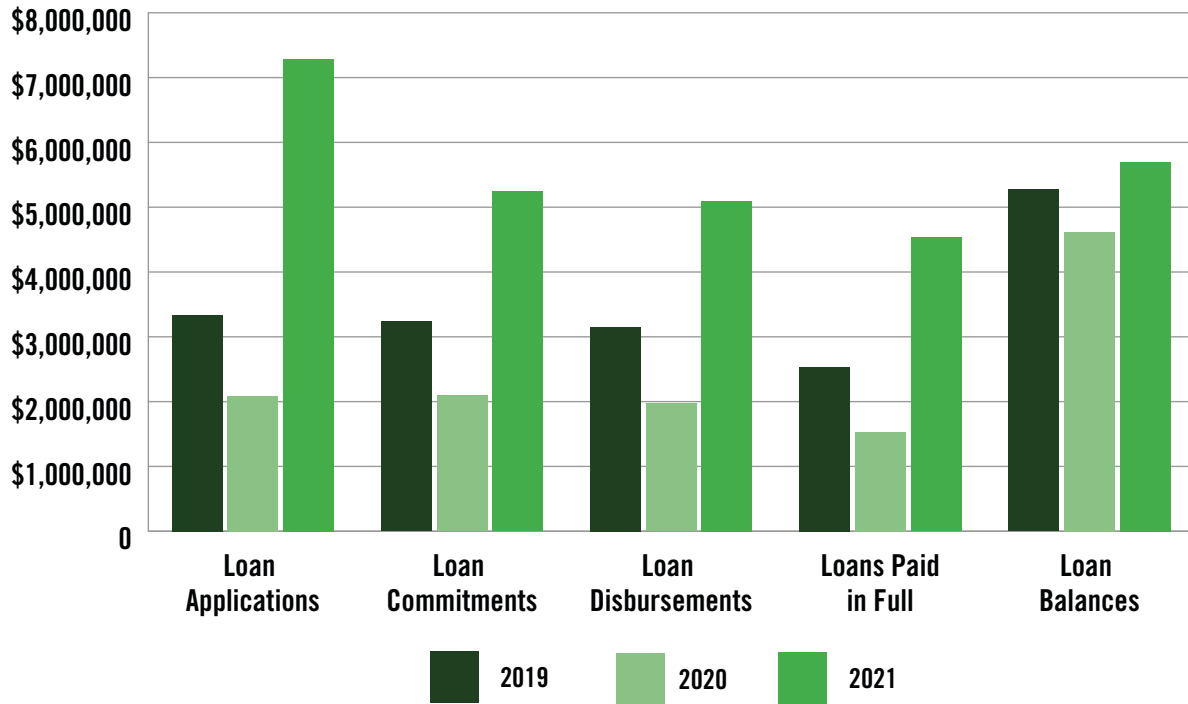
EDG's lending performance in 2021 increased significantly, with the processing of 111 Small Business Administration Payroll Protection Program loans totaling \$1,255,795.62; and, restructured 15 loans in the sum of \$315,372.84 as part of Wells Fargo "Open for Business" program. In total, EDG closed 254 loans amounting to \$5,098,791.16 in 2021.

Table 1: Lending Performance Analysis (2019 – 2021)

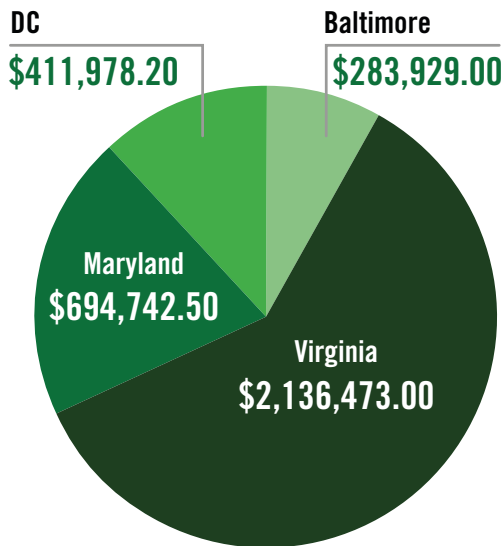
EDG's loan disbursement performance for the last three years (FY2019 – FY 2021) illustrating its performance prior to the COVID-19 pandemic (FY 2019), during the business lockdown period (FY 2020) and economic rebound (FY 2021) as businesses nationwide reopened.

Year	Loan Applications	Loan Commitments	Loan Disbursements	Loans Paid in Full	Loan Balances
2019	\$3,338,723.48	\$3,233,584.33	\$3,151,406.52	\$2,535,590.00	\$5,272,618.09
2020	\$2,088,793.45	\$2,091,726.45	\$1,967,923.16	\$1,532,101.08	\$4,617,001.21
2021	\$7,286,744.30	\$5,243,995.16	\$5,098,791.16	\$4,531,858.68	\$5,697,355.91

Lending Performance Analysis (2019 – 2021)



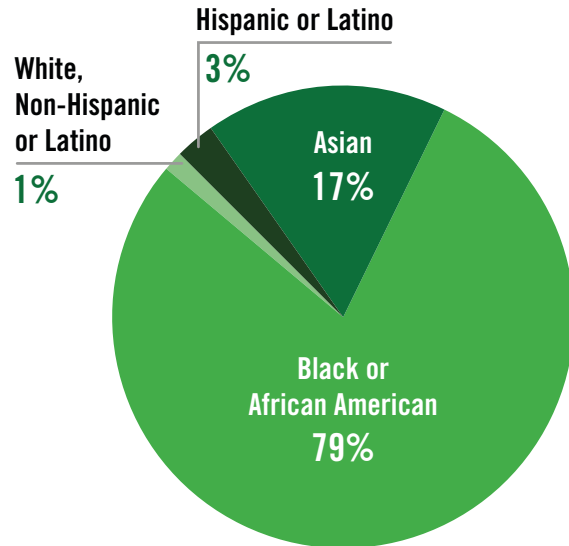
EDG FY 2021 Portfolio by Geography



The loan amount segregated by geography does not include PPP loans.

Lending in Baltimore is separately reported from Maryland.

Minority Population Served



Program Highlights & Milestones

Welcome! EDG's Newest Location in Baltimore Open for Business

During the fall of 2021, the ECDC Enterprise Development Group's (EDG) local branch moved to 2101 East Biddle Street in Baltimore, Maryland. Leading the day-to-day operations, Habte Michael, program manager, is excited in his new role with EDG, drawing on his multi-faceted skill set for the benefit of EDG's Maryland customers.

With the revitalization campaign presently underway throughout the City of Baltimore, it presents a challenge and an opportunity for Baltimoreans to help build their city's Central Business District into a vibrant draw for residents, tourists and community at large.

EDG remains vigilant and dedicated to help local communities and their inhabitants to grow and prosper.



Training & Skills Building Opportunities

EDG continues to facilitate educational seminars for clients on various topics of financial literacy through small group trainings and one-on-one consultations. Subjects covered include the following:

- Entrepreneurship: 75 Small Business Ideas & More
- How to Start a Small Business
- Protect Yourself from Identity Theft
- Credit Builder 101
- Business Accounting & Record Keeping
- Marketing & Customer Service Basics
- How to Write a Business Plan

Loan & Technical Assistance

EDG provided more than 300 customers with loan and technical assistance services throughout 2021. Activities included assisting clients with writing business plans, obtaining necessary business licenses and helping with the collection of necessary loan documents needed for the approval process.

Virtual Business Incubator

Faced with the challenges of meeting customers' needs due to the COVID-19 pandemic, staff utilized technology and the social media platforms to meet, educate, inform and provide necessary technical assistance to EDG clients. The technology sources included: Zoom, Microsoft Teams, FaceTime, Facebook, Instagram, YouTube and Twitter to maintain contact during the hardest months of COVID. Clients were able to meet with staff at times mutually convenient and safe on an as-needed basis.

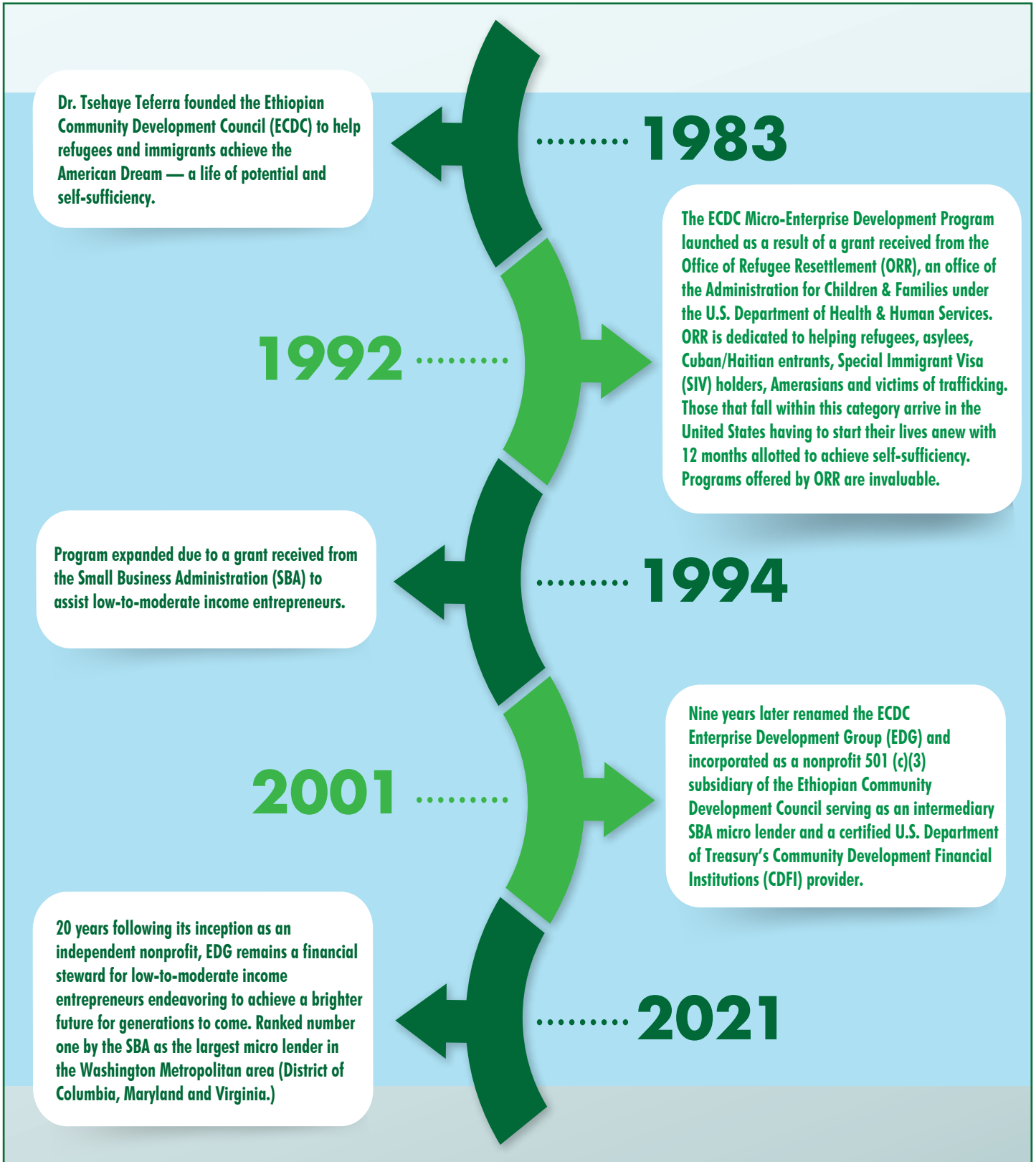
EDG Media Center

Launched in the summer of 2021, the EDG Media Center originated on YouTube to provide daily news casts to the immigrant and minority communities in Amharic, Tigrinya, Farsi (Dari), English and Spanish.

Complimentary Tax Preparation

In partnership with United Way and Intuit, EDG provided free tax preparation to the low-income community from January to April 15. Consultations were provided on a first-come, first-served basis to hundreds of people in Virginia, Washington, DC, and Maryland.

Origin & Evolution of the ECDC Enterprise Development Group (EDG)



Client Success Stories

The following vignettes feature two clients that were adversely impacted by the COVID-19 pandemic, and how the ECDC Enterprise Development Group (EDG) helped sustain their businesses with capital from micro loan programs made possible by the Small Business Administration. Both entrepreneurs remain in business and continue to prosper.

Organically Evolved: Bear Brick Oven Co.

By Stacy Mayuga

Owned and operated by husband and wife duo: George & Sophia Jarrell; Bear Brick Oven Co., a pizzeria, located at 15410 New Hampshire Avenue in Silver Spring, Maryland, reminds one of a local community hangout where a family can spend causal dinners out making memories of enjoying one another's company. All the while giving mom and dad a much-needed break.

Upon meeting with Mr. George Jarrell, owner and operator, one is greeted with warmth and genuine hospitality. As we sit discussing the evolution of Bear Brick Oven Co., I learn it originated in December of 2019, with remodeling construction commencing the following month of January 2020.

Then, the unthinkable happened. The COVID-19 pandemic struck in March. Which resulted in an abrupt halt in construction.

In the face of adversity, George remained steadfastly undeterred to launch his restaurant. Part of the residual fallout from the pandemic, George needed capital to cover unanticipated expenses compounded by delays. As a result, George, with his wife's blessing, made a calculated decision to withdraw funds from their 401K to get construction back on course.

Having previously owned a Jerry's Subs and Pizzas franchise and former corporate trainer for the brand, George knew every faceted detail to address. The biggest decision he made was choosing to go with a brick oven to distinguish his pizzeria.

Before and after photos of Bear Brick Oven Co. showcasing the evolution from a business concept to realization with patrons enjoying live entertainment provided by local musicians.



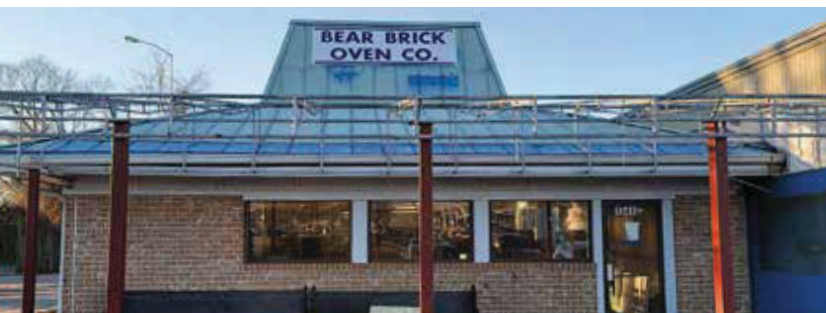
George Jarrell, owner, with two of his employees proudly showcasing the brick pizza oven, which distinguishes his pizzeria from others in the Silver Spring community.

Readying a restaurant in the midst of COVID-19 was no easy feat. It would take 16 months from December 2019 for his restaurant to be fully operational. Finally, the day arrives to open. This time, George needs capital to cover day-to-day costs and staff wages.

As he sat in the parking lot of his daughters' high school, by divine intervention an advertisement for micro loans pops open on his phone screen. In that split second, George's problem was answered.

George immediately got to work researching; and, found the ECDC Enterprise Development Group (EDG). What appealed to him was that EDG is a community-based lender. George made a call to meet with a loan officer and received the \$50,000 in capital needed. Bear Creek Oven Co.'s doors officially opened in April 2021; and employs a staff of 25.

When asked what's on the horizon, George said, "I'm looking at a site in Damascus, Maryland, where more week-night family and community-wide memories can be made."





Columbia Pike renowned photographer and photo journalist, Lloyd Wolf, is a community icon. He's been an integral part of capturing key historical moments locally and nationally for 30 years.

Small Business Administration (SBA): Payroll Protection Program Helping Columbia Pike Legendary Photographer Lloyd Wolf Survive COVID-19 Shockwaves

Mr. Lloyd Wolf, a locally renowned photographer, has been self-employed for the better part of 30 years as a freelance photo journalist. He works with a broad spectrum of organizations that include trade associations, corporations, government agencies and local television networks.

Lloyd has worked with the ECDC Enterprise Development Group (EDG) for years as a freelance photographer sharing his photos illustrating the long historical evolution of the Columbia Pike business community, which EDG serves as a bridge when capital is needed to open doors. Throughout the years, the historical relevance of the photos Lloyd has taken for print and digital use is priceless.

Many in the business community experienced various setbacks caused by the pandemic. As Lloyd explains his situation, he went from having several functions a week to photograph to having none. Overnight the well of his livelihood dried up, leaving him on the brink of unimaginable financial hardship. Granted as a veteran freelance photographer he had savings, but over time the funds were exhausted and Lloyd found himself in need of financial relief.

Arlington County Board Member Takis Karantonis recognized that EDG could help him with the SBA Payroll Protection Program unveiled in 2021 to provide the much-needed relief to struggling entrepreneurs. Taking Takis's good counsel, Lloyd reached out to EDG and was able to qualify for the program, gaining a momentary reprieve from the day-to-day challenge to find viable work solutions to meet monthly expenses.

Lloyd said, *"EDG was a Godsend. Without EDG's help, I would not have known the program existed. I came in to complete the application, and the loan officer did everything else to qualify me for the SBA program and approve my loan. Afterwards, staff was conscientious in their follow up to notify me about the PPP Forgiveness Program. Again, assisting me with that process as well."*

"EDG serves an invaluable role to the Columbia Pike business community, said Lloyd. "Without EDG more small business owners would have closed their doors for good."

Our Supporters

The ECDC Enterprise Development Group's (EDG) loans and technical assistance are made possible through the generosity and support of businesses, foundations and government agencies. Without which none of the good works performed by staff to help immigrant and low-to-moderate income families achieve self-sufficiency would be possible.

Businesses

Capital One

Chesapeake Business Finance Corp

HSBC

Morgan Stanley — E*Trade

Truist

Wells Fargo

Virginia Community Action Partnership

Foundations

Intuit Financial Freedom Foundation

United Way

Government & Agencies

Arlington County Virginia

County of Fairfax Virginia

DHCD Maryland Department of Housing and
Community Development

U.S. Department of Health & Human Service
Administration for Children & Families Office of
Refugee Resettlement

Small Business Administration

U.S. Department of the Treasury, Community Development
Financial Institution

Board of Directors

Tsehaye Teferra, Ph.D. (Chairman)

President and CEO

ECDC Enterprise Development Group
Arlington, VA

Fred L. Schultz (Vice Chairman)

Frederick Schultz & Associates, LLC
Takoma Park, MD

Allene F. Wright (Secretary/Treasurer)

Senior Vice President for Programs and Development
Ethiopian Community Development Council (ECDC)
Arlington, VA

Gebre-Selassie Gebre-Mariam (Member)

Retired (former Country Program Director,
Solidarity Center)
Alexandria, VA

Zed Wondemu (Member)

Former Owner: Zed's Ethiopian Restaurant, Washington, D.C.
and Business Consultant
Arlington, VA

ECDC Enterprise Development Group (EDG) Staff



Fikru Abebe*
Managing Director



Hossein Mahrammi
Loan & Technical Assistance Officer



Esayas Gebrehiwot
*Acting Managing Director/
Senior Loan & Technical Assistance Manager*



Stacy Mayuga
Marketing Communications Specialist



Haddish Welday
Finance & Administration Manager



Habte Michael
Program Coordinator, Baltimore Branch



Elsa Desta
Accounts Assistant



Malaika Nyamusenge
Loan Portfolio Officer



Kidist Ebenezer
Training/Media Broadcast/Loan Processor



Nebiyi Teferra
Tax Coordinator



Kidan Fekadeamlak
Loan & Technical Assistance Officer



Harmony Tesfai
Loan Portfolio Assistant



Takis Karantonis
Advocacy & Outreach Advisor



Abnet Tessema
*Office of Refugee Resettlement Project
Coordinator*

Not pictured:

Fesseha Beyene
Portfolio, Technical Assistance & Loan Collection Officer

* Mr. Abebe resigned as managing director in November 2021.

Audited Statements of Financial Position

As of September 30, 2021

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,577,982	2,294,745
Grants receivable	564,435	308,193
Microloan notes receivable, net of allowance for loan losses — current maturities	4,313,419	1,890,077
Accrued interest receivable, net of allowance for interest losses	21,625	29,986
Due from related parties	783,151	625,224
Other receivable	2,693	84
	8,263,305	5,148,309
TOTAL CURRENT ASSETS	8,263,305	5,148,309
MICROLOAN NOTES RECEIVABLE, NET OF ALLOWANCE FOR LOAN LOSSES — NET OF CURRENT MATURITIES	1,169,054	2,943,730
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	5,504	6,909
OTHER ASSETS		
Cash restricted in microloan revolving fund accounts — SBA	1,437,426	2,138,025
Cash restricted in microloan revolving fund accounts — Other	3,057,553	3,395,197
Cash restricted in loan loss reserve fund accounts	364,507	342,404
Cash designated for loan loss reserves	562,311	458,082
Cash restricted in individual development accounts	6,256	6,256
	5,428,053	6,339,964
TOTAL OTHER ASSETS	5,428,053	6,339,964
TOTAL ASSETS	\$ 14,865,916	\$ 14,438,912
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Due to related parties	197,564	-
Due to microloan borrowers	5,792	6,286
Accounts payable	50,000	10,795
Accrued expenses	93,626	144,176
Deposits payable	-	10,528
Deferred revenue	835,023	1,536,809
Individual development account deposits payable	6,254	6,256
Notes payable — current maturities	701,236	701,236
	1,889,495	2,416,086
TOTAL CURRENT LIABILITIES	1,889,495	2,416,086
NONCURRENT LIABILITIES		
Notes payable — net of current maturities	3,165,583	3,939,667
Equity equivalent securities	450,000	450,000
	3,615,583	4,389,667
TOTAL NONCURRENT LIABILITIES	3,615,583	4,389,667
TOTAL LIABILITIES	5,505,078	6,805,753
NET ASSETS		
Unrestricted		
Undesignated	7,576,862	6,130,438
Board designated reserve fund	1,419,469	1,160,317
Designated for loan loss reserves	364,507	342,404
	9,360,838	7,633,159
Total unrestricted	9,360,838	7,633,159
TOTAL NET ASSETS	9,360,838	7,633,159
TOTAL LIABILITIES AND NET ASSETS	\$ 14,865,916	\$ 14,438,912





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ECDC ENTERPRISE DEVELOPMENT GROUP

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