



**ENTERPRISE DEVELOPMENT GROUP**  
Your Bridge To A Brighter Future

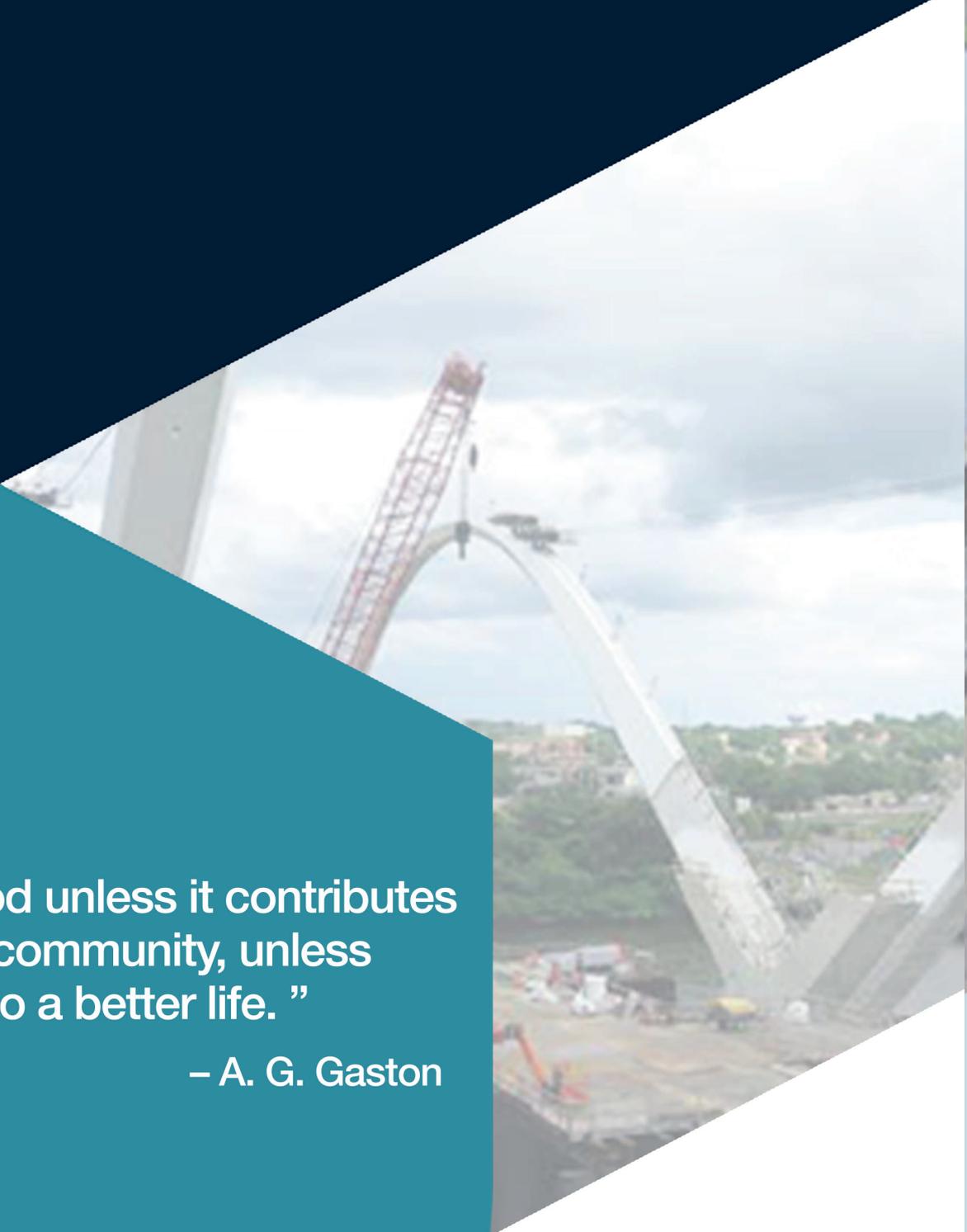
# ANNUAL IMPACT REPORT 2022



[www.edgus.org](http://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





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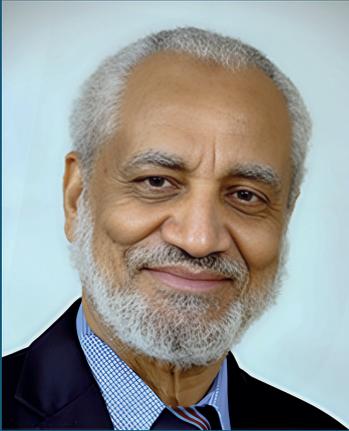
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## PRESIDENT'S MESSAGE



Tsehay Teferra (Ph.D.)  
President, and CEO

### Dear community partners and supporters:

On behalf of the Board of Management and the staff of the ECDC Enterprise Development Group, I am pleased to announce another year of success in our microfinance services for small business development.

Closing the gap in access to finance by targeting the financially underserved individuals and small businesses has been the prime objective of the ECDC Enterprise Development Group for decades. In the years of our engagement in microfinancing, we have proved to be one of the top micro lenders in the D.C. Metro area that has helped transform the lives of thousands of low-to-moderate income customers.

Similarly, during FY 2022, the ECDC Enterprise Development Group continued to carry out its mission of promoting opportunities for self-sufficiency and sustainable businesses to low-to-moderate income individuals through economic and community development initiatives by providing microloans, business training, and pre- and post-loan technical assistance. During FY 2022, EDG continued to implement its five-year strategic plan, (FY 2019-FY 2023), to ensure continuous growth in its operation.

During the year, EDG registered remarkable performance by closing 202 microloans, totaling \$7,074,855. In addition, staff provided training and technical assistance to 504 customers. Such performance clearly indicates that EDG has managed to make major strides two years after COVID. It also strongly demonstrates the role EDG has played in the recovery of small business development that was hit hard by the COVID-19.

Comparing this year's loan disbursement with that of the preceding year helps to highlight the extent of the annual growth in our lending performance. In FY 2021, EDG closed and disbursed microloans totaling \$5,098,791.00. Therefore, we are proud to announce that our lending performance in 2022 increased by 39%. The growth is directly reflected in an increase in the number of jobs created and sustained plus an increase in savings and the assets of our customers.

In addition to micro lending, EDG provided free tax filing assistance to low-to-moderate income individuals. In FY 2022, we completed 450 returns through VITA (vs 702 during the extended 2021 filing season). In addition, approximately 100 returns were done through facilitated self-assistance where taxpayers do their own tax returns with our help.

All the services we provided to the low-to-moderate income clients were made possible due to the support provided by our donors. The grants we received from the private sector helped leverage our capacity to generate funds from federal and regional government agencies. Consequently, the grants received from both the private and government sectors enabled the Enterprise Development Group to sustain its microenterprise development program and achieve its goals and objectives.

Therefore, I want to extend my appreciation to all our donors and community partners for their continued generous support and the confidence they have bestowed upon us. By strengthening our partnership, we plan to expand our microenterprise development program so that we will be able to continue to positively impact the lives of many more low-to-moderate income individuals and families.

Sincerely,

Tsehay Teferra, Ph.D.  
President, and CEO

# 1. BACKGROUND

The ECDC Enterprise Development Group (EDG) serves low to moderate income individuals from all walks of life: including women, people of color, and others with little or no access to finance from the mainstream banking to startup or expand small businesses. We provide tailor-made technical assistance to small businesses along with microloans for purchase of equipment, vehicles, or other start-up or expansion costs, to salvage our target customers from subprime/predatory lenders. Our goal is to help our clients build assets and credit by meeting the demands for smaller-sized loans or start-up businesses that commercial banks do not accommodate.

EDG's clients are often hampered by lack of or a flawed credit history and/or a lack of cash or other collateral necessary to obtain mainstream credit or loans. Without the ability to access needed capital from non-predatory sources, minority businesses often find themselves struggling to grow and gain traction in their selected industry. In an attempt to address the gap in access to finance, EDG provides small business loans along with culturally and linguistically appropriate training and one-on-one technical assistance so that our customers can open and expand businesses, build credit, create jobs, acquire assets and build successful lives.



EDG Headquarters-Arlington VA



## 2. COMMEMORATION OF OUR 30 YEARS OF JOURNEY

Our microloan program has been up and running for three decades and has assisted over 3,300 clients and loaned over \$50 million to address the needs of the low-income entrepreneurs in Washington, DC, Northern Virginia, and Maryland, including Baltimore. Individual loan applicants and families have directly benefited from our lending program, and many more individuals secured employment opportunities in the businesses financed by EDG.

Sustaining our operation for such a long period was not easy. In the course of our journey, we have faced economic shocks of different types that greatly impacted our customers and our services but we persevered due to our strong strategic leadership. Over the years, EDG has experimented, tested, piloted and rolled out best development practices, strategies and approaches related to microloans and technical assistance in order to sustain its programs.

Particularly, EDG's strong commitment to small business was evidenced during the time when small businesses were hit hard by the COVID-19 pandemic. Although equally impacted by the COVID-19 pandemic, ECDC-EDG continued to pursue its long-term commitment to small businesses by providing needed advice and support at a difficult time.

Although every additional year of service under such circumstances is worth celebrating, ECDC's 30 years of perseverance and uninterrupted service is a major milestone. We trace back the origin of our micro finance service at the time when ECDC launched the microloan program in 1992 as a result of a grant received from the Office of Refugee Resettlement (ORR). The photo shows EDG commemorating its 30th anniversary on November 10, 2022, along with its donors and partners.



Tsehaye Teferra, Ph.D, President, and CEO speaking at EDG's 30th anniversary event



Esayas Gebrehiwot, EDG Managing Director, presenting EDG's history at the event

### 3. LENDING PERFORMANCE SNAPSHOT

In 2022, the Enterprise Development Group had a record loan disbursement performance. During the year, EDG closed 202 microloans totaling \$7,074,855.

The overall performance of ECDC Enterprise Development Group shows continuous growth throughout the last five years except in 2020. The decline was clearly due to the impact of COVID19. During the year, the majority of small businesses either closed or experienced a slow-down in business. Across the nation, immigrant- and refugee-owned businesses and Black-owned businesses were disproportionately impacted by economic disruptions caused by the COVID-19 pandemic. A report entitled Immigrants, the Economy and the COVID-19 Outbreak published by the Joint Economic Committee found that the number of immigrant-owned businesses fell by 36% during the onset of the pandemic compared to an 18% decline in native-born business ownership. Foreign-born workers are concentrated in industries that experienced steeper increases in unemployment as a result of the coronavirus recession such as hotel and food services. It is estimated that approximately 20% of foreign-born workers lost their jobs between February and April 2020. Therefore, the focus of EDG has been primarily on rehabilitation of the existing businesses and the recovery of small businesses for quite some time.

However, in 2022 EDG managed to intensify its lending services and made major strides by registering a 39% annual increase in its lending performance.

Table 1

<b>Lending Performance Analysis (2018-2022)</b>			
<b>Year</b>	<b>Loan Disbursements</b>	<b>Loan Collection</b>	<b>Year end Loan Balance</b>
2018	\$3,854,769	\$2,776,576	\$4,328,972
2019	\$3,151,406	\$2,535,590	\$5,272,618
2020	\$1,967,923	\$1,532,101	\$4,617,001
2021	\$5,098,791	\$4,531,858	\$5,697,355
2022	\$7,074,855	\$4,012,753	\$6,776,254

## EDG - LENDING PERFORMANCE (2018 - 2022)

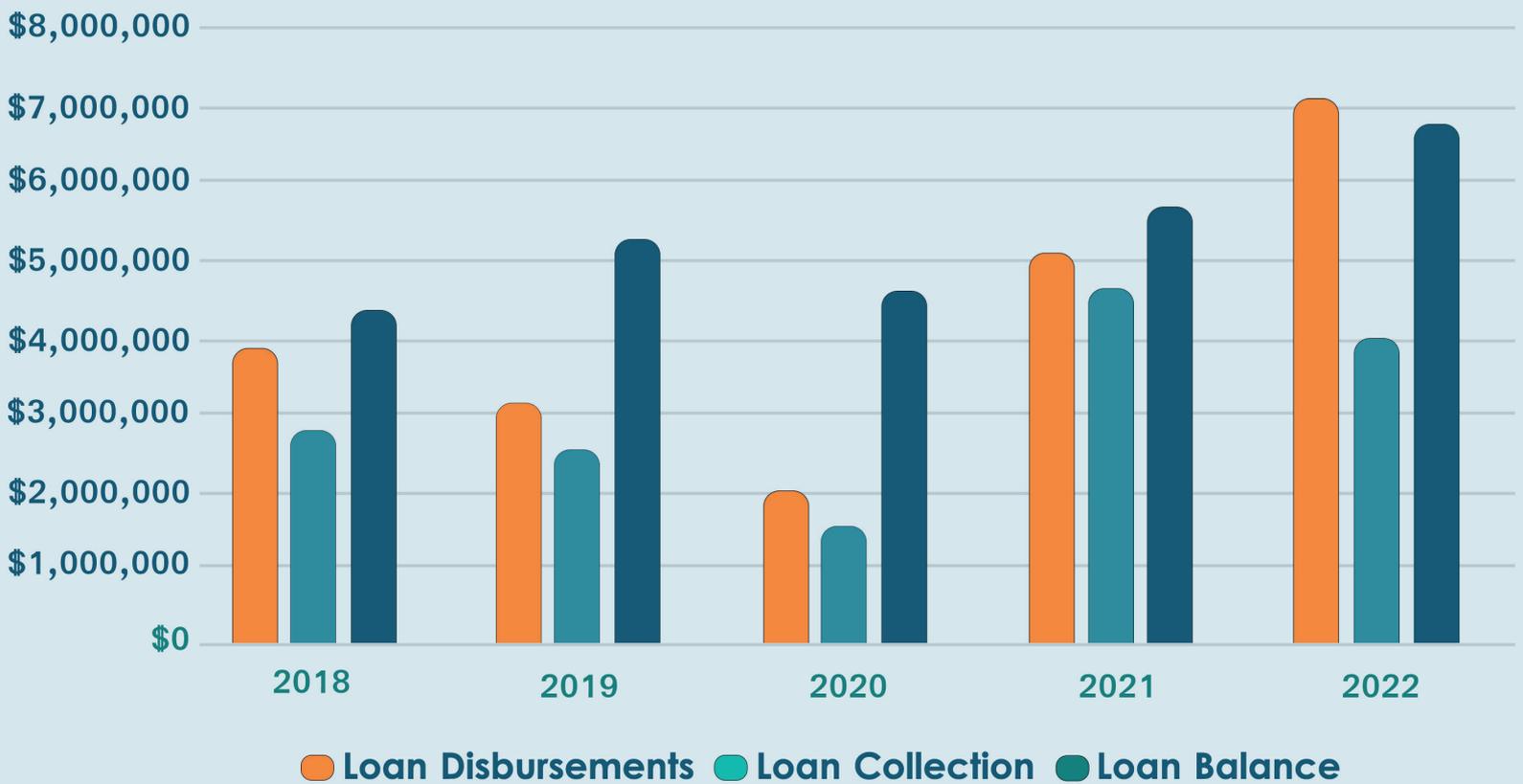


Figure 1

For an entity engaged in lending services, the most critical performance measurement is loan collection, not just the loan disbursement. On this front, EDG has made an outstanding performance by collecting \$4,012,753 in 2022. Considering that the average loan term of 3 years and loan disbursement of \$5,098,791 made in 2021, the loan collection of \$4,012,753 is highly encouraging.

The two main reasons for these positive results are the growth of our loan portfolio and proper follow up with loan recipients to ensure they are on track to make payment.

# Loan Portfolio

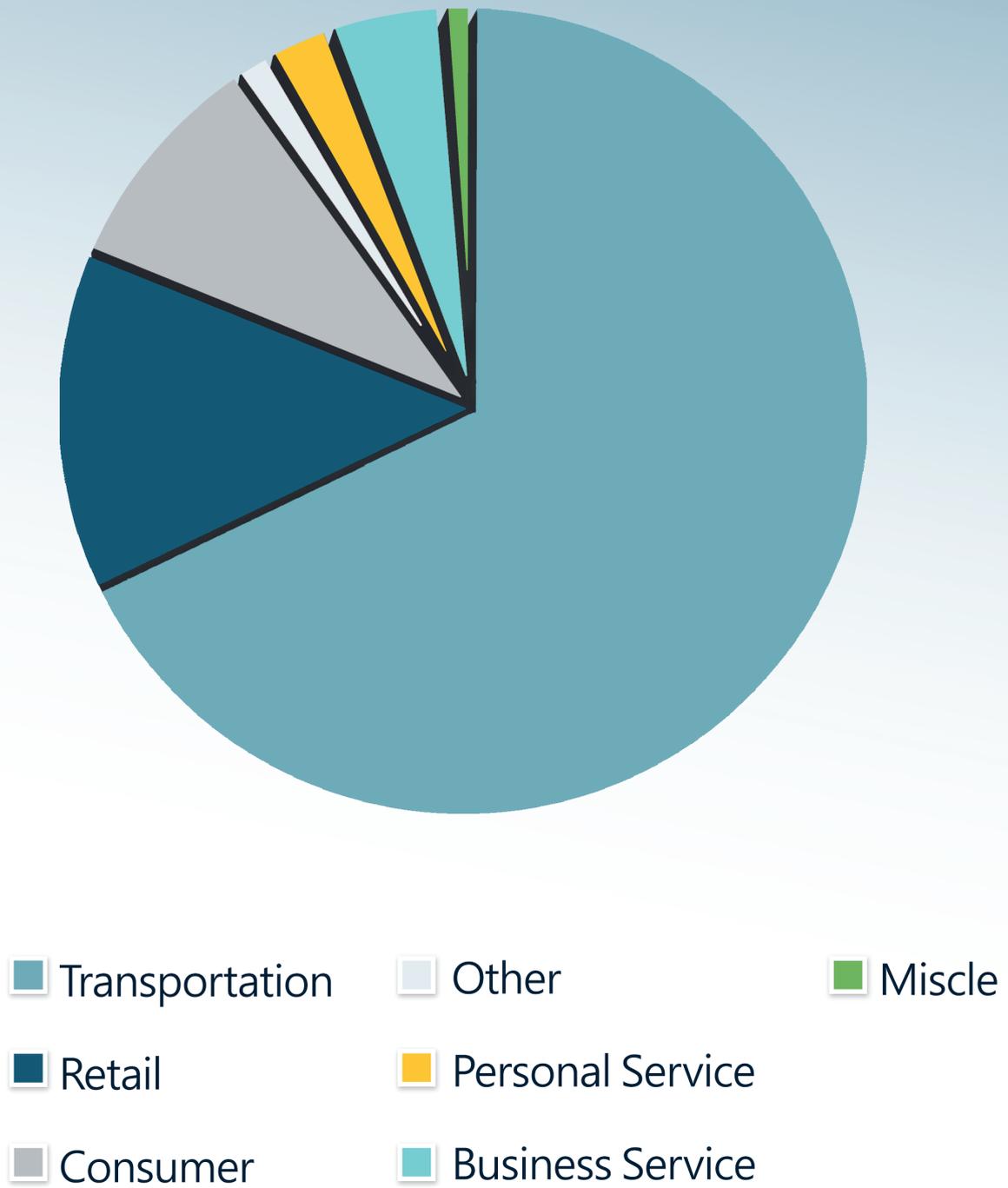


Figure 2

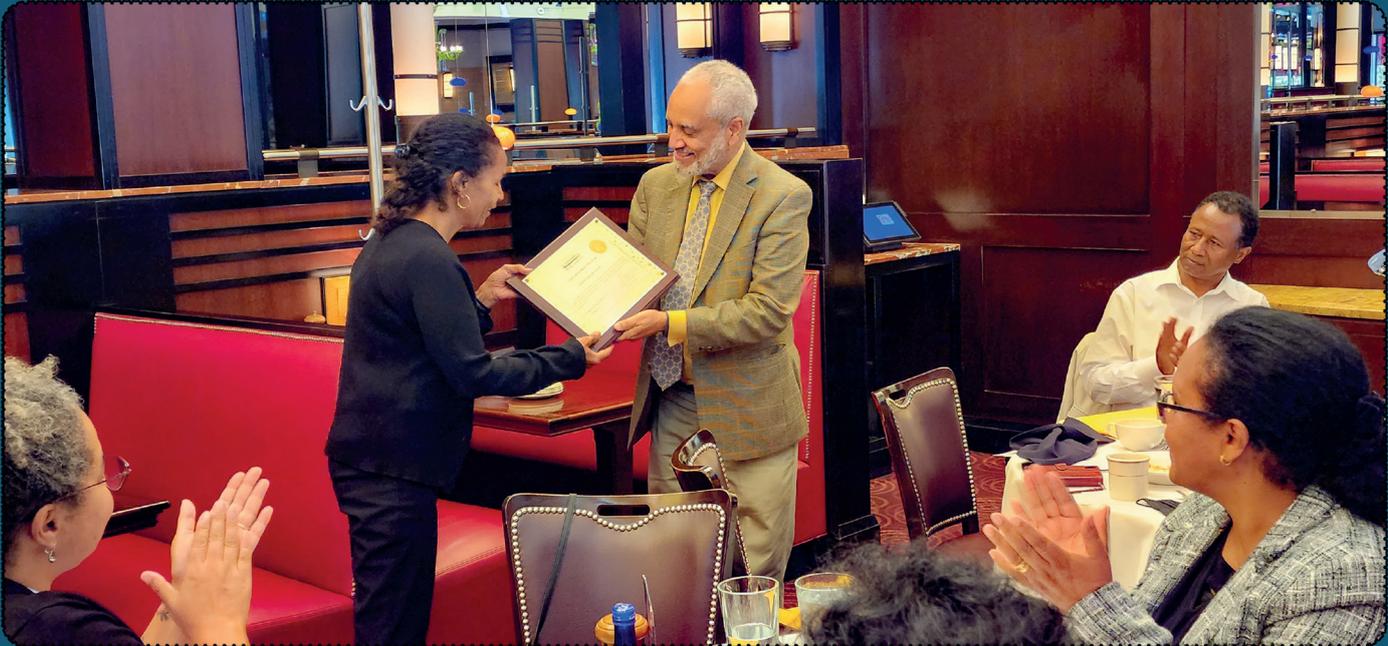
Table 2

ECDC- Enterprise Development Group									
Twelve Months Loan Performance report October-1, 2021 to September 30,2022									
Loan Product	Geographic area								
	VA		MD		DC		Total		Product %
	#	Amount	#	Amount	#	Amount	#	Amount	
Trucks	77	\$ 2,910,625.35	49	\$ 1,852,809.75	9	\$ 343,200.00	135	\$ 5,106,635.10	72.40%
Taxi & Limo	1	\$ 50,000.00	1	\$ 12,000.00	2	\$ 62,000.00			0.88%
Other Business	18	\$ 1,551,900.66	2	\$ 60,000.00	1	\$ 35,000.00	21	\$ 1,646,900.66	23.05%
Sub total	96	\$ 4,512,526.01	52	\$ 1,924,809.75	10	\$ 378,200.00	158	\$ 6,815,535.76	96.33%
Car loan	13	\$ 156,000.00	3	\$ 39,320.00	1	\$ 6,000.00	17	\$ 201,320.00	2.85%
Personal loan	23	\$ 48,000.00	4	\$ 10,000.00	27	\$ 58,000.00			0.82%
Grand total	132	\$ 4,716,526.01	59	\$ 1,974,129.75	11	\$ 384,200.00	202	\$ 7,074,855.76	100%
Distribution %		66.57%		27.98%		5.45%			100%
Average loan Size		\$ 37,870.37		\$ 33,459.82		\$ 27,007.54			

EDG has a long history of financing the transportation sector and the data shows that we still have a high portfolio concentration of truck loans. Since our customers are often newcomers who like to startup a new business in sectors with less entry barriers, they usually find it easy to consider a trucking business for self-employment. They initially get a driver's license, acquire 6 months' experience as a driver, save money for their equity contribution and then apply for loans to buy trucks. EDG is proud to have seen its clients succeed in the trucking business. We also look forward to continue to support the trucking companies despite the temporary problems and challenges they started to face due to increase in oil prices and decrease in freight rates.

## 4. EDG RECOGNIZED BEST PERFORMING LOAN OFFICERS

While celebrating EDG's continuous increase in its lending performance every year, the best performers were not left unnoticed. In lieu of the remarkable loan performance registered in the year 2022, EDG identified the best performing loan officers and the 1st and 2nd best lending officers were awarded prizes in the presence of the staff and the management of EDG



Employees of the Year recognition Ceremony



Appreciation Award for EDG employees

## 5. TECHNICAL ASSISTANCE AND TRAINING

The need for EDG’s financial products and services is evidenced by the market demand. EDG’s lending products meet the demand for smaller-sized loans (between \$500 to \$50,000) that commercial banks will not accommodate. We also prepare our clients to eventually become “bankable” borrowers while avoiding subprime and predatory lenders that typically charge exorbitant interest rates.

Therefore, technical assistance is a complementary service provided by EDG to all of its clients. EDG takes each client through the business development and lending process through one-on-one counseling and group training, supporting them on each step of the process in clear, simple, and understandable terms.

Pre-loan Technical Assistance (TA): EDG provides counseling to clients regarding their business ideas. We help them develop a business plan for the business they aspire to start, explain the risks and benefits of starting such a business and help them make educated decision. We also help them prepare cash flow statement to see the viability of the business. Moreover, we explain the permits and licenses required to start up their business and how they will be able to fulfill the requirements for licensing.

Post- Loan Technical Assistance (TA): After a loan is disbursed, EDG continues helping clients by providing the required Technical Assistance to resolve problems encountered during business operation and help them sustain and improve their businesses.

Business training and financial acumen trainings: - EDG conducts various business trainings, both in group and one-on-one settings. EDG has its own media center used to provide trainings on business-related topics and financial literacy. The financial acumen training helps small businesses to understand their business and the recipes for success in their area of business. Topics include Controlling expenses, managing inventory well, and controlling waste especially in the restaurant industry. Trainings are given in five languages including: English, Amharic, Tigrigna and Afghan languages (Pashto and Dari).

In 2022, EDG conducted a number of programs to provide training and technical assistance to 504 customers.

Table 3

FY 2022 Technical Assistance and Training														
		Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sep	Total
<b>Group training</b>														
	FEC		5	6	12	11		27	15	12		7	13	108
	EDG	28	25	11			43	39	13	13		43	48	263
	<b>Total Trair</b>	<b>28</b>	<b>30</b>	<b>17</b>	<b>12</b>	<b>11</b>	<b>43</b>	<b>66</b>	<b>28</b>	<b>25</b>	<b>0</b>	<b>50</b>	<b>61</b>	<b>371</b>
<b>Number of Workshops/Seminars</b>														
	FEC		1	1	2	2		2	2	1		2	2	15
	EDG	7	6	3			4	5	2	2		4	4	37
	<b>Total Wor</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>52</b>
<b>Consultation</b>														
	FEC		1	2	1	5	5	5	3	2		3	5	32
	EDG	8	8	8	13	8	8	8	8	8	8	8	8	101
	<b>Total Cons</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>8</b>	<b>11</b>	<b>13</b>	<b>133</b>
														<b>Total</b>
														<b>504</b>

## 6. MARKETING AND OUTREACH

Prior to the COVID pandemic, EDG had been taking part in different events to conduct marketing and outreach to its target customers. After COVID-19 hit, however, regular operations changed drastically. Several events were cancelled during the lockdown. It was not until recently that in person events begun to be organized. We also felt the need to revise our outreach strategies and established our own media center where financial information and educational contents are disseminated via social media platform, particularly on Facebook and YouTube.

In 2022, EDG took part in the small business Expo organized by the Greater Washington Hispanic Chamber of Commerce on March 8, 2022, for the first time after a two-year gap. We also had an opportunity to pitch our program objectives at the Investment Connection forum on October 13, 2022 at Howard University.

More importantly, we resumed our regular outreach program through door-to-door distribution of flyers and brochures to our target market community since 2022.



Business matchmaking event



EDG actively works with partners from both the public and private sectors.



Participating in ORR Annual workshop

## 7. Success Story

Ferehiwat Gebremariam  
Bethel Café, Arlington, VA



EDG supported Frehiwot, Owner and manager of bethel Café, since 2017 starting from Business training to loan service for operation and marketing.

- 2017- She participated in Business Training
- 2018- She received a car loan for a rideshare business under Uber
- 2020- She received a Women Business Support loan of \$3,000.00 to start a home based business
- 2021- Received a small business loan of \$25K to buy a Café business
- 2021- EDG processed her PPP loan
- 2021- She received business expansion loan of \$10,000.00
- 2022- She received EDG Support in designing her business social media accounts

Audited Statement of Financial Position  
ECDC- Enterprise Development Group  
September 30, 2022

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,662,712	2,577,982
Grants receivable	360,047	564,435
Microloan notes receivable, net of allowance for loan losses - current maturities	2,657,582	4,313,419
Accrued interest receivable, net of allowance for interest losses	44,364	21,625
Due from related parties	876,993	783,151
Other receivable	2,084	2,693
<b>TOTAL CURRENT ASSETS</b>	<b>6,603,782</b>	<b>8,263,305</b>
<b>MICROLOAN NOTES RECEIVABLE, NET OF ALLOWANCE FOR LOAN LOSSES - NET OF CURRENT MATURITIES</b>	<b>4,863,426</b>	<b>1,169,054</b>
<b>PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION</b>	<b>4,099</b>	<b>5,504</b>
<b>OTHER ASSETS</b>		
Cash restricted in microloan revolving fund accounts - SBA	1,752,738	1,437,426
Cash restricted in microloan revolving fund accounts - Other	5,099,808	3,057,553
Cash restricted in loan loss reserve fund accounts	354,857	364,507
Cash designated for loan loss reserves	542,557	562,311
Cash restricted in individual development accounts	6,256	6,256
<b>TOTAL OTHER ASSETS</b>	<b>7,756,216</b>	<b>5,428,053</b>
<b>TOTAL ASSETS</b>	<b>\$ 19,227,523</b>	<b>\$ 14,865,916</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Due to related parties	529,505	197,564
Due to microloan borrowers	7,625	5,792
Accounts payable	10,711	50,000
Accrued expenses	75,682	93,624
Deferred revenue	123,595	835,023
Individual development account deposits payable	6,256	6,256
Notes payable - current maturities	683,342	794,598
Equity equivalent securities - current maturities	93,750	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,530,466</b>	<b>1,982,857</b>
<b>NONCURRENT LIABILITIES</b>		
Notes payable - net of current maturities	4,713,423	3,072,221
Equity equivalent securities	356,250	450,000
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>5,069,673</b>	<b>3,522,221</b>
<b>TOTAL LIABILITIES</b>	<b>6,600,139</b>	<b>5,505,078</b>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	10,363,076	7,576,862
Board designated reserve fund	1,909,451	1,419,469
Designated for loan loss reserves	354,857	364,507
<b>Total unrestricted</b>	<b>12,627,384</b>	<b>9,360,838</b>
<b>TOTAL NET ASSETS</b>	<b>12,627,384</b>	<b>9,360,838</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 19,227,523</b>	<b>\$ 14,865,916</b>

The accompanying notes are an integral part of these financial statements.

# EDG HISTORY

1983

ECDC was established in 1983 to support refugees coming to the US.

1994

We started working as SBA microlender

2020

EDG supported small businesses affected by the crises caused by the COVID 19 Pandemic

The future

We will continue to support low-to-moderate income individuals start or expand their business and increase our annual disbursement to \$10 Million

1992

Our Microloan program started under ECDC

2001

EDG was established as an Independent Non Profit 501 (C) organization

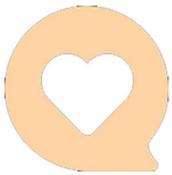
2022

EDG passed the \$7 Million Annual loan disbursement threshold

# THANK YOU TO OUR DONORS AND PARTNERS



FRADIAN FOUNDATION



Small business Administration

Department of Health & Human Services

U.S Department of the Treasury

Maryland Department of Housing and  
Community Development

Arlington County

Fairfax County

Montgomery County

Wells Fargo

United Way

Truist

Bank of America

Intuit

Chesapeake Business Finance Corp.

HSBC Bank

Morgan Stanley

Capital One Bank

Peoples Bank



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