

2020

Annual Report

AFRICAN DEVELOPMENT CENTER



**African
Development
Center**

of Minnesota

Dear friends,

We are so pleased to be sharing this report and the successes of ADC and our clients over this year. Starting the process to buy a home, start a business, or get your personal finances on track is both overwhelming and exciting. This is even more true for the African immigrant clients we serve, as they face more racial, cultural, and financial barriers than other Americans.

2020 was a challenging year for ADC and our clients as it was for the rest of the world. ADC's team worked tirelessly throughout the year to help our clients and the greater small businesses of the community weather the storm. When the state shut down and small businesses were forced to close or greatly change their operations ADC was there to meet their needs. We did this through continued technical assistance and helping the state administer its emergency loan program.

Our success is possible because of the support and dedication from all of our partner's sponsors, volunteers, and colleagues. ADC is thankful and honored to serve the African immigrant community and act as a bridge for them to find the financial success they deserve. It was a privilege to help so many individuals, families, and small businesses throughout 2020, and we are hopeful for what the future will bring to us and our community.

With appreciation



Nasibu Sareva



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Community Founded

Mission

The Mission of the African Development Center is to grow businesses, build wealth, and increase reinvestment in the African communities of Minnesota.

History

Minnesota, like the nation, is struggling to deal with the economic pressures and opportunities of immigration. ADC's role in this big picture is to create answers on the opportunity side. Our work has corroborated studies showing that increasing the rates of self-employment and homeownership among "new Minnesotans" contributes to the revitalization of neglected neighborhoods and links mainstream businesses with the state's estimated \$6 billion ethnic economy.

MN's African immigrant community is vibrant and growing, with a history of self-sufficiency and entrepreneurship, when given the proper support. In 1990 fewer than 5,000 MN residents were African-born. Today over 135,000 African-born immigrants call MN home, an increase of 85% over just 5 years before and these Census figures are likely underestimated. Of 15 US metro areas with the largest foreign-born populations, ours has the 2nd-highest proportion of immigrants from Africa. Over 20% of MN's foreign-born population are from Africa (only 9% nationally). These immigrants include refugees from Somalia (MN has the world's largest Somali diaspora community) as well as immigrants from Liberia, Ethiopia, Tanzania among other African nations.

Our Work

Through workshops and consultations on financial literacy, business development, and home ownership, ADC provides culturally competent services to Minnesota's African community. ADC is dedicated to the economic empowerment and success of African immigrants. Minnesota is home to over one-hundred thousand African immigrants, many of whom face language, cultural, and religious barriers. ADC actively works to reduce these barriers and create a path for African immigrants to achieve financial success.

Impact

OPENING DOORS TO FINANCIAL SUCCESS

| | |
|--------------------------------------|----|
| Financial Literacy Clients Counseled | 79 |
|--------------------------------------|----|

PREPARING HOMEBUYERS

| | |
|------------------------------|-----|
| Homeownership Class Trainees | 112 |
|------------------------------|-----|

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|------------------------------|----|
| 1:1 Homeownership Counseling | 74 |
|------------------------------|----|

Reinvesting in the Community

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|--|-----|
| Businesses Development Clients Counseled | 507 |
|--|-----|

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|-------------------|----|
| Projects Financed | 74 |
|-------------------|----|

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|--------------------------------|----|
| Minnesota DEED Emergency Loans | 52 |
|--------------------------------|----|

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|--|---|
| Percent Alternative (Profit-Based) Loans | 5 |
|--|---|

| | |
|--------------------|-------------|
| ADC 2020 Loans- \$ | \$2,188,097 |
|--------------------|-------------|

| | |
|-----------------------|-------|
| Jobs Created/Retained | 436.8 |
|-----------------------|-------|

| | |
|-------------------|-----|
| Loan Portfolio- # | 193 |
|-------------------|-----|

| | |
|-------------------|----------------|
| Loan Portfolio-\$ | \$6,261,970.33 |
|-------------------|----------------|

Starting in April ADC deployed \$1.325 million in DEED loan funds for COVID relief in just over 3 weeks. Loan amounts were between \$5,000 and \$35,000. ADC received over 400 applications and only 100 applicants were eligible to access the funds due to Minnesota Governor's Order to close certain types of businesses. We had enough funds to deploy to about 60 small businesses out of 100 that were eligible. Throughout the spring and summer, ADC participated in multiple COVID-19 support programs. Minnesota DEED asked for our help reaching an additional 300 businesses with state grants amounting to about \$3 million from \$10,000 grants. From these grants, we will serve and retain 915 jobs. ADC also worked with Hennepin County on their grant program where we facilitated grants ranging from \$3,000-\$5,000 to small businesses equaling almost \$1 million. So far we have helped retain around 111 jobs. ADC also worked on funding about \$500,000 to two different ethnic malls that have more than 450 African small businesses between them and this funding will retain over 500 jobs. One of the malls is very close to where George Floyd was killed and was affected greatly by the civil unrest.

Staff & Board

Staff

| | |
|---------------------|--|
| Nasibu Sareva | Executive Director |
| Denise Favors | Lender Service Provider / SBA CA 7(a) Loan Program |
| Archelle King-Miner | Business Consultant / Lender Service Provider |
| Christine Lukudu | Program Manager – Business Development |
| Ayan Abdinur | Program Manager – Housing and Financial Education |
| Habtamu Gana | SBA Microloan Program Manager |
| Abdirizak Jama | Loan Officer & Business Advisor |
| Rich Thomasgard | Property & Projects Manager |
| Abdirahin Hussen | Regional Manager - Central Minnesota |
| Jacqueline Schell | Communications & Fund Development Manager |
| Shonni Krengel | Program Administrator / Community Development Specialist |

Board of Directors

Jo Ann Vano - Board President
Leah Mtegha- Board Secretary
Abdikafar Aden- Board Treasurer
Felicia Ravelomanantsoa
Anthony Watts
Ubah Ali Jama
Daika Ismail
Mike Stinson
Paul Fehrenbach
Kaade Wallace
Edwin Migiro
Bruce W. Nordin
Damon Jenkins

Loan Committee

Felicia Ravelomanantsoa
Ravahere Nedich
Anthony Watts
Jean-Noël Kouame
Soga Mbilima
Mekbib Dersolign
Cindy Ohlenkamp
Asad Azmi
Yusra Mohamud
Sean P. Wold
Kathy Bjerke
Chris Guarnera
Maher Abduselam
Magd ElFatairy
Bruce W. Nordin

Financials

Support and revenues

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|-------------------------------|-------------|
| Contributions | \$103,291 |
| Government Grants | \$1,474,631 |
| PPP loan forgiveness | \$90,300 |
| Net assets | \$338,974 |
| Program service fees | \$39,716 |
| In-kind contributions | \$2,983 |
| Interest income/loans | \$223,200 |
| Interest income/cash accounts | \$7,967 |
| Miscellaneous income | \$18,002 |

Total Revenue **\$2,369,242**

Expenses

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|----------------------|-------------|
| Fundraising | \$73,834 |
| Program | \$1,047,737 |
| Management & General | \$184,297 |

Total Expenses **\$1,305,868**

Assets

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|-----------------|--------------------|
| Cash | \$1,816,164 |
| Cash/restricted | \$4,293,921 |
| SUBTOTAL | \$6,110,085 |

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|---------------------------------|-------------|
| Accounts receivable | \$12,937 |
| Contributions/grants receivable | \$212,413 |
| Loans receivable | \$4,512,395 |
| Prepaid expense | \$3,652 |
| Assets held for sale | \$87,123 |
| Land, building, and equipment | \$1,294,166 |

Total Assets **\$12,232,771**

Liabilities and net assets

| | |
|-----------------------------|-------------|
| Accounts payable | \$47,709 |
| Refundable advances | \$26,500 |
| Funds held for loans/grants | \$415,265 |
| Accrued interest expenses | \$48,575 |
| Tenant security deposits | \$5,743 |
| Note payable | \$22,851 |
| Loan participation | \$185,571 |
| Due to CPED | \$108,428 |
| Due to the State of MN | \$1,318,603 |
| Long-term debt | \$6,166,438 |

Total Liabilities **\$8,345,683**

| | |
|-------------------------|-------------|
| Unrestricted net assets | \$2,546,062 |
| Restricted net assets | \$1,341,026 |

Total Net Assets **\$3,887,088**

Total Liabilities & Net Assets
\$12,232,771

Partners & Supporters

The African Development Center is forever thankful for the wonderful partners and supporters that helped us through the difficult year that 2020 was. This support was crucial for us to provide our clients and community with the support and resources they needed to navigate the new times we are living in.

Thank you all once again.