FY 25/26 ANNUAL REPORT

Economic Development & Financing Corporation

7/7/2026

"Connecting money and ideas with entrepreneurs in order to improve the social and/or economic conditions of underserved people, creating sustainable prosperity in Mendocino County and surrounding counties."

320 South State Street, Ukiah, CA
707-234-5705
www.edfc.org
info@edfc.org

PREPARED BY	Robert Gernert	TITLE	Executive Director	DATE	7/7/2026

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1. EXECUTIVE SUMMARY

Economic Development & Financing Corporation is a 501(c)3 organized corporation currently existing under the laws of Mendocino County in California. EDFC was established in 1995 and has since committed itself to specializing in providing Economic Development Services and Small Business Lending Products for distressed communities in Lake, Mendocino and Sonoma Counties. Over the last 7 years EDFC has focused its efforts on lending and technical assistance programs and in doing so has lent $ 8,510,217 to 62 local businesses. Of that capital 86% was lent into the "Investment Area Census Tracts" of economic distress (per CDFI) or low-Income targeted populations in the geographies served. This funding has also resulted in creating 103 FTE jobs and retaining 219.5 FTE jobs in the local community.

In addition to providing small business loans and technical assistance, EDFC continued to represent Mendocino County in Economic Development intiatives. Redwood Region RISE (Rural Inclusive Sustainable Economy) continues to be a primary focus for economic development activities in the region and with EDFC. RISE has brought together 175+ organizations and thousands of residents across Tribal Lands, Del Norte, Humboldt, Lake, and Mendocino Counties to create and implement sector plans for pathways to good jobs and stronger communities across the region. Regional collaboration is what positions the Redwood Region to attract investment and create lasting community benefits. EDFC has participated in RISE from the initial conversations and continues to represent Mendocino County in these regional discussions and serving on the Voting Block. Through this involvement, EDFC has fostered some great relationships with Community Based Organizations throughout the North Bay Region.

Economic development only works well when it reaches the people and places that need it most. Since 2023, Redwood Region RISE has been translating vision into action — channeling investments into projects that build resilience, expand opportunity, and reflect the priorities of communities across the region. From Tribal-led energy initiatives to homegrown health workforce programs, from cultural placemaking to sustainable forestry, these investments are laying the foundation for a regenerative economy that is inclusive by design — and built to last.Redwood Region RISE has helped award 19 projects (link: https:// www.humboldt.edu/ccrp/projects/redwood-region-rise/projects#overview) totaling $11.5 million in state and private philanthropic funding, along with $30K in micro-investments for an additional 26 projects (link: https://www.humboldt.edu/ccrp/news/redwood-region-rise-announces-26-new-micro-investment-awardees) — all advancing regional economic development.

In FY-25/26, EDFC received the third round of the California Investment and Innovations Grant for $222,222.22 in order to continue building capacity for the organization. The EDFC BOD and staff agreed to utilize the funding to primarily continue investing into financial stability, increasing Loan Loss Reserves and move additional capital directly into the community through its Business Reinvestment Fund. Loan Loss Reserves are anticipated to be a critical piece of the organization's financial stability in the wake of economic uncertainty and changing political priorities. Traditional funding sources through federal means continue to be constricted and difficult to access, making the Business Reinvestment Fund a way to balance the organizations loan capital outside of federal ebbs and flows. The Business Reinvestment Fund has acquired $350,000 in funding to date and completed 2 loans from the funds, showing proof of concept for the Fund and paving the way for future investment into the local business community. This Fund, although in its infancy, has also been invested in by all EDFC Board Members showing the Directors support of the mission and vision of EDFC into the future. EDFC staff continues to be involved and informed of grant opportunities, strategically weighing the direct benefit to the community while maintaining the organization's overall mission and vision.

Technical assistance as a means for continued education and preparedness for local business owners is a foundational element of their overall success. EDFC continues executing quarterly workshops to provide a deeper pool of resources for educating and fostering the growth of the small businesses in Mendocino County, through a USDA Rural Business Development Grant. At the close of the RDBG Grant the activity associated with the grant accounted for 85 individual businesses assisted, accounting for 500+ hours of technical assistance provided to the Mendocino County based businesses. EDFC staff prepared and submitted an additional grant application with the USDA RDBG program for the upcoming year in May 2026. Accompanying this grant are also funds for technical assistance from the USDA RMAP program, specifically for technical assistance with microenterprise clients of 5 or fewer employees.

In the continuing year-end report, you will find an annual financial report that provides insight into EDFC's current financial position. Additionally, we have included a FY 25/26 Recap and our future plans. It is our hope that upon reading this report, you will gain a better understanding of what happened in the last fiscal year and the direction the corporation is heading in the future.

Community Dollars, Working in the Community!!

EDFC's Business Reinvestment Fund 1st Recipient:

Congratulations to Deborah Lewallen owner of Ability Road Inc. on receiving funding from EDFC's Business Reinvestment Fund in late 2025. Ability Road Inc. provides employment support, behavioral intervention and vocational training for individuals with developmental and emotional disabilities. Deborah Lewallen said this of EDFC's services: " EDFC made it possible for us to purchase a commercial building when traditional financing wasn't available. Since moving in, we've expanded services, grown our client base, and created paid internships that build skills and opportunity."

2. ANNUAL FINANCIAL REPORT

INCOME STATEMENT	FY-25/26	FY-24/25	FY23/24
REVENUE			
Grant Revenue (Restricted & Unrestricted	$289,833	$438,571	$213,000
Local Gov't Support	12,455	17,455	22,455
Interest Income-Loans	277,013	270,541	251,563
Other Income	$22,192	26,259	$ 26,013
TOTAL REVENUE	**$603,167**	**$752,827**	**$513,032**
OPERATING EXPENSES			
Wage Expense	$197,017	$183,600	$197,670
Employee Benefits	18,669	18,188	14,430
Rent	20,850	17,100	18,525
Audit Fees	10,000	9,000	8,100
Interest Expense	25,270	28,180	22,468
All Other Expenses	111,084	$54,291	$54,291
TOTAL EXPENSES	**$382,890**	**$359,967**	**$315,485**
NET REVENUE	**$220,277**	**$392,860**	**$197,546**

BALANCE SHEET	FY-25/26	FY-24/25	FY- 23/24
ASSETS			
Current Assets	$6,881,139	$6,809,209	$6,382,445
Fixed Assets	39,984	19,984	49,102
Other Assets	3,365	3,365	1,580
TOTAL ASSETS	$6,924,488	6,832,556	$6,433,127
LIABILITIES AND EQUITY			
Current Liabilities	$239,724	227,212	$142,297
Long Term Liabilities	1,511,725	1,638,567	1,658,155
Total Liabilities	$1,751,559	$1,879,440	$1,800,452
Total Equity	**$5,172,930**	**$4,953,115**	**$4,632,675**

3. FY 25/26 ACCOMPLISHMENTS

LAUNCH OF BUSNESS REINVESTMENT FUND

In response to federal constriction of funds and the continuing demand of local businesses to access funding outside of traditional banking EDFC created and launched a unique program to attract private funding into the organization, enabling a new pipeline of funding to be implemented directly bank into the communities of Mendocino & Lake Counties. The Business Reinvestment Fund ensures that donor dollars are spent directly in the community via loans and as the business repay the funds are continually circulated, allowing a one-time donation to have a compounded effect well into the future. At current the Fund has raised just over $350,000 of which $300,000 is already actively circulating in the business community and making impact.

TECHNICAL ASSISTANCE OFFERINGS

EDFC has successfully expanded technical assistance to the business community at large, in order to provide educational and preparatory content to business owners in our community. The need of business owners has seemingly increased as businesses have shifted out of cannabis and continued to recover from financial decisions made during the COVID-19 pandemic. The need for business owners to be equipped to weather financial obstacles as well as have multiple avenues of resources is critical to sustainable business operations. EDFC has and is constantly reviewing what is being done and how to fill gaps as to not duplicate services and be a valuable partner to businesses and other organizations alike.

OPERATIONAL UPDATES

A continued emphasis on operating efficiencies is an ongoing goal for the organization. During the fiscal year EDFC achieved a full software system change and migration of the current portfolio to DownHome Solutions. The new loan management software has allowed staff to minimize time in everyday tasks such as billing and loan client creation, that was previously time-consuming and bottle-necking internal processes. The update also brought online secure client payment portals allowing EDFC's clients to see real time loan data, pull tax reports and most importantly set up digital payments whether one-time or recurring.

In addition to the loan software, EDFC moved its banking to Savings Bank of Mendocino County. This move was driven by EDFC's previous banking choice being antiquated and difficult to work with. EDFC's funds are now housed locally and allowed for greater access to services with EDFC's internal banking need.

OUTREACH & COMMUNITY ENGAGEMENT

The organization has continued to strengthen its community engagement throughout the fiscal year. Development Manager, Stacey Caico, maintains connectivity and collaborative efforts throughout Mendocino and Lake County with a resolve to see EDFC present and engaged on local initiatives for the business community.

Regionally, Stacey has continued working with R.I.S.E. to maintain a steady voice and involvement of Mendocino County representation, playing a valuable role in reviewing regional project proposals for receipt of initial grant funding from the State program. EDFC staff continue to focus on making a greater impact in Lake County as well as vital partnerships at Lake EDC and CDS in Kelseyville.

EDFC Director, Robert Gernert, continues to volunteer time at workshops and events spanning both counties to teach various subject matter courses in relation to accessing capital, preparing for financing and financial literacy. Robert has continued a push to bridge the educational gap between business owners locally by maintaining relationships with Business Instructors at Mendocino College and looks to further

discussion on how to participate more actively in the future generations of business owners. EDFC has become an annual participant in the Hands Up Lake County Business Competition, where Robert has most recently taught a portion of the instructional time on business projections. Along with teaching course material for the competition, Robert has volunteered as a judge, allowing EDFC to have additional insight into blossoming businesses in Lake County. Outreach has also included grant reviewing for the Community Foundation, collaborative work with NREN for energy efficiency upgrades to businesses, guidance to the Farm Bureau on Loan program structure, and recently serving on the Loan Committee for the City of Ukiah's first-time home buyers programs.

EDFC as an organization has maintained a strong community presence, becoming a more recognized name for business support and a trusted partner with local community driven organizations.

CURRENT PROGRAMS

The business loan programs have continually provided a strong financial foundation and continues to produce majority of the operating income for the organization. From FY-24/25 to FY-25/26, EDFC has increased its interest income from loans by a projected 2% through April 2026 year over year and 9% for FY 23/24. The stable income of the loan portfolio allows the organization to staff appropriately and maintain solid budgeting moving into new fiscal years. FY-25/26 maintained healthy activity in the loan program, approving 7 loans, deploying $952,588 in additional capital. This resulted in creating and/or retaining 55 FTE jobs in the community.

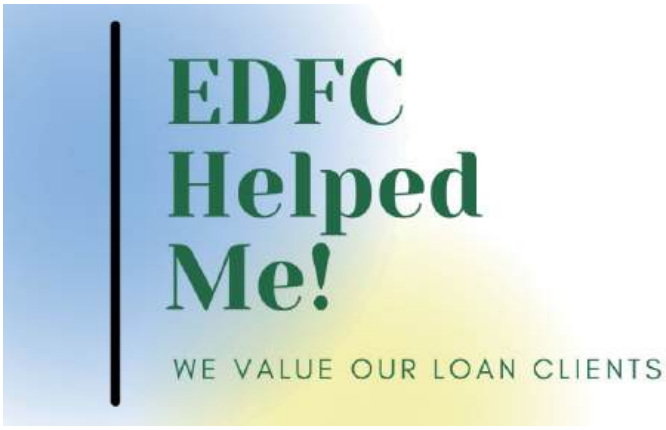
The USDA RDBG & RMAP technical assistance grants have provided healthy supplemental funding to EDFC's operational finances. The grants ensure that businesses receive valuable timely assistance as they need it and provide relevant workshop material to the community. As stated previously, the activity associated with the grant has seen over 85 Individual businesses assisted, accounting for 500+ hours of technical assistance provided to the Mendocino County based businesses.

ON TO FY-26/27……

As EDFC looks to the Fiscal Year ahead, discussions have taken place and priorities set to achieve:

- **Funding and Advocacy:** It has become increasingly apparent that funding opportunities are limited in the current federal environment, so acquiring new sources of funding whether federal, state or private will be a focus for EDFC to sustain the lending activity the organization receives. Advocacy for rural communities and populations left out of the traditional banking systems remains targeted, especially moving into this fiscal year.
- **Quarterly Workshops**: Continue to identify topically relevant material that will enrich the knowledge of local business owners and provide a layer of content that is unique to the organization.
- **Continued Collaboration**: Partnerships and collaboration are not one and done events or meeting, its actively fostering these business functions to maintain solid trusting interactions with our community partners.
- **Business Reinvestment Fund**: Now that the fund is active and operating, the real work to capitalize the fund further is a strong goal for EDFC. To be able to balance the scale of Federal and Non-federal funds will only ensure that political priorities and focuses do not result in funding droughts for EDFC.
- **Commitment to EDFC Clients**: Conducting successful business is an ever-present challenge, it will be of the critical to maintain communication, support and resources to the clients EDFC already has.

4. **Community Impact**



Old Town Iron- *Brothers Ben Guenther and James Devries opened Old Town Iron in Kelseyville, CA in Fall of 2025. The duo have deeply engrained themselves in the Lake County community and received 1,500 visits to the gym in the first month of operations. EDFC was able to collaborate with RCU on a creative financing structure to ensure the pair were empowered to purchase and convert the old pharmacy into the gym facility it is today.*

SUDZZ Powerwashing- *Established in 2023 in Ukiah, SUDZZ Powerwashing specializes in exterior cleaning services, including residential and commercial cleanings, as well as concrete surfaces. Owner, Austin London acquired funding from EDFC in early 2026 to enable the business to add an employee for the growing business.*

Grounded Roots Coffee House- *Jennifer DaCosta is the newest owner of this unique coffee shop tucked away in the Hardesters Shopping Center of Hidden Valley Lake. With the help of CDS in Kelseyville and EDFC, Jennifer was able to have the resources and support behind her to negotiate a sale of the existing business, a new lease and complete the business ownership process. Grounded Roots Coffee House is receiving fantastic feedback since it's reopening under new ownership and a new name.*