

# ACCION

2017 Annual Report



**Serving Southern California**  
*Imperial | Riverside |  
San Bernardino | San Diego*

# Dear Partners, Friends

This year at Accion, we invested time in reflecting on market shifts and innovating, all with a goal of better serving our clients and the Southern California community. We explored new ways of delivering our mission. Accion's commitment to our lending process and client experience.

Since inception in 1994, Accion has provided fair and accessible connections to experts and access to local and national resources specifically tailored to each business owners' needs. We've experienced trends throughout 2016 and 2017 of increasing business sizes, economic shifts and the continued rise of online business on a process to more efficiently serve our target clients and their dreams and goals.

This process led to innovation in our credit policy, lending process, investment in marketing and operational communications with clients, and the launch of the Rapid Loan. The Rapid Loan is a product that reduces barriers to \$8,000, allowing us to focus on the character and creditworthiness of getting money into their hands faster to meet their needs. Thinking innovatively and implementing enhancements enabled us to further fulfill our commitment to grow our four-county Southern California region.

With our small business clients' long-term success in mind, we've worked with you to make a positive impact by creating jobs and cultivating economic opportunities. Our donors, partners and supporters who have helped us are delighted to share with you our 2017 accomplishments and celebrating our clients' inspiring success stories.

It's their courage and perseverance that drives our success.

Sincerely,



*Elizabeth Schott*

**ELIZABETH SCHOTT**  
CHIEF EXECUTIVE OFFICER



## EMPOWERING SUPPORT RESOURCES TO

A lender dedicated to connecting entrepreneurs with the resources it takes to create and grow healthy businesses, Accion creates opportunity for 75,000 entrepreneurs and employment. In its 23-year history, Accion has provided loans totaling more than \$34 million.

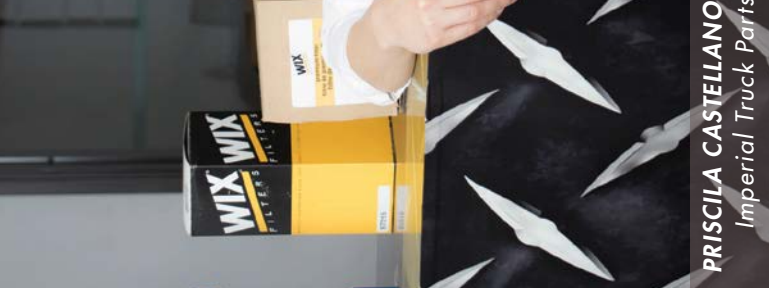
Accion provides economic opportunity for low-to-moderate income entrepreneurs to traditional sources of credit. Through Accion's support, entrepreneurs can thrive in their communities, creating jobs and economic growth in Imperial, Riverside, San Bernardino and San Diego counties.

Accion is a network of mission-based lenders combining deep expertise in providing solutions and unmatched personalized support to entrepreneurs and communities across the U.S. Our work is independent, regional community development focused, and a national office that invests in innovation, for the benefit of the entire network.

Accion is committed to creating a financially inclusive world, through social finance and fintech impact investing. We catalyze high-quality, affordable solutions at scale for entrepreneurs and communities.

PAGE 2  
PAGE 3  
PAGE 4-5  
PAGE 6-7  
PAGE 8-11

WHO WE ARE  
WELCOME LETTER  
OUR CLIENTS  
2017 IN REVIEW  
ACCION ENTREPRENEURS



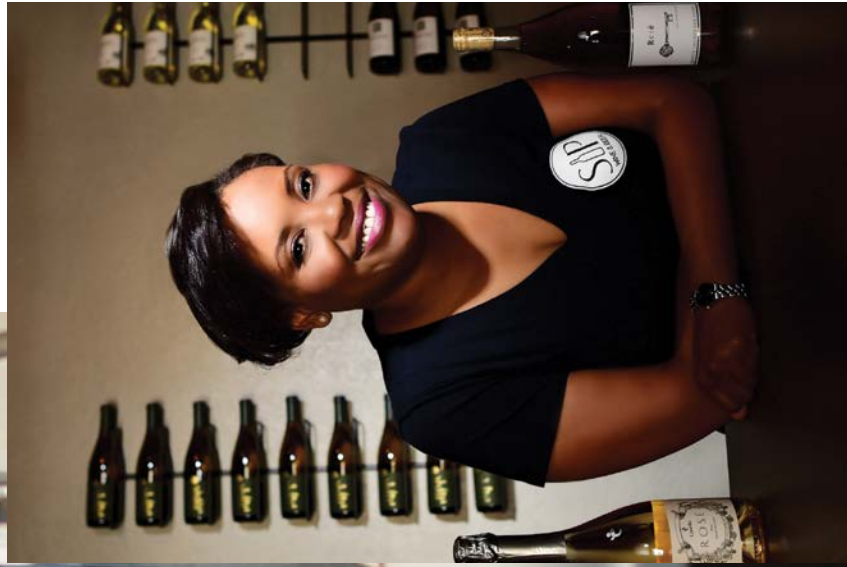
**PRISCILA CASTELLANO**  
Imperial Truck Parts



**LIZETTE VELA**  
Funtastik Balloons & Party Rentals,  
La Quinta, CA

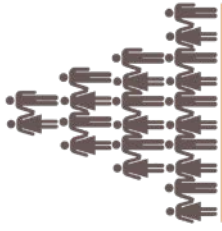


**TERRY ROBERTSON**  
4:13 Fitness Center, Imperial, CA



**\$3.6 MILLION**  
To Southern California  
Entrepreneurs

**657 JOBS**  
Created  
And/Or Maintained



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## WELLS FARGO DIVERSE COMMUNITY CAPITAL AWARD

Accion received \$300,000 in grant funds from the Wells Fargo Diverse Community Capital (DCC) program. These funds help Accion provide flexible capital and technical assistance to diverse small businesses across Imperial, Riverside, San Bernardino and San Diego counties.

Under this program, Accion also has the opportunity to participate in a social capital component, delivered by Opportunity Finance Network, where Wells Fargo DCC awardees meet to discuss specific topics, consulting, mentoring and industry resources.

## TOP CHARITY NAVIGATOR RATING

Accion received Charity Navigator's highest, four-star rating for exhibiting sound fiscal management, accountability and transparency. This designates Accion as a leading nonprofit organization based on the use of sector best practices and financially efficient execution of the mission.

## EDUCATIONAL EVENTS REACH 700 BUSINESS OWNERS

Accion hosted 15 small business training events throughout its four-county region. From financing workshops to business resource events, the organization had a 98 percent attendee satisfaction rate. The series included two sessions of the Accion Academy for Entrepreneurial Success, which graduated 41 business owners through the startup training program in San Diego.

A highlight from 2017 was an end-of-summer mixer in September. Hosted at the Accion-funded business, Chula Vista Brewery, this event was exclusively for Accion clients and community partners to network with one another.

## CIVIC SAN DIEGO LOAN FUND

Accion was awarded \$400,000 from Civic San Diego, a nonprofit public benefit corporation created by the City of San Diego.

The funds provided loan capital to lend directly to entrepreneurs in San Diego's urban communities, with a targeted focus on low-income, women, minority and veteran clients. The Civic San Diego Loan Fund provided twenty small businesses with loans in 2017, thereby creating and sustaining 66 local jobs.



**PHOTOS: Top Right:**  
Business event at the Carlsbo



## Lesay Paredes

ALP TRANSPORT  
San Diego, California

Lesay Paredes and her husband own ALP Transport, a trucking company in San Diego. When they started their business, they realized that being a trucker wasn't easy – a life on the road leaves little time to spend with family. This is what motivated the couple to start their business together.

Given Lesay's administrative background and her husband's decade of driving experience, the couple purchased a truck in 2017. Soon after, they came to Accion to access capital to renew their insurance and license plates. ALP Transport received a Rapid Loan, Accion's newest product that provides capital with a fast turn-around time.

Their dream is to grow the business and directly hire other truckers that work independently, providing them formal benefits and flexible schedules.

*"We are grateful for this loan. Not only has it helped us financially, but it will allow us to continue with our dream and help us employ more people in San Diego with better benefits." - Lesay Paredes*



## COUNTY

message business after working in a chiropractor's office. To develop connections and grow the size of space limited by his location. After three years of steady business, completing business and opening his own

With a new storefront in Cathedral City, Paul had to invest resources and time in marketing to attract new clients. These investments paid off as he now employs six part-time employees, including receptionists and massage therapists. To support his steady business growth, Paul came to Accion for funding to purchase new massage furniture, supplies and equipment to keep up with client demand.

*...sion, and Accion was crucial in helping me expand*

## Maciej Switacz

TORTILLAS DE LOLA  
El Cajon, California

Maciej Switacz and his wife Lola come from two different worlds. Lola was born in Mexico and Maciej in Poland. They both moved to the United States with different dreams, but neither of them thought about opening a business.

After getting married, Maciej and Lola went through a challenging time. He suffered a work-related injury and had to leave his job, making it difficult to keep up with expenses. To support the family, Lola had the idea to make tortillas and sell them to neighbors. To her surprise, her tortillas became popular and Maciej encouraged her to start a business, so Lola started a farmers market business with the dream of opening a storefront.

That's when the couple heard about Accion and the opportunity to access capital at a farmers market event. They were approved for a loan to buy equipment to open their new restaurant and continue their farmers market business.



# SAN BERNARDINO COUNTY

## Edgardo & Analyln Farin FARINER CONSULTING ENGINEERS, INC. Ontario, California

Husband-and-wife team, Edgardo and Analyln Farin, are quite experienced in life – prior to immigrating to the United States in 1980, Edgardo worked as a design engineer in the Philippines and Analyln has a nursing and business background. When they moved, he continued his engineering work at Southern California Edison, where he was employed for more than 30 years. In 2014, he decided it was time to venture out and form his own consulting company.

He started Fariner Consulting Engineers, an engineering and design company that focuses on electrical projects. The company works with large regional electrical companies to design and implement substations throughout Riverside and San Bernardino counties. With Analyln's background, Edgardo recruited her to join him in the business processing invoices and bills.

Even though business was going well, Edgardo knew that he needed to hire more engineers to secure larger contracts and take his business to the next level. It was then that he came to Accion to expand his operations, both by hiring additional employees and securing more office space. Thanks to their Accion loan, Fariner Consulting Engineers now has thirteen employees.

*“I am so grateful to Accion; the supportive staff took the time to understand my business and to see the potential of my dreams.”*

*- Edgardo Farin*

# IMPERIAL COUNTY

## Ramiro Salas, Jose Yepez, Jose Yepez Jr., Roberto Yepez CALEXICO BREWING COMPANY Calexico, California

Brothers Jose and Roberto Yepez, along with their friend and business partner Ramiro Salas, have been part of the emerging craft beer community of the Imperial Valley for years. In 2016, they came together to start their own brewery. Their venture, Calexico Brewing Company, is the first craft brewery in their home city of Calexico.

To turn their entrepreneurial dream into a reality, the Yepez brothers sought help from their father, Jose, who owns a successful construction business in the community and is an experienced entrepreneur.

Calexico Brewing Company first built a following at local craft beer festivals in the Imperial Valley as

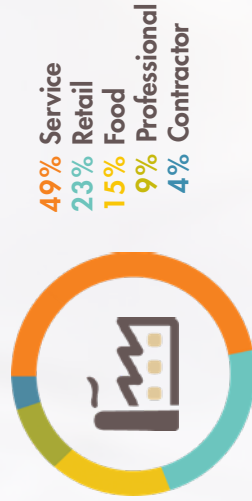
they prepared to open their brewery. This was this pivotal time for the brothers, and Ramiro needed additional support from industry professionals. They attended Accion's Speed Dating event, where they met Sam Adams in San Diego. He was a great subject for their interview, and they received one-on-one advice from him on subjects such as brewing and marketing.

Shortly after their Speed Dating event, the owners of Calexico Brewing Company received a loan from Accion to purchase their brewery and tasting room. In 2018, Ramiro celebrated the grand opening of Calexico with 300 of their biggest supporters.

*“Craft breweries have become part of the cultural communities, so we are proud to bring the first brewery to Calexico.”*



INDUSTRY



00-\$4,999  
 ,000-\$9,999  
 0,000-\$19,999  
 0,000-\$49,999  
 0,000-\$75,000

LOW-TO-MODERATE INCOME (LMI)



spanic  
 hite  
 ican American  
 an  
 her  
 cific Islander  
 d Native American

2,832 Businesses Served

\$34,0

4,160 Loans Disbursed

6.8% Hi

Financial Position

ASSETS

	DEC 2017	DEC 2016
Cash and cash equivalents	3,867,529	3,440,720
Contributions and grants receivable	1,54,239	243,825
Microenterprise loans receivable	6,056,182	5,487,463
(Net of allowance for loan losses of \$394,208 in 2017 and \$301,313 in 2016)		
Fixed assets (Net of accumulated depreciation of \$90,061 in 2017 and \$77,961 in 2016)	30,936	19,799
Other assets	465,988	377,455
<b>TOTAL ASSETS</b>	<b>\$10,574,874</b>	<b>\$9,569,262</b>

Revenue

SUPPORT & REVE

Grants and contri  
 Federal Awards  
 Loan Interest & Fe  
 Grants & Contrib  
 In-Kind Contribut  
 Investment Incom

TOTAL SUPPORT &

LIABILITIES

Accounts payable & accrued expenses	261,543	228,065
Deferred revenue	23,999	74,058
Notes payable	1,450,000	1,650,000
<b>TOTAL LIABILITIES</b>	<b>\$1,735,542</b>	<b>\$1,952,123</b>

NET ASSETS

Unrestricted	8,839,332	7,583,513
Temporarily restricted	0	33,626
<b>TOTAL NET ASSETS</b>	<b>\$8,839,332</b>	<b>\$7,617,139</b>

TOTAL LIABILITIES AND NET ASSETS \$10,574,874 \$9,569,262

714 Active Clients (at 12/31)

\$6,577,568 Active Loan Portfolio Under Management (at 12/31)

4.17% Portfolio At Risk\*

2.6% Loss Rate

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 Pacific Western Bank  
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 U.S. Department of Treasury

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 Vernon and Gail Von Sydow  
 Victor A. and Gilda P. Vilaplana  
 Victor Nava  
 Wells Fargo Foundation  
 Western Alliance Bank

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 Rosalie Chen  
 Benjamin Li  
 U.S. Bank San Diego Teller Coordinators

Accion is deeply grateful for the generosity of our donors and has made every effort to correctly recognize your support. Please let us know of any errors or omissions.

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\*Facilitated by the Accion U.S. Network

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 Director of Marketing & Communications

**MONICA BATAAH**  
 Accountant

**DOMINIC BENDINELLI**  
 Loan Support Specialist

**ERICKA CORDERO**  
 Office Administrator

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 Director of Portfolio Quality

**LARISA VEGA**  
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 Loan Underwriter

**ERIN VUONG**  
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