

# ACCION

2018 Annual Report

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

Maria Aurora Switacz- Tortillas de Lola, San Diego, CA

# Dear Partners, Friends

We appreciate you taking the time to join us in reflecting on the past year. In 2018, Accion's mission to support entrepreneurs and small businesses that were assisted through Accion's mission was successful. We experienced a 41 percent increase in number of entrepreneurs served, a 19 percent increase in dollars funded over 2017. From 1994 to lending almost \$5 billion in 2018, our focus on providing financial support and our core values remain the same.

What we do is more than providing financing; our mission is to provide an opportunity for talented entrepreneurs to follow their dreams, to grow their businesses, to resources and education. In 2018, we continued to have a significant impact, creating innovation within our processes to meet the needs of the Southern California community. As we celebrate our clients' success and achievement, we are grateful for the support from Accion clients Steven and Candace Gray of Cande's Hair Salon in Groves, Calif.

"Accion has been a great resource for our barber shop. We received through the 10-week Accion Academy training that helped us in our day-to-day operations, and the support for our business."

Because they received funding from Accion, they were able to centralize and accessible location to better serve their clients. They currently employ six barbers and they are proud to be a part of the community through their Youth Barber Academy, providing young entrepreneurs by teaching them the barbering trade. Small business owners have big dreams and Accion provides the support for financing and accelerate community prosperity with loans and technical support. We continue to work with our clients to build resiliency we see every day in our clients, even during difficult times. It is a great time to believe in the power of small businesses.

Thank you for your confidence and support. We hope to continue to be a part of the lives of a few of the unsung small business heroes Accion supports. We are proud of our community impact. As we continue to invest in the future, we invite you join us in celebrating our 25th anniversary.

Sincerely,



*Elizabeth Schott*

**ELIZABETH SCHOTT**  
CHIEF EXECUTIVE OFFICER



## THE LENDING SUPPORT TO RESOURCES

Accion is a lender dedicated to connecting entrepreneurs with the resources it takes to create and grow healthy businesses. In 2018, Accion creates opportunity for 75,000 entrepreneurs and employment. In its 24-year history, Accion has provided financing totaling more than \$39 billion.

Accion provides economic opportunity for primarily low-to-mid income entrepreneurs who lack access to traditional sources of credit. Through our services, Accion strengthens the foundations of small businesses, helping them to thrive in their communities, creating jobs and economic growth.

Accion is based in Imperial, Riverside, San Bernardino and San Diego counties.

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

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

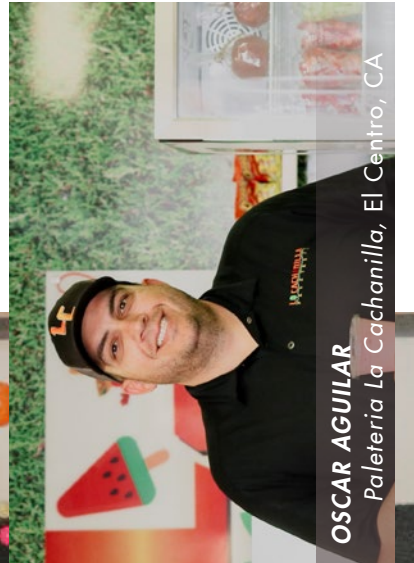




ANAS Kitchen



**ROCIO MCFADDEN**  
Curly Cake Desserts, Moreno Valley, CA



**OSCAR AGUILAR**  
Paeteria La Cachanilla, El Centro, CA



**LACEY MAYER & BREANNA**  
San Diego Campervan



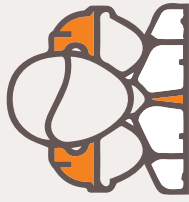
**AFIJA ROAKYE**





**\$4.7 Million**  
To Southern California  
Entrepreneurs

**712 Jobs**  
Created  
And/Or Maintained



## Accion Supports Truth in Lending Bill

California was the first state in the nation to pass the Truth in Lending Bill (SB-1235) requiring commercial lenders to provide financing disclosures to small businesses applying for loans. As a member of the Responsible Business Lending Coalition, Accion supported this bill and takes its responsibility as a transparent lending option seriously. Accion will continue to conduct grassroots outreach and education to local entrepreneurs about Accion's community-based, mission-driven lending approach so that small business owners can be most informed when selecting loan products for their needs.

## Top Charity Navigator Rating

Accion received the highest four-star rating for sound fiscal management from Charity Navigator. The rating recognizes Accion as an exceptional nonprofit which allocates over 90 percent of its budget towards its lending program.

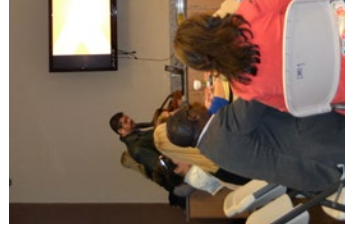
## Educational Events Attract 600 Business Owners

In 2018, Accion served 600 business owners through its training and event series. The series boasted 10 small business training events in the four-county region. It included the Accion Academy for Entrepreneurial Success, a 10-week series of practical, hands-on training accompanied by one-on-one business counseling to empower individuals to become entrepreneurs and create jobs. The 2018 sessions graduated nearly 20 business owners through this training program.

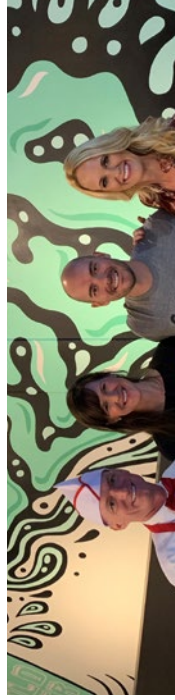
## Accion Recognized with Awards from Partners and Media

Accion was the proud recipient of the Advocacy Award for Small Business Outreach Efforts, Training and Lending Assistance to Underserved Communities from the San Diego chapter of the Small Business Administration. Presented to CEO Elizabeth Schott at an award ceremony in March, the award recognizes Accion's outstanding commitment to providing small business owner with education and support.

CEO Elizabeth Schott was chosen as one of San Diego's most influential business leaders by the San Diego Business Journal's 2018 San Diego 500.



**PHOTOS: Top Right:** Timothy Boston Beer Founder Jim Koch as Award. **Second from Top:** Accion's largest event of the year attracts nearly 600 business owners. **Bottom Right:** CEO Elizabeth Schott receiving SBA Award in March.



## TACOS LA MEZCLA San Diego, California

Francisco Moreno grew up watching his mother own a taco shop, so he brought a lifetime of experience when he opened his first food truck in 2013. It immediately took off and became very popular in the community, even being voted the 'best taco truck' for the past two years in the San Diego City Beat Magazine.

His success led to two physical locations within breweries in up-and-coming neighborhoods in San Diego, which continued to grow and thrive the past couple of years. It was when Francisco had the opportunity to fully take over one of the locations that he was a subtenant in, he jumped at the opportunity to have his own space. That was when he went to his local Small Business Development Center office to inquire where would be best for him to get financing for his growing venture.

The SBDC referred him to Accion, and he received a loan to help with expansion costs and remodeling of his new location. Through his business expansion, Francisco created five jobs with his business and gives backs to local schools through fundraisers.

"Thank you Accion for helping me grow my business. I'm always recommending Accion to my friends and family."



## RIVERSIDE COUNTY

### Reanne Acio

Reanne and her husband are two former teachers who started their business on weekend vacations. They used Accion's funding to help them purchase a van and rent vans to help with their business. "Accion's van-life movement program is, offers complete support and includes everything you need to get home on wheels. We are now a successful business after being referred to Accion by a banker for financing."

Through Accion's program, they were able to obtain funding to create four jobs for their growing business. "Each person at Accion has expressed how excited they are for our business and have really given us outstanding support," said Mayer. "Not only did they fund us to be able to bring in the necessary people and tools to help us grow, but they even provided a mentor that gave us tips and advice during our business expansion."

## RIVERSIDE COUNTY

### Afua Sefa-Boakye, RN, BSN, PHN

365 INFUSIONS AND HEALTH, INC  
Riverside, California

Afua Boakye has been an Oncology/Infusion registered public health nurse for years, caring for patients with cancer and other life-threatening illnesses. She has spent her career supporting and improving the lives of countless patients during their most harrowing times. But after experiencing her own set of losses and struggles, she knew that she needed to make a change that would allow her to support her and her family's future.

In 2017, Afua decided to start her own health and wellness company, 365 Infusions and Health Inc., where she makes home visits, providing patients with bioimmuno therapy and other infusion needs, all the while still having much needed time with her family.

After making the transition to business owner, Afua secured support from former coworkers, as well as doctors and pharmacies; yet, she still needed a financial push to help her expand her services and create more jobs for her community.

... highly recommended us to Accion, we called right



# SAN BERNARDINO COUNTY

## Julia Pamela Castillo

**ALTAFA CORPORATION**  
Ontario, California

Julia Castillo and her husband Leobardo Morgia are devoted parents to four girls and family time has always been their main priority. Leobardo's job as a truck driver made it difficult to be guaranteed that necessary family time due to scheduling challenges.

After spending nearly ten years in the transportation industry, Leobardo was working full-time for a driving company and was given the option to either stay on board as a driver or purchase a truck of his own. That was when the couple decided to become entrepreneurs, giving them freedom to spend more time with their children.

With the start of their own transportation business, Altafa Corporation, Julia and Leobardo were on their way to a more family-focused career change.

Their business was going well, but when it came time to purchase a new truck for their venture, the couple was referred to Accion as a financial resource to fund their future. The loan assisted them in purchasing their fifth truck, as well as creating eight jobs for the family's growing company.

Because they purchased the additional truck, they also expanded their territory to obtain more business in that area. Now with five trucks and nine employees, the couple can expand up the California coast.

Their dream is to continue improving their credit and financial standing, while working towards adding more trucks to their fleet, and one day, owning a warehouse where they can create even more jobs.

*“With the support from Accion’s loan, we’ve been given the confidence to be independent and successful business owners,” stated Castillo. “Our girls continue to be inspired by the work*



# IMPERIAL COUNTY

## Sylvia Ellen Castaneda

**SYLVIA'S LITTLE TREASURES**  
Brawley, California

Sylvia Castañeda sells vintage goods, antiques and collectibles at her brick-and-mortar store, Sylvia's Little Treasures, in Brawley. She has always loved the history behind antiques and opened her store five years after she retired from teaching. Her business first started as a farmers' market business and she continued to expand her inventory so much that she needed a retail location.

In the past year, her first location experienced growth and she had the opportunity to expand into a new, larger location in the building next door in a prime location on Main Street.

When she decided to move, for funding to expand her business to market her new location. Since Sylvia was able to expand her location, she has more space so her store is more organized and easier to navigate. She also has been able to increase her profits due to more foot traffic and a more visible location next to other shops.

*“I’m so grateful to Accion for believing in my business,” stated Castañeda. “Through Accion*

**3,090 Businesses Served**

**\$38,7**

**6.2% F**

**INDUSTRY**

**48% Service**  
**20% Retail**  
**17% Food**  
**10% Professional**  
**5% Contractor**

**LOW-TO-MODERATE INCOME (LMI)**

**71% LMI**  
**29% Non-LMI**

**4,468 Loans Disbursed**

**Revenue**

**SUPPORT & REVENUE**

- Federal Awards
- Loan Interest & Fees
- Grants & Contributions
- In-Kind Contributions
- Investment Income

**813 Active Clients** (at 12/31)

**\$7,770,722 Active Loan Portfolio Under Management** (at 12/31)

**4.59% Portfolio At Risk\***

**1.4% Loss Rate**

**Financial Position**

ASSETS	DEC 2018	DEC 2017
Cash and cash equivalents	3,568,920	3,867,529
Contributions and grants receivable	66,013	154,239
Microenterprise loans receivable	7,184,814	6,056,182
(Net of allowance for loan losses of \$460,523 in 2018 and \$394,288 in 2017)		
Fixed assets (Net of accumulated depreciation of \$100,136 in 2018 and \$90,061 in 2017)	33,549	30,936
Other assets	474,592	465,988
<b>TOTAL ASSETS</b>	<b>\$11,327,888</b>	<b>\$10,574,874</b>

**LIABILITIES**

Accounts payable & accrued expenses	239,630	261,543
Deferred revenue	5,009	23,999
Notes payable	1,650,000	1,450,000
<b>TOTAL LIABILITIES</b>	<b>\$1,894,639</b>	<b>\$1,735,542</b>

**NET ASSETS**

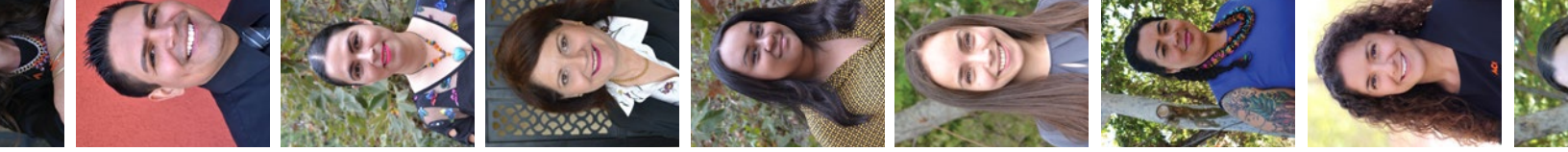
Unrestricted	9,433,249	8,839,332
Temporarily restricted	0	0
<b>TOTAL NET ASSETS</b>	<b>\$9,433,249</b>	<b>\$8,839,332</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$11,327,888</b>	<b>\$10,574,874</b>

**EXPENSES**

Program services	
Supporting services	
Fundraising	
Management & general	
Total supporting services	
<b>TOTAL EXPENSES</b>	
<b>CHANGE IN NET ASSETS-BEGINNING</b>	
<b>NET ASSETS-END OF PERIOD</b>	



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Brionne Lee  
 Leona Snell

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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Chief Financial Officer

**ROBERT LOPEZ**  
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 Officer

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 Development & Impact Officer

**MONICA BATTAH**  
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**SUZANNE CARLSON**  
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 Junior Accountant

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