We appreciate you taking the time to join us in reflecting on all the impactful small businesses that were assisted through Accion’s mission in 2018. During the year, Accion experienced a 41 percent increase in number of loans funded and a 31 percent increase in dollars funded over 2017. From our start of one loan of $6,000 in 1994 to lending almost $5 million in 2018, our focus on underserved entrepreneurs and our core values remain the same.

What we do is more than providing financing; our work creates pathways of opportunity for talented entrepreneurs to follow their dreams via loans, connections to resources and education. In 2018, we continued investing in impact, creating innovation within our processes and using our resources to meet the needs of the Southern California communities we serve.

As we celebrate our clients’ success and achievements, we’d like to share a quote from Accion clients Steven and Candace Gray of Cali Coast Barbershop in Lemon Grove, Calif.

“Accion has been a great resource for our barbershop business. The education we received through the 10-week Accion Academy business training program has helped us in our day-to-day operations, and the loan has allowed us to grow our business.”

Because they received funding from Accion, they were able to move to a more centralized and accessible location to better serve their expanding clientele. They currently employ six barbers and they are committed to giving back to the community through their Youth Barber Academy program, where they educe young entrepreneurs by teaching them the barbering craft and business skills.

Small business owners have big dreams and Accion is proud to open the door for financing and accelerate community prosperity by supporting entrepreneurs with loans and technical support. We continue to be inspired by the strength and resiliency we see every day in our clients, even during times of uncertainty - now is a great time to believe in the power of small businesses and invest in communities!

Thank you for your confidence and support. We hope you will enjoy reading about a few of the unsung small business heroes Accion supported, which exemplify community impact. As we continue to invest in dreams and look forward to the future, we invite you join us in celebrating our 25th anniversary in 2019.

Sincerely,

GORDON BOERNER
BOARD CHAIR

ELIZABETH SCHOTT
CHIEF EXECUTIVE OFFICER

Who We Are

WE CHAMPION THE MICROFINANCE INDUSTRY BY PROVIDING FINANCIAL TOOLS, SERVICES AND SUPPORT TO ENTREPRENEURS WHO LACK ACCESS TO TRADITIONAL SOURCES OF CREDIT.

About Us

Accion is a nonprofit, mission-based lender dedicated to connecting entrepreneurs with the accessible financing and resources it takes to create and grow healthy businesses. By providing loans up to $75,000, Accion creates opportunity for increased income, economic stability and employment. In its 24-year history, Accion has provided nearly 4,500 loans totaling more than $39 million.

The mission of Accion is to provide economic opportunity for primarily low-to-moderate income business owners who lack access to traditional sources of credit. Through business loans and support services, Accion strengthens the foundations of emerging entrepreneurs and helps them to thrive in their communities, creating positive social and economic change.

Accion serving Southern California lends in Imperial, Riverside, San Bernardino and San Diego counties.

About Accion in the U.S.

Accion in the U.S. is a nationwide network of mission-based lenders combining deep local knowledge with cutting-edge lending solutions and unmatched personalized advising to fuel growth in underserved communities across the U.S. Our work is directed through the efforts of three independent, regional community development financial institutions (CDFIs) and a national office that invests in innovation, technology and information sharing for the benefit of the entire network.

Globally, Accion is a nonprofit committed to creating a financially inclusive world, with a pioneering legacy in microfinance and fintech impact investing. We catalyze financial service providers to deliver high-quality, affordable solutions at scale for the three billion people who are left out of - or poorly served by - the financial sector. For more than 50 years, Accion has helped tens of millions of people through its work with more than 90 partners in 40 countries.
BRENDA I. ESTRADA
Nana's Kitchen, Imperial, CA

AFUA BOAKYE
365 Infusions and Health, Moreno Valley, CA

OMAR VERDUGO
Omar’s Window Tinting, Indio, CA

ROcio MCFADDEN
Curly Cake Desserts, Moreno Valley, CA

OSCAR AGUILAR
Paletaria La Cachanilla, El Centro, CA

LACEY MAYER & BREANNE ACIO
San Diego Campervans, San Diego, CA
2018 In Review

### 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.

### Impact Study Shows Success of Accion Funded-Businesses

As part of the Accion US Network, each member participated in collaboration with Opportunity Fund to debut results from the first nationwide longitudinal impact study in our field. The study found that 94 percent of businesses were open 2-to-3 years after their loan. In contrast, according to the Small Business Administration, only 65 percent of small businesses across the country survive their second year. The study also found that 60 percent of businesses were experienced increased sales and 57 percent saw increased profits. Furthermore, receiving a loan led to a greater sense of financial control and lower stress levels regarding finances for participants.

### 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.

### 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.

### 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.

### 4,500 LOANS

to more than 3,000 clients in its 24-year history.

<table>
<thead>
<tr>
<th>308 Loans Disbursed</th>
<th>$7.8 Million Accion Supports Truth in Lending Bill</th>
<th>712 Jobs Created And/Or Maintained</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.7 Million</td>
<td>Impact Study Shows Success of Accion Funded-Businesses</td>
<td>308 Loans Disbursed</td>
</tr>
<tr>
<td></td>
<td>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.</td>
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</tr>
<tr>
<td></td>
<td>Educational Events Attract 600 Business Owners</td>
<td>4,500 LOANS to more than 3,000 clients in its 24-year history.</td>
</tr>
</tbody>
</table>
Breanne Acio and Lacey Mayer are two former teachers who converted a van to get away on weekend vacations. Now, as a business, they retrofit and rent vans to help other people desiring to join the van-life movement. Their company, SD Campervans, offers complete campervan conversions, which includes everything you need to have a luxury, adventure home on wheels. They came to Accion as a start-up business after being referred by their Wells Fargo 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.”

SAN DIEGO COUNTY

**SAN DIEGO COUNTY**

**Francisco Moreno**

**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 San Diego CityBeat 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 back to local schools through fundraisers.

“Thank you Accion for helping me expand my business,” said Moreno. “As my business continues to see success, I’m always reminded and appreciative of the support that Accion gave me.”

**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 income for her business. Accion was the boost of support Afua needed and provided her with the funding to purchase new materials such as equipment and supplies to increase her service offerings.

“Accion went above and beyond to make sure I had the best resources needed to be the best caregiver I could be for my patients,” said Boakye.
SAN BERNARDINO COUNTY

Julia Pamela Castillo
ALTAFA CORPORATION
Ontario, California

Julia Castillo and her husband Leobardo Morga 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.

“I’m so grateful to Accion for believing in my vision for my business,” stated Castañeda. “Through Accion, I was able to expand by business and invest in my community; I have the spirit, I just needed the financial support.”

IMPERIAL COUNTY

Sylvia Ellen Castañeda
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, she came to Accion for funding to expand her business inventory and to market her new location.

Since Sylvia was able to expand to a larger location, she has more space for her inventory, so her store is more organized and easier to navigate. She also has been able to increase profits due to more foot traffic from being in a more visible location next to busy restaurants and shops.

“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 we do and the success we’ve achieved.”
Our 2018 Portfolio, Impact & Financial Summary

Portfolio Cumulative Totals to Date

3,090 Businesses Served

$38,789,110 Loaned

4,468 Loans Disbursed

6.2% Historical Loss

Financial Position

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>DEC 2018</th>
<th>DEC 2017</th>
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</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>3,568,920</td>
<td>3,867,529</td>
</tr>
<tr>
<td>Contributions and grants receivable</td>
<td>66,013</td>
<td>124,239</td>
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<tr>
<td>Microenterprise loans receivable</td>
<td>7,184,814</td>
<td>6,056,182</td>
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<tr>
<td>Fixed assets (Net of accumulated depreciation at 100.1%, 10.1% and 10.3% in 2018)</td>
<td>33,549</td>
<td>30,936</td>
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<tr>
<td>Other assets</td>
<td>474,592</td>
<td>465,988</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>$11,327,888</td>
<td>$10,574,874</td>
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<table>
<thead>
<tr>
<th>LIABILITIES</th>
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<tbody>
<tr>
<td>Accounts payable &amp; accrued expenses</td>
<td>239,630</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>5,009</td>
</tr>
<tr>
<td>Notes payable</td>
<td>1,650,000</td>
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<td>TOTAL LIABILITIES</td>
<td>$1,894,639</td>
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<table>
<thead>
<tr>
<th>NET ASSETS</th>
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<tbody>
<tr>
<td>Unrestricted</td>
<td>9,433,249</td>
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<tr>
<td>Temporarily restricted</td>
<td>0</td>
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<tr>
<td>TOTAL NET ASSETS</td>
<td>$9,433,249</td>
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</table>

Revenue & Expenses

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<tr>
<th>SUPPORT &amp; REVENUE</th>
<th>DEC 2018</th>
<th>DEC 2017</th>
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<tbody>
<tr>
<td>Federal Awards</td>
<td>919,679</td>
<td>1,077,926</td>
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<tr>
<td>Loan Interest &amp; Fees</td>
<td>1,283,271</td>
<td>997,640</td>
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<tr>
<td>Grants &amp; Contributions</td>
<td>797,702</td>
<td>1,384,705</td>
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<tr>
<td>In-Kind Contributions</td>
<td>102,556</td>
<td>126,923</td>
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<td>Investment Income</td>
<td>4,069</td>
<td>3,422</td>
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<tr>
<td>TOTAL SUPPORT &amp; REVENUE</td>
<td>$3,107,817</td>
<td>$3,589,986</td>
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<table>
<thead>
<tr>
<th>EXPENSES</th>
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</thead>
<tbody>
<tr>
<td>Program services</td>
<td>2,362,289</td>
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<tr>
<td>Supporting services</td>
<td>21,422</td>
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<tr>
<td>Management &amp; general</td>
<td>130,189</td>
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<tr>
<td>TOTAL EXPENSES</td>
<td>$2,513,900</td>
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Change in Net Assets

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>$593,917</td>
<td>$1,222,193</td>
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Net Assets Beginning of Year

<table>
<thead>
<tr>
<th>NET ASSETS-BEGINNING OF YEAR</th>
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<tbody>
<tr>
<td>$8,839,332</td>
<td>$7,617,139</td>
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Net Assets-End of Year

<table>
<thead>
<tr>
<th>NET ASSETS-END OF YEAR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,433,249</td>
<td>$8,839,332</td>
</tr>
</tbody>
</table>

Complete financial statements, audited by Leaf & Cole, LLP, reflect certain 2017 reclassified results to be consistent with the 2018 presentation and are available upon request through Accion. *Portfolio at risk is equal to the total outstanding loan balance of loans past due more than 30 days divided by the loan portfolio. **Self-sufficiency is calculated by dividing revenue from lending operations (including write-off recoveries) by total expenses (less in-kind).
Thanks to Our Supporters, Staff & Board Members

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Brienne Lee
Leona Snell

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*Facilitated by the Accion U.S. Network

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