

Cherries Swim & Lovely Bridal



Isha Webb

cherrieswim.etsy.com
lovelybyisha.etsy.com

Isha Webb's quickly growing retail clothing businesses, Cherries Swim and Lovely Bridal, are a dream come true for this hard-working San Diego native. Isha learned to sew from her grandmother – a fact that you can sense in the loving way she handles her fabrics. As early as her high school years, Isha was frustrated by the expensive, mass-made clothing worn by her friends, and she thought to herself, "I can make this!" At the time, Isha had no idea that other people would be interested in her creations.

Before starting her business, Isha worked in the commercial banking industry for eleven years. One day, she brought some of her pieces to work to show some co-workers and one of the loan officers encouraged her to start a business. She expressed to him that there was no way that she would qualify for traditional financing, and so he referred her to ACCION.

After receiving her first \$2,000 ACCION loan, Isha bought a used laptop, an old sewing machine, and tons of fabric. Though her first attempt at a fall collection was unsuccessful, she kept at it and soon found her niche – swimsuits! She started Cherries Swim selling vintage inspired swimsuits online through Etsy. Her designs soon got picked up by ModCloth, an online retailer that specializes in indie clothing, and she has hired a sewing manufacturer in National City to keep up with demand.

MIHO Gastrotruck



Kevin Ho & Juan Miron

mihogastrotruck.com
Twitter: @MIHOgastrotruck

Kevin Ho and Juan Miron share a passion for gathering friends and family around good food. Rather than opening a restaurant, they decided to literally bring their passion to the streets opening MIHO Gastrotruck in Spring 2010. Being among the first gourmet food trucks in San Diego, Kevin and Juan experienced difficulty securing financing through traditional means and were referred to ACCION by the Small Business Administration (SBA) office. They received a \$15,000 start-up loan from ACCION to buy and fix-up an old 1984 lunch truck.

"Finding ACCION was a huge break for us because it really enabled us to go for it as new business owners," says co-owner, Kevin.

In less than two years, MIHO now has two mobile trucks and also offers a full catering service. They employ up to 17 people during their peak summer season, and recently expanded from a 1,000 square-foot prep-kitchen to a 5,000 square-foot space. MIHO's success has built quite a reputation in the San Diego community with strong press coverage by major local media outlets including the *Union Tribune*, NBC, and *San Diego Magazine*.

Isha took out a second \$2,000 ACCION loan to expand her business into bridal wear. Inspired by the dresses she made for her own wedding, Isha sold her first few wedding dress designs on Etsy in October 2010. In March 2011, she was invited to participate in a bridal show in St. Louis where she received 30 wedding dress orders, and has since done a wedding show in San Diego with similar success.

In December 2011, Isha fully paid her ACCION loan and is continuing to dream up new ideas for the future. To meet the growing demand of her clients for new designs, Isha plans to expand into making lingerie, nightgowns, and garters to match the bridal wear. What she enjoys most about her job is when a customer loves what she has made as much as she does. When asked if she had any advice for aspiring entrepreneurs, she said, "Whatever you're supposed to be doing, just hang in there, you'll do it."

MIHO specializes in serving high quality, locally-sourced, natural foods. By using locally-sourced ingredients they strive to support the local economy, while having the freedom to bring new culinary ideas to the streets daily. The result is an ever-changing menu of delicious restaurant quality "street food" that always draws a crowd.

"HOMI's" are what Kevin and Juan affectionately call their large and dedicated customer base. They knew when opening that social media would be an integral part of getting the word out. Today, with almost 10,000 followers on Facebook and Twitter, HOMI's come to eat from all over San Diego making MIHO a mobile gathering point for friends and family.

Kevin shares, "What I love about my job is creating the sense of community... no matter where we go in San Diego, we become a part of our HOMI's everyday lives and create a community... because in the end, it's about people enjoying themselves."

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Private Banking Services Manager
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Attorney at Law



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Javier Islas
Director of Finance

Robert López
Director of Lending

Valery Belloso
Business Development Officer

Maria Montaña
Loan Officer

Nicholas Miluso
Loan Officer

Iliana Farias
Customer Service Representative

Jehanne Spriggs
Loan Support Specialist

Monica Battah
Accounting Assistant

Joseph Lee
Marketing & Resource Manager

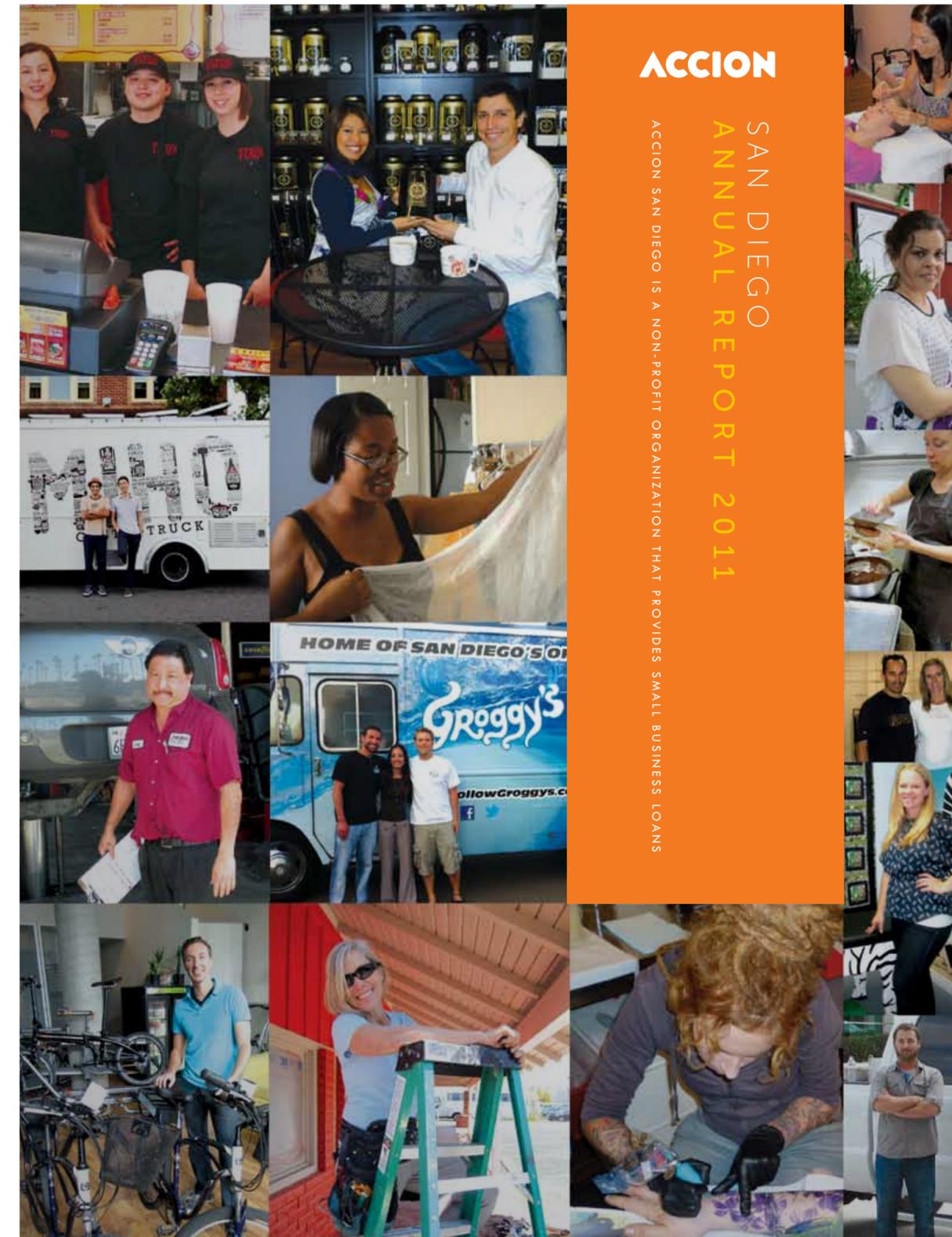
ACCION

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2011 Funding Partners

ACCION INTERNATIONAL, MICROBIKE ANONYMOUS, FRANK ANTONIO, BANK OF AMERICA CHARITABLE FOUNDATION, BANK OF THE WEST FOUNDATION, DENIS TAT BARNES, BARR CHARITABLE FOUNDATION, BBVA COMPASS FOUNDATION, WILLIAM BECKER, DOWIE BECKETT, CECILE BEREAL, CLAUDE BLACKBURN, GORDON BOERNER, CARI BUTLER, CALIFORNIA BANK & TRUST, SEAN CARPENTER, PAULA CATHCART, LISTO TAX SOLUTIONS, MARCIA CHAREST, TORREY PINES BANK, CITIBANK FOUNDATION, CITY NATIONAL BANK, CITY OF SAN DIEGO, COMMUNITY DEVELOPMENT BLOCK GRANT, CITY OF SAN DIEGO, SMALL BUSINESS ENHANCEMENT PROGRAM, GREG CLOWMINZER, LINDA COLE, COMERICA BANK, CPA MOMS, SAL CRIVELLO, PAM DAVIS, MARK EMCH, EDUARDO FIGUEROA, STEVE FINCKE, WENDY FONTENEAU, STUART GIEBELMAN, JONATHAN GRISSOM, HANIF GULAMHUSSEIN, JOON HAN, BETTER SAN DIEGO, JEFFERY HARDING, ROSANA HERRERA-ORTEGA, CHING HUANG, JON JOHNSON, JP MORGAN CHASE FOUNDATION, STACEY KARTCHNER, LAURA KOZIEN, JOAN KUHN, EDDIE LANDEROS, UNION BANK, TERRI LIVINGSTON, MARKET CREEK EVENTS & VENUES, KAREN MCCAGHEY, THE MCGURK FOUNDATION, ADAM METZGER, RC & FRANK MILLER, SHAWN MILLER, MILLS FAMILY FOUNDATION, MISSION FISH, TORREY PINES BANK, RALPHS CONTRIBUTION PROGRAM, RANCHO SANTA FE WOMEN'S FUND, ASHTON ROHMER, ELIZABETH SCHOTT, MARC & JUDITH SCHUCKIT, DOUG SHOEMAKER, KEN SIMMONS, JULIA SIMMS, SULLIVAN HILL LEWIN REZ & ENGEL, SUNWEST BANK, UNION BANK FOUNDATION, U.S. BANCORP FOUNDATION, U.S. BANK, U.S. DEPARTMENT OF TREASURY, CDFI FUND, CARLOS VARGAS, SPRINGBOARD, DAVID & EDNA WALLACE/SENIOR HELPERS OF SAN DIEGO, WEINGART FOUNDATION, WEINSTEIN FAMILY FOUNDATION, WELLS FARGO FOUNDATION, JOHN WESLEY CARDOSA, CAROLYN WHEAT, WILLIAM D. LYNCH FOUNDATION



ACCION

SAN DIEGO ANNUAL REPORT 2011

ACCION SAN DIEGO IS A NON-PROFIT ORGANIZATION THAT PROVIDES SMALL BUSINESS LOANS

Message from the Board Chair & Executive Director



Gordon Boerner
Board Chair

Dear Partners, Friends and Supporters,

ACCION San Diego's priorities are clear during this time of economic distress and in 2011 our staff and board remained strongly focused on serving the small business community throughout the San Diego region with access to capital, resources and education.

We'd like to take a moment and recognize the dedicated staff, many of which have been working diligently in our community for 5-10 years to carry out the mission of ACCION, and are passionate about the clients and entrepreneurs we serve. For the team at ACCION, it is the relationship with our clients which sets us apart not only as a financial educator and provider, but a mentor and friend working to stimulate economic activity, opportunity and employment for our neighborhoods and families through the businesses we serve.

Caroline Anthony, ACCION client and owner of Claytime Ceramics, describes her experience with ACCION's team demonstrating the personal relationship ACCION creates... "I had a good experience with ACCION. They are all very credible and are sincerely there to help business owners - and it is not just a handout. I love the personal service and that the staff at ACCION really gets to know the business owners."

In 2011 alone, inquiries into our program from business owners like Caroline were the highest they had been in the past five years, demonstrating the vital need for access to capital and resources as our local economy still struggles to rebound. In 2011, as a result of the

wonderful support the organization received from our many governmental, foundation, corporate and individual funders, ACCION San Diego was able to create a strategic plan to boost staffing and technological infrastructure. This expansion will better position the organization in future years to offer increased accessibility to our program, while deepening our community partnership and outreach efforts as the demand for microloans continues to rise.

"ACCION was instrumental in opening our business," says Sara Stroud, owner of Carnitas' Snack Shack, a local eatery. "We funded 98% of the business ourselves, but we needed that \$11,000 for final construction and opening inventory. We were able to pay off our initial invoices immediately, which allowed us to receive excellent credit terms for the future. We hired 9 people in our second week due to our influx of business and currently now have 11 employees. We are eternally grateful for ACCION and have recommended the program to all of our friends and business associates."

As we reflect back on the past year, and the many businesses we supported who inspired our team every day and created direct community impact like Carnitas', we thank each of you for your generosity and partnership. We look forward to working with you in the coming years as ACCION continues driving economic recovery, one passionate business owner at a time.

Warmly,

Gordon Boerner
2011 Board Chair
ACCION San Diego

Elizabeth Schott
Executive Director
ACCION San Diego

2011 Highlights

2011 IMPACT

ACCION believes that thriving small businesses are the foundation for a strong local economy and its program boosted efforts in 2011 to ensure that clients had access to the tools needed to start or grow their enterprises and sustain in the current economy. Many small business owners continued to struggle to secure financing and ACCION played a vital role for many of these individuals helping them to turn their dreams into a reality.

"We decided to start this business, but found it hard to get financing from the major banks," said Groggy's food truck co-owners Chris and David. "We were about to give up before we got in touch with ACCION who provided us some money to get started. They really believed in us."

ACCION San Diego saw growth in demand during 2011, serving over 1,600 small business owners through its microlending and resource training program. Lending increased by 18% over 2010, with almost \$1.2 million in loans, and portfolio quality remained strong with delinquency hovering at approximately 5% on 12/31/11.

The organization's impact is rooted through businesses accessing capital, but also streams through its resource and educational services. In 2011, ACCION spent an estimated 3,000 hours offering ACCION clients one-on-one business support. In addition, ACCION's Small Business Workshop Series attracted 300 entrepreneurs to five workshops held in 2011, a 56% increase in attendance over 2010. ACCION partnered with non-profit organizations to present on topics such as Quick Books, preparing for retirement, legal issues, and marketing for small business.

"The content of the ACCION workshops, the organization of the event, and the attitude of the presenters were great," said an attendee of ACCION's Round Robin, an event mirrored after speed dating which participants rotate every 30 minutes learning about four business topics along with a resource center. "The most helpful thing about this event was the amount of resources available to assist start-up businesses."

The organization also coordinated a Women's Empowerment training series in partnership with the Jacobs Center, while assisting in execution of the Where's the Money, San Diego Microfinance Summit, and the Microfinance USA Conference annual events.

PROGRAM UPDATES

In 2011, ACCION approved a strategic plan to increase staff by 23% in 2012. A new Business Development Officer position was created to build stronger partnerships with nonprofits and banks to help generate consistent referrals, while lending staff was increased to provide additional customer support and reach new clients. ACCION also upgraded its technology system increasing efficiency in processing client data, payments and tracking inquiries. These strategic initiatives will enable ACCION to serve an increased number of entrepreneurs in years to come, while making its services streamlined to effectively meet the needs of entrepreneurs throughout the region.

At a national level, the five ACCION offices have committed to close collaboration through the creation of the ACCION U.S. Network. The network office enables strategic sharing of best practices, joint training opportunities, national partnerships and marketing activities with the ultimate goal of assisting each local office in serving additional entrepreneurs across the U.S. In 2011, ACCION San Diego joined with ACCION International and the U.S. Network to host its first annual world-wide Microbike event in support of local entrepreneurs, where teams rode 10 miles to raise awareness and support for ACCION.

PROGRAM AWARDS & RECOGNITIONS

CDFI Award – ACCION San Diego was awarded a \$600,000 grant from the U.S. Department of Treasury's Community Development Financial Institutions Fund, the largest single grant that ACCION San Diego has ever received from CDFI. Of 393 organizations that applied, ACCION San Diego was one of the 155 organizations across the country that was awarded and is the only organization based in San Diego.

2011 CNN Money Top 10 Microfinance Companies – ACCION San Diego was recognized as one of the "Top 10 Microfinance Companies" by CNN Money based on the number of loans it disbursed, and data compiled by the Aspen Institute.

ACCION International 50th Anniversary Gala Event – ACCION San Diego's client, Lidia Calzado, was selected from among 10 ACCION U.S. Network clients to represent the work of ACCION in the U.S. in a world-wide celebration of ACCION's impact over the last 50 years in New York. After receiving a loan and training from ACCION San Diego, Lidia has increased her income, developed business knowledge, and has improved her overall self-sufficiency, independence, and level of community contribution.

These awards and recognitions provide only a small glimpse of the overall work and impact of ACCION on its clients' lives. There is no better recognition than that which comes from the mouths of the clients ACCION serves.

Danny and Sue Damian of Tito's Taco Shop share, "ACCION San Diego has been a key part of our business strategy and has allowed us to bridge the gap during times when cash flow was most needed... both our locations are showing profits and steady month after month sales increases. Since ACCION San Diego has helped us down this path during these tough economic times, we will be forever grateful and ready to give back in any way we can."



WORKSHOP PRESENTERS



50TH ANNIVERSARY GALA



MICROBIKE 2011

Financial Summary

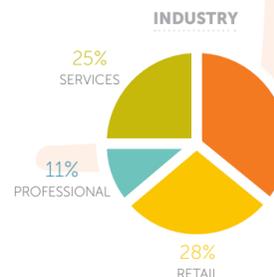
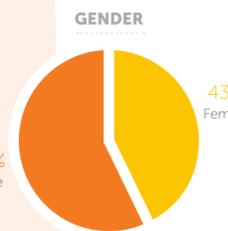
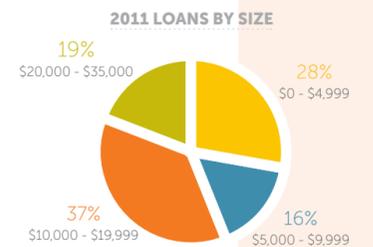
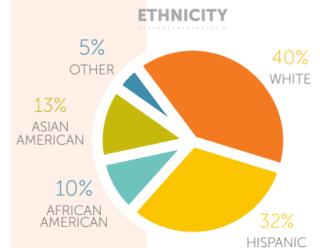
Balance Sheet	DEC. 2011	DEC. 2010
ASSETS		
CASH AND EQUIVALENTS	\$2,212,369	\$1,401,842
CONTRIBUTIONS AND GRANTS RECEIVABLE	\$ 19,354	\$ 23,103
MICROENTERPRISE LOANS RECEIVABLE (NET OF ALLOWANCES FOR LOAN LOSSES OF \$201,106 IN 2011 AND \$209,105 IN 2010.)	\$ 73,661	\$ 50,291
FIXED ASSETS (NET OF ACCUMULATED DEPRECIATION OF \$37,714 IN 2011 AND \$71,555 IN 2010.)	\$ 130,293	\$ 101,974
OTHER ASSETS	\$ 130,293	\$ 101,974
TOTAL ASSETS	\$ 4,600,519	\$ 3,848,598
LIABILITIES		
ACCRUED EXPENSES AND ACCOUNTS PAYABLE	\$ 66,378	\$ 47,570
DEFERRED REVENUE	\$ 600,000	-
NOTES PAYABLE	\$ 1,700,000	\$ 1,700,000
TOTAL LIABILITIES	\$ 2,366,378	\$ 1,747,570
NET ASSETS		
UNRESTRICTED	\$ 2,201,641	\$ 2,097,528
TEMPORARILY RESTRICTED	\$ 32,500	\$ 3,500
TOTAL NET ASSETS	\$ 2,234,141	\$ 2,101,028
TOTAL LIABILITIES & NET ASSETS	\$ 4,600,519	\$ 3,848,598

Revenue And Expense Statement	DEC. 2011	DEC. 2010
REVENUE		
GRANTS AND CONTRIBUTIONS		
Unrestricted	\$ 254,782	\$ 188,017
Temporarily Restricted	\$ 32,500	\$ 46,570
In-Kind	\$ 116,695	\$ 159,873
Contract Revenue	\$ 251,084	\$ 154,526
Interest & Fees	\$ 469,712	\$ 495,274
Other Income	\$ 4,850	\$ 7,445
TOTAL PUBLIC SUPPORT AND CONTRIBUTIONS	\$ 1,129,623	\$ 1,051,705
EXPENSES		
PROGRAM SERVICES	\$ 924,298	\$ 935,406
SUPPORTING SERVICES		
Fundraising	\$ 23,924	\$ 18,202
Management and General	\$ 48,288	\$ 42,673
Total Supporting Services	\$ 72,212	\$ 60,875
TOTAL EXPENSES	\$ 996,510	\$ 996,281
CHANGE IN NET ASSETS	\$ 133,113	\$ 55,424

COMPLETE FINANCIAL STATEMENTS, AUDITED BY SLABAUGH ACCOUNTANCY CORPORATION, REFLECT CERTAIN 2010 RECLASSIFIED RESULTS TO BE CONSISTENT WITH THE 2011 PRESENTATION AND ARE AVAILABLE UPON REQUEST THROUGH ACCION SAN DIEGO. * PORTFOLIO AT RISK IS EQUAL TO THE TOTAL OUTSTANDING LOAN BALANCE OF LOANS PAST DUE MORE THAN 30 DAYS DIVIDED BY THE TOTAL LOAN PORTFOLIO. ** SELF-SUFFICIENCY IS CALCULATED BY DIVIDING REVENUE FROM LENDING OPERATIONS (INCLUDING WRITE-OFF RECOVERIES) BY TOTAL EXPENSES (LESS IN-KIND).

Impact

INDICATOR	2011	2010
BUSINESSES SERVED (NEW)	85	78
NUMBER OF LOANS DISBURSED	98	90
AMOUNT LOANED	\$1,137,052	\$962,408
ACTIVE PORTFOLIO (AT 12/31)	\$2,365,948	\$2,480,943
ACTIVE LOANS (AT 12/31)	294	322
AVERAGE LOAN SIZE	\$11,600	\$10,700
PORTFOLIO AT RISK*	5.11%	2.44%
LOSS RATE	8.55%	6.98%
PERCENTAGE SELF-SUFFICIENCY**	53%	60%
CUMULATIVE TOTALS TO DATE		
BUSINESSES SERVED	1,639	1,554
NUMBER OF LOANS DISBURSED	2,727	2,629
AMOUNT DISBURSED	\$16,101,122	\$14,964,070
HISTORICAL LOSS RATE	10.03%	9.64%



The mission of **ACCION San Diego** 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, we strengthen the roots of emerging entrepreneurs and help them to thrive in their communities, creating social and economic change.