

JOYCE ABE
AFRICAN PRODUCTS IMPORT



Joyce Abe and her six children fled Sudan in 1994, escaping the grueling civil war to find refuge several thousand miles away. With an estimated two million individuals displaced by the war in Sudan, she is a survivor of the 17 year civil conflict. Joyce came to the United States in hopes of a new beginning, where she would venture to find success and discover a fruitful future. Now having lived in the United States for over 12 years, Joyce has successfully taken root in San Diego, owning a growing business and balancing two jobs as a certified nurse assistant and a care giver.

Through a partnership with the International Rescue Committee, Joyce discovered ACCION San Diego in December of 2001. At that point, she needed seed capital to purchase merchandise for her start-up, home-based business. Joyce had a dream of importing fabrics, lotions and jewelry from her native Africa to sell in the United States.

"I've had a very positive experience with ACCION San Diego; I bring friends and tell them this is the only place that can help you."

With a \$1,000 loan from ACCION San Diego, Joyce purchased special products from Nairobi and Holland which she marketed to the local Sudanese community. She bought an array of fabrics, all exotic in print and color. From black and white with shimmery trimmings to vivid blues with texture, the patterns and flowers are all unique to the individual Kitenge dress and head scarf. The \$1,000 loan made a tremendous difference in her life, fuelling her entrepreneurial spirit and opening the door to other sources of income to support her family.

Joyce is a dedicated individual, working hard to support her children and live a better life here in the United States. Now on her sixth loan with ACCION San Diego in the amount of \$7,300, Joyce is looking to open a store front where she will continue to share her culture with others throughout the community.

DAVID ANDERSON
SK8 SUPPLY



While some people have a passion for collecting baseball cards, records or coins, David Anderson has a passion for collecting skateboards and has been doing so since the early 80's. His collection includes some of the rarest boards from the 60's, 70's and 80's when skateboarding was slowly becoming a lifestyle in Southern California. With help from ACCION San Diego, David was able to turn his long time love of skateboarding into a thriving business.

In 2001 after an accomplished history in the skateboarding industry, David partnered with Deb Gordon, daughter of surf industry star, Larry Gordon of Gordon and Smith. Together, they started their own business with "zero dollars and zero cents." Combining their priceless collections of old skateboards, and their personal networks of friends, they were able to start Sk8 Supply. The business began first as an internet source for "old

school" boards and later the pair opened a storefront in Pacific Beach. With an \$8,000 loan from ACCION San Diego, they began purchasing more inventory and marketing their new retail store.

SK8 Supply now encompasses retail products and a skate museum, featuring David's priceless collection. Among them, the full set of the Dogtown boards, as well as boards from David's late 80's skate team, Flying Aces. There is something for everyone at Sk8 Supply, from the hardcore collector to the new skater just looking for a board to have some fun.

After five years in business, the operation has grown and the team also started a production company called Fiberflex that markets boards to vendors across the world in conjunction with Gordon and Smith.

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Sundi Sage, Timeless Collectibles

2005 FUNDING PARTNERS

BANK OF AMERICA
BETTERWORLD TOGETHER FOUNDATION
BRITTEN FAMILY FUND AT THE SAN DIEGO FOUNDATION
CALIFORNIA BANK AND TRUST
CATHAY BANK FOUNDATION
CITIGROUP FOUNDATION
CITY OF SAN DIEGO, COMMUNITY DEVELOPMENT BLOCK GRANT
CITY OF SAN DIEGO, ECONOMIC DEVELOPMENT AND TOURISM SUPPORT FUND
COMERICA BANK
FIRST NATIONAL BANK
IMPERIAL CAPITAL BANK
INNOVATIVE EMPLOYEE SOLUTIONS
JACOBS FAMILY FOUNDATION
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ACCION SAN DIEGO
ANNUAL REPORT 2005
ACCION SAN DIEGO IS A NON-PROFIT ORGANIZATION THAT PROVIDES SMALL BUSINESS LOANS



2005 HIGHLIGHTS

MESSAGE FROM THE 2005 BOARD CHAIR



Carol Wallace
Board Chair

In 2005, ACCION San Diego created an abundance of community partnerships as we joined together with other organizations to deliver the best resources to the local business community. The new partnerships we have established allow business owners to gain financial, marketing, credit and general business knowledge, while becoming eligible for financing through ACCION San Diego's lending program.

Small businesses play an integral role in Southern California's economy, and ACCION San Diego believes that these skilled micro-entrepreneurs inspire the empowerment of our neighborhoods and communities. Many of these businesses are owned and operated by low-to-moderate income families, women, ethnic minorities and immigrants, many of whom face challenges accessing traditional financing. ACCION San Diego is proud to provide these business owners with economic opportunity, and realizes that financing is not the only vital component to enhancing their micro-enterprises. Business training and education are both valuable assets in transforming the lives of these hardworking micro-entrepreneurs and their families.

With the generous support of our devoted funders and community partners, we have successfully helped over 1,100 local micro-entrepreneurs, lending more than \$8.8 million since inception in 1994. As the demand for our services grows, we invite our loyal supporters to join us in continuing to expand our programs making them available to all that are in need of our assistance.

I have truly enjoyed leading ACCION San Diego for the past two years as Board Chair, and on behalf of our entire Board of Directors, staff and clients we would like to thank our partners, funders and the community for their dedication to our mission. We look forward to another inspiring year filled with triumphs for our clients under the direction of our new Board Chair Gordon Boerner.

Sincerely,

Carol Wallace
Board Chair

The mission of ACCION San Diego is to provide economic opportunity for low-to-moderate income level 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 enabling them to create social and economic change.

IMPACT

In 2005, ACCION San Diego disbursed a record \$1.5 million, ending the year with 343 active clients and a portfolio balance of \$1.7 million, up 21% from 2004. Through various marketing strategies and partnerships, we assisted 120 new clients and disbursed 232 loans while maintaining historical delinquency and loss ratios of 5%.

In an effort to improve our tracking strategies in 2005, we implemented a new loan software system. The Exceptional Assistant (TEA) enables ACCION San Diego to track and report each of our client's business success and growth as we continue to make a positive impact on their lives.

AWARDS & RECOGNITION

ACCION San Diego is proud to announce that we received the highest 4-star rating for sound and fiscal management from Charity Navigator. The rating recognizes ACCION San Diego as an exceptional non-profit allocating 80% of its organizational budget towards the micro-lending program.

More exciting news for the microenterprise industry in California occurred this year as Speaker pro Tem Leland Yee, Assembly Member for the 12th District in San Francisco, authored ACR 76, a Resolution which designated October 2005 as Microenterprise Development Month in California. This Resolution garnered exceptional support with seventy-four out of eighty Assembly Members signing as co-authors, including some of San Diego's local Assembly Members. To celebrate this recognition in 2005, ACCION San Diego worked with CAMEO and the San Francisco Federal Reserve Bank to host a banker's roundtable discussing the value of microenterprise development to the California economy.



"ACCION San Diego actually cared when I ran into trouble; they understood and helped me so my business could grow again."

Juan Medina

ACCION SAN DIEGO IN THE COMMUNITY

In partnership with various community organizations including the MAAC Project, Jacobs Foundation and Diamond Business Improvement District, ACCION San Diego is working to stimulate economic growth in low-to-moderate income level areas of San Diego. Together, we are providing business training and financing opportunities for local store-front, home-based, or vendor businesses.

A recent initiative with the Southwestern College Family Resource Center and ACCION San Diego is providing childcare business training courses and financing opportunities for aspiring small business owners who desire to run a home-based daycare.

An ongoing partnership with faith-based organization, The Servant, and ACCION San Diego offers aspiring small business owners a 6-week business training program with financing opportunities for starting or improving their businesses.

ACCION San Diego also continues to work with the Small Business Development and International Trade Center, The Women's Business Center of CA and the International Rescue Committee to aid clients in need of business training and/or financing. These events and referral programs ensure that small business owners have access to a multitude of resources, all which facilitate business development.

FINANCIAL SUMMARY

Balance Sheet	DEC. 2005	DEC. 2004
ASSETS		
CASH AND EQUIVALENTS	\$ 1,091,597	\$ 1,185,783
CONTRIBUTIONS AND GRANTS RECEIVABLE	\$ 96,694	\$ 208,158
MICROENTERPRISE LOANS RECEIVABLE (NET OF ALLOWANCES FOR LOAN LOSSES OF \$80,909 IN 2005 AND \$59,577 IN 2004.)	\$ 1,591,899	\$ 1,329,060
FIXED ASSETS (NET OF ACCUMULATED DEPRECIATION OF \$82,613 IN 2005 AND \$72,845 IN 2004.)	\$ 51,056	\$ 12,461
OTHER ASSETS	\$ 26,943	\$ 6,929
TOTAL ASSETS	\$ 2,858,189	\$ 2,742,381
LIABILITIES		
ACCRUED EXPENSES AND ACCOUNTS PAYABLE	\$ 32,213	\$ 37,142
NOTES PAYABLE	\$ 950,000	\$ 950,000
TOTAL LIABILITIES	\$ 982,213	\$ 987,142
NET ASSETS		
UNRESTRICTED	\$ 1,707,001	\$ 1,457,939
TEMPORARILY RESTRICTED	\$ 168,975	\$ 297,300
TOTAL NET ASSETS	\$ 1,875,976	\$ 1,755,239
TOTAL LIABILITIES & NET ASSETS	\$ 2,858,189	\$ 2,742,381
Revenue And Expense Statement		
	DEC. 2005	DEC. 2004
REVENUE		
GRANTS AND CONTRIBUTIONS		
UNRESTRICTED	\$ 105,518	\$ 125,695
TEMPORARILY RESTRICTED	\$ 305,000	\$ 492,500
IN-KIND	\$ 84,225	\$ 64,930
CONTRACT REVENUE	\$ 143,558	\$ 139,050
INTEREST FEES	\$ 242,143	\$ 188,713
OTHER INCOME	\$ 32,941	\$ 16,696
TOTAL PUBLIC SUPPORT AND CONTRIBUTIONS	\$ 913,385	\$ 1,027,584
EXPENSES		
PROGRAM SERVICES	\$ 612,632	\$ 505,306
SUPPORTING SERVICES		
Fundraising	\$ 23,858	\$ 22,243
Grants And Administration	\$ 156,158	\$ 91,528
Total Supporting Services	\$ 180,016	\$ 113,771
TOTAL EXPENSES	\$ 792,648	\$ 619,077
CHANGE IN NET ASSETS	\$ 120,737	\$ 408,507

IMPACT

INDICATOR	2005	2004
NEW CLIENTS	120	150
NUMBER OF LOANS DISBURSED	232	254
AMOUNT LENT	\$ 1,481,254	\$ 1,297,622
ACTIVE PORTFOLIO (AT 12/31/05)	\$ 1,672,808	\$ 1,388,638
ACTIVE CLIENTS (AT 12/31/05)	343	314
AVERAGE LOAN BALANCE	\$ 6,385	\$ 5,109
PORTFOLIO AT RISK*	5.5%	5.10%
LOSS RATE	5.5%	5.93%
PERCENTAGE SELF-SUFFICIENCY**	39.07%	39.03%
CUMULATIVE TOTALS TO DATE		
CLIENTS SERVED	1,031	
NUMBER OF LOANS DISBURSED	1,963	
AMOUNT DISBURSED	\$ 8,841,472	
HISTORICAL LOSS RATE	5%	



"I am totally grateful to ACCION because they helped me to start my business and build my acupuncture practice when I couldn't get a loan from a bank."

Gail Brent

COMPLETE FINANCIAL STATEMENTS, AUDITED BY NICHOLAS M. PASCAL, CPA, 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). ALL FIGURES INCLUDE ACCION SOUTHERN CALIFORNIA, SATELLITE OFFICE OF ACCION SAN DIEGO, CLOSED IN SEPTEMBER OF 2005.