LETTER FROM THE CEO

I am thrilled to write you as the CAMEO CEO for the first time. Last year was a year of transition for CAMEO. In April, the board announced that Claudia Viek would step down after ten years to focus on outside projects such as championing women’s business ownership.

Claudia made considerable contributions to the organization and our sector. Her tireless advocacy efforts supported microbusiness owners and entrepreneurs and expanded funding opportunities for members. Her creative thinking brought new programs to members and created new roles for CAMEO. Her skill as a networker and convener forged new partnerships, connected members and other stakeholders to better leverage resources, and brought new opportunities to the organization.

Under Claudia’s leadership, CAMEO became an innovation lab, creating novel approaches to start, scale and continuously improve business assistance and microlending programs. Claudia’s leadership and vision made the organization stronger and more impactful.

My thanks go out to the board for the extra work they undertook in the search for a new CEO. I am grateful for their diligence and am honored that I was chosen to serve CAMEO and take the organization to the next level.

In 2018, our work will focus on three pillars: capacity building for our members, advocacy for the micro sector, and network development. We will launch new learning opportunities including a leadership development program tailored to our sector and training on how best to serve the new era workforce of independent entrepreneurs. We will advocate for responsible lending practices and more investment in small business development at the state and federal level. We will expand our membership to include other organizations in the entrepreneurial ecosystem and thereby strengthen our network. And I will continue to visit our members to learn how we can provide you more value.

There are many opportunities ahead that will prove CAMEO to be the lead voice for hundreds of microenterprise development organizations and thousands of business owners. Together we will continue building the strongest microbusiness association in the country. Can’t wait!

2017 FUNDERS

$100,000 +
CIT/One West Bank

$40–99,999
Bank of America
Comerica
First Republic Bank
SBA PRIME

$25–39,999
Capital One
Charles Schwab

$5–24,999
Bank of the West
Cathay Bank
City National Bank
Friedman Family Foundation

<$5,000
BBVA Compass
Tri Counties Bank

2017 FINANCIAL STATEMENTS DRAFT*

<table>
<thead>
<tr>
<th>Profit and Loss</th>
<th>Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Assets</td>
</tr>
<tr>
<td>Contributed</td>
<td>Total Cash</td>
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<td>Member dues</td>
<td>Accounts Receivable</td>
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<td>Earned Income</td>
<td>Other Current</td>
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<td>Total Assets</td>
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<thead>
<tr>
<th>Expenses</th>
<th>Liabilities and Equity</th>
</tr>
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<tbody>
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<td>Personnel</td>
<td>Accounts Payable</td>
</tr>
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<td>Operations</td>
<td>Other Current</td>
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<td>Total</td>
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<th>Equity</th>
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<td>Opening Balance</td>
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<td>Retained Earnings</td>
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<td>Net Income</td>
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<td>Total Equity</td>
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TOTAL LIABILITIES AND EQUITY

1,195,325

*Not audited
Microlending
Microlending is in its seventh year of growth. It’s grown 230% in volume and 193% in number of loans since 2010. In 2016 the number of microloans was 3,681 for a total loan volume of $49.6 million.

In 2017, 5 members participated in the MMS cohort. They produced 145 loans in 2017 for $2.24 million, an increase of 39% and 11% respectively. The cohort model provides strategic support at the staff and leadership level.

We launched the Carrot Fund with $500,000 from Capital One, which provides small tranches of capital to nonprofit lenders in California. The program helps lenders service their pipeline of borrowers, with the goal of increasing capital access in underserved low and moderate income communities. MEDA was the first recipient.

CAMEO’s MicroLending Academy continues to grow and serve a sector need. Susan Brown developed the Micro Lending Essentials training on how to underwrite and package microloans. Seventeen people from 14 organizations attended the first training in Los Angeles. Susan also began development on a loan manual guide to help lenders create solid procedures and policies that are consistent with their strategy expertise. The Microlenders Forum in February 2017 had 58 attendees from 38 organizations. We highlighted different tools to automate, a technological solution that would close the bank referral loop, and CDFI re-certification.

Women Veterans
CAMEO, in partnership with Melanie Rae of Guided Business Plan, has developed the WOVEN program to include monthly Meetups in Southern California, online “office hours” for business consulting, and attendance at outreach events to connect with other veteran serving groups. Melanie also developed the Instant Income Workshop to help those with barriers to employment participate in the gig economy as self-employed business owners. The goal of the WOVEN program is to increase the number of veterans that our members serve and provide community-based training.

Centro Business App Program
Five member organizations—Anew-America, Bethel LA CDC, Vermont-Slauson, VEDC, and West Angeles CDC—graduated 14 cohorts and held 5 bootcamps in both English and Spanish to help 244 clients develop their business plans using the app.

Capacity Building
This year 516 participants benefited from CAMEO trainings in microlending, specialty foods, best practices, and workforce development. We introduced our members and colleagues to new opportunities and ideas such as the do-it-yourself economy, new trends in the gig economy, marketing and outreach and how to advocate at the district level.

CAMEO provided 15 of our members’ staff with individualized training scholarships to further their professional development. CAMEO also provided substantial direct technical assistance to LURN and MEDA to prepare them for the Carrot Fund.

Go-To-Market
In April 2017, 155 people attended our third Micro Goes to Market program in Reedley (Fresno), our largest event to date. We partnered with the Specialty Food Association, Access Plus Capital, and Fresno SBDC to bring this top-notch training to the Central Valley. We expanded the program to include an Etsy Craft Entrepreneurship training at the SBDC that will be delivered in 2018.

The New Era Workforce
Our January symposium was a huge success with 77 attendees and a focus on the needs of the independent entrepreneurs rather than the disruption that the technology platforms have brought to markets.
POLICY AND ADVOCACY

One of CAMEO’s key roles is to give the micro sector a voice in Washington, DC and Sacramento. In 2017, our work in Washington was very challenging given a divisive political atmosphere and understaffed agencies.

Even though the President’s budget zeroed out the CDFI Fund and other small business development programs, CAMEO’s efforts were ultimately successful when the FY2017 budget was passed seven months late on May 1, 2017. Funding levels that we advocated for were either exceeded or met in full, with the exception of the USDA’s Intermediary Relending Program (a 50% decrease). The FY2017 budget saw increases over FY2016 in CDFI Fund (6%), MicroLending (26%), Microlend TA (24%), Women Business Centers (6%), and Small Business Development Centers (7%). Other program funding remained stable. We worked hard to maintain or grow the funding for these programs in the FY2018 budget, and most were funded at 2017 levels, including PRIME, with some modest increases.

Our long-term goal to have the U.S. Department of Labor and the Workforce System fully support self-employment as a career pathway has stalled. We continue to urge the DOL to issue guidelines for performance measures so that the states can integrate entrepreneurship training into their workforce systems.

Our other major advocacy effort was to promote the New Era Workforce of independent self-employed entrepreneurs. We partnered with Intuit twice: in January, we held a symposium to explore CAMEO’s role in ensuring that the new era workforce thrives; in October, we held a legislative briefing about appropriate tax policy for the gig economy. Thirty people attended, including 20 legislative staff and the staff person from Ways and Means Committee. In California, Governor Brown allowed self-employment income to qualify as earned income for the Earned Income Tax Credit, an issue we strongly supported.

This year we will be busy! At the federal level, we will continue our commitment to sustaining and increasing funding for the microbusiness sector. On the state level, we are very excited about two bills: a historic investment of $20 million in small business development for federally funded business assistance programs and two bills that provide transparency and truth in lending. Thanks to everyone who knocked on legislators’ doors at our annual meeting and in their districts! It works! These policies are a direct result of our collective advocacy efforts in Sacramento. We look forward to building upon these successes at this year’s annual meeting.

2018 BOARD

Oscar Dominguez, President
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Constance Anderson, Vice President
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Director of Micro Lending, Opportunity Fund

Vincent McCoy, Secretary
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CEO

Heidi Pickman
Associate Director

Andrew Seko
Operations Manager

Susan Brown
Microlending, Rural Initiatives

Melanie Rae
Veteran Entrepreneurship

Madison Services Group
Public Policy – Washington, D.C.

MEMBERSHIP

225 Total Members
138 Microenterprise Development Organizations,
4 government agencies, and
24 consulting practitioners
operate in 8 regions:
Central Coast (11)
Central Valley (12)
Inland Empire (9)
LA Basin (40)
Rural North (24)
Sacramento Area (8)
San Diego (11)
San Francisco Bay Area (51)
31 Reciprocal Associations
28 Corporate and Government Partners

2016 Impacts from Annual Survey:
- 16,776 businesses served
- 73% LMI clients
- 38,503 employees supported
- Combined annual gross sales of $1.3 billion
- 3,681 loans under $50,000 totaling $49.6 million; average loan of $13,840