Creating jobs and opportunities in lower income communities
Results that transcend tough times...

8 percent
job growth at PCV companies

212 jobs created
at PCV companies

45 million dollars
Wages paid to residents of lower income communities

Advice
Entrepreneurship — starting and growing new businesses — is what creates jobs. But successful entrepreneurs don’t go it alone. PCV’s Business Advising program supports entrepreneurs. And not just any entrepreneurs, but those who are building businesses that have the potential to create good jobs for people in vulnerable communities. This signature program organizes hundreds of business executives to volunteer as ad-hoc Boards of Directors, mentors and strategic advisors to entrepreneurs who are creating economic opportunities in lower-income neighborhoods.

Capital
Freeing up capital for small businesses is a critical step in stimulating job creation. Pacific Community Management, a PCV affiliate, invests equity in small, high-growth businesses that deliver exceptional financial returns and high-quality jobs for lower-income workers. Beginning in 2012, PCV’s new Small Business Advising Integrated Lending program (SAIL) will fill the gap between microfinance and large institutional debt by offering loans between $50,000 to $200,000 to small businesses, in conjunction with strategic advising.

Research
PCV’s InSight program is a thought leader in high-impact investing. InSight’s research and analysis educates policymakers, investors and business leaders on how to harness private capital for verifiable social benefits, as well as for financial return. Serving some of the nation’s preeminent institutions, InSight informs diverse constituents on issues ranging from health care reform to strategies for uplifting disadvantaged communities.
Dear Friends,

With your support, in 2011 PCV stepped up our efforts to get people working again. And not just working, but prospering.

To prosper means to flourish; to grow strong and healthy. Prosperity shouldn’t be for just a select few. With good jobs – those offering benefits and living wages - doors to prosperity can open for everyone. That’s what we mean by “reinventing prosperity,” and it’s what we work to do every day.

Driving capital and resources to lower-income communities remains the cornerstone of PCV’s model for impact. In 2011, that strategy took new shape.

PCV developed bold new programs and was recognized nationally and globally for our work:

• United States Small Business Administration (US SBA) awarded PCV $1 million to seed a new lending program, which will provide loans of between $50,000 and $200,000 to job-generating small businesses.
• PCV made Forbes’ “Impact 30” list featuring the world’s leading social entrepreneurs.
• PCV was named Bay Area Nonprofit of the Year by the Association for Corporate Growth.

We gained the attention of influential leaders:

• InSight’s report Impact Investing was recommended reading for a White House summit on building an impact economy in America.
• PCV was invited to convene a roundtable of small businesses with Congresswoman Nancy Pelosi.
• US SBA Deputy Administrator Marie Johns visited a PCV-advised business to learn about our model.
• Lieutenant Governor Gavin Newsom provided the keynote at PCV’s Annual Event.

With PCV companies employing thousands of men and women in quality jobs, we have seen more than a glimpse of how reinventing prosperity is possible.

We are also distinctly aware that our work is not done. PCV will build on this momentum in 2012 and beyond.

With warm regards,

Bill Pace,  
Board Chair  
Pacific Community Ventures

Beth Sirull,  
Executive Director  
Pacific Community Ventures

Eduardo Rallo,  
Managing Partner  
Pacific Community Management

Over 1,500 lower income families supported

2011 Milestones

• US SBA awarded PCV $1 million to seed a new small business loan program.
• Business Advising matched 135 companies with 197 volunteer advisors.
• InSight measured the social impact of over $1.3 billion of private equity investments.
• PCV’s affiliated equity funds successfully sold Galaxy Desserts, providing positive financial returns to investors and social impact to the community — 33% job growth during investment and 86% of employees sharing in the sale profits.
Creating Jobs

PETIT COLLAGE
Modern, handcrafted décor for kids

Petit Collage’s eco-friendly, vintage-inspired room décor and accessories have captured the hearts of parents everywhere, as well as the attention of tastemakers such as Martha Stewart and the New York Times.

Owner and designer Lorena Siminovich had been building Petit Collage steadily for five years when she realized the business was experiencing growing pains. The San Francisco-based company’s increasing popularity required a sustainable strategy and Lorena reached out to PCV for support.

Kicking off with a strategy roundtable, a crew of PCV volunteer advisors identified key issues for Petit Collage to address in managing its growth. Following that initial session, four volunteers devoted one-on-one time to the business. From developing a granular budget to analyzing operational structure, to setting up HR systems for proper compliance, PCV advisors spent 40 hours supporting Lorena and her team.

By the end of 2011, with solid systems in place and the confidence to manage continued success, Petit Collage doubled the workforce of its Mission-district headquarters.

Pacific Community Ventures

Advice

Following are just a few examples of successes from the year.
Ciro’s landscaping owner Ciro Delgadillo had a succession plan in place and was preparing to retire from his successful business when the recession hit. With large loans on two commercial properties and business dramatically slowing, Ciro suddenly found himself considering the unthinkable - dissolution of his decades-old family business.

Ciro’s turned to the originator of his Small Business Administration loan, San Diego-based CDC Small Business Finance, for help. After reviewing the business’ new operating realities, CDC was determined to deliver a better outcome. Knowing Ciro’s Landscaping needed business expertise to confront the many challenges ahead, CDC brought in its integrated partner, PCV.

PCV worked with Delgadillo to model realistic business projections and develop a plan for leasing his excess commercial space. PCV provided sound guidance and asked the hard questions. The organization also worked in tandem with Ciro’s Landscaping and CDC to help the company restore its real estate debt payments and its credit.

With the company’s properties leased and utilized, a reoriented business strategy, simplified business offerings, and a full complement of 30 employees, Ciro’s Landscaping is on solid financial footing and growing again.
Call it a sweet deal for all involved. The recent sale of Galaxy Desserts not only returned attractive financial returns for investors, but also delivered sizeable social impact, creating quality jobs for Galaxy’s diverse workforce of 163 self-described “dessert-lovers.”

Over the course of PCV’s investment, Galaxy grew its jobs by 33%, increased health care and retirement benefits for employees, and 86% of workers participated in the sale via stock options and profit-sharing opportunities.

When the PCV growth equity team originally invested in Galaxy Desserts, the company was working out of a 36,000 square-foot facility. With PCV investment funds, Galaxy built a production facility almost double that size and enlarged its staff, enabling a sales increase of 80%.

Located in the East Bay port city of Richmond, Galaxy prides itself on fostering an entrepreneurial culture, with numerous instances where part-time employees grew into senior operation roles. That company culture continues with the new owners, Brioche Pasquier.

This French family-owned group will join forces with Galaxy chef Jean-Yves Charon and CEO Paul Levitan to add Galaxy’s talent and exceptional products to the French brand, as well as to introduce Brioche Pasquier to the American market, all while continuing to provide quality jobs for local residents.

“PCV’s investment enabled Galaxy to grow profitably and add sustainable, quality jobs for local Richmond residents.”

Paul Levitan, CEO
Galaxy Desserts
Research

Whether the results inform strategies to bring economic opportunity to struggling communities or affordable health care to the uninsured, PCV InSight works to advance policies that encourage private capital to invest for social benefit as well as financial return. In 2011, InSight’s influence resonated on state, national and international levels.

Thriving societies

The resources of government and philanthropy alone are insufficient to address the world’s biggest problems. This was the premise in mind when InSight and its collaborator, the Initiative for Responsible Investment at Harvard University, with funding from the Rockefeller Foundation, embarked on an investigation into the power and scalability of impact investing.

Impact Investing: A Framework for Policy Design and Analysis - launched last year in New York, Washington, D.C., and London - examines how governments from Kenya to Peru to the United States and beyond are catalyzing investments that result in financial return and positive social benefits.

The study has stimulated additional efforts in the field, including:

• InSight’s report was recommended reading for a White House summit on Building an Impact Economy in America. PCV’s Beth Sirull and Ben Thornley were two of approximately one hundred and fifty leaders invited to the D.C. summit.
• InSight convened a meeting of 30 policymakers, advocates, and researchers from 9 countries to share intelligence on the ways governments can, and should, encourage private investment in underserved markets.

Healthy workers and families

With more than two million Californians without health insurance living in a household headed by a small business employee, InSight has leveraged PCV’s invaluable entrepreneurial networks to play a pivotal part in understanding how the nation’s new health care law can extend coverage to more working people.

InSight’s report - Health Care and Small Business: Understanding Health Care Decision Making in California - revealed how small business owners navigate the health insurance market and make decisions about coverage for their workers.

The influential California Health Benefit Exchange, charged with implementing the reform law in the state, invited InSight to be only the second external organization privileged to present research and recommendations to its Board.

In 2011, InSight was commissioned by Neighborhood National Bank (NNB), a nationally recognized CDFI, to measure its impact in greater San Diego, a region encompassing areas with high poverty and high unemployment. InSight’s report illustrates NNB’s leadership in the region as a depositor and provider of capital to businesses and individuals in areas overlooked by traditional banks.

The measures of social progress

As part of its consulting to assess the social performance of investments for institutional clients, InSight produced one of the most comprehensive and innovative reports in the world, measuring the impact of the California Public Employees Retirement System’s (CalPERS) $17 billion of investments within California.

InSight’s report detailed numerous social benefits of the statewide investments, opportunities that will fuel California’s future and create the jobs of tomorrow.

For Community Development Financial Institutions (CDFIs), positively affecting community and economic development in underserved markets is paramount, and measuring the impact of CDFI investments is becoming increasingly vital.

In 2011, InSight was commissioned by Neighborhood National Bank (NNB), a nationally recognized CDFI, to measure its impact in greater San Diego, a region encompassing areas with high poverty and high unemployment. InSight’s report illustrates NNB’s leadership in the region as a depositor and provider of capital to businesses and individuals in areas overlooked by traditional banks.

Photo Notes

Left: Entrepreneurs and guests at PCV’s Annual Showcase
Center: Cover of 2011 report, Health Care and Small Business
Right: Ben Thornley presents InSight report in Sacramento
Pacific Community Ventures

2011 Impact

Driving Economic Recovery

Pacific Community Ventures spurs economic growth by helping small businesses grow and create jobs in lower-income communities, driving economic recovery in the neighborhoods that need it most. In 2011, PCV companies created 212 new jobs, growth of 8%, — compared to 2% job growth in the state and nation. 1

PCV worked with 19 partner economic development organizations and 145 small businesses through our Business Advising program and affiliated equity funds. Our volunteer business advisors donated almost 2,000 hours of their time to provide guidance and expertise to entrepreneurs and small businesses. PCV InSight measured the impact on underserved communities of over $1.3 billion in private capital invested in small businesses, further demonstrating the viability of high-impact investing in lower-income communities.

Companies receiving business advising services from PCV experienced a significant increase in employment last year with over 14% job growth.2 Over half of the nearly 3,000 employees of PCV companies were residents of lower-income communities.3 And PCV’s Business Advising program is cost-effective — for every $3,000 spent on the program, a new job, paying an average wage of $38,000 per year, was created at a participating company in 2011. In total, PCV companies paid $45 million in wages to residents of lower-income communities in California.

<table>
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<tr>
<th>Pacific Community Ventures 2011 Impact Summary</th>
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<tr>
<td><strong>TOTAL</strong></td>
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<tr>
<td>Number of companies supported: 145</td>
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<td>Total employees supported: 2,719</td>
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<td>Average number of employees per company: 19</td>
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<td>Net new jobs created: 212</td>
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<td>Annual employment growth rate: 8%4</td>
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<td>Low- and moderate-income employees as a</td>
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<td>percentage of the total workforce: 57%5</td>
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<tr>
<td>Total wages paid by PCV companies to residents of lower-income communities: $45 million</td>
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Generating Paychecks

More than half of PCV companies pay their lower-income workers (10th and 25th percentile earners) more than lower-income workers in comparable California companies. These companies recognize the benefits of paying superior wages in terms of reduced turnover resulting in lower recruiting, hiring and training costs.

Providing Access to Health Care and Financial Security

Health insurance premiums in California increased over 8% in 2011, outpacing inflation and making health benefits less affordable.5 As a result, the proportion of PCV companies able to offer this benefit to their employees has been steadily declining. In 2011, 49% of PCV company employees were eligible for health care coverage.

PCV companies that offer coverage pay an average of 70% of employee premiums.

Recognizing the challenges small businesses face in providing health care coverage to their employees — and that the majority of the working uninsured are employees of small businesses — PCV set out to influence health care policy in 2011. PCV InSight completed a landmark study entitled Health Care and Small Business: Understanding Health Care Decision Making in California. This work enabled policy makers to better understand how to engage with small businesses and increase the likelihood that business owners will choose to offer health coverage to their employees. PCV was one of just two organizations invited to present this work to the California Health Benefit Exchange, the agency charged with implementing health care reform in the state.

PCV also works with the companies in which it makes a financial investment to reserve a portion of company equity for lower-income workers. As showcased on page 6, over 85% of Galaxy Desserts’ employees are sharing in the profits of the company’s recent sale. These equity set-aside programs enhance employees’ long term economic self-sufficiency even as they improve productivity and morale.

PVC Portfolio Companies pay workers higher average wages than California companies in comparable industries.
Creating Jobs

Overall job growth in 2011 at PCV companies outperformed the U.S. and California private sectors. PCV companies increased employment by 8.4% compared to the US and California, where private sector employment grew just 2%. Over the last five years, PCV companies have consistently outpaced the general economy, achieving superior job growth.

Preventing Foreclosure/Retaining Jobs

In 2011, PCV continued its partnership with CDC Small Business Finance in San Diego to provide business advising services to small business owners with commercial real estate debt facing foreclosure. PCV was able to work with small businesses, lenders and the Small Business Administration to avert foreclosure on nearly $20 million in debt, saving over 250 jobs. In 2012, PCV will continue to partner with CDC Small Business Finance and other lenders to advise these at-risk small businesses, preventing business foreclosure and job loss.

Helping the Underserved

PCV companies provide employment to a total of 2,719 workers. Over half (57%) of these employees are defined as low- to moderate-income from underserved communities across California.

The companies that PCV advises employ a diverse workforce. Female employees make up 44% of workers, 36% are Hispanic or Latino, 13% are Asian/Pacific Islanders, 3% are African-Americans, and 2% are either multi-racial or another ethnicity.

For methodology and footnotes please see the online version of this report at www.pacificcommunityventures.org/annual-report.pdf.
“You can’t imagine how much the family and myself appreciate what you and your group are doing for us. We will not let you down.”

Gaston A. Monast, European Hardware and Finishes dba Gerber Hinge Company, PCV Business Advising Client

Staff

Pacific Community Ventures

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Lending and Marketing Associate

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Director, Finance and Lending Initiatives

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Statewide Director, Business Advising

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Finance Manager

Shawn Nguyen
Office Manager

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Program Manager, Business Advising

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Project Coordinator, InSight

Rebecca Shepherd
Analyst, InSight

Chuck Sinks
Regional Director, Business Advising

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Executive Director

Ben Thornley
Director, InSight

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Project Manager, InSight

Tom Woelfel
Project Manager, InSight

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Associate

Peter Mehrberg
Managing Director

Eduardo Rallo
Managing Director

Yolanda Ruiz
Partner

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Atlas Capital Strategies

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Sotspotter

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Galaxy Desserts

Lisa Maibach
Spencer Stuart

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Hanson Bridgett, LLP

Beth Sirull
Pacific Community Ventures

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CEO & President, Jackson Hole Group

Aida Alvarez
Administrator, US Small Business Administration (Former)

2011 Donors

Institutional Contributors

$50,000 - $999,999

Bank of America Foundation
California Endowment
Citi Foundation
Community Development Financial
Institutions Fund
RS Group (Hong Kong)
Rockefeller Foundation
William Randolph Hearst Foundation

$25,000 - $49,999

Annie E. Casey Foundation
Charles Schwab & Co.
Wells Fargo Foundation

$1,000 - $24,999

ACG San Francisco, Inc.
Bubbles of San Francisco
CDC Small Business Finance
Charles and Edna Levine Family
Foundation
College Access Foundation of CA
Comerica Bank
Equator Estate Coffees
Fenwick & West, LLP
Friedman Family Foundation
Hanson Bridgett, LLP
appreciate what you and your group are doing for us.

European Hardware and Finishes dba Gerber Hinge Company, PCV Business Advising Client

Morrison Foerster, LLP
New Resource Bank
San Diego Gas & Electric
Sensiba San Filippo, LLP
SFMade
Silicon Valley Bank
Spencer Stuart
The Upjohn Fund of San Francisco
Union Bank of California N.A.
U.S. Bank N.A.

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Zachary Mutrux
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Vinay Pai
Robin Petravic
Stephen Shoup
Eduardo & Sylvia Rallo
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Taz Singh
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Adam Straus
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Christa Velasquez
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Timothy Volkema
Jim Wiggett
Hugh Williams
Lynne Winslow

For every $3,000 spent on PCV’s Business Advising Program, a new job, paying an average wage of $38,000 per year, was created at a participating company in 2011.
“PCV InSight and IRI are well-positioned to grow the world’s most intractable problems.”

Bay Area Advised Companies

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San Diego / Los Angeles Advised Companies

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<td>BS Hand &amp; Sons, Inc.</td>
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<tr>
<td>Business Communications Solutions</td>
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<td>C&amp;G Petroleum</td>
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<tr>
<td>Canyon Pottery, Inc.</td>
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<td>Carson Valero</td>
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<td>China Pavilion</td>
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<td>Ciro’s Landscape</td>
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<td>CR Studio 4</td>
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<td>Discount Glass &amp; Mirror</td>
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<td>D’Mundo Tile</td>
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<td>Earth Support Systems</td>
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<td>Electro Surface Technologies</td>
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<td>Entech Environmental</td>
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<td>ESI Contracting</td>
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<td>Express Automotive Enterprises</td>
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<td>Gerber Hinge</td>
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<td>Hichborn Consulting Group</td>
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<td>Highest Bidder</td>
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<td>Hi-Tech Auto Repair</td>
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<td>Invisible Touch</td>
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<td>Marlin Machine Products</td>
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<td>Mendesol Transaxies, Inc.</td>
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<td>Murphy Mechanical</td>
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<td>Omega Industrial Marine</td>
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<td>P. Timothy Pittullo, APC</td>
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<td>Painted Rhino</td>
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<td>Panama Hospitality, LLC</td>
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<td>dba Howard Johnson Hotel</td>
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<td>Parisian International</td>
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<td>PB Bar &amp; Grill</td>
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<td>Pressline Ink and Supplies</td>
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<td>Promex Automotive</td>
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<td>Quantum Press</td>
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<td>Radio Active</td>
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<td>RNX International</td>
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<td>Sanborn A/E, Inc.</td>
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<td>Savannah Grill</td>
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<td>Sierra Pacific Fleet Services</td>
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<td>SK Furniture</td>
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<td>Skipco Grading &amp; Paving, Inc.</td>
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<td>Spirit Graphics and Printing</td>
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<td>Sun Boss</td>
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<td>Sunwest Pool Safety (aka All-Safe Pools)</td>
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<td>Telecom Logistics</td>
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<td>Walard Enterprises, Inc.</td>
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<tr>
<td>YMZA Group, Inc.</td>
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PCV Partners

<table>
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<tr>
<th>Company Name</th>
<th>Year</th>
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<td>B Corporation</td>
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<tr>
<td>CDC Small Business Finance</td>
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<tr>
<td>Goodwill Industries</td>
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<td>Inner City Advisors</td>
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<td>Jewish Vocational Services</td>
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<td>La Cocina</td>
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<td>MANEX</td>
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<tr>
<td>OBDC Small Business Finance</td>
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<td>Office of Small Business, San Francisco</td>
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<td>City Hall</td>
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<td>Opportunity Fund</td>
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<td>Renaissance Entrepreneurship Center</td>
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<td>RSF Social Finance</td>
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<td>SF LGBT Center</td>
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<td>SFMade</td>
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<td>TMC Working Solutions</td>
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<td>Urban Solutions</td>
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<td>Valley Economic Development Center</td>
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<td>Women’s Initiative for Self Employment</td>
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<tr>
<td>Zero Divide</td>
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</tr>
</tbody>
</table>

Legend

1 B Corporation
2 CDC Small Business Finance
3 La Concina
4 New Resource Bank
5 Opportunity Fund
6 Renaissance Entrepreneurship Center
7 SF LGBT Center
8 SFMade
9 TMC Working Solutions
10 Women’s Initiative for Self Employment
11 Zero Divide
field and help drive capital to address some of the world's most intractable problems.

Judith Rodin, President of the Rockefeller Foundation

InSight Clients
California Public Employees Retirement System
The Rockefeller Foundation
The Annie E. Casey Foundation
The California Endowment
The Northwest Area Foundation
Hamilton Lane
Macquarie Funds Management
Neighborhood National Bank

Fund Companies
Adina for Life, Inc.
Bentek Energy
Evergreen Lodge
Freshtology
Galaxy Desserts
New Leaf Paper
Pacific Catch
Pacific Pharmacy
SABEResPODER
Zoom Eyeworks

In-Kind Sponsors
Adina for Life, Inc.
Beringer
Flora Grubb Gardens (Grubb & Nadler, Inc.)
Galaxy Desserts
Heath Ceramics
Playa Viva
Yes V Can

Media Sponsors
7 X 7 Magazine
California Home & Design
CBS 5
San Francisco Business Times
The Bay Citizen

Bay Area Volunteer Advisors
Leon Allen
Consultant
Chris Andersen
Atlas Capital Strategies
Ken Ansin
Ansin Consulting Group
Joe Anzalone
New Resource Bank
Deborah Armanino
Armanino Foods of Distinction, Inc.
Jeffrey Barney
Kane and Finkel, LLC
George Beardsley
Quality Earnings
Aparna Behari
Apple Computer, Inc.
Anne Bisagno
Xantrion
Jonathan Black
Inter Core Media
Joan Bodensteiner
Socialcast
Steve Bowling
Retired / Consultant
Leslie Brand
Wheelhouse Solutions
Chris Braun
Consultant
Tom Brehme
BlockWild, Inc.
Rick Brown
TerraVerde Renewable Partners
Rick Brusseau
Sea View Partners
Maureen Burke
Tatum
Carolyn Cerpeneti
Bialla & Associates
Eric Chen
WI Harper
Lisa Chow
Palim
Christine Ciandri
Saas Corporation
Andrew Constantin
Constantin Partners
Jack Cortis
Dare Consulting
John Dare
Dare Consulting
Peter David
CFO Services - RHI/Protiviti
Donna Davis
It’s Time 2, Inc.
Santino DeRose
DeRose & Appelbaum
John Doyle
Fountain Partners
Dianne Dubois
Maple Street Associates
Leah Edwards
Edwards & Co.
Liz Einbinder
Liz Einbinder Consulting
Mark Farrell
San Francisco Supervisor
Maryanne Flynn
Cisco Systems
Jennifer Forster
Postcouture, Inc.
Anna-Lisa Froman
Commerce & Style
Sasha Froylund
Strategic Enterprise Solutions, Inc.
Maureen Futtner
P.R. for the People
Mike Garrabrants
ArtesynIP
Andrew Giacomin
Hanson Bridgett, LLP
Daniel Gloates
The Orphanage
Linda Graebner
Chef’n Corporation
Paul Graven
Cateni
John Gray
Bubbies of San Francisco
Gary Groff
New Resource Bank
Jeffrey Gustafson
Consultant
Kyle Haas
Charco Investments, LLC
Seth Halio
Novariant, Inc.
Mark Hamachek
Consultant
Lisa Hannah
Ageless Beauty Spas
David Healy
National Football League
Dan Heller
DZH Phillips, LLP
Jayne Hillman
Launch Community Ventures
James Hipkin
Red8 Studios
Robert Holden
New Resource Bank
Henry Hank James
WealthTrax, Inc.
Gregory Johnson
Clayton Partners, LLC
Clay Jones
Presidio Bank
Kiran Kadambi
eBay
Daniel Katsin
KDS Marketing Solutions
Daniel Kavanagh
Daniel M. Kavanagh, CPA
John Keenan
Cisco Systems, Inc.
Leslie Keil
Hanson Bridgett, LLP
Allison Kelly
Pacific Community Ventures
Eric King
SocioGramics
Jodi Klein
Klein Consulting
Hulya Koc
Childcare Careers
Jules Kragen
Food Forward
“What really resonates with me about PCV’s mission is working with small businesses and creating jobs for the people who need them most.”

Jeff Gustafson, PCV Volunteer Advisor
Pacific Community Ventures

2011 Financials

PCV’s 2011 financial statements reflect an organization committed to sound fiscal management, bolstered by a diversified stream of revenue, including mission-driven earned income. With the organization’s cost-effective strategy to support job creation in lower-income communities, PCV maximizes every dollar earned and donated.

Expenses by Category 2011

- General & Administration 9%
- Fundraising 4%
- Program: InSight 27%
- Program: Investment Services 41%
- Program: Business Advising 19%

Total Expenses – $3,062,136

Sources of Revenues 2011

- Fund Returns & Management Fees 34%
- Insight Project Fees 17%
- Government 27%
- Corporate 2%
- Board Directed Investments 2%
- Foundation 9%
- Other 2%

- Individual 5%

Total Revenue – $3,744,769

Help Create a Job Today

Please consider contributing to PCV to help us reinvent prosperity.
For more information, visit www.pacificcommunityventures.org/donate.
LMI METHODOLOGY
The percentage of employees defined as LMI is based on employee wage and residence data (ZIP code) from 56 companies, including 10 companies receiving private equity investment and 46 receiving business advising services.

PCV companies provide the ZIP code for each headquarters location, as well as for each employee. While employee and headquarters locations are defined by ZIP codes, LMI areas are identified by census tracts. ZIP codes can consist of parts of many census tracts and census tracts can contain parts of several ZIP codes. PCV defines an LMI ZIP code as one that is predominantly (50 percent or more) comprised of LMI census tracts.

A census tract is designated LMI if at least one of the following conditions holds true:
- For census tracts within metropolitan areas, the median income of the tract is at or below 80 percent of the metropolitan statistical area median. For census tracts outside of metropolitan areas, the median income of the tract is at or below 80 percent of the statewide, non-metropolitan area median income.
- At least 20 percent of the population lives in poverty.
- The unemployment rate is at least 1.5 times the national average.

LMI ANALYSIS UPDATE
The analysis of low- to moderate-income (LMI) ZIP codes has been updated in this year’s report to reflect the release of 2010 U.S. Census Bureau and 2009 American Community Survey data. For prior years of analysis, this research utilized 2000 U.S. Census Bureau data for determining LMI ZIP codes. The 2010 U.S. Census Bureau and 2009 American Community Survey data reflects socio-economic changes over the last ten years in the communities of the United States. These changes can be observed in the proportion of zip codes now defined as LMI, particularly in California. The percentage of California ZIP codes defined as LMI has decreased from 55 percent using 2000 Census Data to 38 percent using 2010 U.S. Census Bureau and 2009 American Community Survey data. This decrease reflects a greater concentration of relative economic disparity that is less widely dispersed geographically across California. Consequently, the percentage of companies located in LMI communities, and employees defined as LMI, in this year’s report cannot be readily compared with prior year’s reports.

4 Net new jobs created is based on responses from 68 companies receiving business advising services and 10 companies receiving private equity investment through Pacific Community Management.
5 Based on data from 10 companies receiving private equity investment and 46 companies receiving business advising services that reported employee wage and residence data.


8 Low- and Moderate-income workers earn a low or moderate-income wage, and live in a zip code that is made up of low/moderate-income census tracts. These workers earn less than the median family income (MFI) for the metropolitan statistical area (MSA) they live in.

Middle/Upper-income workers earn a middle or upper-income wage, or live in a zip code made up of middle/upper-income census tracts. These workers earn more than 80% of the median family income (MFI) for the metropolitan statistical area (MSA) they live in. Similarly, employees who earn 80% or less of the MFI for the MSA but live in a zip code entirely composed of middle and upper-income census tracts are also considered middle/upper-income. Workers living in upper-income census tracts that earn a lower-income wage are included in this category as they are likely part of a household with another source of income, or would not be able to afford to live in the neighborhood.
Pacific Community Ventures builds responsible small businesses to create jobs and opportunities in lower-income communities.