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May 2016

Dear SBDC Supporter:

We are pleased to provide our 2015 Annual Report demonstrating the significant economic impact of the University of California Merced Small Business Development Center (UCM SBDC) Regional Network. The report highlights how we've provided technical assistance to more than 4,400 businesses in Central California during the 2015 program year.

Third party research indicates that:

- Our guidance helped our clients create \$169.2 million in increased sales.
- Our clients' work generated \$4.37 million in additional tax revenues.
- We helped our clients create more jobs than the average California business.

Our clients' economic impact indicates the SBDC generates a strong return on the investment made in the program.

It takes many partners and resources to provide an environment where entrepreneurs can thrive. The UCM SBDC program is a network of these important host institutions:

- | | |
|--|---|
| Stanislaus Business Alliance | California State University, Monterey Bay |
| Fresno State University | Cal Poly San Luis Obispo |
| California State University, Bakersfield | University of California, Merced |

We are proud of these partnerships and the contributions our staff and clients make to improve the economy in Central California. To learn more about the SBDC activities, please visit our website at <http://sbdc.ucmerced.edu>.

With your continuing support, the UCM SBDC Regional Network looks forward to working with even more of Central California's small- to mid-sized businesses in 2016 to help them achieve their goals.

Respectfully,

A handwritten signature in black ink that reads "Diane R. Howerton".

Diane R. Howerton
Regional Director



2015 ANNUAL REPORT



INVESTING IN CALIFORNIA SMALL BUSINESS

SERVING CENTRAL CALIFORNIA IN THESE COUNTIES

- | | | |
|------------|----------|-----------------|
| STANISLAUS | MONTEREY | TULARE |
| TUOLUMNE | MADERA | KINGS |
| MARIPOSA | MONO | SAN LUIS OBISPO |
| MERCED | FRESNO | KERN |
| SAN BENITO | INYO | |

University of California, Merced Small Business Development Center Regional Network

is a partnership between the U.S. Small Business Administration, UC Merced, and premier host institutions in Central California. As part of a nationally accredited program, UC Merced SBDC Regional

Network is the most extensive provider in Central California for business assistance. Since 2003, UCM SBDC Regional Network has helped create more than \$289 million in financing (loans and equity).

UCM SBDC Regional Network provides entrepreneurs and small businesses with high-quality consulting, support for innovation, access to information and tools necessary to build successful sustainable businesses.

World Wind & Solar was recognized as the 2015 Outstanding Business because its transformation, evolution and sustainability are truly remarkable. The company is a model SBDC client by working closely with its consultant and utilizing the services of the CSU Bakersfield SBDC.

“This year’s award is the highest award given in the number one district for the entire Small Business Association so we’re very honored.”

NIKKI CUMMINGS, President
World Wind & Solar, Tehachapi
CSU Bakersfield SBDC

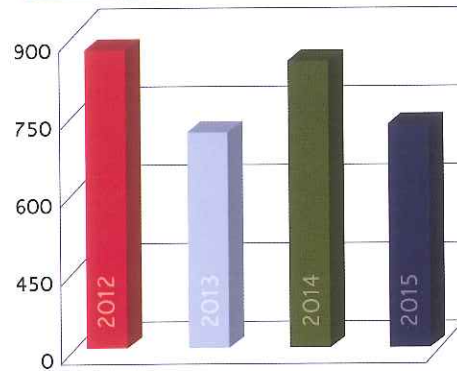
“Discovering the SBDC consultants was literally a game-changer for me. I walked in looking for help with a couple of business ideas. I walked out with not only a new business idea but also connections to a variety of resources to help me launch the business.”

CHARA CHOPP, Owner
Jump Start Kids Daycare &
Learning Center, Modesto
Alliance SBDC

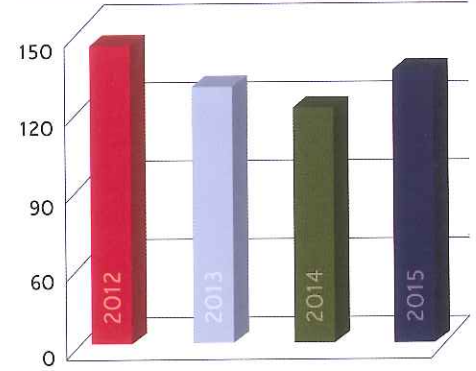
ECONOMIC INDICATORS

Indicators diagrammed reflect the economic impact of UC Merced SBDC Regional Network during fiscal years 2012 through 2015.

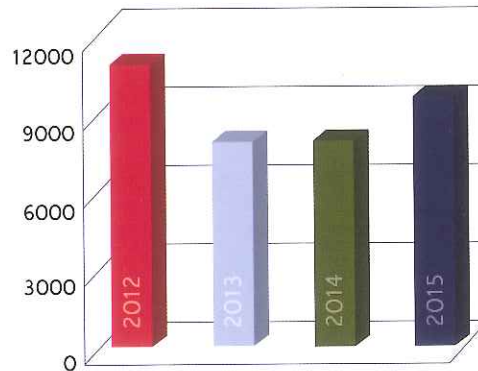
JOBS CREATED AND RETAINED



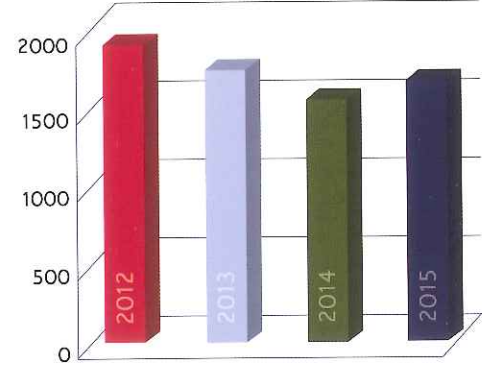
BUSINESS STARTS AND EXPANSIONS



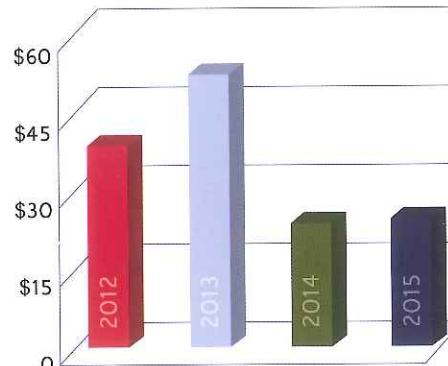
PROFESSIONAL CONSULTING HOURS



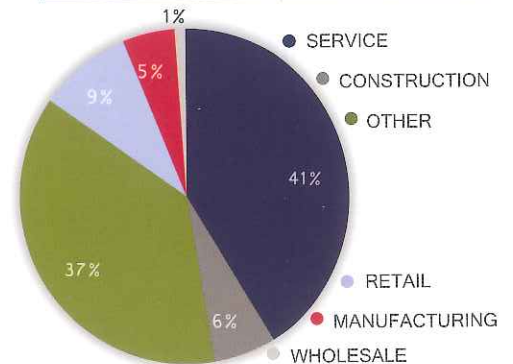
CLIENTS



CAPITAL INFUSION (IN MILLIONS)



BUSINESS SECTORS SERVED



ECONOMIC IMPACT

Each year, UCM SBDC Regional Network participates in the SBA National Economic Impact Study of clients receiving five or more hours of consulting. The Study is conducted by Dr. James Chrisman, Professor of Management, University of Mississippi.

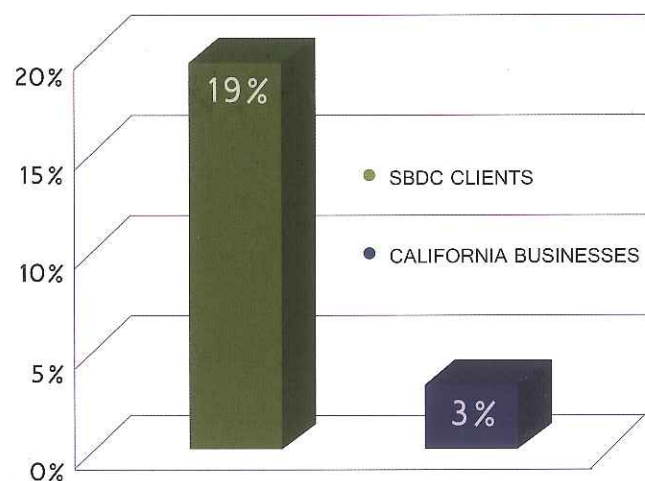
"The SBDC program in the [Central] California-Merced Region makes a positive contribution to the economy."

JAMES CHRISMAN PhD

RETURN ON INVESTMENT

- Sales, \$169.2M
- Jobs created and retained, 1,591
- Benefit-to-cost ratio, \$8.47/1.00
- Tax revenues generated from businesses assisted, \$4.37M:
 - California tax revenues, \$2.86M
 - Federal tax revenues, \$1.51M

EMPLOYMENT GROWTH



* As reported by SBDC clients. Data verified by third party research at University of Mississippi. Survey Period: 2013

"Cal Poly SBDC for Innovation has been a wonderful source for cost-effective assistance; the quality of consultants and the care they provide has been a huge boost to our growth in infrastructure."

MIKE LINN, CO-OWNER
SLO Safe Ride, San Luis Obispo
Cal Poly SBDC for Innovation

"Our SBDC Consultant Bob Kramer was a great coach and really helped us change our way of thinking and progress as business owners. Bob was very professional, great to talk to, and really helped us set some company goals to work for."

MANDI NACK
A Sparkling Event, Monterey
Cal State Monterey Bay SBDC

The purchase process was long and arduous (over eight months) with negotiations becoming very difficult at times.

"We could not have completed these negotiations successfully without the assistance of the Alliance Small Business Development Center. Their professional guidance, business insight and caring about our future allowed us to fulfill a dream."

TOM TAPIA
Tom's Truck Repair, Modesto
Alliance SBDC

Karmjot Grewal, SBDC consultant and Industry Development Manager with Office of Community and Economic Development at Fresno State (OCED), successfully assisted Wexus Technologies in submitting a grant proposal with the Clean Energy Commission (CEC). Wexus Technologies was funded \$4M - the highest amount awarded by CEC during this funding cycle. This was a great milestone for OCED's commitment to energy conservation and small business development.

"We at Wexus Technologies are very appreciative of the guidance and support we received with our grant submission. Your expertise and knowledge with grant writing and the SBIR workshop you hosted had immeasurable value to me and our Wexus team. The funding we received from the California Energy Commission is a direct outcome of our partnership with Fresno State SBDC; and we hope to work with you again in the future."

DR. ED VALEAU
Advisor, Wexus Technologies, Fresno
Fresno State SBDC

SBDC Regional Network

Lead Office

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 550 E Shaw Avenue, Suite 100
 Fresno CA 93710

(559) 241-7406
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sbdc.ucmerced.edu

Service Centers

Alliance SBDC

Serving Stanislaus and Tuolumne and
 Merced and Mariposa counties

MODESTO OFFICE

1020 10th Street, Suite 102, Modesto 95354
 (209) 567-4910

MERCED OFFICE

1735 M Street, Suite 111, Merced 95340
 (209) 386-1008

alliancesbdc.com

Cal Poly SBDC for Innovation

Serving San Luis Obispo County

869 Monterey Street, San Luis Obispo 93401
 (805) 756-5171

sbdc.calpoly.edu

CSU Bakersfield SBDC

Serving Kern, Inyo, and Mono counties

1631 17th Street, Suite 200, Bakersfield 93301
 (661) 654-2856

csub.edu/sbdc

CSU Monterey Bay SBDC

Serving Monterey and San Benito counties

106 Lincoln Avenue, Salinas 93901
 (831) 422-6232

csumb.edu/sbdc

Fresno State SBDC

Serving Fresno and Madera and
 Tulare and Kings counties

FRESNO OFFICE

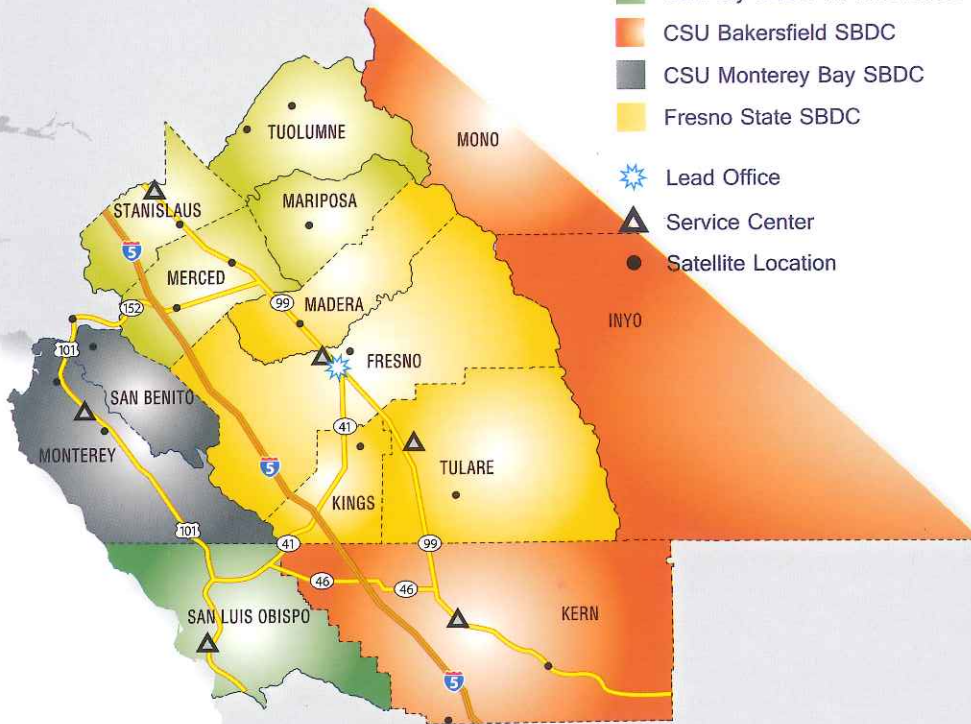
550 E. Shaw Avenue, Suite 230, Fresno 93710
 (559) 278-3712

VISALIA OFFICE

4025 W. Noble Avenue, Suite B, Visalia 93277
 (559) 713-5128

fresnostatesbdc.com

- Alliance SBDC
- Cal Poly SBDC for Innovation
- CSU Bakersfield SBDC
- CSU Monterey Bay SBDC
- Fresno State SBDC
- Lead Office
- Service Center
- Satellite Location



Cal Poly San Luis Obispo
 California State University, Bakersfield
 California State University, Monterey Bay
 Fresno State
 Stanislaus Business Alliance



Funded in part through a
 cooperative agreement with
 the U.S. Small Business
 Administration