

# ACCION NEW MEXICO:

Celebrating Hope, Investing in Dreams



1998

Annual Report

**ACCION**  
NEW MEXICO

## MISSION:

The mission of  
ACCION New Mexico  
is to increase  
access to  
business credit,  
make loans,  
and provide  
training which  
enable emerging  
entrepreneurs  
to realize  
their dreams  
and be catalysts  
for positive  
economic and  
social change.

### Message From the Chairman of the Board

1998 was a banner year for ACCION New Mexico. In our fourth year of operations, we passed the \$1 million mark in funds lent to Albuquerque-area small businesses. We completed a major market study and strategic planning process, and developed and implemented a sweeping new set of lending policies in response to market forces and demand. As a result, we saw our portfolio double.



More importantly, we saw our clients thrive. Their participation was key to our planning. Our retailored loan products and services further helped them succeed. Time and time again at ACCION New Mexico, we see that a small investment of hope and credit can set a business on the track for success. We hear comments such as, "ACCION got the ball rolling for me," or "I owe my business to ACCION." And we see, as with Brigette Lopez (p.5) and Francisco and Nancy Simbaña (p.3), that the success of a small business ripples out to create opportunities for individuals, families and broader communities.

The beauty of ACCION New Mexico's work is that it is not charity. Rather, it is a helping hand to people who are already working hard to build their businesses and fulfill their dreams.

We are delighted that communities are recognizing the value of this work. Reflecting this, ACCION New Mexico received more than \$480,000 in contributions in 1998 — an increase of forty-five percent over 1997. In March 1999, we were deeply honored to receive a City of Albuquerque Human Rights Award.

I thank our Board, staff, volunteers, donors and especially our clients, for contributing to this remarkable enterprise of hope and opportunity.

Sincerely,

A handwritten signature in black ink that reads "Robert D. Taichert".

Robert Taichert  
1998 Board Chairman

Client photo front cover:

Allenroy and Eileen Paquin  
Sunpriest Selections  
Credit: Ellen MacDonald

# MEET

## Brigette Lopez



Brigette Lopez  
Papa Nachos Restaurant

When Brigette Lopez worked as a caterer, people raved about her cooking. In 1994 she decided to take the plunge and start a restaurant. Brigette and her family pooled their savings and opened "Papa Nachos." The business is truly a family affair. Brigette's sisters as well as their children, friends and husbands are always there pitching in, from sweeping and mopping to waiting on tables and cooking. **"This is home,"** says Brigette's niece Sabrina.

As Papa Nachos slowly grew, Brigette saw that productivity would increase significantly if she had a tamale machine. She approached several banks for help, but could not qualify for a loan.

Then a customer told Brigette about ACCION New Mexico. Five days later, she had \$500 in hand. **"They gave me a loan when no one else would,"** Brigette says. She used the money to buy the tamale maker, and, as she predicted, her productivity shot up. **"It cut my work by more than half,"** she says.

Business was improving, but then hardship struck. The restaurant lost its lease and had to move. At the same time, Brigette's husband went into the hospital for heart surgery.

Thankfully, the local community was there to help. A customer who is an attorney helped negotiate a new lease. Other customers organized a caravan of trucks and cars for moving day. And ACCION New Mexico was there with the \$2,000 needed to remodel the new site.

Now, Papa Nachos is starting to turn a healthy profit. **"It was a great challenge and we did it,"** Brigette says, smiling, **"It's a great feeling."**

## ACCION NEW MEXICO Wins Human Rights Award

ACCION New Mexico was recently honored with a 1999 City of Albuquerque Human Rights Award. The award is given yearly to individuals or organizations that have promoted and supported human rights and human dignity, equal opportunity, and the elimination of discrimination. In making the award, the City of Albuquerque Human Rights Board issued the following remarks:

ACCION New Mexico, a community based grassroots economic empowerment organization, is being honored with a Human Rights Award for its work in increasing access for minorities to business credit, loans and training to entrepreneurs. For over five years, ACCION has worked diligently at breaking down barriers to economic self-reliance and providing economic opportunity for hardworking entrepreneurs in Albuquerque.

Accepting the award on behalf of the agency, ACCION New Mexico President and CEO Anne Haines Yatskowitz remarked, "With unity, the community of people involved with ACCION New Mexico — tortilla makers, bankers, seamstresses, attorneys, artisans and accountants to name a few — have joined together to tear down the walls of economic disenfranchisement. We are impassioned by the belief that regardless of race, culture, ethnicity, gender or income, everybody deserves a fair chance to be independent."



Francisco and Nancy Simbaña  
Preferred Maintenance, Inc.

## ENTREPRENEURS of the Year: Our 1998 Winners

Francisco and Nancy Simbaña arrived from Ecuador in 1979 with \$200. They spoke no English and had two small children. Francisco worked in construction and laundromats to make ends meet while Nancy taught Spanish in the public schools.

A decade later, the Simbañas were surviving, but not earning enough to fulfill their dream of sending their children to college. So they started a janitorial business, Preferred Maintenance. For the next five years they worked regular jobs by day and ran their business at night. **“It takes time and sacrifice to build something,”** says Francisco.

After securing a major janitorial contract, the Simbañas needed capital to invest in new equipment. Unable to obtain a bank loan, they turned to ACCION New Mexico. **“I don’t ask for breaks, I ask only for a chance to compete,”** emphasizes Francisco.

Two ACCION loans later, Preferred Maintenance, Inc. has 35 employees and annual sales of \$500,000. More importantly to the Simbañas, daughter Alexandra attends the University of New Mexico and son Juancarlos is a stockbroker.

**“We were blessed to find ACCION New Mexico, not only for their financial support, but for helping us fulfill our dreams,”** declare Nancy and Francisco.

## 1998 HIGHLIGHTS: Responding to Our Clients

In 1998, ACCION New Mexico found new, exciting ways to address client needs. Increased capital from our fundraising efforts and new loan products helped us double our portfolio in just six months — all while maintaining high asset quality.

We saw our clients reach new levels of success. Michael and Jamie Ford won the 1998 *U.S. Small Business Administration Welfare to Work Entrepreneur of the Year Award* for the state of New Mexico. With the growing income from two home-based businesses, the Fords and their three children became financially independent from public assistance. Merlinda Sedillo Welch and her fiery homemade salsa were featured in *Forbes* and on CNN, and Melinda Kenefic and Francisco Simbaña served as small business advocates with Leadership Albuquerque.

Early in 1998, ACCION New Mexico took a close look at how to be even more responsive to our clients’ needs. Our clients were integral participants in this work, serving on committees, participating in market studies and chairing task forces.

Between May and September, we implemented a number of significant recommendations:

- We raised the limit for first-time loans from \$5,000 to \$15,000, so we could better serve a range of small business needs.
- We lowered our interest rate from 16 percent to a scale of 11-14 percent, based on client payment history and the amount of the loan.
- We raised the maximum loan amount for established clients to \$50,000 and instituted revolving lines of credit and re-financing options.

Inspired by the energy and initiative of our clients, 11 donors joined together as Challenge Partners, pledging \$220,000 in matching funds. They helped ACCION New Mexico raise over \$480,000 in 1998, 45 percent more than the year before. We were also fortunate to form a partnership with Diamond Shamrock DSRM Bank, which sends two employees each week to volunteer their expertise in our office.

With solid community and volunteer support and our dedicated staff, ACCION New Mexico is well equipped to enter the new millennium, fostering the entrepreneurial spirit and helping our clients realize their dreams.

# FINANCIAL SUMMARY

Statement of Financial Position	Dec. 31, 1998*
<b>ASSETS</b>	
Cash and Equivalents	\$ 342,406
Accounts Receivable	\$ 523
Contributions Receivable	\$ 129,330
Microenterprise Loans Receivable, (Less Allowance for Loan Losses of \$17,951)	\$ 229,491
Fixed Assets, (Less Accumulated Depreciation of \$12,649)	\$ 2,995
Prepaid Expenses	\$ 5,974
<b>Total Assets</b>	<b>\$ 710,719</b>
<b>LIABILITIES</b>	
Accrued Payables and Other Current Liabilities	\$ 29,811
Notes Payable	\$ 200,000
<b>Total Liabilities</b>	<b>\$ 229,811</b>
<b>NET ASSETS</b>	
Unrestricted	\$ 396,614
Temporarily Restricted	\$ 84,294
<b>Total Net Assets</b>	<b>\$ 480,908</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 710,719</b>

Statement of Activities	Dec. 31, 1998*
<b>SUPPORT AND REVENUE</b>	
Grants and Contributions	
Unrestricted	\$ 489,889
Restricted	\$ 38,828
In-Kind	\$ 211,016
<b>Total Grants &amp; Contributions</b>	<b>\$ 739,733</b>
Interest	\$ 5,975
Loan Interest and Fees	\$ 46,483
Other Income	\$ 1,830
<b>Total Support and Revenue</b>	<b>\$ 794,021</b>
<b>EXPENSES</b>	
Program Services	\$ 467,343
Supporting Services	\$ 103,346
<b>Total Expenses</b>	<b>\$ 570,689</b>
<b>Change in Net Assets</b>	<b>\$ 223,332</b>
<b>Net Assets at Beginning of Period</b>	<b>\$ 257,576</b>
<b>Net Assets at End of Period</b>	<b>\$ 480,908</b>

# 1998 STATISTICS

Indicator	1998
Amount Loaned	\$366,909
Active Portfolio (at 12/31/98)	\$247,457
Number of Loans Disbursed	167
New Clients	73
Active Clients (at 12/31/98)	130
Average Loan Size	\$2,210
Portfolio at Risk**	7.89%
<b>Cumulative Totals to Date (as of 12/31/98)</b>	
Clients Served	425
Number of Loans Disbursed	818
Amount Disbursed (at 12/31/98)	\$1,074,283
Historical Loss Rate	2.5%



Younghee Moser  
SunRiver Corporation

\* 1998 figures for ACCION New Mexico represent 14 months of activity (11/1/97 to 12/31/98), due to a change in the fiscal year.

\*\* 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.

Complete financial statements, audited by KPMGLLP, are available upon request from ACCION New Mexico.

Client photo back cover:

Dennis Hammar  
Eddy-Hammar Ace Hardware  
Credit: Mary J. Mann

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**\*1998 Challenge Partners**