

1999
annual report

ACCION NEW MEXICO:

believing in dreams,
investing in enterprise



ACCION
NEW MEXICO



message

FROM THE CHAIRMAN OF THE BOARD

For ACCION New Mexico, our fifth year of operations was a time of robust growth, groundbreaking initiatives and hard-earned celebration. In 1999, our active loan portfolio grew by an impressive 64 percent while the number of new clients we served increased by 71 percent.

The landmark event of the year was our expansion into five new communities: Belen, Grants, Las Vegas, Santa Fe and Taos. Responding to increasing demand for microcredit, we created innovative partnerships with area banks to reach more emerging entrepreneurs than ever before.

Our fifth anniversary celebration in December 1999 spotlighted our inspirational clients—business owners who have dreamed of and achieved success, often against daunting odds. The event's theme was *Faces of Hope: Illuminating and Celebrating the Entrepreneurial Spirit*. Its success underscored the energy and commitment of our clients and supporters.

Recognizing that microenterprise development brings new vitality and economic strength to our neighborhoods, Albuquerque Mayor Jim Baca proclaimed December 10th ACCION New Mexico Day. Earlier in the year, we were also honored to receive a City of Albuquerque Human Rights Award.

With the generous support of businesses, private foundations and individual donors, ACCION New Mexico continues to be a privately-funded nonprofit organization. This support gives us the flexibility and independence to respond to the changing needs of our clients and to effectively provide much-needed microcredit. Enabling us to serve more microentrepreneurs in the long-term, Wells Fargo Bank converted a \$200,000 loan into a financial gift during 1999. We also increased our operating efficiency with the installation of a new computer system donated by Michael and Marianne O'Shaughnessy.

I thank our board, staff, volunteers, donors, and especially the visionary entrepreneurs whom we serve. Together we are bringing increased economic opportunity to the families and communities of New Mexico.

Sincerely,

H. Patrick Dee
1999 Board Chairman



James Ghahate, owner, *Unknown Artists*

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.

grounds for success

COOKING UP a dream

DAGMAR MONDRAGON, DAGMAR'S DELECTABLES

Walk into Dagmar Mondragon's bakery and restaurant, *Dagmar's Delectables*, and you walk into her heart. The atmosphere is cozy and personable. White lace curtains, bunches of silk flowers, a cuckoo clock and family photos make you feel right at home. And that's exactly her plan.

Born and raised in Berlin, Germany, Dagmar cooks traditional German food – from strudel to bratwurst. She started her restaurant in Albuquerque's South Valley in 1996 after working for years in a local bakery. "I was tired of working for other people. I wanted to answer to my customers only," Dagmar recalls.

But she needed capital to keep her shelves stocked. A friend told her about ACCION New Mexico. Dagmar had invested her life in opening the new restaurant. So ACCION New Mexico invested in her character. Now, after four ACCION loans, Dagmar has moved her business to a larger location in the Nob Hill district.

Dagmar doesn't advertise. She relies on repeat customers and word-of-mouth referrals. She and her 11 employees work hard to deliver a savory experience each day. "Of course there are times you think you can't continue," says Dagmar. "But when I see my customers smile and when they compliment my food, I know that's why I'm here."

Dagmar's advice for other small business owners is simple. Dreams can come true, but you need to take risks and work through the tough times. "If you want it bad enough, it's there for the taking."

Samuel Smith dreamed of opening his own business. After years of attending feast days at his Acoma Pueblo, he saw a market niche to sell gourmet coffee drinks and non-fried food. His business idea was born.

So Samuel pulled together a detailed business plan for *Native Grounds Coffee Company*, a mobile café with gourmet beverages and healthy cuisine. The only ingredient missing was capital.

Fortunately, a friend at the local Small Business Development Center told Samuel about ACCION New Mexico's expansion into the Grants area. Soon after submitting his loan request, Samuel became ACCION's first client in the area. With a loan of \$2,000, Samuel purchased crucial supplies – a gas grill, a refrigerator and a commercial blender.

"The fact that ACCION was willing to give me a loan, it gave me added incentive to carry out my dream. I was at a point where I didn't know where to turn."

Not one to rest on his success, Samuel hopes that his mobile food business is a stepping stone to his own full-fledged restaurant in Acoma. And preserving his culture is as important to Samuel as preserving his business. "I hope to showcase local musicians and dancers and give back to my community."



Dagmar Mondragon, *Dagmar's Delectables*

celebrating **PROGRESS**

1999 HIGHLIGHTS

EXPANDING IMPACT

*d*ynamic growth in our lending activity and service area propelled ACCION New Mexico forward in 1999. During the year we disbursed 203 loans totaling \$458,050, reaching 111 new clients. The average loan size was \$2,256. Each loan was an investment in income creation, job provision and most importantly, the success of our clients.

With the encouragement and support of local community members, ACCION New Mexico began working with entrepreneurs in Belen, Grants, Las Vegas, Santa Fe and Taos. In September 1999, we pioneered a partnership with local banks to facilitate the ACCION loan application and disbursement process. By pairing ACCION clients with local bank representatives, the program helps entrepreneurs gain greater access to credit, while ACCION can dedicate more resources to outreach and client support.

1999 also brought great strides in fundraising. Motivated by the power of entrepreneurship to create lasting and positive change, 16 local businesses and individuals became Challenge Partners by pledging \$10,000 or more in matching funds between January and September. In December, this challenge pool was increased by an additional \$75,000 commitment from the Jacobs Family Foundation. Several ACCION clients also made financial donations, underscoring their commitment to our mission.

During 1999, a group of ACCION New Mexico clients joined our *Ambassadors for ACCION* leadership development program. They participated in monthly workshops on topics such as public speaking, networking and conflict management. The Ambassadors also met with elected officials, other successful entrepreneurs and ACCION board members to discuss small business issues. The 1999 *Ambassadors for ACCION* continue to energize our community by running productive businesses, serving on the boards of community organizations and participating in neighborhood and merchant associations.

ACCION New Mexico also welcomed four full-time AmeriCorps*VISTAs (Volunteers in Service to America) in 1999. Specializing in client services, fundraising and outreach, they were instrumental in helping hundreds of entrepreneurs access business credit. With zeal and dedication, they also took on specific projects—our mobile loan program, *Streetreach*, and the publication of our client directory, a valuable marketing and networking tool for the entrepreneurs we serve.

on december 10, 1999, ACCION New Mexico brought together clients, staff, donors, board and community members to celebrate five years of success. Living up to its theme, *Faces of Hope: Illuminating and Celebrating the Entrepreneurial Spirit*, the celebration sparkled with more than 25 microenterprises showcased at a client *mercado*.

The emotion of the celebration was captured during the anniversary luncheon as Gloria and Claudia Garcia shared an inspirational story of how their family moved to the United States from Mexico in search of greater economic security. The Garcias started with only a belief in their own ability and a modest booth selling Spanish music tapes at a flea market. Several years—and four ACCION loans later—the family has built that booth into a bustling music store in Albuquerque's South Valley.

For the Garcias, as for many in the audience, microenterprise is a doorway to greater opportunity. Through hard work, these entrepreneurs have blazed a path to a brighter future. By courageously following their vision, our clients have created and sustained an estimated 858 jobs over the last five years.

Entering a new millennium, ACCION New Mexico continues to celebrate and honor those entrepreneurs who dare to dream, to hope, to achieve.



Gloria and Claudia Garcia, *Casa Musica de las Estrellas*

financial SUMMARY

1999 STATISTICS

STATEMENT OF FINANCIAL POSITION	DEC. 31, 1999 ¹
ASSETS	
Cash	\$ 382,288
Accounts Receivable	\$ 194
Contributions Receivable	\$ 102,468
Microenterprise Loans Receivable (Less Allowance for Loan Losses of \$34,896)	\$ 371,280
Equipment (Less Accumulated Depreciation of \$19,252)	\$ 22,842
Prepaid Expenses	\$ 3,025
Total Assets	\$ 882,097
LIABILITIES	
Accounts Payable	\$ 10,576
Accrued Payroll	\$ 8,580
Accrued Vacation Payable	\$ 6,589
Other Accrued Liabilities	\$ 287
Total Liabilities	\$ 26,032
NET ASSETS	
Unrestricted	\$ 776,065
Temporarily Restricted	\$ 80,000
Total Net Assets	\$ 856,065
Total Liabilities and Net Assets	\$ 882,097

STATEMENT OF ACTIVITIES	DEC. 31, 1999 ¹
SUPPORT AND REVENUE	
Support and Contributions	
Unrestricted	\$ 559,062
Restricted	\$ 115,869
In-Kind	\$ 121,715
Total Support and Contributions	\$ 796,646
Revenue	
Loan Interest and Fees	\$ 67,834
Interest	\$ 4,379
Other Income	\$ 25
Total Revenue	\$ 72,238
Total Support and Revenue	\$ 868,884
EXPENSES	
Program Services	\$ 400,857
Fundraising	\$ 66,627
Supporting Services	\$ 26,243
Total Expenses	\$ 493,727
Change in Net Assets	\$ 375,157

INDICATOR	1999
New Clients	111
Number of Loans Disbursed	203
Amount Loaned	\$458,050
Active Portfolio (at 12/31/99)	\$406,272
Active Clients (at 12/31/99)	184
Average Loan Size	\$2,256
Portfolio at Risk ²	5.46%
Percentage Self-sufficiency ³	19.4%
CUMULATIVE TOTALS TO DATE (AS OF 12/31/99)	
Clients Served	536
Number of Loans Disbursed	1,021
Amount Disbursed (at 12/31/99)	\$1,532,333
Net Dollars Written Off	2.1%

- ¹ A comparison to fiscal year 1998 is not included as 1998 reflected 14 months of activity due to a change in fiscal year.
- ² Portfolio at risk is equal to the total outstanding principal balance of loans past due more than 30 days divided by the total active loan portfolio.
- ³ Self-sufficiency is calculated by dividing revenue from lending operations by total expenses (less in-kind expenses).

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



Javier Villegas, Alpha TV & Appliances

**2000 BOARD
OF DIRECTORS**

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President & CEO

Beth Chavez
Director of Development

Marisa Barrera
Statewide Lending Director

Andrea Berger
Office Manager

**AMERICORPS*VISTA
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Kamana Adhikary
Resource Development Assistant

Greg Bastian
Client Services Coordinator

Jennifer Flake
Client Services Coordinator

Karen Sigel
Public Awareness Coordinator

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John LaVolpa
Albuquerque Community
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Family Fund
Albuquerque Host Lions Club
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PNM Foundation

Enchantment Land Certified
Development Corporation
Entravision Communications
Co., LLC

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First Security Bank*
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Furr's Supermarkets*
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John Guffey

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Innovation (in-kind)

Jacobs Engineering
Foundation
Jacobs Engineering Group,
Inc. (in-kind)

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kind)

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Michael & Marianne
O'Shaughnessy

PNM Foundation

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*1999 Challenge Partners



**new mexico
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