

Lending. Supporting. Inspiring.

2000 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

2000 CHAIRMAN OF THE BOARD



It was a year of unprecedented growth for ACCION New Mexico. We nearly doubled our portfolio and expanded lending operations to northern and central New Mexico.

Before the arrival of ACCION New Mexico, the small businesses of rural New Mexico communities found few options for business capital. Now, with access to small business loans from ACCION, they have a chance to really flourish. In 2001, we plan to expand south and west, moving ACCION New Mexico toward statewide operations.

Under the able leadership of Anne Haines Yatskowitz and her dedicated team, ACCION New Mexico's portfolio grew by 97 percent in 2000. We maintained a 98 percent loan repayment rate and kept operational expenses under excellent control.

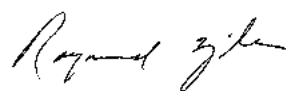
In 2000, we again completed an outstanding fundraising effort, raising nearly \$650,000 from generous donors residing both within and outside New Mexico. A significant number of those donors were new contributors. They all see the power of ACCION's work to fuel the dreams of our borrowers.

Strong community partnerships nurtured ACCION's accomplishments. We forged a nationally recognized partnership program with leading banks that allows borrowers

to apply for and receive ACCION loans at bank branches. The program provides a ready route to expansion without the expense of new offices. It also provides an important link between microentrepreneurs and commercial banks.

Our borrowers also gave back. They spoke at numerous community gatherings and displayed their wares at ACCION events. A number became new donors. Best of all, they shared skills with one another. Tina Disbrow, for example, who wholesales straw baskets on the Internet, helped photographer Karen Crandell set up a web site. In exchange, Karen provided new promotional photos of Tina's baskets.

It is the kind of spirit exhibited by Tina and Karen that inspires each of us on a daily basis. Thank you to our board, staff, volunteers, donors and, most important, to the passionate, creative New Mexican entrepreneurs we are privileged to serve.



Raymond Ziler  
2000 Board Chair



MERINE MCCOY, NEW PHYSIQUE FITNESS

PHOTO: ROBERTA BARNES

# Meet George and Donna Chavez

TIJERAS, NEW MEXICO

## Banking on Microenterprise

In what is being touted nationally as a groundbreaking route to cost-effective expansion, ACCION New Mexico is partnering with commercial banks to efficiently bring our services to many more entrepreneurs, particularly in rural communities. In recognition of this pioneering expansion strategy, ACCION New Mexico received an Aspen Institute FIELD Grant to fund a demonstration project.

As our partners, banks refer potential borrowers to ACCION, distribute information about our services, and act as our representative in the areas they serve.

First State Bank, Wells Fargo Bank New Mexico and First National Bank of Santa Fe not only refer prospective ACCION borrowers, but actually close ACCION loans and disburse funds right in their local offices. ACCION New Mexico conducts the credit underwriting and, after approval, transmits the completed loan documents to partner banks for loan disbursement. In Belen, Ranchers Bank hosts informational open houses, puts stuffers in bank statements, prints information on our services on receipts and statements, and displays ACCION information in its branches.

In 2001, Wells Fargo has also provided us with a loaned executive, whose expertise has contributed significantly to ACCION's portfolio growth.

"The banking community's collaboration with ACCION New Mexico has been key to our expansion," says Anne Haines Yatskowitz, president & CEO. "We have been able to reach so many more entrepreneurs throughout rural New Mexico because of their help."



PHOTO: ELLEN MACDONALD

GEORGE & DONNA CHAVEZ, CHAVEZ FIREWOOD

## George and

Donna Chavez aren't afraid of hard work. Growing up in small-town New Mexico, both went to school until the ninth grade, when they had to go to work. "I come from a good family," said George, "but there was no money."

Today, George and Donna are the owners of Chavez Firewood & Supply, selling firewood to residents throughout Albuquerque. Working seven days a week for the last four years — and with financing from ACCION New Mexico — they now own a forklift, a dump truck and two semi trailers.

George first worked in construction and as a trucker. Selling firewood provided supplementary income. But he soon realized that his "side business" was actually his chance to provide a better future for Donna and their two sons. So four years ago he struck out on his own. "It's rough getting started with no money," he remembered.

He and Donna approached several banks for a loan for their fledgling business, but they were turned down due to damaged credit. George had once been disabled due to a trucking accident and unable to pay all his bills.

In August 1999, though, they heard about ACCION New Mexico. They applied for a loan and were quickly approved for \$5,000. With a second ACCION loan of \$15,000, George and Donna began stocking landscaping materials — stone for walls, decorative boulders and railroad ties — to ensure a steady income through the summer months.

"ACCION really helped us," George said. "I like working for myself — and I can be sure my kids get an education. That's important to us both."

Now, with Donna handling the books and the firewood business, George augments their income by taking on outside hauling jobs. Recently, George and Donna began taking Sundays off to spend more time with their boys.

"It's hard to make it, but if you control your money and don't overspend — well, you can."

# 2000 Highlights

## PROVIDING CAPITAL, TRAINING & HOPE

It was a landmark year for ACCION New Mexico. We issued 231 loans averaging \$3,900 to visionary entrepreneurs throughout central and northern New Mexico. Over 60 percent of our loans were to first-time borrowers, reflecting our expanded presence in more rural communities.

Our portfolio grew 97 percent in 2000, as we expanded our reach and made larger loans to long-term clients. Their need for increased capital is a testament to the vitality of their growing businesses. With our expenses in check and our expansion plan on target, we also took another step toward economic self-sufficiency, covering 26 percent of our costs in 2000.

Generous bank partners helped us reach more borrowers by increasing our access to lending funds. First State Bank opened a \$250,000 line of credit at zero percent interest. And early in 2001, Wells Fargo Bank committed a \$1 million loan, also at zero percent.

Commercial banks provided more than just funding. Twenty-two percent of ACCION New Mexico's client referrals now come from local banks. In rural towns, partner banks are even taking ACCION loan applications and closing loans for us. Our partnership strategy, which significantly lowers costs and increases efficiency, was awarded a FIELD Microenterprise Innovation Grant from the nationally renowned Aspen Institute.

ACCION New Mexico provides borrowers and others in the communities we serve with support as well as loans. When disastrous wildfires hit Los Alamos, we moved quickly to establish a \$200,000 emergency loan fund for microbusinesses damaged or burned out. More important, we gave moral support by being on site to help owners put their small businesses back together.

ACCION New Mexico was recognized in the media with inspirational client stories published in newspapers throughout the state. We also launched our new web site, [www.accionnewmexico.org](http://www.accionnewmexico.org), to provide prospective borrowers and supporters information about our services. As we step into the future, entrepreneurs can even begin the loan process online.



AKALA, AKALA'S SANTA FE JEWELRY

PHOTO: ROBERTA BARNES

## Somebody in My Corner

AKALA | AKALA'S SANTA FE JEWELRY

**Akala sells her contemporary** silver jewelry designs at the Tesuque Flea Market near Santa Fe. She came to ACCION New Mexico in shock, emotionally devastated from watching the Los Alamos fires threaten her home and destroy the dreams of many of her friends.

Having poured everything she had into her business, Akala needed help getting started again after the fire, but was turned down for a bank loan. Fortunately, the bank referred her to ACCION New Mexico.

What she found at ACCION was a new kind of attitude. "I felt with ACCION that I was being evaluated as a person rather than just who I was on paper," Akala said.

First her ACCION loan officer helped her think clearly about her next business steps. Then, with a \$1,500 loan, she invested in building inventory. "ACCION's advice paid off," she said. "I doubled my sales in just a few months."

With her next loan, Akala plans to purchase a digital camera and some Web development advice so she can market her jewelry over the Internet.

"I know how ethical and hard working I am, but it didn't look like that on paper. ACCION took the time to hear the whole story."

# Financial Summary

BALANCE SHEET	DEC. 2000	DEC. 1999
<b>ASSETS</b>		
Cash and Equivalents	\$ 487,472	\$ 382,288
Accounts Receivable	\$ 2,168	\$ 194
Contributions Receivable	\$ 201,824	\$ 102,468
Microenterprise Loans Receivable (Less Allowance for Loan Losses of \$67,296 in 2000 and \$34,896 in 1999.)	\$ 733,450	\$ 371,280
Equipment (Net of Accumulated Depreciation of \$26,284 in 2000 and \$19,252 in 1999.)	\$ 16,258	\$ 22,842
Prepaid Expenses	\$ 4,047	\$ 3,025
<b>Total Assets</b>	<b>\$ 1,445,219</b>	<b>\$ 882,097</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 7,483	\$ 10,576
Accrued Payroll	\$ 36,859	\$ 8,580
Accrued Vacation Payable	\$ 0	\$ 6,589
Other Accrued Liabilities	\$ 929	\$ 287
Notes Payable	\$ 250,000	\$ 0
<b>Total Liabilities</b>	<b>\$ 295,271</b>	<b>\$ 26,032</b>
<b>NET ASSETS</b>		
Unrestricted	\$ 1,019,948	\$ 776,065
Temporarily Restricted	\$ 130,000	\$ 80,000
<b>Total Net Assets</b>	<b>\$ 1,149,948</b>	<b>\$ 856,065</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 1,445,219</b>	<b>\$ 882,097</b>
<b>REVENUE AND EXPENSE STATEMENT</b>		
	<b>DEC. 2000</b>	<b>DEC. 1999</b>
<b>SUPPORT AND REVENUE</b>		
Support and Contributions		
Unrestricted	\$ 535,726	\$ 559,062
Restricted	\$ 113,898	\$ 115,869
In-Kind	\$ 53,168	\$ 121,715
<b>Total Support and Contributions</b>	<b>\$ 702,792</b>	<b>\$ 796,646</b>
Revenue		
Loan Interest and Fees	\$ 113,357	\$ 67,834
Interest	\$ 13,642	\$ 4,379
Other Income	\$ 843	\$ 25
<b>Total Revenue</b>	<b>\$ 127,842</b>	<b>\$ 72,238</b>
<b>Total Support and Revenue</b>	<b>\$ 830,634</b>	<b>\$ 868,884</b>
<b>EXPENSES</b>		
Program Services	\$ 440,832	\$ 400,857
Fundraising	\$ 69,051	\$ 66,627
Supporting Services	\$ 26,868	\$ 26,243
<b>Total Expenses</b>	<b>\$ 536,751</b>	<b>\$ 493,727</b>
<b>Change in Net Assets</b>	<b>\$ 293,883</b>	<b>\$ 375,157</b>



PHOTO: ELLEN MACDONALD

GERALDINE & BENJAMIN TOYA, FAMILY TRADITIONS

## Impact

INDICATOR	2000	1999
New Clients	139	111
Number of Loans Disbursed	231	203
Amount Loaned	\$870,198	\$458,050
Active Portfolio (at 12/31/00)	\$800,746	\$406,176
Active Clients (at 12/31/00)	241	184
Average Loan Size	\$3,870	\$2,256
Portfolio at Risk*	4.86%	5.46%
Percentage Self-Sufficiency**	26%	19.4%
<b>CUMULATIVE TOTALS TO DATE (AS OF 12/31/2000)</b>		
Clients Served	675	536
Number of Loans Disbursed	1,251	1,021
Amount Disbursed	\$2,402,531	\$1,532,333
Net Dollars Written Off	2.3%	2.1%

\* 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.

\*\* Self-sufficiency is calculated by dividing revenue from lending operations and investments by total expenses (less in-kind).

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

# ACCION

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