

MISSION



Marcus Tyler, son of ACCION clients Shannon and Mark Stevens

Photo taken by Kyle Zimmerman.

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.

www.accionnm.org

MESSAGE FROM THE CHAIRMAN OF THE BOARD

An Outstanding Year



Paul Sowards

When I agreed to become ACCION New Mexico's 2003 Chairman, I looked forward to the year with enthusiasm. I respected ACCION and believed in its mission.

Over time, my feelings changed. My respect became admiration. My enthusiasm became excitement. My belief became passion. ACCION New Mexico is one of the most effective catalysts for positive change I've seen.

You have only to walk down the halls in the ACCION office to feel the warmth, passion and energy of the ACCION staff. This is a team that loves what they do. They are responsible. They are accountable, goal-oriented and driven. They continuously work to improve their effectiveness and their ability to fulfill ACCION's mission.

ACCION New Mexico's Board members lead by example. They are engaged. They are impassioned. They give generously — of themselves, their expertise, their resources. They take pride in leading an organization that applies sound fiscal and business management to fulfilling a social and economic vision. Hand-in-hand with our community partners, staff and clients, they have built an organization that is one of the premier microenterprise development programs in the nation.

Our clients — families with small enterprises — are fostering an environment for New Mexico that is

energized, pioneering and filled with hope. They are transforming our communities, our lives. Their determination and courage to dream are qualities to which we all aspire.

2003 was an outstanding year. We issued 490 loans, expanded to serve more rural communities and enhanced our capacity to serve our clients through innovative lending process improvements. We created new staff roles to keep up with the growing demand for ACCION's services. We significantly increased our self-sufficiency — the percentage of direct operating costs covered by non-fundraised revenue. And, we joined with the New Mexico Small Business Investment Corporation (SBIC) in a ground-breaking partnership aimed at getting capital into the hands of emerging entrepreneurs throughout New Mexico.

From richly diverse backgrounds, the clients we served in 2003 all share a powerful quality: the courage to dream. I am proud that ACCION was able to help so many visionary and determined families fulfill their dreams.

On behalf of ACCION New Mexico, I wish to thank everyone for the selfless ways in which you have contributed. I send my special thanks to ACCION's dedicated staff, our community partners, our talented Board of Directors and especially New Mexico's hard working entrepreneurs.

To our many generous funding partners, I send my deep thanks to you for helping us build a stronger New Mexico. You have the foresight and the vision to recognize that as one of us grows and prospers, we all do.

Respectfully,

Paul Sowards
2003 Chairman

2003 HIGHLIGHTS

Innovation and Impact

2003 was an exciting year for ACCION New Mexico, best described in two words: innovation and impact.

By implementing innovative process improvements, our approach to loan applications is now more streamlined than ever. Today, individuals can apply for an ACCION loan through a simple phone call or personal conversation. By eliminating the requirement for applicants to complete a written application form, we broke down yet another barrier to accessing capital and empowered more families to achieve their dreams.

Likewise, we launched an internal capacity-building process to better serve our clients, support continued high rates of portfolio growth and enhance our mission fulfillment. We realigned staff roles, implemented new administrative controls and developed more efficient operating systems. These important steps allow us to keep relationships – rather than paperwork – a priority.

In 2003, we took our organization to the next level to achieve even greater impact.

We broke our own organizational record by issuing 490 loans totaling over \$2.6 million, and our active

client base grew considerably. The number of active loan accounts at year-end was 629, up from 496 the prior year.

Our active year-end loan portfolio – money in the hands of New Mexico's hard working entrepreneurs – grew by 54%. Over the last three years, the active portfolio has grown over 280%.

Nearly 84 cents of each dollar spent went directly to program services.

We dramatically improved our financial self-sufficiency, the portion of our direct operating costs covered by non-fundraised revenue. Our rate was 45%, up from 31.6% in 2003.

Finally, a major highlight of 2003 was the groundbreaking partnership with the New Mexico Small Business Investment Corporation (SBIC), which committed \$2.5 million in loan participation funds to ACCION to get capital into the hands of rural and underserved microenterprises throughout New Mexico.

Innovation and Impact...qualities that mark 2003 for both ACCION New Mexico and our clients... qualities we enthusiastically will build upon for the future.

JAMCO ELECTRIC MOTOR REPAIR

Respect, Pride, Family Ties

Jamco Electric Motor Repair, Inc. is more than an electric motor repair shop. It's a place where the brotherly bond of three friends is thicker than water, and their steadfast commitment to providing the best service in Albuquerque is what makes them successful.

Jose Balderrama, Alex Robles and Manuel Palma, Jamco's founders, met as co-workers years ago. Soon after their introduction, they formed a close friendship that became the foundation of their business. "We've always been close," Alex says. "We would hang out together, play basketball together and our families go camping together. Now, in our business, we always talk to each other. I can't say enough about the guys I work with."

In 1998, the men combined their strengths and dreams to start Jamco. Jose and Manuel learned the motor rewinding trade as children under the watchful eyes of an older generation of relatives in Mexico. Alex believes that this guidance provided Jose and Manuel with the best training possible.

While business today is thriving, it didn't begin that way. Without a steady stream of customers, Jamco needed capital to grow. For two years the partners applied for a small business loan between \$500 and \$1,500 at various financial institutions, but time and time again, they were declined. The combination of their small loan request and status as a start-up business was a barrier to



Alex Robles, Jamco

Photo taken by Tom Brahl.

qualifying for traditional credit. The men did everything they could to keep Jamco going, but what they needed most was financing to move the business forward.

Then they learned about ACCION and everything changed. "These are great people to deal with," says Alex. "ACCION approved our small loan request and we had the boost we needed to continue."

"Owning this business means the world to us," Alex states. "We pride ourselves in being reliable, honest and fair." Like a proud brother, Alex adds, "I'm lucky – I get to work with two of the best rewinders in the Southwest!"

FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION	DEC. 2003	DEC. 2002
ASSETS		
Cash and Equivalents	\$ 1,157,603	\$ 1,530,469
Investments, temporarily restricted	—	\$ 19,921
Accounts Receivable	\$ 44,846	\$ 2,334
Contributions Receivable	\$ 312,198	\$ 784,332
Microenterprise Loans Receivable (Less allowance for loan losses of \$135,454 in 2003 and \$167,857 in 2002)	\$ 2,918,954	\$ 1,821,789
Equipment (Net of accumulated depreciation of \$73,401 in 2003 and \$54,380 in 2002)	\$ 28,860	\$ 47,265
Prepaid Expenses	\$ 3,555	\$ 3,035
Total Assets	\$ 4,466,016	\$ 4,209,145
LIABILITIES		
Accounts Payable	\$ 365	\$ 13,980
Accrued Payroll	\$ 58,120	\$ 68,465
Other Accrued Liabilities	\$ 7,818	\$ 1,723
Lines of Credit	\$ 650,000	\$ 550,000
Notes Payable	\$ 1,750,000	\$ 1,750,000
Total Liabilities	\$ 2,466,303	\$ 2,384,168
NET ASSETS		
Unrestricted	\$ 1,666,761	\$ 1,519,727
Temporarily Restricted	\$ 332,952	\$ 305,250
Total Net Assets	\$ 1,999,713	\$ 1,824,977
Total Liabilities and Net Assets	\$ 4,466,016	\$ 4,209,145
REVENUE AND EXPENSE STATEMENT	DEC. 2003	DEC. 2002
SUPPORT AND REVENUE		
Support and Contributions		
Unrestricted	\$ 501,269	\$ 936,413 ¹
Restricted	\$ 220,309	\$ 231,675
In-Kind	\$ 250,962	\$ 168,340
Total Support and Contributions	\$ 972,540	\$ 1,336,428
REVENUE		
Loan Interest and Fees	\$ 439,180	\$ 279,064
Interest	\$ 7,778	\$ 5,348
Other Income	\$ 144	\$ 497
Total Revenue	\$ 447,102	\$ 284,909
Total Support and Revenue	\$ 1,419,642	\$ 1,621,337
EXPENSES		
Program Services	\$ 1,041,855	\$ 882,151
Fundraising	\$ 159,430	\$ 151,724
Supporting Services	\$ 43,621	\$ 35,976
Total Expenses	\$ 1,244,906	\$ 1,069,851
Change in Net Assets	\$ 174,736	\$ 551,486



Members of the Jamco team.

Photo taken by Tom Brahl.

IMPACT

INDICATOR	2003	2002
Number of Loans Disbursed	490	425
Amount Loaned	\$ 2,609,074	\$ 1,715,720
Clients Served During Year	837	626
New Clients Served	333	265
Active Portfolio (at 12/31/03 & 12/31/02) ²	\$ 3,054,408	\$ 1,989,646
Active Accounts (at 12/31/03 & 12/31/02)	629	496
Average Loan Size	\$ 5,325	\$ 4,037
Portfolio at Risk ³	6.68%	5.80%
Percentage Self-Sufficiency ⁴	45.0%	31.6%
CUMULATIVE TOTALS TO DATE (since inception 3/94)	12/31/03	12/31/02
Clients Served	1,465	1,132
Number of Loans Disbursed	2,487	1,997
Amount Disbursed	\$ 8,247,059	\$ 5,637,985
% Net Dollars Written Off	2.86%	2.6%

¹ This figure includes a grant of \$500,000 from the Community Development Financial Institutions (CDFI) Fund of the United States Department of the Treasury.

² Excluding loan disbursements in transit.

³ Portfolio at risk is equal to the outstanding principal balance of loans past due more than 30 days divided by the total outstanding loan portfolio.

⁴ Self-sufficiency is calculated by dividing revenue from lending operations and investments by total expenses (less in-kind). The self-sufficiency percentage for 2003 is favorably impacted 2.7% by a one-time adjustment to accrued interest and a change in estimated required bad debt reserves.



Kathleen Prestano, Jewels of the Southwest, Santa Fe

Photo taken by Tom Brahl.

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

TWO PUEBLO MAIDENS

Preserving Cultural Heritage

Shannon and Mark Stevens take pride in their Native American heritage. As members of the Laguna Pueblo community (Shannon's mother's family is also of Hopi descent), the couple seek ways to preserve their cultural history. Their jewelry business, Two Pueblo Maidens, has become the link to connecting the tradition of their ancestors with their family's hopes and dreams.

A self-taught designer and artist, Shannon recounts learning the value of quality work from her family while growing up in Laguna Pueblo. This commitment to quality is evident in her creations, which she delicately crafts with semi-precious stones and metals.

"I have created a wide range of jewelry reflecting my own Native American style and I am proud of every single piece," says Shannon. Mark, the marketing force behind the business, works energetically and tirelessly to promote his wife's work.

With a drive to grow their business, but without the benefit of a storefront, Shannon and Mark decided to promote their jewelry at the Albuquerque International Balloon Fiesta. Yet, they could not afford the cost of a vendor booth or of producing additional inventory.

With a loan from ACCION, the couple soon had the capital they needed to enter the Balloon Fiesta as a vendor. This launch opened the doors for many other opportunities that initially seemed beyond reach. According to Mark, "Were it not for ACCION's help, we might still be struggling to get into shows."

Two Pueblo Maidens is now reaching customers throughout the country. The key to their success is clear: by connecting ancient traditions with contemporary style, Shannon and Mark have fused a rich cultural heritage with their dreams for the future.

Cover photo: ACCION clients Shannon and Mark Stevens with their son, Marcus Tyler. Photo taken by Kyle Zimmerman.

DESERT BLENDS OF TAOS

Healing and Empowering

Toni Spies is a survivor of the strongest kind: a survivor of child abuse, domestic violence and her own long-standing battle with low self-esteem. So, when she was mentored into a career in social work, Toni thought she'd discovered the best way to support her daughter and offer others the help she once needed.

Ten years into her job, the funding for her position was eliminated. Toni's survival instincts kicked into high gear. A single parent and jobless, Toni turned to public assistance. She was determined, however, to fulfill her dream of flourishing and helping others to heal and flourish.

A trained herbalist, Toni has always had a passion for the healing power of plants. This passion brought her to Taos where she found strength and spiritual renewal in the Southwest environment. Drawing on her determination, Toni created a new beginning in Taos; she founded Desert Blends, a line of all natural bath and body products.

As demand for Toni's products grew, she turned to ACCION for a business loan. The credit she received from ACCION helped cover the manufacturing costs associated with increased product demand. While the money was helpful, Toni feels the support ACCION

extended was essential. "I was alone, and it was the people at ACCION who said, 'We believe in you. We want to support you.' I didn't know my value 'til they said 'You've done this.' I needed that support and will always appreciate ACCION for what they did for me."

Today, Desert Blends of Taos has a customer base that includes hotels in the Southwest and the East Coast. While her business continues to thrive, Toni's greatest reward is helping others. "I want to make a difference in my community, and my business is a springboard for that."

As a board member of a non-profit organization dedicated to the healing and self-empowerment of sexually and violently abused children, Toni has truly been able to help children who, like she did so long ago, need a healing hand. "With all of the pain that I have been through, one of my strongest values is helping this community and especially its children."

"Starting Desert Blends in Taos took me on a very important journey in my life," Toni says. "It forced me to ask myself, 'Who am I?' and 'Am I making a difference in this life?'" A livelihood for Toni, Desert Blends has also become the catalyst Toni was searching for to heal others.



Toni Spies, owner of Desert Blends of Taos

Photo taken by Tom Brahl.



Lending. Supporting. Inspiring.

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