



ANF

American Nicaraguan Foundation



ANNUAL REPORT
2008

Together making a difference.

Vision

To foster increased opportunity, self sufficiency, and dignity for the poor in Nicaragua.

Mission

To support the neediest sectors in Nicaragua by forging strategic alliances to procure quality goods and products, which are distributed to social service organizations that have been selected based on their effectiveness, transparency and spirit of service in an effort to achieve sustainable development through self sufficiency and the eradication of poverty. ANF is committed to managing its donations and operating expenses in the most efficient manner, utilizing and surpassing industry standard controls.

Our Commitment

99%

of every dollar goes directly to creating opportunity and hope for our beneficiaries.



Our administrative costs are **1%** of our operational budget.

A Message FROM THE PRESIDENT

After 17 years of bringing hope and opportunity to Nicaragua's poor, the year 2008 reminded us how blessed we are at ANF by the overwhelming generosity of our donors. I thank them and God for a year of growth amidst troubling times.

The economic crisis has affected us all, especially the most vulnerable. It is for this precise reason that even in times of need we should not decrease our donations but strive to maintain them, recognizing that they serve as lifelines for thousands of impoverished Nicaraguan families. Let us not allow malnourished children to grow hungrier, or their chances to receive an education be hindered by poverty. Let us not allow the crisis to deprive those in need of their right to free healthcare and clean water. **Now, more than ever, we need to empower the powerless by providing them the necessary tools to break the cycle of poverty.**



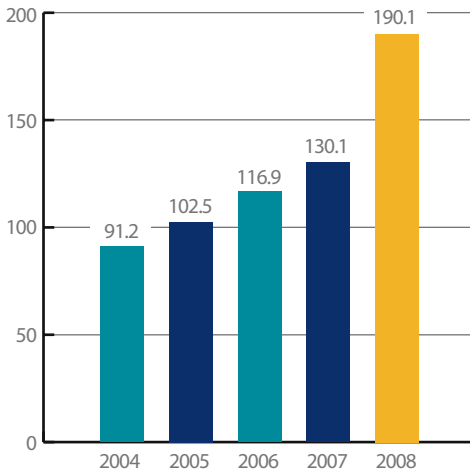
The challenge is great, but I have complete confidence that we, together, can continue fostering development in Nicaragua and reaching out to the more than 300,000 people ANF serves each year. On behalf of them and everyone at ANF, thank you for your enduring support.

A handwritten signature in black ink, appearing to read 'F. Alfredo Pellas, Jr.' with a stylized flourish at the end.

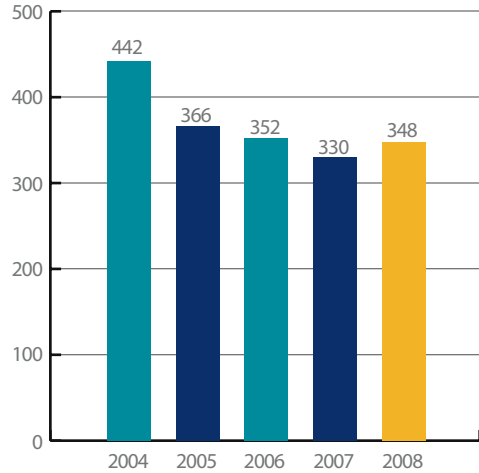
F. Alfredo Pellas, Jr.
President and Co-Founder of ANF

Over the YEARS

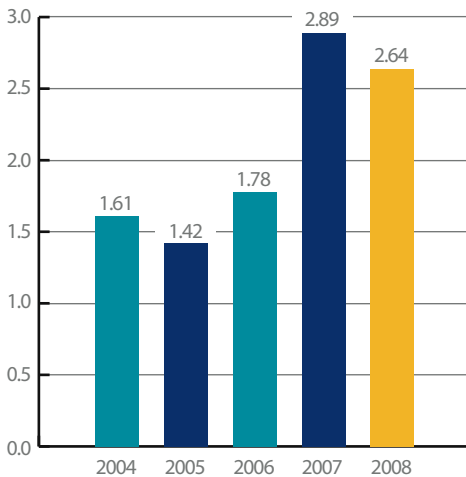
Value of In-Kind Contributions (in millions of dollars)



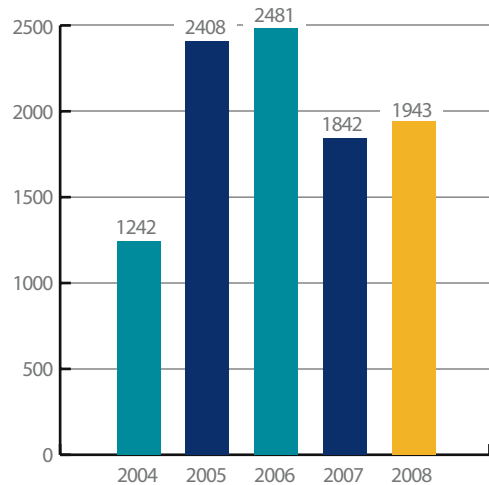
Containers of Aid Received



Funds for Community Development Programs (in millions of dollars)



Number of Houses Completed



ANF's IMPACT

In 2008, ANF delivered **341** containers of aid valued at approximately **\$128 million**.

Household Goods **97.3**

Educational Supplies **85.4**

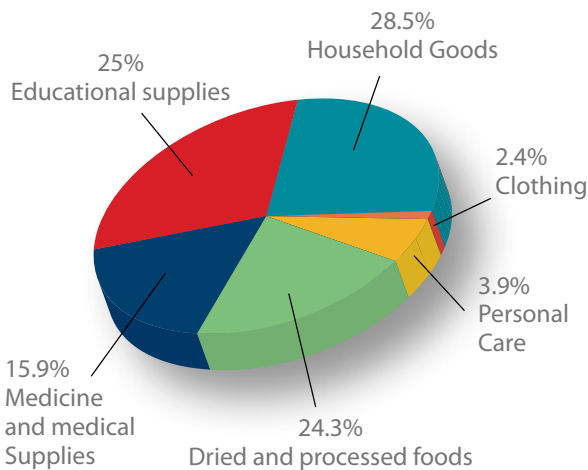
Dried and Processed Foods **82.8**

Medicine and Medical Supplies **54.2**

Personal Care **13.3**

Clothing **8.1**

Donation of Goods by Volume



ANF's OUTREACH

The Foundation relies on its vast network of partners across Nicaragua to fulfill its mission, distributing aid to **1,555 local organizations** in 2008.

Legend of ANF Programs



Education



Housing



Food



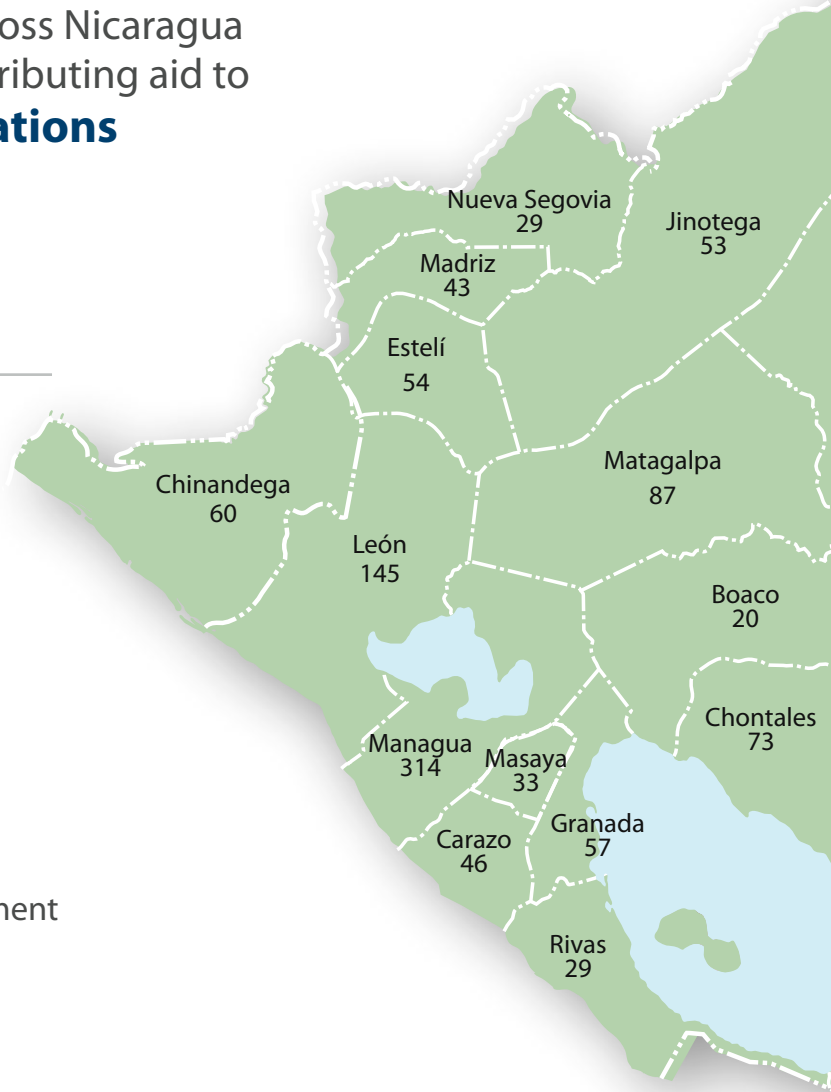
Health

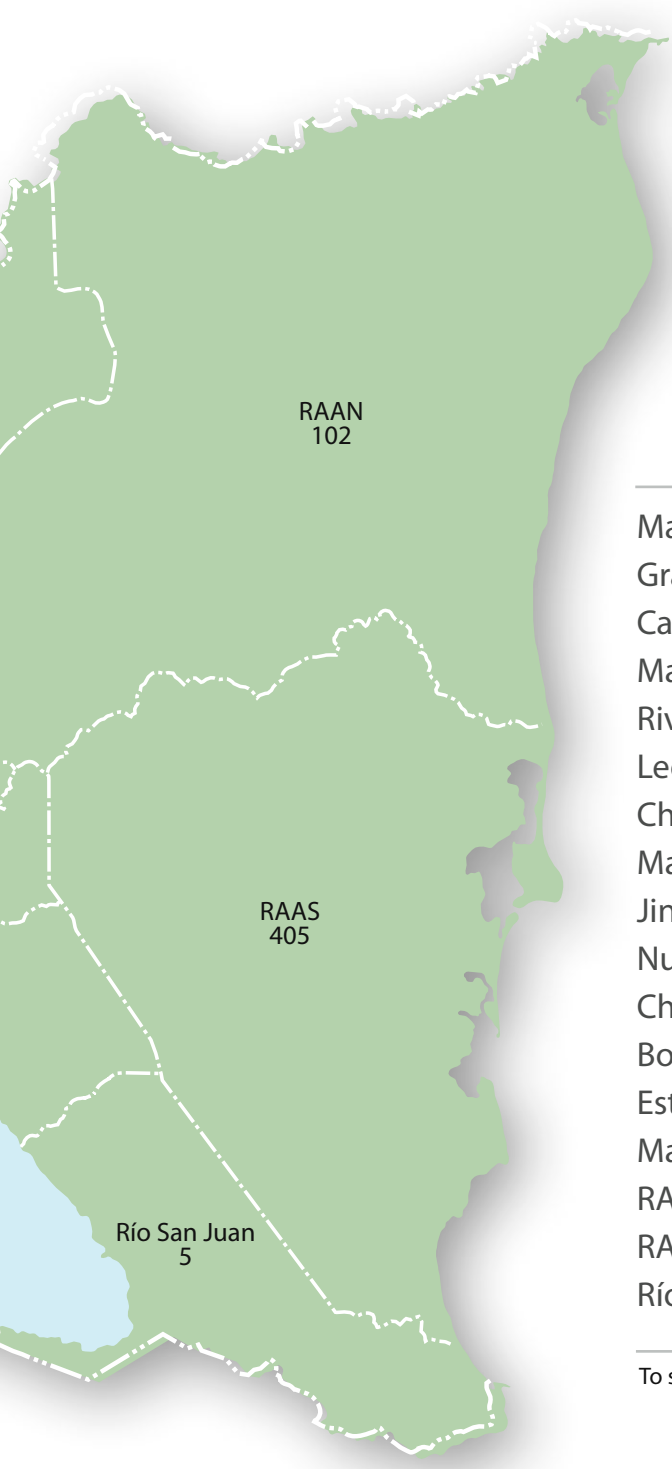


Economic Development



Water





Thanks to our extensive network of partners, ANF reached out to over **300,000** struggling Nicaraguans throughout the country.

ANF Programs by Region

Managua						
Granada						
Carazo						
Masaya						
Rivas						
León						
Chinandega						
Matagalpa						
Jinotega						
Nueva Segovia						
Chontales						
Boaco						
Estelí						
Madriz						
RAAN						
RAAS						
Río San Juan						

To see a full list of our local partners, log on to our website at: <http://www.aidnicaragua.org/partners>

United Nations MILLENNIUM DEVELOPMENT GOALS

Goal

Specific Targets



MDG #1
Eradicate extreme poverty and hunger.

Reduce by half the proportion of people living on less than a dollar a day.

Reduce by half the proportion of people who suffer from hunger.



MDG #2
Achieve universal primary education.

Ensure that all boys and girls complete a full course of primary schooling.



MDG #4
Reduce child mortality.

Reduce by two thirds the mortality rate among children under five.



MDG #5
Improve maternal health.

Reduce by three quarters the maternal mortality ratio.



MDG #8
Develop a global partnership for development.

In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.



MDG #7
Ensure environmental sustainability.

Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020.

Reduce by half the proportion of people without sustainable access to safe drinking water.

ANF's PROGRAMS

Program

Achievements in 2008



Promoting Economic Opportunity

Creation of 152 jobs through the provision of training, technical assistance, and capital in the areas of sustainable agriculture and animal husbandry.



Supplying Nutritional Assistance

A total of 288 centers benefited from food donations. A daily plate of food was given to 44,552 people, including students, nursing mothers, and senior citizens.



Increasing Educational Quality and Attainment

102 schools and other educational centers received 12,236 items of classroom furniture.

1,142 schools received basic school supplies for each student, benefitting 157,718 children.

112 schools received nutritionally-rich food aid for school lunch programs, benefitting 24,117 students.

Partial construction of three schools, one library, creation of one computer lab, and reconstruction of three schools, benefitting 2,716 students.



Strengthening Medical Assistance

Distribution of medicines and medical supplies to 125 dispensaries, health centers, and hospitals, assisting in the treatment and recovery of thousands of patients.

684 handicapped persons received a wheelchair.



Developing Communities

Construction of 1,943 houses, benefitting 12,047 people. Construction of 446 latrines, benefitting 1,593 people.



Providing Access to Safe Drinking Water

Construction of 20 community wells and the rehabilitation of a water system, benefitting 3,712 people.



Sowing Seeds of Opportunity

The inhabitants of Chacraseca, a community located in the department of León, lived in extreme poverty, without work, a dignified home, or adequate nutrition. Siomara Dávila, 37 years old and mother of three, travelled daily four hours to make a meager living cutting and cleaning farm fields, forcing her to leave her children alone and unattended at home. Despite her hard work and desire to overcome her situation, her family, like many others of the community, continued to live without hope of a better future.

In 2006, ANF committed itself to help the community, providing them with 52 homes, sanitary solutions, and two water tanks for more than 300 people. Years later, ANF continues to implement projects in Chacraseca to guarantee a holistic development. In 2008, to offset the

lack of employment, ANF formed an alliance with the Taiwanese International Cooperation and Development Fund (ICDF) to train and provide technical assistance to the members of the community in the planting, cultivation, and marketing of high-quality Taiwanese fruits, such as guava, sweet corn, and cherry tomatoes. This self-sustainable project has alleviated the effects of poverty in the community and has provided them with the opportunity to generate their own income. At the end of 2008, Siomara and many other members of the community received a bonus thanks to their earnings acquired from their harvests, which allowed them to celebrate Christmas for the first time in many years. Today, thanks to ANF and its collaborators, the people of Chacraseca have the necessary tools to break the cycle of poverty.



Poverty in Nicaragua

Nicaragua is the second poorest country in the western hemisphere. The country's Gross National Income per capita is \$980 (World Bank 2007). This means that the average person's income is less than \$3 per day.

Nearly half of Nicaragua's population lives in extreme poverty (UNDP 2006).



Writing the Future

At the young age of 11, Gerson was abandoned by his alcoholic mother. Having nowhere to live due to his mother's absence and the rejection of his father, Gerson and his siblings were forced to move in with their grandmother, who doesn't have the money to buy them the necessary school supplies to provide them with a worthy education. Living near Managua's municipal dump, one of the most unsanitary and impoverished parts of the city, Gerson and his siblings' chances of receiving a proper education were unlikely. Despite the fact that tuition is free in public schools, many indirect costs exist, like school supplies and uniforms, that hinder many children's possibilities of enrolling and obtaining the most important tool in the battle against poverty: education.

In first grade, Gerson enrolled in a school near the municipal dump, the Ágape School. Thanks to the help that ANF provides the school, he now has the opportunity to open his doors to a better future thanks to the education he receives. Through the donations of school supplies, desks, and a nourishing lunch each day, ANF has been able to increase the attendance rate not only in this school, but in more than 1,100 schools that form part of ANF's distribution network. Now, what Gerson looks forward to most is going to school, studying with his teachers, and playing with his classmates, distracting himself a bit from the hard life that he leads outside of the classroom.



The Alarming Void in Education

In Nicaragua, more than 1 in 5 adults (ages 15 and up) are illiterate (UNESCO 2006).

In Nicaragua, 3 out of 10 children do not complete primary school. Poverty affects school attendance, as many families are unable to afford the direct or hidden costs of education (UNICEF 2006).



Giving Hope a Home

For many, a home is the place where a person lives, feeling calm and secure. For the Gutierrez family, their home meant dirt floors, a damaged ceiling, and the need to seek refuge under a piece of plastic to stay dry and healthy during stormy nights. The head of the household, Hugo, 37 years old and father of three children, was widowed when his wife passed away from cardiac arrest while gathering water at a cascade in Macuelizo, one of Nicaragua's municipalities classified under "extreme poverty." Hugo earned less than \$1 per day working as a garbage collector in a wooden cart pulled by oxen.

Always a hard worker, Hugo dreamed of one day having a worthy home for his children and being able to provide them the necessary hope to succeed in their studies and in life. His salary never would have permitted the realization of his dream of having an appropriate home for his family. This changed in 2008 when his community benefited from one of ANF's housing projects, which consisted of 75 homes that aimed at improving the quality of life for the members of the community. The home that Hugo dreamed of was made a reality, providing his children health, safety, and protection. The Gutierrez family can now enjoy a dignified home where they can share laughter and memorable moments.



The Housing Need in Nicaragua

Official statistics present a housing deficit from 400,000 to 500,000 homes. Inadequate shelter, overcrowding, and a lack of sanitary conditions are part of everyday life for millions of Nicaraguan families.

Nearly 1 in 2 homes have dirt floors.



Healthier Lives for a Better Future

While other four-year-olds enjoyed their childhood, Diana began to suffer from serious asthma attacks. She missed school frequently because she could not sleep well or concentrate in class, much less play with her classmates. Receiving adequate medical attention for her condition proved very difficult for her impoverished family. Fortunately, her mother, Regina, had the opportunity to take her regularly to the Marino Dispensary in Managua, which receives strong support from ANF with a variety of medicine and medical supplies. The dispensary has brought Diana and her family the peace of mind of having her health in good hands.

Grateful for the help and free treatment her daughter was provided with, Regina tells us, "The dispensary is the only place that could help us with Diana, because taking her to a hospital or clinic as regularly as her health required would have left us without food on our table." The director of the Marino Dispensary expresses that, "ANF does not only support us, but it keeps us alive, because we could not exist without ANF's donations." Today, Diana's asthma is under control, giving her the opportunity to return to school and lead her life as a four-year-old girl deserves.



Underprovided Healthcare

2 in 5 Nicaraguans do not have access to public health institutions. A majority of the population does not have access to adequate medical care (PAHO 2006).

One of every three children has some degree of chronic malnutrition and nine percent suffer from severe malnutrition (UNICEF 2006).



Providing Access to Safe Drinking Water

Few people can imagine living without water for over 12 years of their lives. In Sabana Grande, an arid and remote community of Totogalpa, this is part of ordinary life. Elena Ruiz and Juan Antonio Pérez used to walk four kilometers every day to fill eight buckets with water from a contaminated well. To reach the well, they would have wake up at three in the morning, only to then stand in line with over 50 other people. Elena was forced to send her children to school without bathing them, instead rubbing a damp towel over their bodies. Meanwhile, Juan Antonio and others from the community searched the surrounding areas on donkeyback, looking for sites that offered less contaminated water.

In 2008, thanks to ANF, these families' stories changed with the construction of a well with a depth of 250 feet, providing them with clean water and a new way of life. Today, Elena has enough water for her household chores and Juan Antonio can increase his grove's harvest, having abundant supply to water his crops and later sell them. The inhabitants of this community no longer have to walk long distances nor suffer from waterborne diseases because they have access to clean water only a few steps from their homes. Juan Antonio says, "This well is a blessing from God. Thank you to ANF and their donors for bringing happiness and health to our lives."



The Search for Water

In Nicaragua, more than 1 in 5 people do not have access to safe drinking water (UNICEF 2006).

Waterborne illnesses are among the leading causes of Nicaragua's high infant mortality (PAHO 2007).

Statements of Financial Position

Fiscal year ends on December 31

ASSETS	2008	2007
Cash and cash equivalents	\$ 1,770,919	\$ 2,859,591
Time deposits and other investments	1,089,213	519,993
Contributions and other receivables, net of allowance of \$44,780 in 2008 and \$0 in 2007	986,339	270,040
Inventories, net of allowance for obsolescence of \$2,738,017 in 2008 and \$0 in 2007	75,702,247	17,835,628
Property and equipment, net	437,601	349,433
Other assets	11,622	583,397
Total assets	\$ 79,997,941	\$ 22,418,082
LIABILITIES AND NET ASSETS		
Liabilities:	\$ 553,302	\$ 354,140
Accounts payable and accrued expenses		
Net assets		
Unrestricted:		
Quasi-endowment fund	714,213	519,993
Undesignated	74,934,421	18,639,747
	75,648,634	19,159,740
Temporarily restricted	3,796,005	2,904,202
Total net assets	79,444,639	22,063,942
TOTAL LIABILITIES AND NET ASSETS	\$ 79,997,941	\$ 22,418,082

Financial statements audited by Crowe Horwath LLP.

Statements of Activities and Changes in Net Assets

Fiscal year ends on December 31

CHANGES IN UNRESTRICTED NET ASSETS	2008	2007
Revenue		
In-Kind contributions	\$ 190,052,868	\$ 130,135,163
Cash contributions and other	1,841,329	1,670,847
Shipping and handling donated	1,229,603	1,197,064
Net assets released from restrictions	2,635,213	2,273,699
Total unrestricted revenue	195,759,013	135,276,773
Expenses		
Program expenses	137,186,464	148,051,877
Fundraising	973,405	937,002
Administrative expenses	1,110,250	644,400
Total expenses	139,270,119	149,633,279
Change in unrestricted net assets	56,488,894	(14,356,506)
Unrestricted net assets at the beginning of year	19,159,740	33,516,246
Unrestricted net assets at the end of year	75,648,634	19,159,740
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Revenue		
Cash contributions	3,527,016	3,825,037
Net assets released from restrictions	(2,635,213)	(2,273,699)
Change in temporarily restricted net assets	891,803	1,551,338
Temporarily restricted net assets at the beginning of year	2,904,202	1,352,864
Temporarily restricted net assets at the end of year	3,796,005	2,904,202
Change in net assets	57,380,697	(12,805,168)
Net assets at the beginning of year	22,063,942	34,869,110
NET ASSETS AT THE END OF YEAR	\$ 79,444,639	\$ 22,063,942

Special Thanks to Our Supporters

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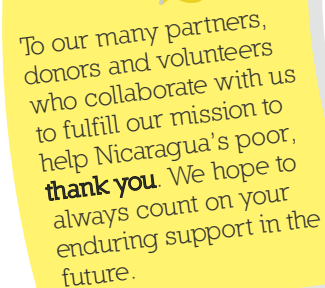
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To support ANF's efforts or learn more about how you can help, please visit our website.



To our many partners, donors and volunteers who collaborate with us to fulfill our mission to help Nicaragua's poor, **thank you**. We hope to always count on your enduring support in the future.

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