

280 containers of aid throughout all of Nicaragua.

New homes were built for **1,584** families in need.

140 agriculture-based jobs were created

Our school feeding program provided a daily plate

of food to **50,000** students.

107 medical dispensaries were able to treat thousands of patients due to medicine donations.

158,454 students received essential school supplies.



Nicaragua
Carretera Nueva a León, Km. 18.5
Managua, Nicaragua
Tel: (505) 2269-7163

United States
848 Brickell Avenue, Suite 745
Miami, FL 33131
Tel: (305) 374-3391



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.

OUR ALLIANCES

ANF has received Charity Navigator's 4-star rating for the sixth consecutive years. This puts ANF among the top 3% of Charity Navigator's rated charities.



Since 2001, ANF has represented United Way Worldwide in Nicaragua.



ANF ranks as #100 on Chronicle of Philanthropy's listing of Top 400 Charities.



Last year, as the momentum of the financial crisis remained strong, ANF experienced an overall decrease in donations for the first time in 10 years. Not only did we have to work with less, but we also faced the challenge of greater need. Nicaragua is in a dire economic situation, more so than in the past several years. Severe droughts endangered the livelihoods of thousands of already-impooverished farmers. Opportunities were lost and joblessness increased.

Nonetheless, ANF continued to work rigorously alongside Nicaragua's poor. In 2009, in our efforts to alleviate poverty and suffering, we reached over 300,000 Nicaraguans. To put this in perspective, as just one of the hundreds of organizations that work toward Nicaragua's development, ANF was able to impact nearly 1 of every 10 poor persons in the entire country. This time of great difficulty proved that ANF is a robust organization on a determined mission to eliminate the limits that extreme poverty places on human development.



The remarkable feats of 2009 would not have been possible without the generosity, loyalty, and support of our collaborators. May we all imitate your active response to God's call to serve the poor.

With my sincere gratitude,

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

F. Alfredo Pellas, Jr.
American Nicaraguan Foundation
Founder and President

OVER THE YEARS

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



Funds for Community Development Programs
(in millions of dollars)

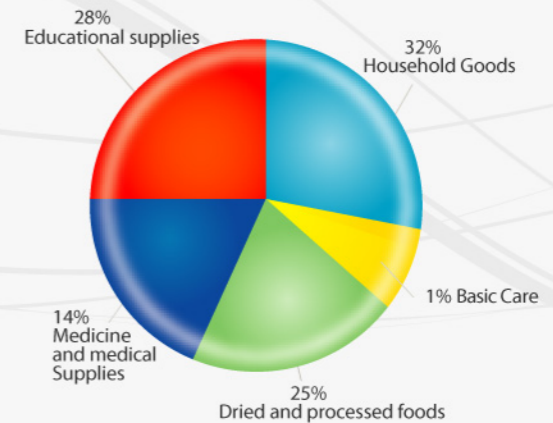


ANF'S IMPACT

In 2009, ANF delivered 283.53 containers of aid valued at approximately \$96,207,761.63 million



Donation of Goods by Volume









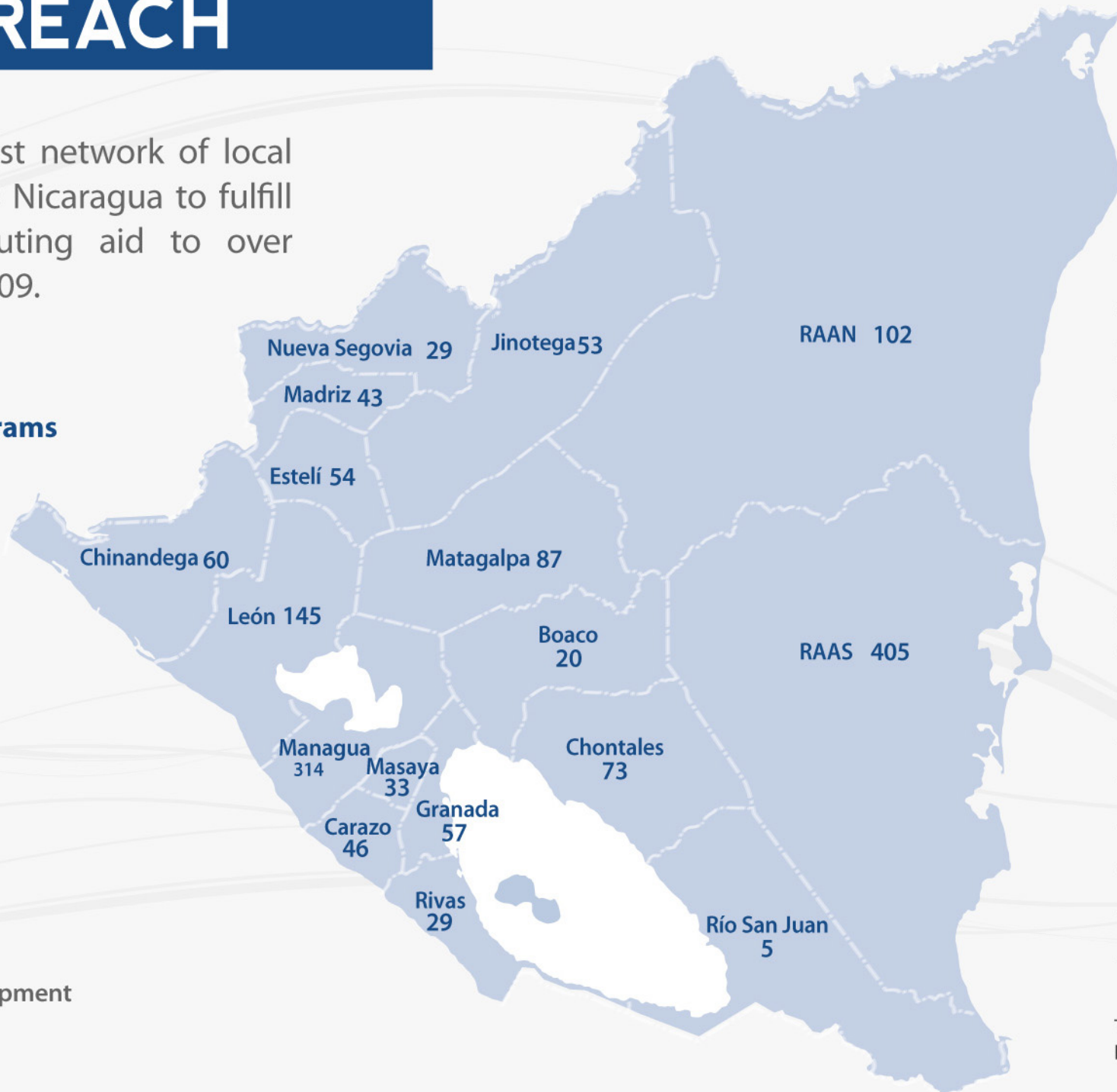
Goal	Specific Targets	Program objective	Achievements in 2008
 <p>MDG #1 Eradicate extreme poverty and hunger</p>	<p>Reduce by half the proportion of people living on less than a dollar a day.</p> <p>Reduce by half the proportion of people who suffer from hunger.</p>	 <p>Promoting Economic Opportunity</p>  <p>Supplying Nutritional Assistance</p>	<p>Creation of 140 jobs through the provision of training, technical assistance, and capital in the areas of microbusiness, sustainable agriculture, and animal husbandry.</p> <p>398 centers benefited from food donations. A daily plate of food was given to 68,788 people including students, at-risk children, nursing mothers, and senior citizens.</p>
 <p>MDG #2 Achieve universal primary education</p>	<p>Ensure that all boys and girls complete a full course of primary schooling.</p>	 <p>Increasing Educational Quality and Attainment</p>	<p>159 schools and other educational centers received classroom furniture, benefitting 17,447 children.</p> <p>1,129 schools received basic school supplies for each student, benefitting 158,454 children.</p> <p>240 schools received vitamin-fortified cereal or other nutritious food aid for school feeding programs, benefitting 50,019 students.</p> <p>Construction of 1 school, rehabilitation of 4 schools, construction of 1 library, and creation and equipping of 2 computer labs, benefitting 2,207 students.</p>
 <p>MDG #4 Reduce child mortality</p>	<p>Reduce by two thirds the mortality rate among children under five.</p>	 <p>Strengthening Medical Assistance</p>	<p>Distribution of medicines and medical supplies to 142 dispensaries, health centers, and hospitals, assisting in the treatment and recovery of thousands of patients.</p> <p>619 handicapped persons received a wheelchair.</p>
 <p>MDG #5 Improve maternal health</p>	<p>Reduce by three quarters the maternal mortality ratio.</p>		
 <p>MDG #8 Develop a global partnership for development</p>	<p>In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.</p>		
 <p>MDG #7 Ensure environmental sustainability</p>	<p>Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020.</p> <p>Reduce by half the proportion of people without sustainable access to safe drinking water.</p>	 <p>Developing Communities</p>  <p>Providing Access to Safe Drinking Water</p>	<p>Construction of 1,592 houses, benefitting 9,821 people. Construction of 250 latrines, benefitting 1,552 people.</p> <p>Construction of 9 wells in communities affected by water scarcity. Connection to municipal water sources and installation of home water systems for 230 impoverished families. Rehabilitation of 5 water systems in schools and children's shelters.</p>

OUTREACH

ANF relies on its vast network of local organizations across Nicaragua to fulfill its mission, distributing aid to over **1,660** of them in 2009.

Legend of ANF Programs

-  Housing
-  Education
-  Nutrition
-  Water
-  Health
-  Economic Development



ANF Programs by Department

- 1 Managua     
- 2 Granada     
- 3 Carazo     
- 4 Masaya    
- 5 Rivas      
- 6 León      
- 7 Chinandega     
- 8 Matagalpa     
- 9 Jinotega     
- 10 Nueva Segovia     
- 11 Chontales     
- 12 Boaco    
- 13 Estelí     
- 14 Madriz    
- 15 RAAN  
- 16 RAAS  
- 17 Río San Juan 

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



HOLISTIC COMMUNITY

DEVELOPMENT IN PUEBLO NUEVO

Pueblo Nuevo in Estelí is one of several impoverished communities that ANF is working with to provide integral development solutions. After conducting a needs assessment in the area, ANF selected 190 nearby families to leave their makeshift homes that were more often than not shared by multiple families and begin a new life in a newly established community.

We first worked with the community members to address their most basic needs housing, sanitation, and water. Each family received a home, a latrine, and access to water via pipes connected to the municipal water system. In the coming months, the beneficiaries received land titles, helped build a communal center for meetings, and provided much manual labor as we addressed other needs. To provide them with access to healthcare, we built a clinic in the community and obtained a commitment from the Ministry of Health to staff the

clinic, which is now part of ANF's nationwide medicine distribution program. To help them escape poverty, each family received a small chicken farm accompanied by intensive training seminars and onsite technical assistance so that they could properly manage the livestock and earn a sustainable wage. Finally, to provide them with access to quality education, a small school was built that will begin next year and participate in ANF's school feeding program.

As we have come to learn, poverty is not static, but rather frustratingly complex. One strategy cannot win the fight. Dynamic problems require dynamic solutions that deal not only with the effects of poverty, but its root causes as well. The project methodology implemented at Pueblo Nuevo adheres to this philosophy and follows ANF's model for holistic community development.



THE HOUSING NEED IN NICARAGUA

In Nicaragua, 40 percent of the population still lack access to electricity and 70 percent live in rural areas with insufficient housing (Nuevo Diario 2009).

The housing deficit has grown from 500,000 to almost 940,000 homes, leaving almost one million Nicaraguans without proper and dignified shelter (Nuevo Diario 2008).



FEEDING THE FUTURE

From the time he was born, Rolandito Rivera used to spend his days at the Mayoreo Market's dump, watching his mother collect trash for a living. More often than not, the food she found there was included in his all-too-infrequent meals. He was constantly dirty, playing with dangerous materials as toys.

At three-years-old, Rolandito was lucky enough to receive a way out of the dump. In conjunction with another NGO, ANF was able to coordinate the reopening of a preschool located next to the dumpsite that had been closed due to lack of funds. Once the preschool was reopened, over 100 students enrolled for the schoolyear. The preschool was equipped with school desks and furniture for the students and teachers. In addition, each student received school supplies for their studies, which

their parents could seldom previously provide. Another big component of ANF's involvement in the preschool is providing every student with nutritious fortified cereal for their lunchtime meal. This helps to ensure the health of the young students, as well as serve as a linchpin to get them to continue coming to school each morning.

Rolandito no longer plays in a dump all day. Instead, Rolandito's mom now drops him off at school each morning, where he enjoys playing with his classmates in a safe and secure environment. With only a parking lot and some fencing between the preschool and the dumpsite, it is easy to see that Rolandito has found a safer and healthier place to spend his days, giving him the best tool in the fight against poverty: education.



THE ALARMING VOID IN EDUCATION

More than 1 in 5 Nicaraguan adults over 15 years of age are illiterate (UNDP 2009).

3 in 4 Nicaraguans finish primary school. However, only half of those go onto secondary education (UNESCO 2007).



TREATING DISEASE, PROVIDING DIGNITY

At the Clinica Alabama medical center in Granada patients are treated with quality medical care that is customized to their needs while at the same time committing to efficiency to ensure reaching as many patients as possible in one day. And the best part? All medicines are free.

Cecilia Burgos, the clinic's director says, "Thanks to ANF, we are able to maintain a full stockroom and avoid the costs of buying the medicines ourselves." Due to the broad range of donations from ANF, more than 60 patients are seen each day. What makes this number even more impressive is that the hours of operation are only from 8 a.m. - Noon. To achieve this, Clinica Alabama's staff consists of two full-time doctors, a pharmacist, a secretary, and several daily volunteers.

Some patients come from all over the Granada area to receive their insulin intravenously or through oral tablets, depending on the gravity of their illness.

Others come for their blood pressure pills. Still more come to receive antibiotics for skin infections, and, particularly during the rainy season, many come for respiratory infection treatment.

Because of ANF's wide-ranging medicine donations, each patient can be treated on each of his/her necessities. Burgos explains, "We take pride in taking a holistic approach to patient care as well as providing them a comfortable experience". With ANF's help, this benefit has become the cornerstone of Clinica Alabama's philosophy and perhaps it's key to success.



UNDERPROVIDED HEALTHCARE

More than 1 in 5 Nicaraguan children suffer from growth stunting due to malnutrition (UNICEF 2008).

Public health care often fails to provide adequate assistance due to long wait times, lack of well-trained doctors and inadequate facilities. Just under 9 percent of the national GDP is spent on the ever-growing health care crisis. (PAHO 2008).



A HAND UP OUT OF POVERTY IN LEON

Providing someone with a needed good is a noble thing but helping them to do that on their own is even better. This was what ANF did in the community of Lino Arguello, a small impoverished neighborhood in the outskirts of León. There, extreme poverty was present in every family. This was the case for Diana Velázquez, a single mother with no steady job and lived with her grandmother. Diana worries about providing for her three-year-old son Felipe. In order to feed and take care of him, Diana used to search for odd jobs to earn some petty cash, but she never had a regular source of income.

To combat the community's poverty, ANF launched a sustainable agriculture project to create jobs and promote economic development for the families in need. The project launched with an initial provision of guava and papaya trees, tomatillo and sweet

corn, along with all the necessary tools, agricultural inputs, technical assistance and training to ensure good results.

Each family was fully involved in the plantation and harvesting process, making this project their own. This not only gave these people an occupation and a regular source of income, it also allowed them to learn new agricultural techniques from real experts.

Thanks to ANF, Diana has acquired valuable knowledge that she is using for her plantation, and together with the other beneficiaries, she is now enjoying the fruits of her labor through the commercialization of the fruits. Diana says, "Thanks to ANF, we now have the tools that will help us to sustain our families and improve our lives in the long term."



POVERTY IN NICARAGUA

Nicaragua remains the 2nd poorest country in the Western Hemisphere. With a Gross National Income per capita of \$1,080 (World Bank 2008).

Half of Nicaraguans face abject poverty, with nearly 80 percent of the poor living on less than \$2 a day (UNDP 2007).



THE GIFT OF SAFE DRINKING WATER

For Hermelinda Sanchez and her family, clean water was a luxury that was hard to come by. As sole caretaker of her four small grandchildren, she worried about not having safe clean water for their consumption.

To ensure the health of her grandchildren, Hermelinda walked arduous long distances to reach the cleanest water supply near her community. She would make this strenuous trip at noon each day because the hazardous trail to the water source was occupied by cattle grazing on local pastures at all other times of the day.

Unfortunately, Hermelinda does not only have to worry about drinking water; she also has to gather

water for daily household chores. In the past, she would often extract water from a very inclined ravine by digging small wells in the ground and using this water to wash the family's dishes and clothes.

Things have now changed for the better. A 200-foot well has been established in the community for clean water consumption. This well is located only 20 meters away from Hermelinda's home, making her walk to gather clean water almost nonexistent. This community well also provides safe clean water to many other families, allowing over 100 members of the community to gather water in their own community for their families safe consumption.



THE SEARCH FOR WATER

Potable water coverage in Nicaragua currently only reaches 48 percent of the country's rural population, with only 23 percent of the country's extremely poor households receiving the service (IRC Nicaragua 2007).

Only 34 percent of rural communities receive access to sanitation services (WHO 2006).

STATEMENTS OF FINANCIAL POSITION

	December 31, 2009 and 2008	
	2009	2008
ASSETS		
Cash and cash equivalents	\$ 1,251,833	\$ 1,770,919
Time deposits and other investments	1,711,974	1,089,213
Contributions and other receivables, net of allowance of \$0 in 2009 and \$44,780 in 2008	992,090	986,339
Inventories, net of allowance for obsolescence of \$0 in 2009 and \$2,738,017 in 2008	24,226,063	75,702,247
Property and equipment, net	389,973	437,601
Other assets	<u>25,314</u>	<u>11,622</u>
Total assets	\$ <u>28,597,247</u>	\$ <u>79,997,941</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 424,918	\$ 553,302
Net assets:		
Unrestricted		
Quasi-endowment fund	783,416	714,213
Undesignated	<u>22,824,542</u>	<u>74,934,421</u>
	23,607,958	75,648,634
Temporarily restricted	<u>4,564,371</u>	<u>3,796,005</u>
Total net assets:	<u>28,172,329</u>	<u>79,444,639</u>
Total liabilities and net assets	\$ <u>28,597,247</u>	\$ <u>79,997,941</u>

Financial Statements audited by Crowe Horwath LLP.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Years ended December 31, 2009 and 2008	
	2009	2008
Changes in unrestricted net assets		
Revenue		
In-Kind contributions	\$ 97,668,024	\$ 190,052,868
Cash contributions and other	1,740,871	1,841,329
Shipping and handling donated	1,119,033	1,229,603
Net assets released from restrictions	<u>2,766,182</u>	<u>2,635,213</u>
Total unrestricted revenue	<u>103,294,110</u>	<u>195,759,013</u>
Expenses		
Program expenses	153,398,192	137,186,464
Fundraising	577,740	973,405
Administrative expenses	<u>1,358,854</u>	<u>1,110,250</u>
Total expenses	<u>155,334,786</u>	<u>139,270,119</u>
Change in unrestricted net assets	(52,040,676)	56,488,894
Unrestricted net assets at the beginning of year	<u>75,648,634</u>	<u>19,159,740</u>
Unrestricted net assets at the end of year	<u>23,607,958</u>	<u>75,648,634</u>
Changes in temporarily restricted net assets		
Revenue		
Cash contributions	3,534,548	3,527,016
Net assets released from restrictions	<u>(2,766,182)</u>	<u>(2,635,213)</u>
Change in temporarily restricted net assets	768,366	891,803
Temporarily restricted net assets at the beginning of year	<u>3,796,005</u>	<u>2,904,202</u>
Temporarily restricted net assets at the end of year	<u>4,564,371</u>	<u>3,796,005</u>
Change in net assets	(51,272,310)	57,380,697
Net assets at the beginning of year	<u>79,444,639</u>	<u>22,063,942</u>
Net assets at the end of year	\$ <u>28,172,329</u>	\$ <u>79,444,639</u>

Financial Statements audited by Crowe Horwath LLP.

SELF-SUSTAINABLE VILLAGES

Sustainable development requires dynamic and comprehensive solutions in order to create the opportunity for the poor to break out the cycle of poverty.

- Accompany donations with **capacity-building**
- Provide necessary **awareness-building** to the poor in matters relating to health, nutrition, education, and work.
- Distribute aid materials in a **concentrated** rather than disperse way to pre-selected communities.
- **Consolidate** and coordinate all the different departments of ANF and direct their work to meet the diverse needs of whole communities.



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