



2016: A NEO Year in Review

Last year our generous network of friends and supporters enabled us to change the lives of thousands of poor people in the hard places of Nicaragua and India. Here's what we did:

Nicaragua

The NEO Fund operates in Nicaragua through our long-time partner, El Faro, a registered nonprofit in the country. Together we've accomplished so much in 2016!

- **We fed children.** In partnership with our friends at OrphaNetwork, El Faro prepared and served more than 200,000 meals to children in 5 Nicaraguan slums.
- **We educated kids.** In three locations we loved and served more than 300 needy children in daycare, kindergarten and grades 1-5.
- **We grew our test farm and adult vocational training center.** In cooperation with an agronomist and trainer from partner organization PONTIS, we developed our five-acre farm, installed a solar power array to pump water from our new well, and installed 2 5000-liter elevated water tanks so that gravity flow can irrigate the farm during the dry season. We built a caretaker house, completed the "living" perimeter fence, cultivated a successful crop (beans), and graduated our second adult agriculture class.
- **We made life-changing micro-loans.** We not only maintained an active portfolio of 150-200 loans (at any given time), we also conducted a thorough professional evaluation of our program with a view to making it even more effective in 2017.
- **We added a new community center** in Guadalupe to our existing centers in central Managua and Tipitapa. We bought and thoroughly renovated a house in the La Chureca (garbage dump)

neighborhood of Guadalupe. This house serves as a kitchen and nerve center for neighborhood feeding programs, food pantry, the site for the launch of a new El Faro church congregation in 2017, and for all manner of groups and classes, including men's and women's groups, health clinics and adult literacy classes.

- **We dramatically renovated the central El Faro church and community center.** The small house that faithfully served El Faro for so many years has now completely given way to a huge new structure at the same site that serves as center of operations and houses a school, church, and administrative offices.
- **We hit our target.** This year we contracted with a professional to conduct a *Poverty Progress Index* survey among a sample of the adults El Faro serves. The purpose was to determine whether we actually serve the "poorest of the poor" or if that's just a slogan. Please see the sidebar on Page 3 for the results of this survey.

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Because of YOU ...

in 2016 we touched thousands of lives with fresh hope and opportunity. Thank you so much for your partnership and support! We couldn't have done it without you. And we're grateful! Your investment has made the world a brighter and more joyous place! ■

*Tax-deductible donations may be made to The NEO Fund, a 501-c3 non-profit, ONLINE at www.theneofund.org or by MAIL to: The NEO Fund • 13407 117th Avenue, Court East • Puyallup, WA 98374
Inquiries may be directed to Ron Hockley at Ron@theneofund.org or (503) 467-1324*

Looking *Forward*

In addition to our ongoing, daily outreach among thousands of poor families, we imagine expanding our capacity this year in several ways. Here's an overview of our goals for 2017:

India

1. Health clinic funding for June, 2017 – June, 2018

The Pedapatnam health clinic is our core work in Andhra Pradesh, providing 30,000 people with basic health care they desperately need and enabling us to maintain relationships of trust so that we can provide loans and other life-giving services that will help lift people from extreme poverty over time.

Cost: \$24,000 or \$2,000/month

2. Launch a long-term micro-finance co-op to serve women in the Krishna Delta, Andhra Pradesh

Our lending model has proven itself to help moms raise their economic fortunes in ways that directly benefit their children. The Krishna Delta is begging for a program like this. The new Women's Credit Cooperative will be run by the women themselves and managed by our partners at KISES.

Cost: \$29,000 for the 18-month pilot program

Nicaragua

1. Motorbike for the loan officer

The task of servicing 200 loans every week for a program that is constantly adding more borrowers and growing its reach is now being accomplished by loan officers who walk and use public transportation. This is becoming unworkable.

Cost: \$2,000

2. Expansion for the farm

When fully developed, the farm will have the capacity to provide vocational training for hundreds of people and return a modest income. Here's what we need next: an irrigation system, tools, a used truck, seeds and seedlings, an agronomist and teacher, and at least one additional caretaker house.

Cost: \$22,000

3. New community center, staff and operations budget for Guadalupe

El Faro has envisioned a permanent, thriving presence in the Guadalupe neighborhood ever since the people moved there from La Chureca, the city dump. We already have a building but the construction is incomplete. When finished the building will enable feeding programs, a new church, and all of the long-term relational outreach to create long-term transformation.

Cost: \$12,000 or 1,000/month

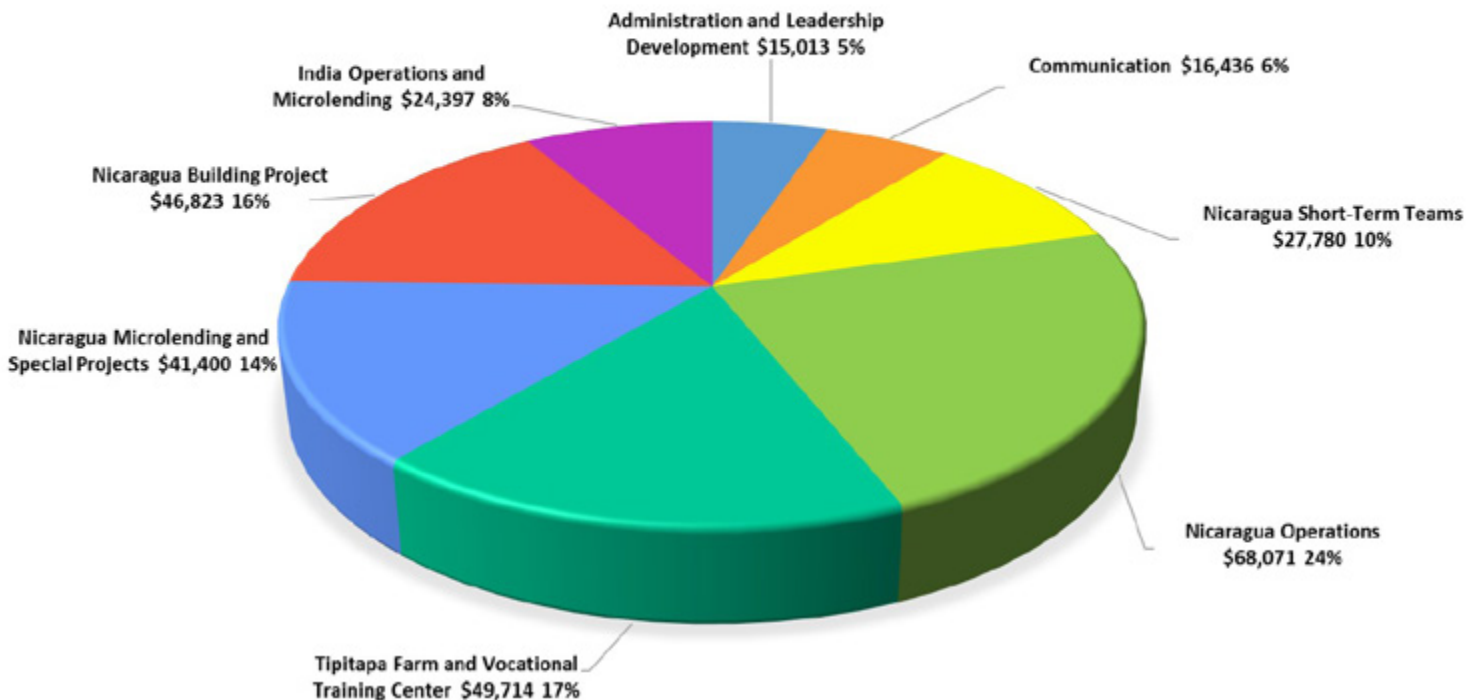
4. Capital Expansion Managua

"El Faro Central" is the nerve center of our work in Nicaragua, a growing facility that is constantly buzzing with people and activity. It houses a daycare, kindergarten, elementary school, church, micro-finance institution, accounting office, auditor, counselors, periodic health clinics, kids clubs, men's and women's groups, marriage and other life-skills classes, and much more. They need to complete construction of the first and second floors, improve the current roof, install sound system, lighting and fans, finish interior offices, and level the floor.

Cost: \$48,700

2016 Financials

Net Assets 12/31/15	\$ 26,656
2016 Income	\$338,000
2016 Expenses	\$289,633
Net Assets 12/31/16	\$ 75,023



Poverty Progress Index

The *Progress out of Poverty Index* (PPI) is a measure of poverty developed by the Grameen Foundation in collaboration with the Ford Foundation. It has been used by over 400 organizations, including the Bill & Melinda Gates Foundation, Catholic Relief Services, International Finance Corporation, World Vision International and Acumen, and is considered a global standard for evaluating poverty and progress in poverty alleviation. This year Dr. Francisco Barquero conducted a PPI survey among a sample of the adults El Faro serves. The purpose was to determine whether we actually serve the “poorest of the poor” or if that’s just a slogan. Here are the results:

- 17% are completely illiterate
- 20% did not finish elementary school
- 20% skip one or more meals every day and 3 of 10 do not get enough food to cover basic nutritional requirements
- Nearly 40% spend all or nearly all their income on food
- More than 1/3 have never bought new clothes
- 37% live in a house with a dirt floor
- More than 40% do not have a bathroom with plumbing in their home
- When compared to the Nicaragua National Poverty Line, 96% of the people El Faro serves are considered “very poor.”

Dr. Barquero concluded, “The NEO Fund is serving, beyond a doubt, the poorest of the poor.” ■ ■ ■



Top: In Nicaragua, We’ve powered our vocational training farm with solar power. Our first house has been built, and our well is operational. Bottom: In India, representatives of NEO were on hand for the grand reopening of the Pedapatnum Clinic.

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India

The NEO Fund operates in India through our partner, the Kiranmayi Socio Educational Society (KISES for short), a registered nonprofit in the country.

- **We operated a health clinic for the poor.** In June we enabled KISES to re-open their beautiful health center, built in 2008 for US\$1.2 million dollars, but closed shortly afterward on account of the world recession and lack of funding. The clinic serves 30,000 poor people in the Krishna District within walking distance from the Health Center.
- **We gave the clinic a thorough renovation, cleaning and polishing.**
- **We hired staff:** a nurse, three part-time doctors, a watchman, janitor, and a health educator to work in the villages
- **We stocked an on-site pharmacy with medicine.**
- **We treated more than 1000 people at remote health clinics and camps in the villages** between June and November, 2016. This was in addition to patients seen during operating hours at the clinic.
- **We treated all imaginable conditions** including services for pregnant women, infants and children, diabetes, injuries, dengue fever, infections, HIV & AIDS, eye and dental problems, GI problems, malnutrition, viral fevers, etc.
- **We designed a women’s cooperative credit organization.** This model, familiar in Andhra Pradesh, will serve existing women’s self-help groups with micro-loans and savings opportunities. Initially we will pilot the program with 30 women in three self-help groups, one in each of three local villages. ■ ■ ■

Making a Difference in the Krishna Delta

Our health center in Andhra Pradesh, India, operated by our partner “KISES” not only provides basic health care for the region, but also employs a community health educator, Chokka Yesu Das .

In December, Chokka was busy, visiting 9 villages in the region. We found two of his activities especially strategic and encouraging:

Nutrition Classes. In the past, villagers used to grow small vegetable gardens to supplement their diets, but many of them have stopped for some reason and now subsist on a diet of rice and inexpensive processed foods. The nutrition class, says Chokka, “is to remind them of their forgotten legacy of healthy food.” The class recommends cooking and eating fresh food that is rich in vitamins. It suggests low-cost nutritious staples like leafy greens, vegetables, eggs and natural foods that can be harvested from the forest, which are high in nutrients, such as iron.

Government Registration. Many of the people we work with are “Tribal” – a class of poor Indians beneath even the lowest castes. Tribal families are typically not recognized by the government, and so not eligible for government welfare or development programs. In the villages where we serve Tribal families, KISES is holding Awareness Meetings to help them register with the government, giving them access to services they’ve never had before. This is an important and strategic way we’re helping create sustainable development for the poorest of the poor. ■ ■ ■



Heartbreak ... and Hope!

Last year Hamilton suffered something no child should ever experience. His mother was tragically murdered during a fit of violence in Tipitapa, Nicaragua, where they live. Hamilton’s grandma, Cornelia, took him in and is raising him and his brother herself. Our partners at El Faro have reached out to the family. In fact, Cornelia says, “Carlos (NEO’s micro-loan manager in Nicaragua) really cares about our family.”

To put food on the table, Cornelia grows a large vegetable garden with yucca, corn, beans, squash and some small livestock, like goats. Hamilton helps his grandma in the garden every day. They sell their surplus produce in the neighborhood. Cornelia recently took a micro-loan to grow her business, and she is planning to attend the agriculture class at our Vocational Training Center to make her garden business even more successful.

Their dream is to build themselves a real house someday. Despite their hardship, this family is not alone. Through El Faro, NEO helps redeem families like Hamilton’s every day. ■ ■ ■



The NEO Fund

“Empowering indigenous people to transform their own communities is the most effective weapon against global poverty.” — Jen Hatmaker

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The NEO Fund 2016 Support by Group

The sources of our giving for the last year came from the following four categories:

- Corporations – 41%
- Individual Donors – 22%
- Foundations – 20%
- Churches – 16%