



the
**NEO
FUND**



**Annual
Report**
January 2018



2017: A NEO Year in Review

Last year our friends and supporters made it possible for us to touch the lives of thousands of poor people in Nicaragua and India. Here are some highlights:



We established The NEO Fund Nicaragua, a legally-recognized micro-finance institution Nicaragua. Our papers were finalized mid-2017!

- A professionally designed and executed nonprofit micro-finance plan with deep local roots.
- Targeting the lowest cost loans to the poorest of the poor entrepreneurs, providing the margin to the borrower.
- Extending loans in context of relationship, with coaching and training.
- Hired Jhonatan Alaniz as our General Manager. He's a Licensed Public Accountant with 3 years management at a large Nicaraguan Micro-finance Institution (Prodesa).
- Migrated existing El Faro loan portfolio and extended the first new loans to previous borrowers with a proven x record. Began extending loans to first-time borrowers in November.



In cooperation with our long-time partner, El Faro, we served about

2000 poor (children and adults) in Managua and Cristo Rey in the following areas:

- Education. In three locations we loved and served 300 needy children in daycare, kindergarten and grades 1-5
- Nutrition. With help from our partner, Forward Edge International, more than 60,000 hot meals were served to children from local slums
- Vocational Training. With thanks to our partner, PONTIS, our farm continues to develop. Current crops include plantains, corn, guava, papaya, and more! Two crop cycles have been harvested and sold, putting our farm on the track to sustainability!



Working through our in-country partner, KISES, we served about 10,000 people at our health clinic for the poor in Andhra Pradesh, India

- Health Care. We provided life-saving health care and preventative care. Our doctors, nurse and health educators

continued on page 3

Because of YOU ...

In 2017 we touched 12,000 lives with fresh hope and opportunity!



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

We believe over the next two years, if we stretch ourselves, we can implement our scalable, sustainable nonprofit model to grow our reach from 12,000 in 2017 to 20,000 people this year and 35,000 in 2019. Here's how ...

- Continue our 5-step, long-term development strategy (below)

| 1. Identification | 2. Meet Basic Needs | 3. Create Community | 4. Micro-Loans | 5. Training & Coaching |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------|
| "Walking Around" An ongoing local, imbedded relational presence | Nutrition Health Care Education Local partners Children as primary beneficiaries | A healthy: Community Center Church Health Clinic School | Criteria – need Criteria – capacity | Vocational Training Business Development With partners Borrowers as primary beneficiaries |

- Stay true to our **Vision** and **Mission**:

Vision: We imagine a world where all parents, regardless of race or religion, have an opportunity to provide for their children's nutrition, health, and education resulting in stronger communities for everyone.

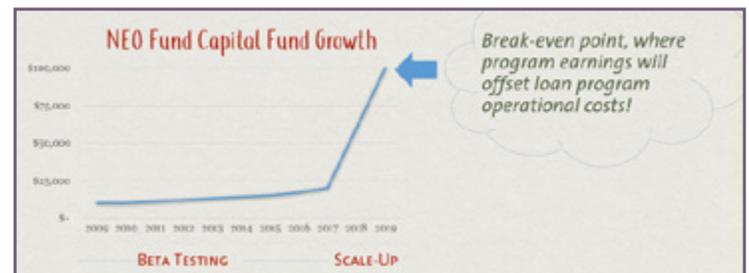
Mission: Implement a scalable, sustainable nonprofit model of micro-finance and community development that provides hope and transformation to the poorest of the poor and helps create a dignified lifestyle for families in some of the most impoverished communities of the developing world.

Our Goals this Year

1. Serve the Poor. Partner with service providers who effectively serve the poorest of the poor on the ground in Nicaragua and India and increase funding for partner projects by 68% (from \$150,000 to \$220,000). New projects include:

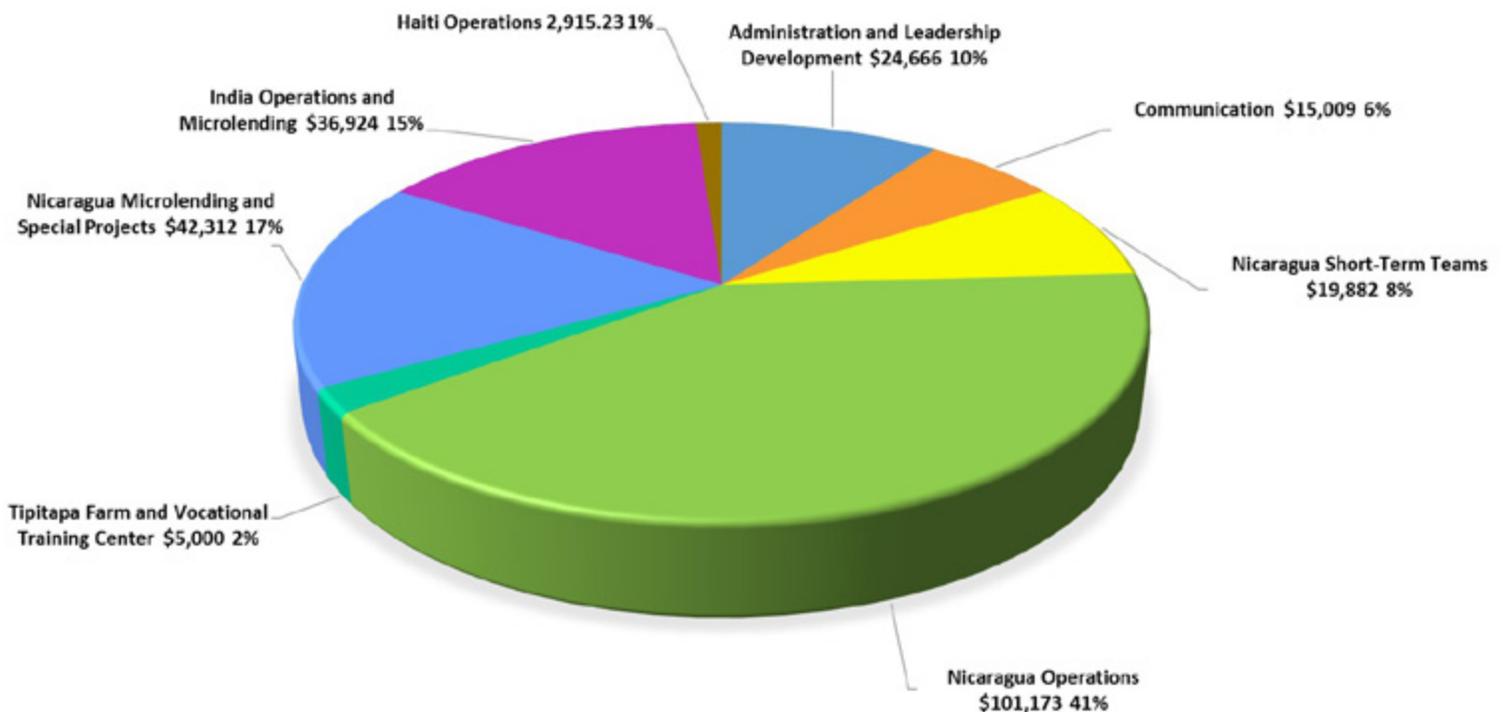
- Vocational Training - Build a second caretaker house on our El Faro farm in Nicaragua **\$8,000**
- Education - Build a school playground for children at our El Faro community center in Cristo Rey, Nicaragua **\$10,000**
- Health Care – Expand health center services and extend the reach of mobile health clinics in the Krishna Delta, India **\$20,000 +**
- Nutrition/Education/Health Care – Launch relief and development services at the Pathapadu garbage dump, Andhra Pradesh, India **\$10,000**

continued on page 3



2017 Financials

Net Assets 12/31/16 \$ 74,074
 2017 Income \$216,493
 2017 Expenses \$247,882
 Net Assets 12/31/17 \$ 42,685





2. Become More Sustainable. Push hard toward the sustainability of our Nicaragua lending program by investing **\$40,000** in fresh loan capital, bringing our revolving capital fund to over \$60,000, our portfolio to more than 250 active borrowers (at any given time), and our default rate to less than 5%.

3. Beta Test New Lending Model. Beta test our women's cooperative credit micro-lending plan in India. We have a plan carefully laid out by Dr. Francisco Barquero, our micro-lending expert responsible for our reshaping of the Nicaragua program. We have several groups of 10 women in villages surrounding our clinic in India. We just need to raise **\$30,000** for capital and operating expenses.

4. More Donors. Recruit at least 60 new partner donors (individuals, corporations, foundations) to help carry the load and fund expansion, an increase of about 60% for the year. ■ ■ ■

worked tirelessly despite an epidemic of dengue fever and saved countless lives.

- Solar Power. We installed a solar power system at the clinic to normalize the inconsistent power grid and installed exterior lighting to reduce the risk from poisonous snakes after dark.
- The Very Poorest of the Poor. We continued to engage with our friends at the Pathapadu Garbage dump, a perfect spot for us to launch operations when we raise funding (BTW, this would be a GREAT project site for adoption by a donor organization!
- Micro-credit. We refined our women's cooperative credit organization, which is ready to implement as soon as we raise funding (about \$30,000 to reach sustainability). ■ ■ ■



Our Health Workers Maximize Benefit to the Poor

The cornerstone of NEO's development strategy involves wise, compassionate field workers "walking around" to serve the poor in their own setting. At the Pedapatnam Health Center in India, our Community Health Educators constantly make the rounds of 30 poor villages, bringing help and light wherever they go. *One very important, strategic goal is to help the villagers take advantage of government services they are already eligible for, but didn't know about or never took advantage of.* Here are three examples:

Baalwadi Centres – These education and nutrition programs are for poor pregnant women and children under age six. In December alone, our Health Educator helped 35 malnourished pregnant women and children enroll.

Arogyasri – This program helps those below the poverty line access health care free of cost once they obtain a citizen identity "white card". While we provide free services to our villagers living too far for access to Arogyasri benefits, we are not equipped to address complex or advanced diseases. So when faced with severe injury or illness, our Health Care workers aid villagers in accessing free ambulance services and treatment.



Disability Pensions – The poor and disabled in India are eligible for a government pension of 1500 rupees a month (\$24USD). Our health educators work with village elders to help locals receive the pensions they are entitled to — pensions that are often the difference between life and death. In Q4 alone we helped several access these pensions, including a disabled brother and sister in Pedapatnam.

We can operate our clinic for **\$25,000** for an entire year! **Become a sponsor in whole or in part, and you'll make a difference in very real and practical ways!**

Lack of water leading to desperation in Cristo Rey

Cristo Rey, a one-time refugee camp, now thriving village, is home to some 3,000 families, many rescued when La Chureca flooded 7 years ago.

The government has brought power to the area, though not everyone has it. There's a central well with a water tower in one quadrant of the village. Toward the north eastern part, however, where El Faro is located, there is no well. And now, the rains can no longer be counted on to stockpile fresh water.



So, in desperation, people have begun digging their own 'collection holes' over the past two years to collect extra water during the rains. This has created a huge danger, however. **Children routinely fall into the holes sustaining serious injuries and near-drownings.**

Our partner, El Faro, wants to meet this dire community need. While they currently have a shallow, hand-dug well sufficient for the church and school, it cannot meet the needs of its neighbors and surrounding community.

The solution is to replace the well with a machine-dug [read: deep] well powered by solar power. **What a blessing and an outreach this would be to the community!**

The cost to dig the well, buy the storage tank, and set up solar panels to power the well will be **\$15,000.**

Please let us know if you can help! ■ ■ ■

Case Study — Irene's Recycling Business

- Irene used to collect recyclables in the Managua dump, earning around \$2/day.
- Since her first NEO loan (\$100 in 2015) to start her own recycling business, she has successfully completed four additional loans.
- She has expanded her business to plastic and tin, hired six employees, and purchased a truck.
- She is now selling 800 reconditioned cans and bottles a day and earning an amazing profit of \$56.67/day, an increase of more than \$54/day



The NEO Fund

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

US LEADERSHIP

BOARD OF DIRECTORS

Dan Harris Juli Laurenzo
Tim Leitner, Sr. Nicole Morgal Ryan Saari
Shoshon Tama-Sweet Mark Tobin

EXECUTIVE DIRECTOR

Ron Hockley

CREATIVE DIRECTOR

Cheryl Nemazie

MICRO-FINANCE OPERATIONS

Francisco Barquero, Ph.D.

ACCOUNTING

Stacey Becker

THE NEO FUND NICARAGUA

DIRECTOR

Jhonatan Alaniz

NICARAGUA EL FARO LEADERSHIP

DIRECTOR

Ramón Baca

ADMINISTRATION

Miriam Baca

INDIA KISES LEADERSHIP

FOUNDER

Shoury Babu

DIRECTOR

Rajani Suram



The NEO Fund is a 501(c)(3) Organization.
Please consult your tax advisor for
questions about tax deductibility.

13407 117th Ave, Ct. E
Puyallup, WA 98374

www.theneofund.org • (503) 467-1324
Admin@theneofund.org | FB: The NEO Fund