



FriendshipBridge

2008 Annual Report



*More than a loan - a better life.*

## *Dear Friends,*

In 2008, we celebrated 10 years of providing microcredit and education to impoverished women in rural and peri-urban areas of Guatemala. Over these 10 years, we have worked to achieve a greater impact on the lives of our clients, as they struggle to support themselves and their families.

We know that we are making a difference: a study conducted in 2008 provides evidence that women who participate in our program are more likely to seek out medical care and save at higher rates for their children's education. This tells us what we have known all along – the work we do with women has a quantifiable impact on them and their families.

Over the past year, women in Guatemala, like others throughout the world, have been faced with increased challenges as a result of the economic downturn....challenges that include rising food costs and higher prices across the board. Friendship Bridge is working with our clients throughout Guatemala to overcome these and other obstacles, so that they can achieve their goals.

While confronting the challenges presented by the economy, Friendship Bridge continues to ask what we can do to make our work more effective for the women we serve.

Over the past year we have taken many steps to better serve the women of Guatemala. Our achievements have included:

- Implementing a new, two-year core curriculum for our clients that is based on their expressed needs....“my business, my money, my health, and self-esteem.”
- Opening a client learning center in Sololá that provides supplemental, topic-specific training for our clients on subjects that help them develop both professionally and personally.
- Instituting an evaluation process that further assesses the progress our clients are making in lifting themselves and their families out of poverty.
- Strengthening the institution's infrastructure, internal controls, and professional training.

In the coming year, we look forward to:

- Completing a needs analysis for a new loan and management information system, a significant step that promises to increase our efficiency, allow us to grow and help us better serve our clients.
- Opening a new branch office in Escuintla, a primarily agricultural region in south central Guatemala.
- Continuing to roll out our new curriculum, which takes the form of beautifully designed, interactive learning flipcharts, locally known as “rotafolios.”

We sincerely thank our loyal supporters, board, staff, volunteers, and, most of all, our generous donors and investors, who are critical to furthering our mission of helping women and their families create their own solutions to poverty. Please accept our deepest gratitude for your continued commitment to Friendship Bridge and to the women and families we serve.



Francy Milner  
Interim Board President



## *Key Achievements*

- 15,000 women trained in basic business practices and health education
- Trained 70 staff members and facilitators in delivering the new curriculum
- Operate 2 Learning Centers, working with over 400 children and youth and 90 women
- \$4.8 million in loans disbursed in 2008



Women and their families create their own solutions to poverty.



"My business supports my children's studies. My desire is that they attend professional school and that in the evenings we will sit together and work."

Maria de Jesus, Agencia Suchitepéquez

### Board and Staff

#### Board:

Stacey Edgar  
Dana Falletti  
Helen Gair  
Valorie Hall  
Felicity Hannay  
Christine Johnson  
Francy S. Milner  
Kelly Reynoldson

#### Advisory Board:

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Mimi Schlumberger  
Sandy Youngmans

#### Executive Team:

Karen Larson, Director of U.S. Operations  
Norma Bajan, Director of Guatemala Operations  
Astrid Cardona, Finance Manager  
Steve Corlew, Controller  
Brenda Cox, Financial Services Manager  
Robin Davey, External Affairs Manager  
Rosmery Pacay, Human Resources Manager  
Joan Steiner, Development Manager  
Caitlin Scott, Administrator

### Our Offices

Friendship Bridge has 10 offices located throughout Guatemala. Each office works to deliver microcredit and education to women in their native languages.

Panajachel, Solola, Nahuala,  
Nebaj, Quiche, Chichicastenango,  
Chimaltenango, Mazatenango,  
Quetzaltenango, Escuintla

## More than a loan - A better life



By providing microloans and education, Friendship Bridge is improving the lives of poor women in Guatemala -- entrepreneurs who are unable to access credit from traditional sources. These women



daily surmount tremendous economic and social obstacles to expand their businesses, support their families, and contribute to their communities. In 2008, Friendship Bridge worked with 15,000 women across Guatemala to strengthen their businesses and improve their overall quality of life. Microloans benefit not just the borrower, but typically as many as six others, including spouses, children, parents, and, in some cases, employees. Clients who continue with the program see increased assets, improved living conditions and keep their children in school longer.

## More than a loan

# A roof over her head

### Ana Rojche, Aldea Cutzan Chicacao, Mujeres Mejicanos.

Before Ana Rojche took out a loan with Friendship Bridge, the roof of her small house in Aldea Cutzan Chicacao was leaking heavily, and the water during the rainy season would come into the house and soak – and sometimes ruin – all of her things. Her husband’s salary as a day laborer alone could not cover the cost of a new roof. Ana used her loan from Friendship Bridge to purchase and raise pigs, and the profits generated from the sale of these pigs allowed her to purchase new corrugated metal roofing for her home. Now she and her six children keep dry during the rain.



### What Friendship Bridge Means to the Women We Serve:

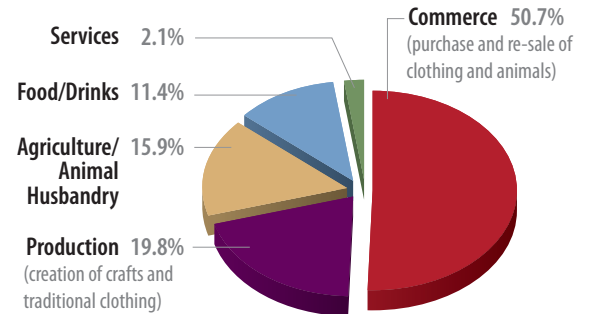
*“I am a client of Friendship Bridge not only for the credit, but for the company and friendship of the women in my group, Flor del Campo. I have a loan for a thousand quetzales, which helps my business, but what I value most is the solidarity of my group.”*

— Dominga Xicara of Canton Llano del Pinal, Quetzaltenango.

*“I am very grateful to Friendship Bridge because before, I did not know many of my rights. Now that I know what rights I have as a woman, I am better able to exercise them.”*

— Francisca Calixto, France San Francisco Alto, Totonicapán.

### What Women Do with Their Loans



## More than a loan

# A better education

### New Project Profile: Rotafolios

Friendship Bridge’s Microcredit Plus Program addresses the lack of credit and education services that are available to impoverished women living in the western highlands, lowlands and peri-urban regions of Guatemala. These areas are predominantly indigenous and are characterized by extreme poverty and high levels of illiteracy. Nearly half of all adults here can neither read nor write, and illiteracy is even higher among women, as girls traditionally leave school early to spend more time on housework and daily chores. In 2008, our education staff worked diligently to create a curriculum that works for literate and pre-literate clients. Our new curriculum, which takes the form of vibrant Rotafolios, or flip charts, is highly participatory and utilizes brilliant illustrations to deliver messages that resonate with the women. We continue to build upon the work set into motion in 2008. In March of this year, the clients began the newly developed My Health unit. This unit, with 8 lessons, will take them through the end of 2009. Next year, clients will complete My Money and continue Self-Esteem. 2011 will round out the full curriculum with My Business. This new curriculum will help us to ensure a consistent, quality education experience for all Friendship Bridge clients.



*In 2008, over 1300 individuals, organizations, corporations, foundations and faith communities supported the work of Friendship Bridge.*

## Donors

### \$10,000 +

Anonymous (1)  
Cynda Arsenault  
Martha and Bruce Atwater  
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Pete and Nancy Kelley	Mary Zimmermann	Joe and Pat Gillach	Susan Osgood
Gini Krutulis	<b>\$250+</b>	Norma Gonzales	Debra Ostergren
The Lederer Foundation, Inc.	Anonymous (1)	Lezlee and John Groh	Bill Plein
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Pantano Rotary Club Foundation	Charles Bouril	David and Kathy Janisch	Ann Sherman-Skiba
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Blaine Rollins	Jack and Jan Clark	Faye Kurnick	Charles and Nancy White
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Karen and James Smith	Linda Daniels-Hernandez	Nancy Latimer	Toni and Michael Williams
Nancy Smith	Marian Davis	Elsa Limbach	
The Standard Employee Giving Campaign	Sue and Greg Dorsey	Carl Linnecke	<b>Under \$250</b>
Richard Stollberg	Chris Dunford	Peggy Jane Mahan	In 2008, 973 donors made gifts under \$250, totalling \$92,324. We are appreciative of all of our donors. Thank you!
Sunshine and Marguerita Stone	Amy Durfee-West	Bill and Marsha Manning	
Rick and Kim Stone		Larry and Marjorie McKenna	
		Mereth and Bob Meade	

## Financials

### Combined Statement of Financial Position

December 31, 2008

ASSETS	2008
<b>CURRENT ASSETS</b>	
Cash and cash equivalents:	
Cash held in the United States	\$ 486,020
Cash held in Guatemala	1,782,271
<b>Total cash and cash equivalents</b>	<b>2,268,291</b>
Investments	807,827
Loans receivable	2,156,822
Interest receivable	30,238
Prepaid expenses and other assets	37,663
<b>Total current assets</b>	<b>5,300,841</b>
<b>PROPERTY AND EQUIPMENT</b>	
Furniture and equipment	93,554
Computers and related equipment	34,042
Vehicles	66,653
	194,249
Less: Accumulated depreciation and amortization	(90,099)
<b>Net property and equipment</b>	<b>104,150</b>
<b>OTHER ASSETS</b>	
Security deposit	1,348
<b>TOTAL ASSETS</b>	<b>\$ 5,406,339</b>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>	
Loans payable	\$ 194,000
Accounts payable and accrued liabilities	493,574
<b>NONCURRENT LIABILITIES</b>	
Loan payable	1,000,000
<b>Total liabilities</b>	<b>1,687,574</b>
<b>NET ASSETS</b>	
Unrestricted	3,440,755
Temporarily restricted	178,010
Permanently restricted	100,000
<b>Total net assets</b>	<b>3,718,765</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,406,339</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

### Combined Statement of Cash Flows

For the Year Ended December 31, 2008

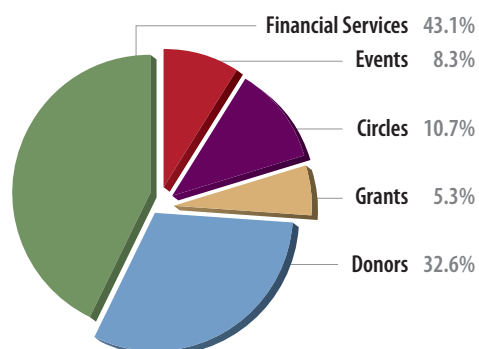
CASH FLOWS FROM OPERATING ACTIVITIES	2008
Change in net assets	\$ 36,257
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	29,398
Provision for uncollectible loans	195,949
Loans Directly Written Off	366,883
Stock donations	(71,450)
Realized (gain) loss on sales of investments	(444)
Unrealized loss (gain) on investments	22,806
Loss on disposal of fixed assets	21,630
<b>(Increase) decrease in:</b>	
Grants receivable	—
Interest receivable	38,560
Prepaid expenses and other assets	(15,064)
Security deposit	—
<b>Increase (decrease) in:</b>	
Accounts payable and accrued liabilities	163,474
<b>Net cash provided by operating activities</b>	<b>787,999</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	(88,524)
Proceeds from sales of investments	71,895
Purchase of investments	(258,251)
<b>Net cash used by investing activities</b>	<b>(274,880)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Issuance of loans	(4,766,841)
Collections on loans receivable	5,287,017
Proceeds from individual loans	175,396
Repayments on individual loans	(63,929)
<b>Net cash provided (used) by financing activities</b>	<b>631,643</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,144,762</b>
Cash and cash equivalents at beginning of year	1,123,529
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 2,268,291</b>

### SUPPLEMENTAL INFORMATION:

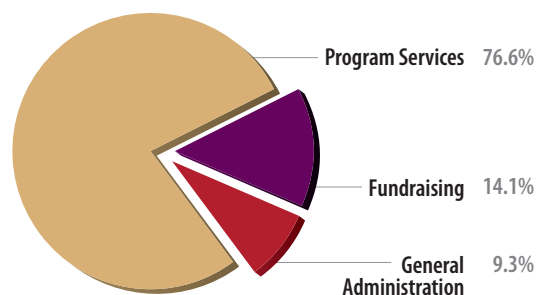
Interest Paid	\$ 29,544
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A complete set of audited Financial Statements and Form 990 are available upon request.

### Sources of Revenue



### Use of Funds





*"I really enjoy working with Friendship Bridge. We live far from the office, but the staff comes to us every month and shares important lessons with us. I have applied these lessons in my life."*

Gregoria Hernandez Pastor, San Francisco El Alto, Totonicapán



**FriendshipBridge**

405 Urban St. Ste. 140, Lakewood, CO 80228

Tel 303.674.0717 | Fax 303.674.1525 | [www.friendshipbridge.org](http://www.friendshipbridge.org)

In addition to the information presented in this report, there are countless stories of changed lives and communities. Please take time to visit client success stories on our website:

[www.friendshipbridge.org](http://www.friendshipbridge.org)