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| **SosteNica** |
| *Sustainable Development Fund of Nicaragua* |
| **Business Plan** |
| Prepared September 2014 |
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# Executive Summary

## Who We Are

***The Sustainable Development Fund of Nicaragua***



**Our Mission**

SosteNica promotes sustainable economic and community development in Nicaragua.  We have programs in the areas of food security, sustainable housing and eco-technologies and economic development through credit. Our loan programs strengthen Nicaraguan communities.  Our agricultural training and technical assistance programs contributed to the success of our rural borrowers.  Our housing program embodies environmental values while affording low-income families a dignified place to live.  In the U.S., SosteNica offers socially conscious investors an opportunity to use financial resources constructively, to have a positive impact on one of the poorest nations in the Americas.  Thanks to SosteNica, many of the productive poor of Nicaragua -- small farmers and micro-enterprises -- have access to credit that would be otherwise unavailable.  The combination of thoughtful First World investment and careful socially conscious lending to Nicaragua's poorest creditworthy borrowers creates an opportunity for sustainable growth.

## What We Believe In

* We dream of rural Nicaraguan families owning their own land, and on that land, growing everything they need to lead healthy, happy lives.
* We dream of communities of Nicaraguan families supporting one another in good times and in difficult times, celebrating together, and grieving together.
* We dream of a verdant Nicaraguan landscape, an intact ecosystem free of toxins and pollutants, rich with biodiversity, clean air and fresh sweet water.
* We dream of ordinary Nicaraguan families having enough resources locally that they never think of emigrating to another country in search of work, families who love where they live and what they do.
* We dream of young families living in ecological homes built with their own hands out of locally available materials that are both beautiful and sustainable.
* We dream of a world in which people with resources in one country reach out their hands of support to people in another country struggling to make a sustainable life.
* We dream of a community of people in the US whose investments reflect their values, where doing good does not conflict with doing well.

SosteNica gives US investors an opportunity to achieve their social and environmental as well as their financial dreams and values.  With a portfolio of both invested and donated funds, SosteNica promotes natural building for low-income families, organic agro-ecology and reforestation for rural small landholders, and micro-credit for small credit-worthy businesses.  More than just "socially responsible", SosteNica gives investors an opportunity to have an impact in a way that says: "I care about the future, as well as about the present."

## Who We Serve

### Our Community

Our investors and supporters include individuals as well as institutions that care about sustainability, social justice, and impact investing.  Our clients and borrowers are people with energy and ideas, who know that, with a modest helping hand they can transform their future from hopelessness to possibility.  Sweat equity and personal responsibility intersect in our customers, the majority of whom are Nicaraguan women.  Be they farmers or tortilla makers, with a micro-loan and occasional technical assistance, they can build that dream house, that dream business, that dream farm.  Angel investors and donors share and participate in making those dreams a reality.

## Financial Summary

### Highlights

Most non-profit organizations depend entirely on donations and foundation grants for their survival, obliging them to spend countless resources on fundraising and grant writing efforts.  This is not the case for SosteNica. While we do receive grants and donations, the bulk of our operations are paid for by the regular work of our loan portfolio. Unlike most non-profits, SosteNica actually sends annual interest checks to its investors. The spread, or difference between interest earned and interest paid on our portfolio (3.8%) is enough to cover operations as well as a significant portion of our continuing sustainable development programming in Nicaragua.

At the end of June 2014 our US total net assets stood at $2,617,425, and was on track to generate more than $170,000 in interest. In 2013 we paid $62,597 to our investors, allowing us to dedicate more than $100,000 to manage and run our Sustainability Program.  That interest spread, combined with grants and donations amounts to a significant impact in Nicaragua.

# Company

## SosteNica Overview

Founded in 2000, SosteNica is a federally designated 501 (c) (3) non-profit micro-credit organization, with headquarters in West Chester, Pennsylvania, with field offices in Nicaragua. SosteNica is a social purpose business that applies market-based solutions for the purposes of furthering our mission, generating income, and addressing social needs. From 2001 to the present more than 150,000 loans worth more than $100 million USD have been approved.

**The Problems**

SosteNica addresses three central problems facing many citizens in Nicaragua relating to: credit; small-scale farming; low-income sustainable housing.

Credit: The shortage of credit is an economic as well as a social justice issue.   Less than 10% of Nicaragua’s population earns more than what is needed to live above the subsistence level.  Of those few who do have adequate resources, many choose to shelter their money from the vagaries of the local economy by maintaining investments and savings accounts overseas.  As a result, capital disappears from Nicaragua’s economy, making credit scarce and expensive.  Without available credit, small farmers and entrepreneurs find it impossible to expand their production.  In addition, Nicaragua has one of the world's highest per capita debts.   When a nation owes large sums to foreign governments or lenders, an excessively high proportion of the country’s income serves to pay the interest and principal on that debt.   Under these adverse circumstances, credit for small producers becomes scarce and costly.  High interest rates stifle growth while many small businesses and farmers cannot get loans at any price.

Small Scale Farming:  For hundreds of years, Nicaragua’s economy has depended on the export of raw materials and the production and sale of cash crops.  International commodities’ prices vary according to supply and demand.  However a predictable trend has emerged through the decades.  The cost of production goes steadily up while the revenues from sales remain constant, or even decline.  Except during extraordinary times, this economic dependency on international export leads to hardship for the majority of Nicaraguans.  Without credit and the ability to produce for local consumption, many Nicaraguans suffer from influences beyond their control.  Most Nicaraguan small landowners cannot compete in the commodity market place, for lack of skills and credit.

Low-income sustainable housing: Nicaragua has a housing shortage, and it grows worse every year as the population grows faster than the affordable housing stock.  More importantly, the affordable homes that are built have been designed only with an eye to "affordability" -- the most homes for the least money.   The building materials used to construct the houses are industrially mass produced, hard on the environment, on the occupant and the eye.  It gets assumed without question, that low-income people cannot afford considerations of health, environment, comfort, beauty or cultural continuity.  It is presumed that landscaping is nothing more than a cosmetic add-on.

**SosteNica - A Solution**

A capital-starved economy cannot grow.  Only those with access to resources can take advantage of opportunities.  Without intervention, current conditions in Nicaragua will make it possible for the rich to increase their resources while leaving the poor without much opportunity to utilize their creative energy and potential.   By enabling First World investment in the productive lives of poor Nicaraguan producers, SosteNica undertakes to reverse some of the damaging effects of capital flight and credit scarcity.

By making micro, small and medium loans available at rates below, or even comparable to, those available from commercial lending institutions, SosteNica strengthens the growth of the sector that most often suffers neglect.   Secondly, because the lending program operates within the NGO (non-governmental organization) sector, SosteNica can target populations and economic activities destined to strengthen local economies and culture rather than contribute to an export-oriented economy.   A heavy emphasis on sustainable development leads SosteNica to direct credit to those sectors of the Nicaraguan economy that will not pollute, do not increase dependency on imported goods, strengthen local food self-sufficiency, and respond to local needs.

"Sos Productivo" (which translates as “You are Productive”) works with small land holding families to model diversified crop production through sustainable practices of soil conservation and the use of organic solutions to fertility requirements.  It protects and develops water resources in the Tamarind river basin by promoting reforestation along riparian zones and enhanced tree cover throughout the watershed.

Natural Housing -- SosteNica is developing a sustainable response to the shortage of affordable housing by integrating eco-technologies, natural building materials, and edible landscaping into the design of sweat-equity built housing cooperatives.

**An Effective North-South Partnership**

SosteNica, Inc. works collaboratively with CEPRODEL.  The Centro de Promoción del Desarrollo Local (CEPRODEL) was founded in 1989.  SosteNica began working with CEPRODEL to promote economic development through micro-lending in 1993.   Working as partners, the two organizations share administrative responsibilities. SosteNica provides services directly to individual and institutional investors in the US while CEPRODEL oversees the issuance of credit and monitors loans to Nicaraguan borrowers.  Together the two organizations design and direct programs in rural development and sustainable housing.

In cooperation with CEPRODEL, SosteNica promotes economic and community development in many regions of Nicaragua through credit, technical assistance and outreach to low income businesses and small farm families. In addition to the extension of loans to credit-worthy low-income applicants, SosteNica works with farmers and University extentionists to teach organic agriculture, integrated pest management, soil conservation, reforestation and ecologically sustainable practices.

**ABOUT CEPRODEL**

The Center for the Promotion of Local Development (CEPRODEL) promotes sustainable local development by affording greater economic, organizational and technological options to the most vulnerable sectors of Nicaragua’s population.  CEPRODEL works to assist Nicaragua’s poor to rise above poverty through the realization of their own creative potential.  CEPRODEL’s objectives are: (1) to contribute to the transformation of families' survival strategies from bare subsistence to a self-guided productive economy; (2) to support communities and poor families as they seek to improve their housing, social services, income and work opportunities; and (3) to promote self-respect and dignity among poor Nicaraguan families.

CEPRODEL is a registered Nicaraguan non-profit, non-governmental organization (NGO).  According to its founding principles, CEPRODEL will only engage in specific development programs if they meet five key criteria: economic efficiency, technological appropriateness, ecological sensitivity, social justice, and cultural acceptability.

In addition to managing a credit portfolio, CEPRODEL offers municipal consulting activities as well as low-income housing construction programs.  These services are managed independently of its credit division.

## SosteNica Management Team

PRESIDENT & CEO -- Alan Wright, PhD

Dr. Wright received his BA from the University of Pennsylvania, his MA from University College, Oxford and his PhD from Yale University in 1988. For the past 30 years, Dr. Wright has worked for social and economic justice in Nicaragua. For that work, he has been recognized by the W.I.L.P.F. and was awarded the Gandhi Peace Medal by Promoting Enduring Peace. He lived and worked in Nicaragua from 1990 through 1995.

CHIEF FINANCIAL OFFICER -- Christopher Bell

Mr. Bell has been the fund administrator for SOSTENICA since 1997. Mr. Bell attended the University of Kansas. He has spent many years in the trade union movement as well as working in the wholesale and retail industry.

GENERAL COUNSEL -- Jay Pressman

Attorney Pressman graduated from the University of Pennsylvania with a B.A. in psychology in 1980 and from Villanova Law School with a J.D*.* in 1983.  Since that time he has been engaged in the general practice of law in Chester County, Pennsylvania.  He joined the Board of SosteNica in 2001 and left the Board to join the staff in 2006.

SUSTAINABILITY PROGRAM DIRECTOR -- Ricardo Osman Cruz

Ricardo is originally from Chontales, Nicaragua. He received a graduate degree in management from the Universidad Americana de Managua, in 2009. He also has a Diploma in Planning and Evaluation of Financial Projects from the Institute for Rural Development, a Certificate in Environmental Management and Graduate Diploma in Community Economic Development from Concordia University (Montreal, 2003). His work in Nicaragua includes managing the La Joya Project in Rivas and serving as the Plant Administrator at the Amayo Windfarm.

## SosteNica History

**Our Name**

The name SosteNica derives from Spanish.  It joins "Soste," taken from the Spanish word “sostenible” ("sustainable" in English) with Nica, an abbreviation of Nicaragua.  The country name Nicaragua is itself a derivative of the Nicarao people, one of the dominant indigenous communities in Central America at the time of the Spanish conquest around 1500.

The foundations for SosteNica began to be laid in 1989 in response to the Nicaraguan economy, which slipped from recession into widespread depression.  After more than 15 years of civil strife and war, Nicaragua’s battered economy had ceased to meet the most basic needs of the country’s rapidly growing population.  CEPRODEL, founded in that year, began taking steps to support and promote economic and community development in and around Managua.

In 1990, a trial micro-loan of $500 made by SosteNica founder Alan Wright, went to the “Cooperativa Farabundo Martí y Sandino” as an experiment in small-scale economic development.  This women’s weaving cooperative, begun in 1984, had become inactive in 1988 due to lack of working capital needed to buy yarn. The founder of SosteNica hypothesized that, through a modest loan and limited technical assistance, a group of skilled weavers might overcome the many obstacles facing producers throughout Nicaragua.

The results were impressive.   Within six months, the Cooperative had set up six looms for full-time production, paid modest, but livable, wages to its six members, repaid its first loan, and accumulated enough capital to reinvest.  In 1997, this weaving cooperative received its eighth and final loan of $1,700.  Many of these same women, as well as a new generation of weavers, continue to work producing woven products more than two decades after they received their first loan from SosteNica’s founder.

The success of this worker-owned, all women’s business encouraged Dr. Wright to expand this initial experiment.  In 1992, private individuals invested a total of $75,000 to create a larger credit program in León, Nicaragua.   Two funds were set in motion: the first aimed at medium-sized producers, the second, and a micro-loan fund, aimed at micro-entrepreneurs.  Joining individual investors, the Agencia Española de Cooperación Internacional (the Spanish government development agency), contributed $20,000 in matching dollars to the effort.  The US and Spanish partners conducted an extensive survey of Nicaraguan non-profits, and chose CEPRODEL in 1993 as the micro-loan fund administrator.  León City Hall joined in this experiment towards municipal economic development.  SosteNica’s first neighborhood micro-loan fund in the Río Chiquito area of Leon, Nicaragua was born.

In order to contribute to community development, the Río Chiquito Fund opted to concentrate the program’s resources and energy in a single neighborhood.  Banks and other lenders had historically avoided León’s Río Chiquito, being the poorest neighborhood in the city.  In a neighborhood with extreme rates of unemployment, banks preferred to stay away, even though the demand for credit remained high.  Believing that responsible lending to credit-worthy low-income small businesses is an important means of generating employment, increasing income, and strengthening community, the Río Chiquito micro-loan fund focused its efforts on improving the economy of this one area of the city.  In its first 33 months, the Río Chiquito Fund extended 974 loans, worth a total of $335,653.

By the end of 1995, results of the Río Chiquito micro-lending experiment were so impressive, CEPRODEL agreed to expand into four other neighborhoods of León in which many low-income families resided: Guadalupe; Rigoberto López Pérez; Emir Cabezas and Residencial Guadalupe. Statistics indicate that, even though the nation as a whole remained in deep recession, borrower employment, production levels and general business revenues all increased significantly during these years.

Having demonstrated the positive impact of the program on a single women-owned cooperative, the model grew to include an entire neighborhood of one city.  Once the success of the neighborhood model had been demonstrated and management mechanisms established the program grew to include numerous neighborhoods within the same municipality.  In 1998 a third and final phase of the experimental program began. The model credit program, today known as SosteNica, expanded to include rural loans as well as the established micro-loans in urban sectors.  In addition, new towns and villages throughout northwestern Nicaragua joined the program.  For three years, this phase of the experiment tested the impact and the success of rural lending and lending in semi-urban communities.   From 1998 through 2000, a total of 1,143 loans were issued.  Total loans, worth just under $1,000,000, helped to expand opportunities for low-income producers and vendors.  59% (694) of the loans went to women-run businesses.  15% (176) were rural loans to small farm families or campesino run agricultural cooperatives.  By the end of 2000, the active portfolio in Nicaragua was over $357,000.  Measurable impact included growth in borrower family household income and job creation and retention.

Based on this extensive period of trial lending, in 2000 SosteNica was formally constituted as a not-for-profit corporation dedicated to expanding economic opportunities for the hard working poor of Nicaragua, using funds donated and invested by individual and institutional social investors.

In the two years 2001-2002, SosteNica, through CEPRODEL, made a total of 1,569 new loans to Nicaraguans, worth more than $1.6 million dollars.  64% of those loans (1,006) went to women, 35% to men, and 1% (valued at $130,622) went to cooperatives.  Recognizing that low-income housing is scarce in Nicaragua, and mortgage assistance for home buyers even more so, SosteNica assisted 62 families with the purchase of new homes.  These small but sturdy homes cost, on average, less than $5,000 each.  Less than 19% of the total dollars lent went to the commercial sector.  This marked a significant decrease from previous years, as SosteNica has shifted its focus towards increasing support for the productive sectors, while continuing to provide services for those in the commercial resale sector of the economy.  Another dramatic shift for SosteNica during these two years was its increased support for the Nicaraguan rural economy.  Modest loans to small farmer families totaled $650,204 in two years, representing 40% of the total amount loaned.  506 farmers received loans relating to crops, while an additional 26 farmers received loans to assist with livestock production.

Beginning in 2002, SosteNica took a bold step towards contributing, not only to the personal economies of its borrowers, but to the local economy and environment as well.  Joined by the UNAN (the National Autonomous University of Nicaragua) and their department of Agro-ecology, SosteNica set out to serve hundreds of rural families.  Our “Nicaraguan Agricultural Conversion Program” combines the tool of credit with state-of-the-art technical assistance in the area of sustainable agriculture.  By helping farmers step away from chemical dependent, mono-cropping towards a more diverse production scheme using organic and sustainable agricultural technologies, SosteNica promotes a healthier rural environment and contributes to a more vibrant local economy. SosteNica provides extensive training and ongoing technical assistance to many of our rural borrowers.  They learn about new approaches to soil fertility and pest management, as well as how to access local and regional markets to sell their new produce.  A trial sample of just over 60 families demonstrated the dramatic potential of this approach of rural lending.  Between December 2002 and November 2006, SosteNica sent $1,132,437 to Nicaragua to be used for credit to benefit rural farm families.  In that same time period SosteNica spent $119,761 proving technical assistance to rural borrowers.

SosteNica trains CEPRODEL staff, in part, by sending them to weeklong Agro-Ecology seminars offered at Las Cañadas in Huatusco, México.  Beginning in 2009 an innovative program of Rural Sustainable Development grew out of this training.  Within the first two years, 35 families had chosen to participate in an experimental model.  With the help of CEPRODEL and SosteNica, they had planted 2,822 new fruit trees, 3,050 plantain plants, and 14,050 native hardwood trees.  At any given time, the revolving loan program has more than 10,000 micro-loans serving Nicaraguan low-income producers.

# Products and Services

## Products and Services

SosteNica provides three basic services in Nicaragua and one primary service in the US.

For our US investors, SosteNica offers a Socially Responsible Investment (SRI) opportunity that emphasizes positive impact, social justice and environmental sustainability.  US investors count on SosteNica to assure due diligence, courteous investor relations, cultural interpretation, and timely and accurate information about the impact and quality of their investment.

For our Nicaraguan clients, SosteNica, together with our Nicaraguan partner CEPRODEL, we deliver: (1) affordable micro-credit, complete with business coaching; (2) agro-ecology training, farm design, marketing, and long range planning; (3) planning, design, construction of affordable, sustainable cooperative housing including micro-loans.

SosteNica and CEPRODEL provide roughly 10,000 micro-loans per year in Nicaragua.  The total loan portfolio exceeds $8 million USD, with total loans extended since 2001 in excess of $95 million USD.

## Competitors

There are many micro-loan investment opportunities in the US.  Some of the most familiar ones include:

* Kiva Microfunds Kiva does not offer to pay interest to its investors.
* MicroPlace,
* Opportunity International
* FINCA International - The Foundation for International Community Assistance
* Oikocredit
* Grameen Foundation
* Prosper Loans Marketplace, Inc.

SosteNica is the only non-profit in the field with an exclusive focus on Nicaragua.  We pay competitive interest rates to investors, and provide high quality services to borrowers in Nicaragua, resulting in a socially just, high impact product with positive results.

# Target Market

## Market Overview

SosteNica appeals to a growing market segment -- investors with a conscience, with an eye on the triple-bottom-line: people/planet/profit. Our commitment to social justice attracts investors who want to see their assets do good for others.  Not satisfied with the minimal standard set by many SRI's, screening out harmful industries from their portfolio, the ideal SosteNica investor is any individual, group of individuals or institution seeking to achieve community development as one component of their ROI.

Additionally, SosteNica appeals to investors for whom sustainability, climate change, and organic agriculture matter.  Our programs in affordable natural housing construction and in agro-ecology in rural Nicaragua are virtually unique in the micro-credit SRI universe.

As more socially responsible investors look for ways to divest from holdings in the fossil fuel industry, due to that industry's contribution to global climate change, SosteNica stands out as an option.  Our emphasis on sustainable direct community development loans, including low impact natural building materials, and zero-carbon footprint approaches to small scale sustainable agriculture, attracts philanthropic donors as well as investors who seek to retain principal and earn a fair market interest on their investment, while doing good in the world.

## Market Needs

Our target investors are serious about having a positive impact with their investments, and care deeply about social justice and long run sustainability.  Helping low-income people enter the middle class may solve one problem, but if climbing the ladder is not attenuated by the use of appropriate technologies, the net result is harmful to the environment.  Our investors have a long-range perspective on sustainability, on climate change and on social justice.

# Strategy and Implementation

## Marketing Plan

### Overview

SosteNica's marketing strategy includes:

* Public presentations (Rotary Club, BNI, churches, association meetings);
* Toniic -- Global Impact Investing
* Gust -- Start up funding and Angel Investing
* Web presence through Google Adwords
* Facebook
* Outreach to, and collaboration with, SRI investment advisors
* Coordination with Divestment from Fossil Fuel campaigns
* Direct mail
* GreenAmerica Sustainable Business Directory

### Positioning

For donors and investors who care about the environment, about social justice, and sustainable development, SosteNica is the obvious choice.

### Pricing

Unlike most non-profits, SosteNica offers to pay interest to its supporters.  Donors have the satisfaction of knowing that they are promoting environmental sustainability as well as social justice that is effective and efficient.  Investors choose us because 100% of their investment goes to support causes that they care about while paying them the highest interest rate allowed by law.

# SosteNica Financial Plan

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Portfolio Budget Forecast |  | 2014 |  | 2015 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Increase in Portfolio |  |  | 100,000 |  | 100,000 |
| Total Fund Portfolio |  |  | 2,500,000 |  | 2,600,000 |
| Increase in SosteNica Investment |  |  | 20000 |  | 25,000 |
| SosteNica Investment |  |  | 300,000 |  | 325,000 |

## Personnel Plan

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY2013 | FY2014 | FY2015 |
| President | $12,000 | $13,000 | $14,075 |
| CFO | $12,000 | $13,000 | $14,075 |
| General Counsel | $12,000 | $13,000 | $14,075 |
| Sustainable Programs Director | $14.500 | $14,500 | $14,500 |
| Total | $48,000 | $52,000 | $56,725 |

## SosteNica Financials

## Income and Expense Statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | 2014 |  | 2015 |
|  |  |  |  |  |  |  |
| SosteNica Income |  |  |  |  |  |
|  | Women's Empowerment |  |  | 6,000 |  | 10,000 |
|  | Individuals |  |  | 5,000 |  | 4,000 |
|  | Institutions |  |  | 5,000 |  | 1,000 |
|  | CUSD |  |  | 0 |  | 0 |
|  | Grants |  |  | 33,500 |  | 13,500 |
|  | Program Fees (delegations) |  |  | 0 |  | 2,500 |
|  | Interest from Notes Receivable |  |  | 192,500 |  | 262,500 |
|  | Interest from Cash Deposits |  |  | 390 |  | 390 |
| Total SosteNica Income |  |  | 242,390 |  | 293,890 |
|  |  |  |  |  |  |  |
| SosteNica Expenses |  |  |  |  |  |
|  | Salaries |  |  | 39,000 |  | 42,226 |
|  | Payroll Taxes |  |  | 3,250 |  | 3,518 |
|  | Employee Benefits |  |  | 9,600 |  | 9,600 |
|  | Interest on Notes Payable |  |  | 69,000 |  | 91,450 |
|  | Women's Empowerment |  |  | 6,000 |  | 10,000 |
|  | Sustainability Coordinator |  |  | 16,900 |  | 16,900 |
|  | Sustainable Housing |  |  | 20,000 |  | 10,000 |
|  | Sustainable Agriculture |  |  | 34,806 |  | 31,357 |
|  | Sustainability Trainings |  |  | 2,000 |  | 2,000 |
|  | Accounting Fees |  |  | 6,000 |  | 6,200 |
|  | Grant Writing |  |  | 0 |  | 0 |
|  | Insurance |  |  | 2,000 |  | 2,000 |
|  | Communications |  |  | 800 |  | 800 |
|  | Printing |  |  | 1,200 |  | 1,200 |
|  | Postage and shipping |  |  | 1,000 |  | 1,000 |
|  | Bank Charges and Fees |  |  | 500 |  | 500 |
|  | Dues |  |  | 300 |  | 300 |
|  | Supplies |  |  | 750 |  | 750 |
|  | Advertising |  |  | 1,000 |  | 1,000 |
|  | Annual Meeting |  |  | 2,000 |  | 1,500 |
|  | Board Meetings |  |  | 300 |  | 300 |
|  | Delegations |  |  | 1,000 |  | 2,500 |
|  | Licenses and Permits |  |  | 100 |  | 100 |
|  | Miscellaneous |  |  | 100 |  | 100 |
| Total SosteNica Expenses |  |  | 217,606 |  | 235,301 |
|  |  |  |  |  |  |  |
| Net Operating Income |  |  | 24,784 |  | 58,589 |

## SosteNica Balance Sheet

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  2013 |  |  2014 |  |  2015 |
| Assets |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | Cash and Savings |  | 115,053 |  | 106,000 |  | 128,000 |
|  | Accrued Interest Receivable |  | 104,500 |  | 123,500 |  | 142,500 |
|  | Notes Receivable |  | 2,750,000 |  | 3,250,000 |  | 3,750,000 |
|  |  |  |  |  |  |  |  |
| Total Assets |  | 2,969,553 |  | 3,479,500 |  | 4,020,500 |
|  |  |  |  |  |  |  |  |
| Liabilities |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | Accounts Payable |  | 1,996 |  | 2,010 |  | 2,200 |
|  | Accrued Interest Payable |  | 35,052 |  | 39,520 |  | 47,200 |
|  | Notes Payable |  | 2,470,000 |  | 2,950,000 |  | 3,425,000 |
|  |  |  |  |  |  |  |  |
| Total Liabilities |  | 2,507,048 |  | 2,991,530 |  | 3,474,400 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| SosteNica Investment with CEPRODEL |  | 280,000 |  | 300,000 |  | 325,000 |
| Operating Net Assets |  | 182,505 |  | 187,970 |  | 221,100 |
|  |  |  |  |  |  |  |  |
| Total Net Assets |  | 462,505 |  | 487,970 |  | 546,100 |
|  |  |  |  |  |  |  |  |
| Total Liabilities and Net Assets |  | 2,969,553 |  | 3,479,500 |  | 4,020,500 |