

Six Countries, One Goal: **Fight Poverty**



working capital for
community needs

2012
Annual Report



Dear WCCN Supporters,

2012 was a year of success and growth for WCCN. With your support WCCN:

- Provided financing for 30,000 microloans, 76% of which were made to women.
- Helped more than 9,700 small-scale coffee farmers access international fair trade markets.
- Added five new partner agencies to better support rural businesses and farmers in poor regions of Latin America.
- Secured a \$100,000 grant to help indigenous families living in the Ecuadorian Amazon region process and sell nuts, fruits and other rain-forest products grown in a sustainable manner.
- Grew assets by 15%.



As you will see on the following pages, behind these numbers are real people working their way out of poverty, providing for their families, and creating jobs in their communities and on their farms.



It is our investors and donors who make these opportunities possible and the entrepreneurs and farmers who turn these opportunities into a better future.



Together we will continue supporting the working poor as they work their way out of poverty.



Sincerely,

A handwritten signature in black ink, appearing to read 'J. M. Duffy'.

Jeanne Duffy
Interim Executive Director



FRONT COVER: Federico Picado Castro is a Nicaraguan farmer growing flowers, coffee and vegetables. He has had two microfinance loans from WCCN partner agency FUNDENUSE to purchase seeds and fertilizer, enabling a dramatic increase in production and farm income. Federico is now building a house and sending his two children to college, an opportunity he never had because his family lacked the resources to even send him to primary school. Photo by Michael Kienitz

Nicaragua

Nicaragua is the second poorest country in the Western hemisphere. Nearly 80% of the population lives on less than \$2 a day. (World Bank)



Mercedes López is 68 years old and earns a living by making pottery to sell in local markets. She has been a microfinance borrower of WCCN partner agency FDL for eight years, borrowing \$500 at a time to buy clay and wood to make her pottery. Before borrowing money, Mercedes had difficulties securing materials. While the quality of her life has improved now that she is able to work steadily, Mercedes commented that she and her family are still very poor. She has taught her daughter and grandchildren how to make pottery and hopes they will succeed in owning their own businesses with the skills she taught them. Photo by Michael Kienitz

As of December 31, 2012, WCCN currently lends to nine microfinance agencies and one coffee cooperative in Nicaragua to help microentrepreneurs, artisans and farmers develop their business and farms as well as connect them to the international fair trade market.

Guatemala

There are more than 8 million indigenous people living in Guatemala and almost 80% of them live in extreme poverty, compared to 40% of the non-indigenous population.



A member of La Federación Comercializadora de Café Especial de Guatemala (FECCEG) picking coffee.

Chronic malnutrition among indigenous children ages five and under continues to be twice that of non-indigenous children, meaning some 70% of indigenous children suffer chronic malnutrition. (United Nations Refugee Agency)

In 2012, WCCN supported *La Federación Comercializadora de Café Especial de Guatemala*, the Specialty Coffee Trading Federation of Guatemala (FECCEG) to help increase incomes of indigenous families by financing the exportation of their fair trade coffee.

FECCEG's co-ops and development associations have 2,173 farmers, 92% of whom are indigenous (Quiche-Maya). Women represented 27% of FECCEG's membership. This is a very high percentage given that men traditionally own and exert control over lands, particularly in rural, indigenous communities.

Honduras

Honduras is the second poorest country in Central America. Underemployment and poverty are perennial problems with one-third of the population underemployed.

(Index Mundi)



Egdomilia Cruz not only started her own business, with the help of COMIXMUL she has started a total of three microenterprises and is providing jobs for her son and daughter. Egdomilia owns a corner grocery store and a mill for grinding corn into dough to make tortillas, and recently she bought a car to operate a taxi service.

WCCN partner agency COMIXMUL is helping Honduran women create jobs by providing financing and business training to more than 14,000 women starting and growing their own business. COMIXMUL's holistic approach focuses not only on micro-entrepreneurship and financial management but also on social and economic development and women's empowerment and education initiatives related to health and hygiene, child delivery, HIV/AIDS, first aid, nutrition and natural medicine.

El Salvador

For many people the first thought of El Salvador is of civil war and revolution.



José Hilario Gómez is a client of PADECOMSM since 2009. His first loan was for only \$750, and his most recent loan was for \$2,000. These small loans have greatly improved the health and well-being of his family by allowing him to build a greenhouse, install a drip irrigation system and diversify the vegetables he grows. Now that he is able to grow vegetables year-round, he has a constant source of income. José has a wife and two children. When asked how his life has improved due to microfinance, José first mentioned his family: “Microfinance has improved my ability to feed and clothe my family and cover health expenses. The whole family is prospering economically.”

The 12-year brutal civil war left 75,000 dead and an unknown number of people disappeared. WCCN partner agency PADECOMSM was founded at the height of the civil war to provide social services, healthcare and education in Morazán, one of the poorest regions in El Salvador.

Today with 28% of the population living on \$2 a day or less (World Bank) PADECOMSM is fighting poverty by providing business training, technical assistance and flexible financing to small, rural and poor communities focused on agriculture while simultaneously serving urban communities focused on commerce, small enterprise and industry.

Peru

Peru faces high levels of poverty and income inequality. Just over half of Peru's population is poor and about 20% are extremely poor. (World Bank)



Simiona Vazquez Mora makes and serves 25-cent cups of chicha, a traditional corn-based beverage, out of her home in rural Peru. Simiona is a client of WCCN partner agency ARARIWA. ARARIWA is committed to improving the quality of life of low-income, rural, Peruvian women and their families by offering microfinance and educational services. Photo by Michael Kienitz

Poverty levels are significantly higher in rural areas, while in urban areas—most notably metropolitan Lima—income inequality is the greatest. (World Bank)

The Capital for Communities Fund microfinance and sustainable rural economic development activities are addressing rural poverty and conditions that force rural Peruvians to migrate from their homes and communities to urban areas in search of jobs and opportunities for their children.

Ecuador

“Women represent 40% of the world’s labor force but hold just 1% of the world’s wealth.” (World Bank)



Flora has faced many challenges besides the hard physical labor of shoveling dirt, rocks and wet cement to make the blocks and stacking them to dry. Like others in the cement block business, she needed sufficient cash to buy materials. Without it there would be no blocks and no business. Flora solved this problem through a \$3,000 loan with WCCN’s partner agency INSOTEC. She enjoys working with INSOTEC, which she described as easier to work with than local banks. She receives her loan promptly and can easily renew the loan. Photo by Michael Kienitz.

Unfortunately, Ecuador follows the world trend with just 25% of the farmland owned by women (2000 Ecuador national census) and poverty and malnutrition disproportionately affecting women, young children and indigenous populations. (United Nations World Food Program)

WCCN, our partner agencies and supporters are out to change that imbalance. Last year 76% of all loans financed by WCCN were made to women.

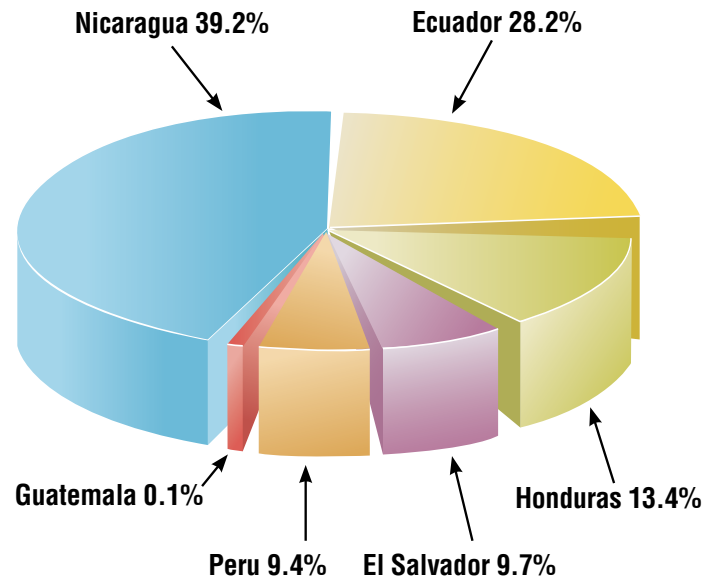
Financial Summary

Statement of Financial Position

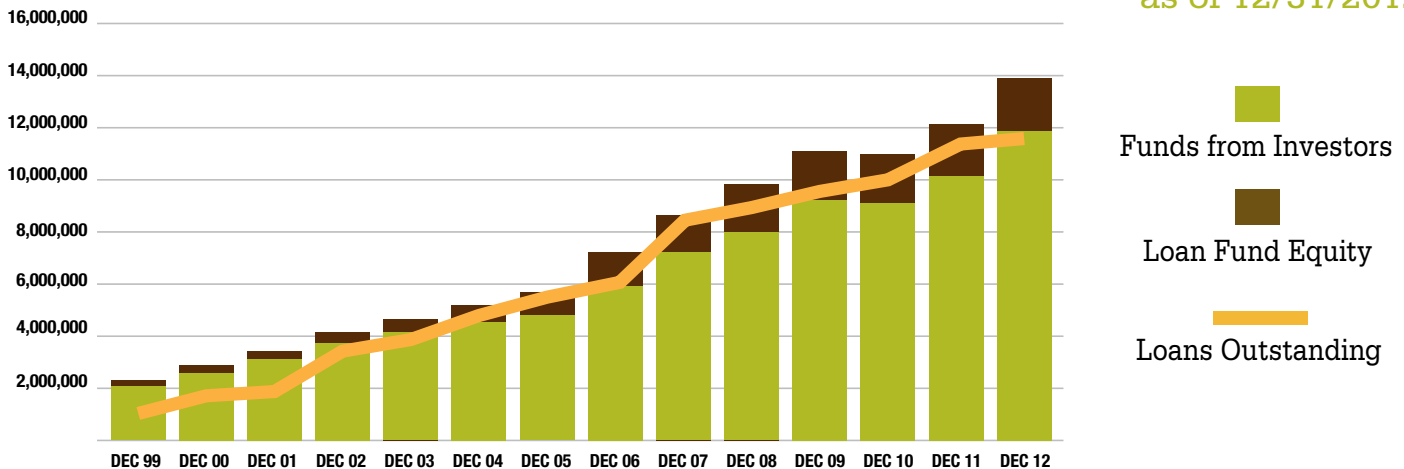
	2012	2011
ASSETS		
Cash and Other Current Assets	2,684,021	1,290,546
Current Notes Receivable, Loan Fund	7,081,793	6,918,354
Other Current Receivables	50,000	600
Prepaid Expenses	10,200	39,579
Accrued Interest Receivable	269,306	201,785
Long-Term Notes Receivable, Loan Fund (less loan loss reserve)	4,200,135	3,983,220
TOTAL ASSETS	14,295,455	12,434,084
LIABILITIES		
Accrued Interest and Accounts Payable	291,726	177,145
Current Notes Payable, Loan Fund	3,029,118	2,978,781
Long-Term Notes Payable, Loan Fund	8,834,190	7,207,383
Deferred Revenue	5,600	22,539
TOTAL LIABILITIES	12,160,634	10,385,848
NET ASSETS		
Unrestricted	1,885,037	1,797,009
Temporarily Restricted	249,784	251,227
TOTAL NET ASSETS	2,134,821	2,048,236
TOTAL LIABILITIES AND NET ASSETS	14,295,455	12,434,084
REVENUE		
Grants and Contributions	149,636	99,673
Program Fees and Tour Revenue	116,132	88,172
Interest Income, Loan Fund	1,067,471	905,135
Other Income	8,007	9,429
TOTAL REVENUE	1,341,246	1,102,409
EXPENSES		
Program	1,033,808	863,424
Fundraising	35,754	37,147
Administration	183,656	118,414
TOTAL EXPENSES	1,253,218	1,018,985
CHANGE IN UNRESTRICTED NET ASSETS	88,028	83,424
CHANGE IN RESTRICTED NET ASSETS	(1,443)	750
CHANGE IN NET ASSETS	86,585	84,174

These numbers are based on audited financial summaries.
Full audited financial reports are available on request.

2012 Capital for Communities Fund by Countries



\$14 Million Working to Alleviate Poverty in Latin America as of 12/31/2012



Investors

Individuals

Ralph Alpert
Sheldon Altman
Arlan and Carol Andersen
Danny & Linda Andersen
Frank & Joan Andersen
Sandra and Dennis Andersen
Clifford Anderson
Jon Averill
Prudence Barber
Sarah R. Bardwell
Chuck Barrett
William J. & Faye Bartley
Ray Bayley
John James and
Phyllis Ann Bazzano
Paul Beach
Caroline E. Beckett
John & Linda Benner
John and Vickie Bettinger
Terese Allen & Jim Block
Sue & Charles Bradley
Denslow Brown
George C. Bunch
Janis Burkhardt
Maxine Burress
B. Urbane and Janet L. Byler
Muriel Calo
Sarah Campbell
Carol Cavanaugh
Julia A. & Michael W. Cechvala
Barbara Nelle Clawson
Joyce M. Clinkscales
Donald Coan
Carol, Donald, Iris & Darwin Coan
Lauren Coleman
Charles L. Conlon, M.D.
Ralph Core
Virginia & L.W.M. Corzine
Anne Deckard
James Delaplain
John Denham
Daniel B. Doyle
Joanne Droppers
Susan DuBois
John Eggert
Rodney Erickson
Robert Esser
Mary Ann Fahl
Charles & Patricia Fisher
Mike Fisher
J. David & Amabelle C. Follett
Barry and Janie Freeman
Howard Fuller
Eleanor Gaalswyk
Marty Collier & Carter Garber
C. Daniel & Margaret P. Geisler
Dorothy Gosting
James Gregory
Therese Hagemann
Scott and Natalie Hagen
Mary Ellen Halverson
Beth Hamilton
Kristi & Curtis Hart

Katherine Griffith & Soren Hauge
Richard & Evelyn Headen
Louis Hellwig
Anne & Buddy Hughes
David Hulefeld
Barbara Jacobs
Phyllis Johnson
Steve Johnson
Paul J. and Anne S. Karch
Jane Kelley
Daniel Keshet
Kenneth W. Kickbusch
Linda M. Kielty
Carol Fieleke & Klaus Kleinschmidt
Don Knutson
Michael Komba
James and Patricia Kroll
Teresa Kukowski
Muriel Lawrence
Jeannette Leboyer and David LeZaks
John Leinenweber
Joyce Lewbin
Brian Yandell & Sharon Lezberg
Father Greg Lieser
Beatrice Lord
Pamela Lubeck
Sara Nichols & Bill Magavern
John Mateyko
Larry McClung
Margaret McDonald
Eleanor J. McGill
Cecile Meyer
Sven Midelfort & Petra Ressler
Susan Mitrovic
Peter G. and Sharon C. Moller
Kay Moore
Jim M. and Michelle M. Morrissey
John and Hatsumi Moss
Kenneth R. Bryson and Nancy E. Sulfridge
Beverly Coneybear & Thomas Needham
Randy & Joy Nelson
Jack and Sara Nelson-Pallmeyer
David Nordstrom
Cynthia Northup
Marjon B. Ornstein
Ruth Hyde Paine
Barbara Parsons
Edith Patton
Jeffrey Paulson
Leslie Paynter
Joseph N. Peacock
Susan Peacock
Donald Pederson
Lynn Persson & David Ward
Susan Pfeil
Gail S. Phares
Sandy Polishuk
Phyllis Ponvert
John Poole
Thomas D. Poole
Anne Posel
Frances Posel

Walter C. and Karen A. Pridham
Kriss Anderson and Adrienne Quill
William Ralston
Sheldon Rampton
Arlene S. Zaucha
Susan Browne
Doris Rhoades
G. William & Mary A. Richardson
Janet Robertson
Merlie Robertson
Katie Ravich & Dan Rodman
Mary Teresa Rogers
Margaret J. Ruether
Joyce Ruhaak
Russell K. & Margaret L. Rutter
Blaise Salmon
David Sarr
Gerald Schaefer
Peter & Catherine Schneider
Holly Schroeder
Rosanne & Alan Schulz
Anthony W. Schuman
Mark Horowitz & Abby Seixas
Gail Shea
Eugene Sheftelman
Kris Parker and Craig Shillinglaw
Alice Siegfried
Kurt Buetow & Jody Slocum
H. Warren & Nancy F. Smith
Ann M. Soka
Mark Stang
Bill Staudenmaier
Sally Stix
Lee & Byron Stookey
Alice Stowell
Kathleen Taylor
Charles P and Karen A Tennesen
Dr. Eugene TeSelle
Michael Bogenschutz & Eva Thaddeus
Duane Theisen
Jane Todd Ross
Jim Topple
Dorothy Eugenia Topple Cayce
Marilyn Townley
Barbara Troxell
Christine Tsubokura
Frederick and Kay Turk
Mary Ann Ulfers
Brendan & Jennifer Vierk
Joan Walsh
Richard G. & Charline W. Watts
Daniel D. & Julie I. Weatherford
Lisa Rademacher & Don Wedd
Dolores Welty
Jeanne Whitesell
Jeffrey T. Wild
Bob & Joanne Williams
Douglas Wingeier
Jane S. Wood
Robert & Marian Wright
Dr. Maureen Leahy & Ms. Tamar Zick
Wilbur Zielke

Religious Organizations/ Groups

Congregation of Holy Cross,
Moreau Province, Inc.
Congregation of Sisters of St. Agnes
Dale Heights Presbyterian Church
First Presbyterian Church of
Three Rivers and Centreville
First United Methodist Church
First Presbyterian Church,
Shenandoah
First Unitarian Society Foundation
of Madison
First United Presbyterian Church
Franciscan Sisters of Mary
Kairos - Milwaukie United
Church of Christ
Mercy Partnership Fund
Portfolio Advisory Board,
Adrian Dominican Sisters
Presbyterian Church in Geneva
School Sisters of Notre Dame
Sisters of Charity of Cincinnati
Seton Enablement Fund
Sisters of Charity of the Blessed
Virgin Mary
Sisters of Charity of the
Incarnate Word
Loretto Investment Committee
Sisters of Saint Francis
of Philadelphia
Sisters of Notre Dame
of Toledo, Ohio
Society of the Holy Child Jesus
St. Augustine's Episcopal Parish
Endowment Fund
St. Augustine University Parish
The Sinsinawa Dominicans
Unitarian Universalist Association
of Congregations
Westminster Presbyterian Church
Wisconsin Council Of Churches

Foundations & Groups

Call to Action
Institute for Peace & Justice
New Covenant Community
New Haven/León Sister City Project
Nicaraguan MicroCredit Club
Responsible Shares
Sustainability Group, The
United Service Foundation
Vietnam Veterans Against the War
War Resisters League
Zia Trust

Donors

Individuals

Danny & Linda Andersen
Sandra and Dennis Andersen
Arlan and Carol Andersen
Julie Andersen
Anne Arnesen
Jim Arts
Patricia Aslin
Mark Aumann
Kathy Bailey
Walter & Clare Baldwin
Richard Barajas
Prudence Barber
Chuck Barrett
William J. & Faye Bartley
Paul Beach
Caroline E. Beckett
Lewis Koch & Ann Behrmann
Donald Beisswenger
Faith T. & Dexter Benedict
Sara Bentley
Allison Benton
John and Vickie Bettinger
Helen Boley
Debra Bougie
Peg Bouska
Louise and Robert Bowditch
Betty G. and Howard Boyd
Jacqueline Boynton
Sue & Charles Bradley
Mary Ann Litwiller & Fred Brancel
William & Grace Brinker
Dave Hackett & Ellen Brooks
Susan Browne
Carl W. Bruch
George C. Bunch
Arnold Burdick
Joe Golden & Peggy Burkhardt
Max W. & Phyllis C. Carbon
Ann Castillo
Michael S. Knappman & Sachiko
Chernin Knappman
Sandra Christopherson
Barbara Nelle Clawson
Donald Coan
Kenneth & Barbara Coates
Ralph Core
Cecilia Coyle
Matthew D. & Nancy Davis
Anne Deckard
Jeremiah & Cindy Degollon
Diana Ditsch
Barbara Donachy
Steve Dorfman
Elaine Dorough Johnson
Joanne Droppers
Susan DuBois
John Eggert
Jan & Jim Eisner
Jane Eisner
Paul & Sharon Eklof
Rodney Erickson
Robert Esser
Kit Everts
Mary Ann Fahl
Linda & Gene Farley
A. Belden Fields
Marcia Finger
Mike Fisher
Charles & Patricia Fisher
Phil Fisher
J. David & Amabelle C. Follett
Judi Munaker & John Fournelle
Carolyn Gantner
Derrick & Janet Gee
William Gefell

C. Daniel & Margaret P. Geisler
Eliza Mabry & Jonathan Gibson
Richard & Alison Gist
Larry Glenn
Richard Glines
Tracy Bell & Fritz Goeckner
Elaine Goldman
Daniel Goldrich
Sue Goldwomon
Terri Broxmeyer & Ron Grasshoff
Rolland & Marlene Grosse
Scott and Natalie Hagen
Beth Hamilton
Luis Carlos Arenas & Amanda Hammatt
Matt Hammatt
Joann Hannaford
Virginia E. Hansis
Reta Harring
Mary Michal & David Haskin
Katherine Griffith & Soren Hauge
Leo & Beverly Heinze
Mary & William Hendricks
Lois M. Hess
Kristin Hoffschmidt
Robert W. & Cathie Holcombe
Robert T. Holland
Anne & Buddy Hughes
David Hulefeld
Marjorie Huse
Jean Jackson
Tom & Carolyn Jackson
Barbara Jacobs
Chris Jacobson
Nora Jacquez
Asano Fertig & James Apriletti
Phyllis Jansma
Gregg & Ursula Johnson
Steve Johnson
Jean Ellen Jones
Sandy Kallio
Lois Karn
Drew Katzman
Merle Kaufman
Jane Hammatt-Kavaloski & Vince
Kavaloski
Tom McClintock & Kelly Kearns
Carol & Tom Keller
John Kenney
Le Roy Keppers
Mara Zimmerman & John Kessler
Margaret and David Kindig
Jeanette & Robert Klaas
Harold & Lucy Kokal
Linus Koopmeiners
Thomas Kozlovsky
James and Patricia Kroll
Anthony Kroll
Wayne Krueger
Maribel Kruepke
George Krug
Hans Kuhn
James Kullberg
Paul & Atsuko Kusuda
Kathleen Lacey-Anderson
Greg LaFreniere
Marilyn Larsen
Muriel Lawrence
Kevin Mackey & Susan Le Vine
Bob Leslie
Henrietta Levine
Sue & Art Lloyd
Peter Lundberg
Stewart Macaulay
Emily Magavern
Marjorie Manglitz
Roy Marsden
William & Barbara Marten

Rocio Martinez
Mark James Matthias
Anne McClure
Eleanor J. McGill
Julie Melton
James Mericle
Kathleen Messinger
Jay Metzler
Sylvia Lee Metzler
Sven Midelfort & Petra Ressler
Bruce Moffat
Kay Moore
John and Hatsumi Moss
Fred and George Munger
Tom Sullivan & Karen Nakasone
Ray Nashold
Randy & Joy Nelson
Claire Christopherson Nelson & Gary
Nelson
David Nordstrom
Cynthia Northup
John O'Connor
Katherine & Gerard Odell
Andrew Olson
Laurie Olson
Marjon B. Ornstein
Ruth Hyde Paine
Joseph Frederick & Stephanie Palen
George Grier & Cynthia Pappas
Penny Pattison
Edith Patton
Jeffrey Paulson
Leslie Paynter
Rev. Charles & Evelyn Payson
Joseph N. Peacock
Jonathan Peacock
Kathy Pielage
Suzanne Polen
Sandy Polishuk
Thomas D. Poole
Anne Posel
Nancy Posel
Thomas Coughlin & Ilba Prego
Walter C. and Karen A. Pridham
Dr. Raymond Purdy
Marie Ramanathan
Judith Rasmussen
Thomas Liebl & Anne Reynolds
Barbara Rindal
Janet Robertson
Katie Ravich & Dan Rodman
Emily Rodriguez
Garth & Joanne Rogers
Janet Ross
Laura Thorpe & Andrew Rubinson
Joyce Ruhaak
Phillip Runkel
Russell K. & Margaret L. Rutter
Peter & Carolyn Rux
Lynne & Louis Santangelo
David Sarr
Mark Saunders
Gerald Schaefer
Matthew Schreiber
Dean and Carol Schroeder
Mark Schroeder
David Welo & Amy Schulz
A.J. Schumacher
David & Corinne Scott
Rich See
Gail Shea
Michael Shimkin
Alice Siegfried
Meg & Neil Skinner
Rosalind Smith
H. Warren & Nancy F. Smith
Marguerite Soffa

Ann M. Sokan
Audrey Sorrento
Roger Sparhawk
Susan Straus
Bill Staudenmaier
Jon Steinberg
Floencia Mallon & Steve Stern
Geoffrey Stewart
John E. & Lou Stolzenberg
Alice Stowell
Patrick Strabala
Patty Subach
Carol Sundberg
Kathie Swanson
Keith & Sherri Swartz
Trish S. & Ryan S. Tenold
Michael Bogenschutz & Eva Thaddeus
Duane Theisen
Anne Thompson
Georgia Thompson
Mary Lynne Donohue & Tim Van
Akkeren
Rick Tvedt
Stephen Umhoefer
Brendan & Jennifer Vierk
Roger Waha
Earl W. & Marcia J. Wakelee
David Wanish
Cynthia Warner
Elizabeth & David Waters
Eliza Waters
Matthew Watson
Richard G. & Charline W. Watts
Anne Waymouth
Robert & Judy Weaver
Victor J. Weibel
James & Lori Wellman
Jeffrey T. Wild
Bob & Joanne Williams
Douglas Wingeier
Nancy Winslow
Jane S. Wood
Judith P. Yeakel
Richard V. Zanoni
Arlene S. Zaucha
Dr. Frank & Gloria Zeller
Charlotte Zerbe
Dr. Maureen Leahy & Ms. Tamar Zick
Carol Ziesemer

Foundations, Churches & Organizations

Dale Heights Presbyterian Church
First Presbyterian Church
of Three Rivers and Centreville
First Unitarian Society Foundation
of Madison
Isthmus Engineering & Manufacturing
New Covenant Community
ProNica, Inc.
The Bay and Paul Foundations
The Mennonite Foundation, Inc.
UNIDOS
University of Wisconsin-Madison,
Latin American, Caribbean and
Iberian Studies Program (LACIS)
War Resisters League



working capital for community needs

122 State Street, Suite 507a
Madison, WI 53703

Non-Profit Org.
U.S. Postage
PAID
Madison, WI
Permit No. 396

Working Capital for Community Needs (WCCN) is a nonprofit organization that empowers low-income Latin American entrepreneurs and small-scale farmers through microcredit, fair trade, housing projects and women's empowerment initiatives.

Since our founding in 1984, we continue to implement sustainable economic and social advancement programs through partnerships with microfinance institutions, development organizations and cooperatives in Ecuador, El Salvador, Honduras, Guatemala, Nicaragua and Peru.

Board of Directors

Julie Andersen
Scott Hagen
Andy Howick
Gregg Johnson, Treasurer
Sue Lloyd
John Kessler, President
Tammy Koester Parks
Sheldon Rampton, Secretary
John Schroder

WCCN Staff

Carlos Arenas,
Executive Director
(through January 2013)

Francisco Barquero,
Regional Representative in Latin America

Nehemias Calderon,
Lending Operations Assistant

Jeanne Duffy,
Interim Executive Director

Jonathan Littel,
Investment Analyst

Alejandro Montenegro,
Administrative Assistant

Ramón Antonio Moraga González,
Junior Lending Operations Officer

Andrea Ramirez,
Loan Fund Manager

Rick Tvedt,
Staff Accountant