

Fighting poverty, creating jobs and transforming lives

2014-2015 ANNUAL REPORT



fivetalents





Dear Friends,

Imagine a classroom where the chalkboards are all full. Earlier this year I watched in amazement as Lillian knelt and began tracing numbers on the ground. There was no space left on the chalkboard to add up her group members' savings. Dozens of young mothers sat in a circle and eagerly counted together. Lillian completed her math and etched a new total on the clay floor.

Around the world, new stories are being written. Women and men in Africa, Asia, and Latin America are saving together to build a brighter future.

Five Talents is proud to be part of a movement empowering families with business training, small loans, and the formation of savings groups. I am thrilled to share with you updates of our work over the past year.

Please take a moment and consider the people behind the numbers - lives changed and dreams realized.

Blessings,

A handwritten signature in black ink that reads "Sonia H. Patterson". The signature is fluid and cursive, written in a professional yet personal style.

Sonia H. Patterson
President & CEO
Five Talents USA

N°	Imitohi	A mukhera	N°	Imitohi	A mukhera	ibiti piri vyinoti
1	214	135052	14	250	157771	10000
2	260	164082	15	260	164082	5000
3	259	163451	16	234	147771	2000
4	235	148305	18	223	140732	1000 =
5	220	13838	19	259	163451	500 =
6	255	160926			157771	
					157771	
					164082	
					164082	
					13838	
					145771	

79,076 members in our programs



7,974
new members



30,537
loans



550,000
total people
impacted



95%
loan
repayment



80%
women



\$5 - \$250
initial loan size

Savings group meeting in Burundi



FROM THE CHAIR

Greetings,

Thank you for partnering with Five Talents to transform lives and communities. It is my honor to share with you the following updates and stories in our 2014-2015 annual report.

Over the past year we've seen tremendous progress in our efforts to empower the poor through savings, microcredit, and business development. We've trained caregivers in financial literacy, business skills, and management. We've promoted small group savings, established community banks, and provided micro-loans. We've mentored entrepreneurs, built businesses, and transformed lives.

Because of the generous support of friends like you, we've helped almost 80,000 women and men

access savings groups, skills training, mentoring, and business loans. Imagine: each dollar in a revolving loan circulates through an average of five loans and the typical business supports five to seven friends and family members, so the impact of Five Talents is being multiplied in 10 countries around the world.

Despite political instability and natural disaster in places where we have our largest programs, our portfolio has grown and matured. We've witnessed over 10% program growth with thousands of new savings groups. I'm encouraged by this great growth and I look forward to strengthened impact in the year ahead. Join me in reflecting on the past year and let's celebrate together what the Lord has done.

Sincerely,

Bill Eggbeer
Chair, Board of Directors

“I am able to give to my church. It has helped with planning and managing family life. **I am able to contribute** to the development of our household, and I participate in family decision-making. Now, my husband respects me and listens to me when it is time to make decisions. This was not the case before I joined the savings group.”

– Judith, Burundi



FIVE KEY HIGHLIGHTS

1. Opening of the South Sudan Community Bank in Kuajok.
2. Expansion of program in Myanmar to two additional Dioceses.
3. Conversion of traditional micro - finance groups to Savings and Loans Associations in Indonesia.
4. Case studies on Church and congregation impact from SLA groups in Burundi.
5. Establishment of Five Talents-Kenya.



BURUNDI: The Burundi Program has over **25,000 members**. Burundi is the fifth poorest country in the world and decades of civil war have slowed development, especially in rural communities. Five Talents works with Mothers' Union (MU) to bring savings groups and business skills to women and men who have learned to read and write. During 2015, hundreds of community savings and loan associations were formed with **2,322 new members** and **12,637 loans**. Over the next year, Five Talents plans to expand the program into 230 more communities.



KENYA: Five Talents worked with local partners to establish village savings and loan groups in 3 regions with **over 11,000 members** and **over 99% repayment** on loans. The groups and their portfolios continue to grow, and this has led to the creation of three new village banks. In the coming year, the banks will begin trials to move away from paper record-keeping in favor of digital solutions and mobile money.

TANZANIA: This women-only program is now self-sustaining after seven years of patient investment by Five Talents supporters. Most of the **5,400 members** live in rural areas many hours from the nearest bank. This year, the team began offering loans for solar equipment and help with installation. In 2015, members began using mobile phone technology to send loans and receive repayments.

SUDAN and SOUTH SUDAN: Political and ethnic violence in Sudan and South Sudan made 2014-2015 a challenging year. Nonetheless, our programs have continued to serve **26,633 members** throughout Sudan and South Sudan. Over the next 12 months, Five Talents hopes to see more savings groups join one of the two operating cooperative banks, where members can benefit from more advanced financial services that are otherwise virtually nonexistent.

UGANDA: In early 2015, a satellite branch office in Kisoro, Uganda, near the conflict-prone border with the Democratic Republic of Congo, was upgraded to a full branch. This is the third branch office in the country. Of the **more than 3,000** women and men participating in the Uganda program, nearly half have never before received a micro-business loan.





BOLIVIA: For nearly six years, Five Talents has been working in remote villages in the foothills of Bolivia's Andes mountains. One in two people live below the poverty line, according to the World Bank. In partnership with Seeds of Blessing, savings groups were organized through individual church communities. Today, participants come from neighborhoods and communities outside the local churches as well. The program has achieved a **100% repayment rate** on loans.

"I feel more at peace, because I have learned a lot of things – above all, the Bible, and how to manage money. Now, with my family, we leave to go take walks and we go to many places to have fun together."

– Tereza, Bolivia

“Being part of the group has helped me a lot. . . the group has helped me to save for emergencies or investments and I like it when in the group we are challenged to invest, because God put us to be stewards of his blessings. With the help of the group **I learned to manage my money well, save and invest well.**” - Florentina, Bolivia





INDONESIA: Nearly 5,000 members in Indonesia gain access to micro-business loans, participate in a savings program, and receive training in budgeting and other business skills. Their families, many of which face unhealthy living conditions, also gain access to free medical clinics several times a year. Five Talents has partnered with The Gerhati Foundation since 2002 to provide financial services with an average initial loan of \$60 and **98% repayment rate**.



PHILIPPINES: Five Talents continues to maintain strong ties in the Philippines with the Center for Community Transformation (CCT). Since this relationship began in 2000, CCT's microcredit program continues to thrive and benefit women, men and their families. After Typhoon Haiyan, Five Talents helped CCT to support clients whose homes were lost and businesses destroyed, providing funds for water, food, temporary shelter, and for the rebuilding of client micro-enterprises.





“After borrowing several loans in my group, my income from profits has increased tremendously. The profits have allowed me to purchase an ox-plough, a refrigerator and a commercial plot where I have established my business.” - Deng, South Sudan

“Now we manage our money very well and do not spend on unnecessary things. Actually we save money while we can. . . thanks to the savings group our mom is not worried about the money and we learned to save.”

- Dina and Daysi, Bolivia

“Now, we eat two times a day while we were eating once or less a day before. . . We are able to provide school materials to our children. While I had no income, now I am financially autonomous. And with my profits, I can even provide some gifts.” - Lea from Burundi

MYANMAR: Five Talents' work in Myanmar has focused on establishing savings and loan groups in the mostly rural and undeveloped Irrawaddy River Delta region and in the hot and humid outskirts of Yangon. Some of these groups are creating joint agricultural enterprises – an innovative approach that has proven to be remarkably effective. Moreover, church leaders across the country, the world's 14th poorest, are on-board and are encouraging members to participate. Five Talents currently partners with Mothers' Union in Myanmar and the Province of Myanmar.



ABOUT FIVE TALENTS

Five Talents fights poverty, creates jobs and transforms lives by empowering the poor in developing countries through innovative savings and microcredit programs, business training and spiritual development.

Founded in 1998, Five Talents has provided services in 20 countries and given out over half a million loans, assisting 354,827 individuals with business training, small loans and the formation of savings groups and credit associations.

Five Talents serves communities in some of the most risky, remote, rural areas in the world – places not served by commercial microcredit agencies. Our work has inspired churches of all denominations, as well as individuals and organizations of all religious and non-religious backgrounds, to join with us in fighting poverty and empowering the poor.



Financial Footnotes

(1) Five Talents US (FTUS) is a member of Five Talents International (FTI) Family, which includes a sister organization in the United Kingdom. FTUS was incorporated in the Commonwealth of Virginia in March 1999 as a not-for-profit organization under section 501(c)(3) of the Internal Revenue Code. The office is located in Fairfax, Virginia, outside of Washington D.C. Our external auditors are SB & Company, certified public accountants in Washington DC, and statements are available upon request.

(2) FTUS paid off and closed a \$25,000 line of credit with Sandy Spring Bank. In June 2015 FTUS secured an annual variable rate, nondisclosable, revolving line of credit for \$40,000 with John Marshall Bank.

(3) Temporarily restricted net assets represent contributions received that contain donor imposed restrictions. As of June 30, 2015, temporarily restricted net assets are available for our program partners in the following countries: Africa, \$61,883; Asia, \$3,553; Latin America, \$16,840; Knippers Institute, \$21,338. Total = \$103,614.

(4) In accordance with generally accepted accounting practice (GAAP), FTUS recognized \$106,755 in-kind services (primarily donated legal, photography/video, radio ads). This is recognized as both income and expense.

(5) Program Services for the twelve months ending June 30, 2015 were expended in the following areas: \$307,700 in grants and oversight for overseas partners for micro-enterprise and savings-led programs; and \$361,800 in allocated services to support capacity building, evaluation, oversight and outreach of program initiatives.

FIVE TALENTS US ¹
POSITION AS OF JUNE 30, 2015

	FY2015	FY2014
Cash	\$80,064	\$130,378
Investments	\$118,233	-
Contributions Receivable	126,853	54,153
Other assets	12,918	13,392
Fixed assets, net	10,545	9,773
Total Assets	\$348,613	\$207,696
Accounts Payable & Accrued Expenses	\$69,378	\$59,459
Line of Credit	-	25,000 ²
Total Liabilities	\$69,378	\$84,459
Unrestricted Net Assets	\$31,789	\$62,455
Board designated	143,832	-
Temporarily Restricted	103,614	60,782 ³
Total Net Assets	\$279,235	\$123,237
Total Liabilities & Net Assets	\$348,613	\$207,696

FIVE TALENTS US ¹
OPERATIONS FOR JUNE 30, 2015

	FY2015	FY2014
Contributions	\$787,347	\$526,725
In-Kind Contributions	106,755	59,686 ⁴
Special Events, net	63,270	96,318
Other income	1,494	252
Net Assets released from restrictions	60,782	222,625
Total Revenue & Support	\$1,019,648	\$905,606
Program Services	\$669,511	\$719,657 ⁵
Management & General	68,120	67,432
Fundraising	168,851	146,546
Total Expenses	\$906,482	\$933,635
Change in net assets	\$155,998	(43,081)
Net assets- beginning of year	123,237	166,318
Net assets - end of year	\$279,235	\$123,237



BOARD OF DIRECTORS

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Your donations are tax deductible.

Photography by Ross Oscar Knight,
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