

A woman with dark hair tied back, wearing a maroon blouse with intricate floral embroidery and a colorful striped skirt, stands in a field. She is holding a large bundle of colorful tassels (yellow, blue, green, white) in her left arm. The background shows a rustic wooden fence and lush greenery.

2014 ANNUAL REPORT

Providing Stability

MENTORS
INTERNATIONAL

PRESIDENT'S MESSAGE

This year marks the Silver Anniversary of Mentors International--25 years of helping families achieve self-reliance through providing a hand up, and not a handout. We are proud of the work we have accomplished through our donors to give opportunities for extremely poor entrepreneurs in Latin America and the Philippines. Our small loans, coupled with personalized business training and character development, have helped 3.3 million people send their children



Mark Petersen with Rowena outside her fruit stand in the Philippines. Read about Rowena and other mothers helped by Mentors International on page 9 of this report.

to school, provide adequate nutrition for their families, and place solid roofs over their heads.

This past year was pivotal for Mentors in creating internal and external stabilization. We have challenged our Affiliate Partners for the past several years to achieve 100% operational self-sufficiency--meaning the interest on the loans pays for all operational overhead--and this benchmark has now been met! This means that even more money goes directly into the country's loan portfolios and is distributed out to more ready entrepreneurs. As these clients grow their businesses, they provide new jobs for others in the community. Last year, over 17,000 neighbors received job stability in their lives because of work provided them by Mentors' clients.

Since 90% of our clients are women, we give many mothers stability; we provide them with capital and

education that were previously unavailable. They in turn help their families advance with them. In the quarter century that we have been in operation, we have seen the generational effects of when a family rises out of poverty forever. More and more of the children of our clients are now college graduates in distinguished fields. In total, Mentors was able to help provide stability for over 42,000 families last year alone.

We do all this in tandem with our donors. YOU are the driving force for our organization. Thank you for your tremendous support. We hope to move forward together in the next twenty-five years!

Mark L. Petersen
CEO | Mentors International

MISSION STATEMENT

Our mission is to make a lasting difference in your life by helping you serve those in extreme poverty in a self-sustaining way through business training, character development, and financial services.

Our vision is to serve millions of the world's poor through the mutually beneficial principles of self-reliance and prosperity.

ABOUT MENTORS INTERNATIONAL

Mentors International (Mentors) is a 501(c)(3) non-profit microfinance organization that helps the impoverished in developing countries achieve self-sufficiency.

We end poverty in developing countries around the world.

Mentors has established seven partner foundations, one in each of the largest cities of the Philippines

(Manila, Cebu and Davao), and one in Guatemala, Peru, El Salvador and Honduras. Each foundation has its own local board of directors and indigenous staff, but is a legal subsidiary of Mentors International and is supervised by the U.S. management team. Mentors also provides start-up support, training, operational funding and loan capital for its partner foundations.

We help the poor help themselves.

With Mentors' guiding principle of "a hand up, not a handout," the donor-recipient relationship is transformed. Mentors requires full repayment of loans, based on individuals' ability to pay, and provides clients with the tools of knowledge necessary to become self-sufficient.

2013-2014 HIGHLIGHTS

3,375,762

Individuals Impacted By
Mentors International Since 1990

17,256

Jobs Created by Mentors Clients
from 7/1/2013-6/30/2014

1.62%

Default Rate

273,060

Total Individuals Impacted
From 7/1/2013-6/30/2014

20,842

Number of Loans Distributed
From 7/1/2013-6/30/2014

90%

Of Mentors International's
Clients Are Female

25,088

Total Active Clients
From 7/1/2013-6/30/2014

\$5,190,891

In Small Loans Distributed From
7/1/2013-6/30/2014

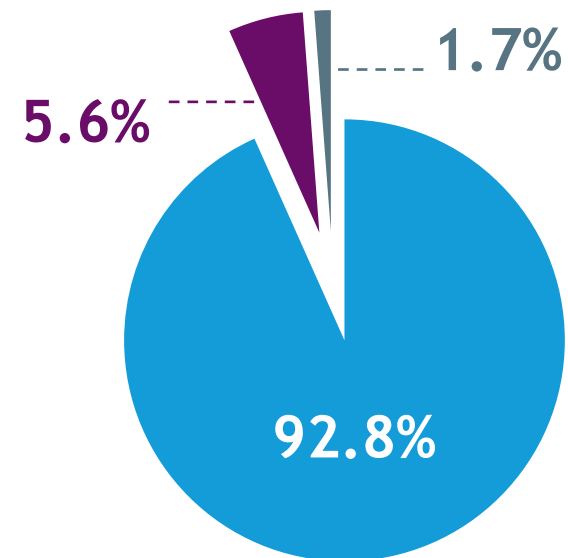
\$172

Average First Loan

2013-2014 HIGHLIGHTS

2013-2014 EXPENSE OUTFLOW

Program Services	\$ 1,265,940
General and Administration	\$ 76,025
Fundraising	\$ 22,652



2013-2014 SUMMARY OF PERFORMANCE

	Philippines	Guatemala	Honduras	El Salvador	Peru
Total Active Clients	17,616	5,017	702	702	1,051
Average First Loan Size	\$ 120	\$ 371	\$ 295	\$ 498	\$ 163
Total Outstanding Loan Portfolio	\$ 1,077,408	\$ 825,740	\$ 110,897	\$ 32,789	\$ 352,978
Total Amount Distributed	\$ 3,261,674	\$ 751,909	\$ 221,117	\$ 98,401	\$ 857,790

STATEMENTS OF FINANCIAL POSITION

FOR THE FISCAL YEARS ENDING JUNE 30, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
CURRENT ASSETS						
Cash and cash equivalents	\$ 59,775	\$ -	\$ 59,775	\$ 191,593	\$ -	\$ 191,593
Foreign affiliate fees receivable	77,427	-	77,427	58,313	-	58,313
Prepaid expenses and other current assets	19,414	-	19,414	12,284	-	12,284
Total Current Assets	156,616	-	156,616	262,190	-	262,190
PROPERTY AND EQUIPMENT						
Office furnishings and equipment	22,764	-	22,764	24,144	-	24,144
Leasehold improvements	11,426	-	11,426	11,426	-	11,426
Software	89,931	-	89,931	89,345	-	89,345
Less: accumulated depreciation and amortization	(118,176)	-	(118,176)	(117,876)	-	(117,876)
Total Property and Equipment	5,945	-	5,945	7,039	-	7,039
OTHER ASSETS						
Investments, cost	30,299	-	30,299	30,299	-	30,299
Notes receivable - foreign partner affiliates	1,068,788	-	1,068,788	1,033,800	-	1,033,800
Other assets	3,385	-	3,385	3,385	-	3,385
Total Other Assets	1,102,472	-	1,102,472	1,067,484	-	1,067,484
TOTAL ASSETS	\$ 1,265,033	\$ -	\$ 1,265,033	\$ 1,336,713	\$ -	\$ 1,336,713
CURRENT LIABILITIES						
Accounts payable and accrued expenses	\$ 89,167	\$ -	\$ 89,167	\$ 215,819	\$ -	\$ 215,819
Accrued interest	129,051	-	129,051	86,303	-	86,303
Line-of-credit	75,000	-	75,000	75,000	-	75,000
Total Current Liabilities	293,218	-	293,218	377,122	-	377,122
LONG-TERM LIABILITIES						
Notes payable	1,068,709	-	1,068,709	1,068,709	-	1,068,709
TOTAL LIABILITIES	1,361,927	-	\$ 1,361,927	1,445,831	-	1,445,831
NET ASSETS						
Unrestricted	(96,894)	-	(96,894)	(109,118)	-	(109,118)
Temporarily restricted	-	-	-	-	-	-
Total Net Assets	(96,894)	-	(96,894)	(109,118)	-	(109,118)
TOTAL LIABILITIES AND NET ASSETS	\$ 1,265,033	\$ -	\$ 1,265,033	\$ 1,336,713	-	\$ 1,336,713

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE FISCAL YEARS ENDING JUNE 30, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT FROM OPERATIONS						
PUBLIC SUPPORT						
Contributions	\$ 1,078,472	\$ -	\$ 1,078,472	\$ 806,243	\$ 1,635	\$ 807,878
In-kind donations	-	-	-	24,799	-	24,799
Special events	314,721	-	314,721	363,689	-	363,689
Less: direct costs of special events	(102,657)	-	(102,657)	(204,429)	-	(204,429)
Total Public Support	1,290,536	-	1,290,536	990,302	1,635	991,937
REVENUE						
Affiliate fees, interest and other revenue	86,116	-	86,116	78,444	-	78,444
Total Revenue	86,116	-	86,116	78,444	-	78,444
Temporarily restricted funds released from restriction	-	-	-	1,635	(1,635)	-
TOTAL REVENUES AND SUPPORT FROM OPERATIONS	1,376,652	-	1,376,652	1,070,381	-	1,070,381
OPERATING EXPENSES						
PROGRAM SERVICES	1,265,940	-	1,265,940	946,360	-	946,360
SUPPORTING SERVICES						
Fundraising costs	22,652	-	22,652	12,113	-	12,113
General and administrative	76,025	-	76,025	56,109	-	56,109
Total Supporting Services	98,677	-	98,677	68,222	-	68,222
TOTAL OPERATING EXPENSES	1,364,617	-	1,364,617	1,014,582	-	1,014,582
OTHER INCOME						
Gain on sale of property and equipment	189	-	189	-	-	-
TOTAL OTHER INCOME	189	-	189	-	-	-
Change in Net Assets	12,224	-	12,224	55,799	-	55,799
Net Assets at the beginning of the year	(109,118)	-	(109,118)	(164,917)	-	(164,917)
NET ASSETS AT THE END OF THE YEAR	\$ (96,894)	\$ -	\$ (96,894)	\$ (109,118)	\$ -	\$ (109,118)

SUCCESS STORIES

Mentors International's success comes down to one thing, [the individuals that we help](#). One by one the individuals we assist are lifting themselves out of poverty and in the process are eradicating hunger, increasing their children's educational opportunities and providing homes for their families. These are people in extreme poverty that have tried desperately to get out, but haven't been able to for one reason or another. They want to provide an honest living for their family and often, because of circumstances beyond their control, they haven't been able to break the cycle of poverty.

All of our applicants have an important story to tell. It all begins with a small micro-loan and mentoring from trained Mentors' personnel to ensure their successful business growth. Through our business mentoring program offered in neighborhood settings, eager entrepreneurs learn accountability, discipline and other skills that improve their businesses and in turn, their lives. They become successful entrepreneurs, but most importantly they become heroes. Heroes to their family and to themselves, they have beaten the odds and lifted themselves with dignity out of the cycle of poverty that engulfs so many in developing countries. We would like to share a few stories of some of the individuals that we have been able to help (through the generous support of donors) [end poverty through self-reliance](#).

NELIDAD ZETA GARAVITO

MENTORS PERU



Life was once very bleak for Nelidad. When her husband abandoned her after the birth of their second child, she lost everything. Alone and desolate, she sank into a deep depression. “I wanted to die,” she says. “I wanted to simply go away.” Fortunately, she did not surrender to her

despair. Instead, Nelidad pressed on through her pain and began walking the streets of Piura to look for work.

Over the next nine years, she was able to scrimp and save a little money to start her own venture and found some success selling a small number of goods from her own home. She was unable to expand her business, however, without access to legitimate sources of new capital. Spurned by local commercial banks, her only options for financing were unsavory loan sharks who charged a prohibitive monthly interest rate of 20%.

That all changed when Nelidad discovered Mentors Peru. Her first loan marked the beginning of a new and exciting chapter in her family’s life. Her gorgeous, beaming smile radiates the optimism she now feels. “I am grateful for the hope you are giving me,” Nelidad says. “I am grateful that now I am able to save a little bit for the future, and that you are teaching me how to build my business. All this service will bless my future and the future of my family.”

NICOLASA LÓPEZ CASTELLANOS

MENTORS HONDURAS



Every day for years, Nicolasa and her husband harvested coffee beans from dawn until dusk. The couple’s income wasn’t nearly enough to provide for their seven children, two of whom died tragically because of insufficient medical care. “We didn’t have enough resources to buy medicine

or to make required examinations,” Nicolasa recalls. “We don’t even know which disease caused their deaths.” News of better employment opportunities led Nicolasa’s family to move. Once there, however, they discovered their options were still very limited because they were illiterate. Nicolasa did find work as a maid, but the difficult job was little improvement. The family’s dreams for a better life all but evaporated.

In 2011, Nicolasa was introduced to Mentors Honduras. Her hopes were renewed with the training and credit she received. She started her own business, which soon expanded to three. The family now makes tortillas, breeds pigs, and runs a grocery store. The stores have been so successful, that Nicolasa has had to hire additional employees. As she reports, “Our income is growing so much that we just finished building our house. I feel grateful to Mentors Honduras for trusting me with a loan. At my age, no one else would have done that. I urge you to keep up the good work and help those that no one else will - the poor that have no way out.”

ROWENA DONIA

MENTORS PHILIPPINES



Rowena Donio has always been a natural entrepreneur with a tireless work ethic. Even at the young age of ten, she sold “Kangkong” vegetables to pay for her own schooling. To support herself through high school, she worked as a house helper during the day while taking classes at night.

Obtaining an education was very important to Rowena, but her family also depended on her for income. Unfortunately, Rowena had to put her dreams of college on the shelf, and instead became a fruit vendor at a local market to help support her family and provide schooling for her younger siblings.

Then in 2006, Rowena was introduced to Mentors Philippines. She took business and character development classes and also received a small loan for her business. The credit and training led to a tenfold increase in her family’s income, from about \$2 per day to over \$20. Rowena and her family now live in a safe and comfortable home. They also own a small parcel of land where they raise their own produce to be sold at market. Rowena has three sons who all attend a good school and help with the family business.

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