El Salvador is a country whose people are warm, hardworking, and proud. It is the smallest country in the Western Hemisphere, one that has struggled with war and natural disasters.

Its current population is more than 7 million, and it is estimated that 2.5 million live in poverty. Of those about 500,000 live in extreme poverty.

Yet, no matter the adversity, the Salvadoran people always seem to pick up the pieces and start anew. Resilience and hard work have always been defining characteristics of the Salvadoran people, but so has their sense of optimism.

When the Salvadoran Civil War took place between the late 1970s and early 1980s, many Salvadorans left the country to flee from conflict. The struggle claimed nearly 75,000 lives. Among those who fled were a group of business leaders who came to the United States. They founded in 1983 the Salvadoran American Humanitarian Foundation (SAHF) in Miami, Florida. SAHF is a 501 (c)(3) not-for-profit organization whose purpose is to channel humanitarian assistance in the form of medicines, medical equipment and supplies, food, educational materials, and disaster relief aid to improve the quality of life and meet the needs of hospitals, clinics, rural health posts, orphanages, and nursing homes throughout the country.

Since its inception, SAHF’s considerable success in procuring in-kind donations from U.S. donors imposed a fiduciary responsibility on the Board of Directors to ensure that these donations were appropriately distributed in El Salvador.

Consequently, a sister organization was established in El Salvador that would be responsible for the receiving and distribution of the goods shipped from the United States. FUSAL was chartered under Salvadoran law in 1985 and has been our sister organization ever since.
In 1983, the Salvadoran American Foundation (SAF) was founded in Miami, Florida by Mr. Luis Poma and a group of friends who were concerned about the social issues affecting the less fortunate in El Salvador. Consequently, a sister organization, FUSAL was also formed in-country to be the recipient and distributor of aid being shipped from the United States.

Mr. Poma was an invaluable member of the foundation’s growth and vision until his passing in 1996. Since then, his eldest son Ricardo has led FUSAL as its President and his youngest son, Ernesto has served as SAHF’s Vice President. The Poma Family continues to be one of SAHF’s most important pillars, as they generously continue to support and carry on with the legacy that was left by Mr. Luis Poma.

Since 1997, Mr. Jose Eduardo Siman, along with the unconditional support of the Siman Family, has served as the Foundation’s President. For the last 16 years, he has led SAHF in its growth and has been a constant, and caring ambassador of the Foundation’s mission.

SAHF’s efforts are furthered enhanced by the commitment of the members of the Board, who in many instances have volunteered their time and resources since SAHF’s inception. Additionally, we are very grateful to our network of caring and generous donors who allow SAHF to further its mission.

In May 2001, to reflect the work being done, the name of the Foundation was changed to Salvadoran American Humanitarian Foundation (SAHF).
VISION
We envision El Salvador as a country where all its citizens can meet their basic human needs.

MISSION
To enhance the well being of the underserved people in El Salvador through human development programs implemented in partnership with FUSAL, and other organizations.

VALUES
Integrity
Follow the right path
Excellence
Shine in every detail
Love for Work
Accomplish all that we do with passion
Renovation
Nourish and generate fresh ideas
Respect
We are equal even though we are different
Solidarity
Do a good deed each day
Service
Go the extra mile

HUMAN DEVELOPMENT PROGRAMS
Health Programs
Nutritional Programs
Education Programs
Housing Projects
Disaster Relief Programs
Recreational Programs
WHO WE ARE

The Salvadoran American Humanitarian Foundation (SAHF) is a 501(c)(3), non-profit, non-sectarian, tax-exempt organization that channels aid to El Salvador through its in-country sister foundation FUSAL, and other agencies. Since 1983, SAHF has distributed nearly $500 million in in-kind assistance to more than 550 health-related institutions and programs throughout El Salvador.

SAHF and FUSAL support health, educational and human development programs aiming to improve the quality of life of all Salvadorans. Together, SAHF and FUSAL mobilize the good will, social responsibility and generosity of its caring supporters to promote lasting well-being for the citizens of El Salvador.
In 1985 SAHF’s sister organization was established under Salvadoran law to oversee the receipt and distribution of goods being shipped from the United States. FUSAL is registered as an NGO in El Salvador and it also enjoys the privileges of being a tax-exempt organization.

When FUSAL was established its main offices were at a house that had been converted to accommodate about 5 people. Today the organization has grown tremendously and it is considered to be one of the largest humanitarian organizations in the country. Now it has its own 4-story building, a training center, and a 20,000 square foot warehouse and employs nearly 350 people.
In-Kind Distribution Program/Medical Assistance

In the last 30 years of humanitarian work in El Salvador, SAHF and FUSAL, with the help of other international US charities, have developed a successful model of attention that allows high levels of coverage.

Beneficiaries are assessed on the types of commodities that we ship and the outreach those commodities may have in the target population. To determine the epidemiological profile of each community we carefully evaluate each potential area of work to gauge their precise needs.

Maintenance and improvement of quality control and coverage for these areas requires 12 multidisciplinary teams comprised of doctors, nurses, nutritionists, nutritional promoters, agronomists, and entrepreneurial technicians. These teams visit the same community twice per month. With entrepreneurial technicians visiting nearly 9,000 people assigned to them on a day-to-day basis.

By working closely with each community SAHF and FUSAL have been able to establish a trusting and enduring relationship with all communities being served. It allows us to provide services and develop beneficiaries' adoption of healthier lifestyles.

Clinica El Carmelo, located in Soyapango, is an important beneficiary that takes in about 270 patients a day. Founded by the Carmelites Nuns more than 50 years ago, SAHF has been providing medical resources for over 25 years. This allows preventive as well as curative services in the fields of general medicine, gynecology, cardiology, dentistry, neurology, dermatology, orthopedics, ophthalmology, pediatrics, urology and internal medicine.
In-Kind Distribution Program/Medical Assistance

In addition to supporting FUSAL programs, SAHF also supports an extensive network of 728 hospitals, clinics, rural health posts, orphanages, nursing homes, libraries, non-profit organizations and 397 rural health promoters. The outreach of this incentive is nationwide covering all 14 states of El Salvador, regardless of race, religion, political affiliation or gender.

It is important to note however, that we can only mathematically speculate the indirect number of beneficiaries of our vast program that provides in-kind goods to these institutions.

Nevertheless, SAHF is fortunate of several advantages and continues to thrive. Open communication with all beneficiaries via FUSAL staffing maximizes opportunity of our Medical In-Kind Distribution Program.
SAHF supports the In-Kind Distribution program 100%. The aim of the Distribution Program is to supply hospitals, clinics, health centers, orphanages, nursing homes, schools and other non-government agencies with the needed medicines, medical supplies, medical equipment, nutritional supplements, school supplies and other staples needed to provide for an adequate care to their beneficiaries.

During 2012 our sister Foundation FUSAL distributed an approximate $61 million worth of these urgently needed relief items that were shipped by SAHF and partner agencies.
In-Kind Distribution Program/ Medical Assistance

WE ARE VERY GRATEFUL TO ALL THE GENEROUS CONTRIBUTORS AROUND THE UNITED STATES FOR THE SOLIDARITY SHOWN TO THE PEOPLE OF EL SALVADOR.

WE WOULD LIKE TO THANK OUR 2012 PARTNERS: AMERICAN CARES, BREAST CANCER RELIEF FOUNDATION, CATHOLIC MEDICAL MISSION BOARD, CHRISTIAN AID MINISTRIES, DIRECT RELIEF INTERNATIONAL, FEED MY STARVING CHILDREN, FOOD FOR THE POOR, FREE WHEEL CHAIR MISSION, GLOBUS RELIEF, INTERNATIONAL AID, INTRADECO, IVORY INTERNATIONAL INC., MAP INTERNATIONAL, NATIONAL CANCER COALITION, SUPERIOR UNIFORMS, WORLD IN NEED, WORLD VISION, AND OTHER COMPANIES AND INDIVIDUALS WHO MADE POSSIBLE THE SHIPPING OF THIS AID.

WE WOULD LIKE TO ALSO THANK THE MIAMI-AREA INDIVIDUALS, DOCTORS, HOSPITALS AND OTHER AGENCIES FOR THE CONTINUOUS SUPPORT THAT WE RECEIVED.

BEFORE

AFTER

BENEFICIARIES:

- 36 Hospitals
- 162 Clinics
- 140 Health posts
- 57 Orphanages & nursing homes
- 397 Health promoters
- 271 Private voluntary agencies
- 62 Libraries
- 65 FUSAL run programs
**In-Kind Distribution Program**

**RURAL HEALTH & NUTRITIONAL PROGRAM**

This program is implemented by our in country sister organization, FUSAL. SAHF supports this program by providing medicines, medical supplies and equipment. The main objective of the Rural Health Program is to enhance the well being of the population of the communities that we serve. This is accomplished by specific actions geared towards bettering the quality of life, through active participation, by those who will benefit from our aid.

The focus of the Rural Health Program is characterized by:
- Its integral nature
- Its ability to seek the beneficiaries’ participation in order to satisfy their basic needs.
- Its encouragement of shared responsibilities
- Its objective to promote health, nutrition, and environment awareness
- Its encouragement of the community’s development

**The Program Provide:**

- Doctor visits
- Nutritional Awareness
- Reproductive Awareness
- Infant, Adult and Elderly Care
- Mental Health
- Midwives Program
- Daycare Center Services
- Program for the integral development of teenagers
- Prevention of Family violence
- Environmental Awareness

All the above-mentioned have a strong emphasis on **education**
Libras de Amor
Integral Nutrition Program

In 2004, an extensive nutrition-based program, Libras de Amor or Pounds of Love, was designed to overcome malnutrition.

Over the years, our work in healthcare showcased the intense impact nutrition has on a person’s general well-being and progress. It is the base for health, education, productivity and development.

As a result, Libras de Amor aims to benefit the entire municipality by pinpointing children under 5, pregnant women or women likely to become pregnant.

Teams consist of doctors, nurses, nutritionists, nutritional promoters, agronomists, and entrepreneurial technicians. To understand and assimilate with families better, teams live within assigned communities Monday through Friday.

From the beginning, we trace a baseline that includes detailed data related to the families and their surroundings. This includes medical files, living conditions, basic services obtained or lacking, educational levels, and family incomes. Our teams then develop a personalized, holistic, and sustainable nutrition model per individual.

<table>
<thead>
<tr>
<th>Municipalities (Year program started)</th>
<th>Population</th>
<th>Children under five</th>
<th>Families with children under five</th>
<th>Other families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apaneca (2004)</td>
<td>9,741</td>
<td>696</td>
<td>653</td>
<td>1,774</td>
</tr>
<tr>
<td>Ataco (2007)</td>
<td>11,622</td>
<td>1,317</td>
<td>1,099</td>
<td>1,991</td>
</tr>
<tr>
<td>San Julian (2005)</td>
<td>7,101</td>
<td>863</td>
<td>615</td>
<td>1,109</td>
</tr>
<tr>
<td>Guaymango (2007)</td>
<td>21,610</td>
<td>1,886</td>
<td>1,680</td>
<td>3,871</td>
</tr>
<tr>
<td>Santa Casarina Machiú (2009)</td>
<td>9,909</td>
<td>1,085</td>
<td>951</td>
<td>1,676</td>
</tr>
<tr>
<td>San Antonio Del Monte (2011)</td>
<td>15,215</td>
<td>1,523</td>
<td>1,151</td>
<td>2,163</td>
</tr>
<tr>
<td>Morazán (2012)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Torola, San Fernando, Perquin,</td>
<td>28,943</td>
<td>2,184</td>
<td>2,687</td>
<td>4,030</td>
</tr>
<tr>
<td>Arambla, Jozete, Jocotique, Villa El</td>
<td>104,141</td>
<td>9,554</td>
<td>5,836</td>
<td>16,614</td>
</tr>
<tr>
<td>Rosario, San Isidro, San Simon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
We recognize that a lack of food is not the primary cause for malnutrition. Many of these impoverished areas have very limited access to healthcare and other items. Therefore, we incorporate into our program an array of factors of equal importance, such as:

- Insufficient micronutrients
- Limited access to clean drinking water
- Inadequate sanitation practices and hygiene
- Limited access and use of health services
- Inadequate practices in the feeding and childbearing
- Low birth weight
- Low family income
- Inadequate prenatal care
- Inadequate food access and availability
- Low educational levels in parents and children
Libras de Amor provides beneficiaries the opportunity to have a healthy family. This is achieved through 5 basic components:

**Integral Health Services –**
These are provided to the entire family and include:
- General medical consultations
- Periodic follow ups for healthy children
- Prenatal and postnatal services for expecting mothers
- Vaccinations
- Reproductive and sexual health awareness

**Nutritional Consultations –**
Malnourished children are treated periodically by a nutritionist who:
- Monitors their weight and height
- Measures level of hemoglobin to detect presence of anemia
- Gives them vitamin supplements according to their needs

**Food Staples –**
This component focuses on two areas:
- **Food availability:** Through the development of productive agricultural projects where families learn how to produce and grow their own nutritional family farms.
- **Food Access:** Through the strengthening of abilities and skills that help families to establish a business or access a job that can generate income to buy food.
In this component, families also have the opportunity of developing agricultural and non-agricultural projects such as home vegetable gardens, community plots, chicken coop farms, bakeries, crafting artisan candy and jewelry.

All of the Food Safety activities work with the following methodology:
- Socio-economic diagnosis of the community
- Community awareness and motivation
- Technical and productive workshops
- Technical and commercial consulting
- Local coordination for support on commercializing the produce
- Initiative follow-ups
- Systematizing and evaluation

To contribute to a healthy diet through the availability and access of foods with a high nutritional value, families receive a package of food every month. Nutritionists also train families on its preparation to maximize benefits and use.

**Food package contains:**

<table>
<thead>
<tr>
<th>Product</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>2 lbs</td>
</tr>
<tr>
<td>Rice Mix</td>
<td>2 lbs</td>
</tr>
<tr>
<td>Red Beans</td>
<td>2 lbs</td>
</tr>
<tr>
<td>Pasta</td>
<td>200 g</td>
</tr>
<tr>
<td>Soy</td>
<td>454 g</td>
</tr>
<tr>
<td>Chocolate Tablets</td>
<td>2 tablets</td>
</tr>
<tr>
<td>Powder Milk</td>
<td>850 g</td>
</tr>
<tr>
<td>Vegetable Oil</td>
<td>750 g</td>
</tr>
<tr>
<td>Sugar</td>
<td>2 lbs</td>
</tr>
<tr>
<td>Oat</td>
<td>350 g</td>
</tr>
</tbody>
</table>
Health Promotion -

Through different educational activities, beneficiaries learn to adopt healthier ways of life. Such topics as environmental awareness, hygiene, purification of water for proper human consumption and waste management are discussed.

All health and nutritional services are provided by a Technical Health Team to meet the needs of each specific geographic area. A typical team consists of: 1 doctor, 1 nutritionist, 1 nurse, 4 health promoters, and 20 voluntary nutritional counselors.

Each team has the capacity to assist 1,200 families. The Technical Health Team resides in the community they serve and visit the different families they support every two weeks to monitor their progress.
Income Generation –

In municipalities with more tourism potential like Apaneca and Ataco, Libras de Amor promoted activities of technical and vocational training to artisans and entrepreneurs to improve their marketing skills and business management. For income-generating activities, there is a market technician who provides marketing and technical assistance in business management and provides advice to all initiatives, especially those who are already working and need to improve their packaging and presentation for the placement of products in the local market.

In support of these new entrepreneurs, in each municipality agricultural fairs are being developed as places to promote nutritional products and boost marketing.
Social Sustainability: 
Education & Empowerment

SAHF seeks to accompany families through a process of change, in which they accept the responsibility of their actions and decisions regarding health, both individually and within their community.

To ensure long-term sustainability, involvement lasts between 5 to 7 years. Over time, we work to strengthen the aptitude of communities in subjects like nutrition, productivity and entrepreneurship.

We does this by a means of continuous workshops that empower community leaders. This way, when LDA concludes its intervention, they will be well-versed and able to maintain new living standards.

In the first year of SAHF’s creation we were able to ship one container of goods to El Salvador. During 2012 SAHF was able to ship and coordinate the shipment of 70 ocean freight containers and 12 air shipments of humanitarian aid, valued at approximately $60 million.

Since inception, SAHF has been be able to ship and coordinate the delivery of nearly $600 million of humanitarian aid at less than 1% of overhead expenses.

Evaluation & Monitoring

Local teams follow 6 specific key performance indicators to gauge the success of our intervention on a semester and annual basis.

Impact Indicators:
• Chronic malnutrition
• Global malnutrition
• Acute Malnutrition
• Per-Capita Income

Process Indicators:
• Number of Active Community Volunteers
• Number of Active Productive Initiatives

Constant effort, day-to-day care and monitoring of participating families has proven that malnutrition can be abolished in 5 to 7 years. As can be noted at Apaneca, our first Libras de Amor Program that started in 2004 and whose chronic malnutrition rate went from 47% to 9% in 2012.

APANECA
In 2012 there were 25,000 families participating in this program. It now reaches 18 of 65 communities determined by the Ministry of Health as the most affected by rural malnutrition.

Operational in seven different rural areas of El Salvador (Santa Ana, Ataco, Apaneca, Guaymango, Santa Catarina Masahuat, San Antonito del Monte and San Julian) with coverage of 104,101 beneficiaries.

We plan to continue to work with communities in every scope to ensure the positive transformation of health habits and practices. Performing consistent surveys and situational analysis throughout the years involved.
In the event of a natural or man-made disaster, SAHF is able to activate this program to augment the aid sent to El Salvador.

Post Emergency Efforts:

For example towards the end of 2009 when Hurricane Ida struck El Salvador, SAHF and FUSAL created a Relief Registry to help victims this hurricane reconstruct their homes by providing them with household items.

Each family would receive a family package including:

- 1 gas burner/ cook top
- 4 beds or 2 bunk beds
- 4 sheet sets
- 6 glasses
- 6 plate settings
- silverware for 6
- plastic containers
- 4 towels
- 1 dining room table and 4 chairs
- 1 crib

This includes natural disasters such as earthquakes, volcanic eruptions, mudslides, floods, hurricanes, etc. As well as national epidemics of pneumonia, dengue, and diarrhea.
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Statement of Functional Expenses...................................... 6
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INDEPENDENT AUDITORS’ REPORT

Board of Directors
Salvadoran American Humanitarian Foundation, Inc.
Miami, Florida

We have audited the accompanying financial statements of Salvadoran American Humanitarian Foundation, Inc. (the "Foundation") which comprise the statement of financial position as of December 31, 2012 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Salvadoran American Humanitarian Foundation as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report in Summarized Comparative Information

We have previously audited the Salvadoran American Humanitarian Foundation’s 2011 financial statements and, our report dated March 9, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HLB Gravier, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
April 17, 2013
### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$96,029</td>
<td>$94,268</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>14,280</td>
<td>48,005</td>
</tr>
<tr>
<td>Inventory - in-kind goods received but not shipped</td>
<td>516,664</td>
<td>1,665,605</td>
</tr>
<tr>
<td>Other current assets</td>
<td>11,790</td>
<td>17,794</td>
</tr>
<tr>
<td></td>
<td>638,173</td>
<td>1,826,662</td>
</tr>
<tr>
<td>Cash equivalent, board designated</td>
<td>25,058</td>
<td>25,092</td>
</tr>
<tr>
<td>Investments, board designated</td>
<td>438,297</td>
<td>358,777</td>
</tr>
<tr>
<td>Investments, restricted</td>
<td>447,475</td>
<td>447,475</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$1,550,003</td>
<td>$2,658,842</td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledged in-kind goods - not shipped at year end</td>
<td>$516,664</td>
<td>$1,665,605</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>18,423</td>
<td>17,086</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>535,087</td>
<td>1,682,791</td>
</tr>
</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted, including $464,355 in board designated assets</td>
<td>$567,441</td>
<td>$528,577</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>447,475</td>
<td>447,475</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$1,550,003</td>
<td>$2,658,842</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# SALVADORAN AMERICAN HUMANITARIAN FOUNDATION, INC.

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2012 (with comparative totals for the year ended December 31, 2011)

### Cash Flows From Operating Activities

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$38,864</td>
<td>$20,036</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>282</td>
</tr>
<tr>
<td>Unrealized gain on investments, net</td>
<td>(23,283)</td>
<td>(3,656)</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in pledges receivable</td>
<td>34,625</td>
<td>14,479</td>
</tr>
<tr>
<td>Decrease (increase) in other current assets</td>
<td>6,554</td>
<td>(14,370)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued expenses</td>
<td>1,227</td>
<td>(9,959)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>57,537</td>
<td>6,832</td>
</tr>
</tbody>
</table>

### Cash Flows From Investing Activities

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment purchases</td>
<td>(55,647)</td>
<td>(29,506)</td>
</tr>
<tr>
<td><strong>Net Cash Used In Investing Activities</strong></td>
<td>(55,647)</td>
<td>(29,506)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in cash</td>
<td>1,860</td>
<td>(22,668)</td>
</tr>
<tr>
<td>Cash at beginning of year</td>
<td>120,197</td>
<td>142,865</td>
</tr>
<tr>
<td>Cash at end of year</td>
<td><strong>$122,057</strong></td>
<td><strong>$120,197</strong></td>
</tr>
<tr>
<td>Cash</td>
<td>96,629</td>
<td>94,268</td>
</tr>
<tr>
<td>Cash, board designated</td>
<td>26,628</td>
<td>25,929</td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td><strong>$122,057</strong></td>
<td><strong>$120,197</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.

---

# SALVADORAN AMERICAN HUMANITARIAN FOUNDATION, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2012 (with comparative totals for the year ended December 31, 2011)

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Fund Raising</th>
<th>General &amp; Administrative</th>
<th>Total</th>
<th>Comparative Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank charges</td>
<td>$3,164</td>
<td>$1,055</td>
<td>$1,055</td>
<td>$5,274</td>
<td>$4,906</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,726</td>
<td>-</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>38,482,710</td>
<td>-</td>
<td>-</td>
<td>38,482,710</td>
<td>48,888,411</td>
</tr>
<tr>
<td>Contributions</td>
<td>672,708</td>
<td>-</td>
<td>-</td>
<td>672,708</td>
<td>657,804</td>
</tr>
<tr>
<td>Contracted labor</td>
<td>7,875</td>
<td>7,875</td>
<td>-</td>
<td>15,750</td>
<td>9,050</td>
</tr>
<tr>
<td>Licenses and taxes</td>
<td>-</td>
<td>-</td>
<td>565</td>
<td>565</td>
<td>990</td>
</tr>
<tr>
<td>Media and public relations</td>
<td>-</td>
<td>-</td>
<td>3,500</td>
<td>3,500</td>
<td>3,425</td>
</tr>
<tr>
<td>Office rent</td>
<td>14,890</td>
<td>4,963</td>
<td>4,963</td>
<td>24,816</td>
<td>24,816</td>
</tr>
<tr>
<td>Office expense</td>
<td>4,264</td>
<td>1,455</td>
<td>1,454</td>
<td>7,263</td>
<td>6,200</td>
</tr>
<tr>
<td>Postage and printing</td>
<td>2,196</td>
<td>732</td>
<td>732</td>
<td>3,660</td>
<td>2,675</td>
</tr>
<tr>
<td>Professional fees</td>
<td>8,718</td>
<td>2,913</td>
<td>2,913</td>
<td>14,564</td>
<td>13,449</td>
</tr>
<tr>
<td>Salaries and taxes</td>
<td>111,866</td>
<td>37,289</td>
<td>37,289</td>
<td>186,443</td>
<td>177,400</td>
</tr>
<tr>
<td>Insurance</td>
<td>16,023</td>
<td>5,241</td>
<td>5,342</td>
<td>26,585</td>
<td>28,607</td>
</tr>
<tr>
<td>Travel</td>
<td>3,629</td>
<td>1,010</td>
<td>1,010</td>
<td>5,650</td>
<td>4,233</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,419</td>
<td>1,140</td>
<td>1,140</td>
<td>5,700</td>
<td>6,545</td>
</tr>
<tr>
<td>Events</td>
<td>-</td>
<td>78,438</td>
<td>-</td>
<td>78,438</td>
<td>75,914</td>
</tr>
<tr>
<td>Wharfage and handling</td>
<td>163,124</td>
<td>-</td>
<td>-</td>
<td>163,124</td>
<td>174,802</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$39,494,107</strong></td>
<td><strong>$142,209</strong></td>
<td><strong>$61,688</strong></td>
<td><strong>$39,698,003</strong></td>
<td><strong>$50,079,629</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Note 1 – Significant Accounting Policies and Operations

Nature of Activities
Salvadoran American Humanitarian Foundation, Inc. (f/k/a Salvadoran American Health Foundation, Inc.) (the “Foundation”) is a not-for-profit corporation incorporated in the State of Florida in September 1983. The Foundation’s mission is to enhance the well-being of the underserved people in El Salvador through human development programs implemented in partnership with its in-country sister foundation, FUSAL, and other local organizations.

Basis of Presentation
The financial statements of the Foundation have been prepared on the accrual basis of accounting. The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended December 31, 2011, from which the summarized information was derived.

The Foundation has adopted the provisions of FASB Accounting Standards Codification (ASC) 958 Accounting for Non-Profit Organizations, which establishes external financial reporting for non-profit organizations which includes three basic financial statements and the classification of resources into three separate classes of net assets: unrestricted, temporarily restricted and permanently restricted. The net assets categories as reflected in the accompanying financial statements are as follows:

Unrestricted
Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted
Accounts for all resources from contributions with donor-imposed restrictions as to the manner in which they are to be used.

Permanently Restricted
Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Cash and Cash Equivalents
For purposes of the statements of cash flows, the Foundation has defined cash and cash equivalents as those highly liquid investments purchased with an original maturity of three months or less. Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash in excess of federally insured limits. The Foundation generally limits the amount of credit exposure by maintaining its cash balances under these limits.
Note 1 – Significant Accounting Policies and Operations (Continued)

Allocation of Functional Expenses
Expenses are allocated to functional categories based on allocation percentages approved by management. The allocations reflect costs associated with program and supporting service functions.

Valuation of Investments in Securities at Fair Value - Definition and Hierarchy
The Foundation reports its investments in marketable securities at fair market value in the statement of financial position. Unrealized gains and losses are included in the statement of activities. The Foundation has adopted ASC 820, Fair Value Measurements and Disclosures. In accordance with ASC 820, fair value is defined as the price that the Foundation would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent counterparty in the principal market or in the absence of a principal market, the most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs), and establishes a classification of fair value measurements for disclosure purposes. The hierarchy is summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Foundation’s own assumptions in determining the fair value of investments)

As of December 31, 2012, all investment securities owned by the Foundation are Level 1 securities (See Note 2).

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events
In accordance with ASC 855, the Foundation has evaluated subsequent events and transactions for potential recognition or disclosure through April 17, 2013, which is the date the financial statements were available to be issued.

Note 2 – Investments and Endowment Fund
The Foundation has adopted ASC 958-320, Accounting for Debt and Equity Investments Held by Not-for-Profit Organizations, which requires that investments in most debt and equity securities of not-for-profit organizations be reported at fair value with gains and losses included in the statement of activities. Fair market value is defined and determined in accordance with ASC 820, Fair Value Measurements. The following is a summary of investments (endowment fund) held at December 31, 2012:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Unrealized Appreciation (Depreciation)</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock</td>
<td>$ 4,223</td>
<td>$ 1,204</td>
<td>$ 5,431</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>840,207</td>
<td>40,624</td>
<td>880,831</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>26,058</td>
<td>-</td>
<td>26,058</td>
</tr>
<tr>
<td>Total Endowment Fund</td>
<td>870,588</td>
<td>41,242</td>
<td>911,830</td>
</tr>
</tbody>
</table>

The net unrealized gain recorded for the year ended December 31, 2012 was $23,873.

As a result of permanent restrictions imposed by the donor, the investments (endowment fund) have been classified in the Statement of Financial Position as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current (Permanently Restricted)</td>
<td>$477,475</td>
</tr>
<tr>
<td>Board Designated</td>
<td>464,555</td>
</tr>
<tr>
<td>Total Endowment Fund</td>
<td>$911,830</td>
</tr>
</tbody>
</table>

Interest, dividends, realized and unrealized gains earned from the permanently restricted endowment fund are considered temporarily restricted when earned, but released from restrictions during the same year and therefore reported as unrestricted (board designated).

Note 3 – Property and Equipment
Major classifications of property and equipment are summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and equipment</td>
<td>$52,592</td>
</tr>
<tr>
<td>Less – accumulated depreciation</td>
<td>(52,592)</td>
</tr>
<tr>
<td>Total</td>
<td>$0</td>
</tr>
</tbody>
</table>

There was no depreciation expense for 2012.
Note 4 – Pledges Receivable

Unconditional promises to give consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted promise</td>
<td>$13,870</td>
</tr>
<tr>
<td>Less allowance for uncollectible</td>
<td>(1,599)</td>
</tr>
<tr>
<td>Net pledges receivable</td>
<td>$14,280</td>
</tr>
</tbody>
</table>

Note 5 – Temporarily Restricted Net Assets and Related Party Transactions

The temporarily restricted net assets balance represents amounts donated to the Foundation where the donor has imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Foundation pursuant to the stipulation. For the year ended December 31, 2012, the Foundation recorded $669,924 in temporarily restricted contributions.

These temporarily restricted contributions include approximately $375,000 received from a corporation affiliated to a board member. The contributions were restricted to and delivered by the Foundation to the board members’ charitable family foundation in El Salvador.

Note 6 – Permanently Restricted Net Assets

The Foundation established an endowment fund to be held indefinitely, which is held in investment accounts. Income from the endowment is to be used for the support of the Foundation (See Note 2).

Note 7 – In-Kind Contributions and Inventory

The Foundation has recorded the fair value of in-kind contributions received. However, for the year ended, December 31, 2012, several donations received from a donor were accepted in an agency transaction and shipped to El Salvador. As a result, the Foundation agreed not to record the value of those donations in its financial statements. The value of those contributions received which are not included as in-kind contributions totaled $223,945,285.

In addition, at year end, the Foundation held in a warehouse $716,664 of in-kind goods received, but not shipped. These goods were pledged to FUSAL at year end and shipped subsequently. A corresponding liability for the same amount of inventory held has been recorded in the financial statements.
BOARD OF DIRECTORS

Jose Eduardo Siman
President

Ernesto Poma
Vice President

William Freund
Treasurer

Magda Lie-Nielsen
Secretary

DIRECTORS

Guillermo Argumedo
Leon R. Avila
Silvia Dueñas Luna
Jacobo Gadala-Maria
Roberto Gadala-Maria
Raul Henriquez
Roberto Interiano
Ernesto Mathies
Fernando Melo
Matilde Siman
Pilarin Siman
Daniel Schwartz
Roberto Schaps
Julio Villafaña
Enrique Yaffar
Lia Yaffar-Peña

George Befeler
Legal Counsel

STAFF

Carlos Reyes
Executive Director

Loli Sangiovanni
Director of Donor Relations

Ana G. Dono
Administrative Assistant

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