

Creating Leaders



2012 ANNUAL REPORT



OUR MISSION

We provide education and support for Nairobi children living in poverty whose families are affected by HIV/AIDS so they can transform their lives.





Dear Sponsors and Friends,

In our first five years of operation, we focused on the first part of our mission, to provide education and support for Nairobi children living in poverty whose families have been affected by HIV/AIDS. Now, in our sixth year, it's time to concentrate on the last few words of the statement, "... so they can transform their lives."



How are lives transformed through this program?

As students in our program grow up and graduate from high school, we are more focused on working with them so they can make the dramatic changes necessary to bridge the gap we've sought to close through education.

The vast majority of Friends of Ngong Road students wouldn't even make it to high school without your support. Now they're becoming leaders among their peers! In fact, last year ten of our 93 high school students were chosen for leadership roles in their schools. Read about one of them, Victor Nyarega, on page 5 of this Annual Report.

The reason? Our students have opportunities other children from Nairobi's slums simply don't have. They eat regularly, matriculate from quality schools, attend camp and the Saturday Program, and have access to our library and computer lab. All of these advantages -- along with the support of our staff -- instill self-confidence and trust that give them the freedom to develop their leadership muscles.

But lives will only truly be transformed when students from the slums gain the skills necessary to get a job in Kenya's formal economy and begin to lift themselves out of desperate poverty. When the first graduates reach a helping hand back to younger students still in the program, the circle will be complete!

Kenya is a growing, dynamic economy with many challenges. This country needs competent leaders of integrity to navigate the 21st century. Through our program we are helping develop the next generation of leaders for Kenya.

Our students, our staff in Kenya, and our volunteers are all essential to Friends of Ngong Road's success. And none of this would be possible without you. Year in and year out, 97% of our sponsors stick with us and we deeply appreciate your loyalty. Together we are creating leaders. Together we are transforming lives.

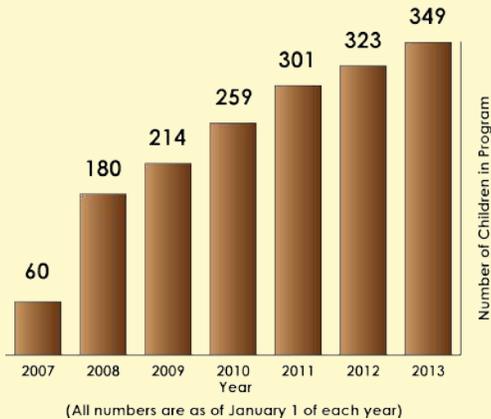
Sincerely,

Paula Meyer
President

Measuring Impact: Key Accomplishments in 2012

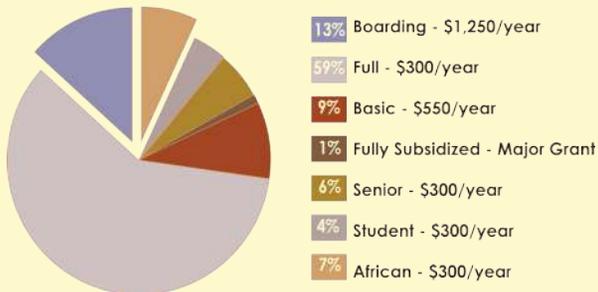
We grew to 349 children in the program while retaining 97% of our sponsors. Over 100 of our students are now in secondary school.

Growth of Friends of Ngong Road



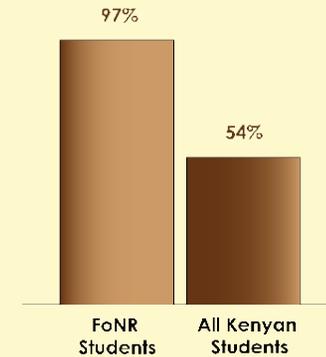
More and more sponsors are contributing at the Boarding School level (13%), while Kenyans now make up over 7% of our sponsors.

Sponsor Demographics



In 2012, 97% of our sponsored students finished 8th grade. This is above the Kenyan norm of 54%.*

8th Grade Graduates



We were able to place 87% of our 8th grade graduates in high school while the 11% who scored lower than the mean on their KCPE will be attending a trade school.

8th Grade Placements



All five of our high school graduates received a passing grade on their final exam. Kenya's national rate for high school graduation is 88%.*

* Source: Kenya Economic Report, Table 3.7 "Survival Rate through Education System in Kenya", pg. 57. Survivor rate for Primary is defined as the percentage of children who begin class 1 and complete class 8. Survivor rate for Secondary is defined as the percentage who begin Form 1 and complete Form 4.

Measuring Impact: Key Accomplishments in 2012

In our second year of leadership training, 24 students age 14 and older were provided three days of instruction in leadership principles with hands-on learning at Leadership Camp.



All participants became counselors during regular camps. Becoming a camp counselor is now a dream for many of the children in the program. A significant number of camp leaders have gone on to earn leadership positions in their schools.

Leadership

The Saturday Program is a favorite activity where children benefit from additional meals, learning opportunities, group activities, and counseling. Throughout 2012, 85% of primary-age children were never absent.



A week-long camp during the August school holidays reduces the risk of missing quality meals during school breaks and lets children form close friendships with peers and staff members that are essential to their sense of identity and self esteem. August Camp is the highlight of the students' year.

Sense of Community

Home and school visits by case workers and bi-yearly health checks during Medical Camp establish a baseline for health stats and health monitoring for basic medical, dental, and eye care.



In 2012, 317 children had one case-worker home visit and one school visit, and 302 had a second school visit. Nearly all the children received de-worming medication four times during the year.

Safety & Well-Being

Financial Highlights

- Budget exceeded \$500,000
- Significant grant contributions allowed us to add to endowment
- Endowment is now \$683,000
- U.S. expense totaled 3% of budget
- Education expense is over 50% of total expenditures, consistent with mission

2012 Actual Revenue & Expense

Accrual Basis

Revenue	2012 Actual	
Sponsorships	\$ 226,258	38%
Grants	245,000	41%
Sustaining Funds ¹	129,134	22%
Total Revenue	\$ 600,392	100%

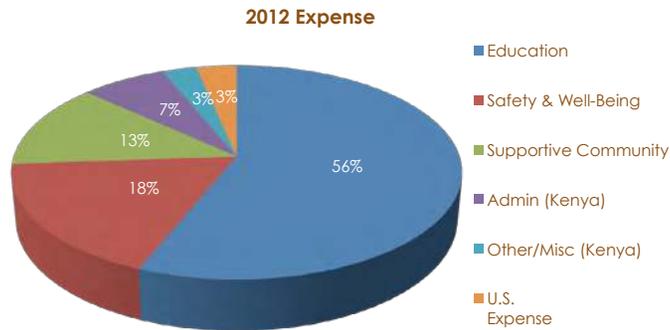
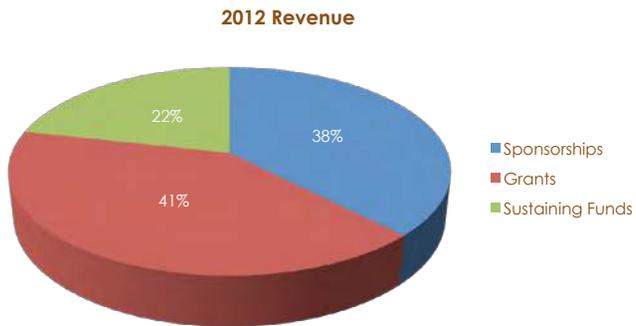
Expense		
Education	\$ 311,423	56%
Safety & Well-Being	98,135	18%
Supportive Community	71,461	13%
Admin. Expense (Kenya)	39,156	7%
Other/Misc. (Kenya)	15,782	3%
U.S. Expense ²	18,497	3%
Total Expense	\$ 554,453	100%

Balance ³	45,939
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Endowment	683,000
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- 1) Sustaining Fund includes: annual appeal donations, net revenue from handicraft sales, other donations
- 2) U.S. Expense includes: audit, tax preparation, bank fees, accounting services, licensing fees, insurance
- 3) Donated goods & services, investment revenue and bad debt have been excluded from revenue & expense as appropriate

Audited financial statements for Friends of Ngong Road are available at www.ngongroad.org



Looking Ahead

Students sponsored by Friends of Ngong Road receive a solid education, basic medical care, and the food they need to perform academically. But to truly help them transform their lives requires dynamic, far-reaching solutions. We're looking forward to working with you, our sponsors and donors, as we strive to:

- Build the support infrastructure to help our sponsored students launch themselves into the world — with the aim of keeping them connected to the organization and supporting some post-secondary education leading to employment. In 2013, twelve students sponsored by Friends of Ngong Road will finish high school and each year thereafter between 38 and 40 students will graduate.
- Advance a new 2013 initiative called Kenyans Helping Kenyans. We want 2013 to be the first year in which a measurable portion of our budget comes from Kenya fund-raising — an important step in the direction of sustainability. Spurred on by a \$10,000 challenge grant, this program matches funds raised in Kenya dollar for dollar up to \$10,000.

- Increase the size of our endowment fund, which was \$683,000 at 2012 year-end, to \$1 million by the end of 2014. Having a strong endowment allows us to contribute a portion of its annual return on investment to the program's operating budget, making us more financially self-sufficient. The endowment also provides added independence and stability to help us achieve our mission.

Thank you for partnering with us.

From Camp Leader to School Prefect: Victor's Story



The extended Anderson family and Victor with his brother: left to right - Martha Looft, Emily Nelson, Chad Nelson, Mark Nyanchenga, Victor Nyarega, Ted Anderson, Jim Looft, Lorna Anderson, Anna Looft and Ron Anderson.

At age 11, Victor Nyarega was malnourished and attending a poorly run slum school where the teachers frequently didn't show up to teach.

By age 13, he had lost regular contact with his parents and three of his four brothers. His father, unable to make a living in Nairobi, returned to the countryside and his mother, suffering from AIDS, abandoned the family.

This could have been a typical story of a young boy without food, physical safety, or the opportunity to go to school. Yet instead, at age 11, Victor became a sponsored student through Friends of Ngong Road. Today, at age 15, he is thriving. He's recognized as a leader by his Ngong Road Children Association (NRCA) peers and at his district boarding school.

How did it happen?

Victor's leadership potential first emerged at Ngong Road Children Association Summer Camp, where our staff works hard to identify and develop leaders from sponsored students who show leadership potential. As a camp leader, Victor gained valuable experience by being selected as a squad leader in 2011, overseeing 6-8 campers, and a team leader in 2012, responsible for running a team of four squads totaling 20-25 campers. At his district boarding school, Victor was named a prefect, similar to a class president—a prestigious role for any high school student, let alone one from a Nairobi slum!

The Anderson's sponsorship is key

No one has watched Victor's transformation from malnourished child to top student and peer leader more eagerly than his sponsors, Ron and Lorna Anderson. Through Victor's letters and case worker updates, they've

learned about his interest in math, his dream to become an accountant, and his undying gratitude for their support. For Ron, a retired college professor of mathematics and Lorna, who worked at an accounting firm for 20 years, Victor's aspirations are especially poignant.

Last year the Anderson family traveled to Africa to meet Victor face-to-face. Lorna recalls, "We were shocked by the starkness of Kenya itself and also of the boarding school. But Victor had so much dignity. He handled himself very calmly when all eight members of our family, the case worker, and the principal sat in a circle to be introduced. I appreciated what a difficult situation it must have been for him, but he didn't show it. He's a Parklands Boys High School Prefect, which is a big honor, but he didn't tell us this at first. He's very shy and unassuming, with incredible inner poise. We have high

hopes that Victor will continue improving and perhaps attend university. Whatever he can do after boarding school, we'll continue to support him."

NRCA is like a family

With Victor's relatives scattered and no one to take him in, the Ngong Road Children Association has become his extended family. Lorna says, "We were very impressed with the NRCA staff members. They know the students and their families and give the kids a sense of belonging. If a child is in trouble, the case workers really seem to follow them quite closely. Victor even stays with a case worker on school breaks."

Lorna says her family won't forget anything about meeting Victor and the other children sponsored by Friends of Ngong Road. She adds, "We were all changed from our trip to Kenya."

Thank you to our volunteers!

A special “Thanks” to Joyce Nelson Schuette



Joyce Nelson Schuette is one of our outstanding volunteers. She and her husband have been sponsors since October 1996 making them some of our very first sponsors. Since 2009, in addition to helping at events, Joyce accepted a special challenge:

accounting for Friends of Ngong Road. This role requires a significant time commitment and Joyce — with enthusiasm, diligence, and the will to strengthen our processes and controls — invested many hours to learn software, ensure accuracy, and work with auditors on new initiatives.

Joyce has successfully managed every audit, allowing us to publish high-quality financial statements consistent with much larger charitable organizations. Now she is ready to scale back her role as we move to automate some of our processes, but her wonderful service to Friends of Ngong Road has been critical to our success and we are proud and grateful to count Joyce among our volunteers. THANK YOU!!!



Volunteer Steve Kotvis with his family's students Nahashon Juma and David Njoroge



Friends of Ngong Road is a volunteer-run organization. The important work we do is made possible by dozens of dedicated individuals willing to devote their time and talents to the mission of transforming young lives. In 2012, 3% of our funds were spent in the U.S. Most projects and processes — from this Annual Report to checking account reconciliations to event management to financial processing — are done by an amazing corps of volunteers. In fact, many of our volunteers give more than 10 hours per week to support our mission. Thank you to all!

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