ARAHA’s mission is to strive to alleviate suffering from hunger, illiteracy, disease, and poverty in the Horn of Africa, as well as to help the East African community in Minnesota.

ARAHA is a unique aid organization. First, we are focused only on the Horn of Africa. We speak the languages of the region and understand the local cultures. This helps us to be well-connected, well-accepted, and welcomed by local communities. We have years of experience in this area and we have the tools required to navigate the many challenges of working in the region. Our field offices and partners are officially registered, recognized, and respected by local governments in the Horn of Africa. We enjoy our work and we do it professionally while constantly striving to improve our efficiency and effectiveness.
In 2014, ARAHA redoubled efforts to “develop opportunities” in the Horn of Africa with many projects in our education and self-reliance programs. While continuing to recognize and meet needs arising from famine and crisis situations, ARAHA focuses on strategically undertaking initiatives that can bring about lasting change and solutions. By leveraging our impact through education and self-reliance projects, we further create the opportunity for those solutions to emerge from the community, for the community. As you will see in the pages of this report, ARAHA’s dedication to strong relationships and empowered communities brought forth many exciting and impactful developments over the past year.

Indeed, during a visit to Somalia last year, I was uplifted to find that people on the ground are experiencing real, incremental improvements in their daily lives. This is, of course, a testament to the profound resilience of the Somali people, but it also evidences the incredible power of the relationships that sustain them through periods of crisis and conflict. Support from relatives abroad and the international community are fundamental to the ongoing process of stabilization in Somalia, and yet these lifelines of hope and opportunity have suddenly vanished. Treasury Department regulations have stymied the flow of remittances and hindered the provision of aid to Somalis. The potential consequences are dire. Forty percent of the Somali population relies on remittances for its livelihood, and money transfers further represent a vital structural component of the economy in the absence of a traditional banking sector. Disruption of this crucial pillar of the Somali economy has the potential to destabilize millions of families, as well as the country’s fragile social and political concord.

In lighter news, I am proud to announce that ARAHA has once again been recognized by Charity Navigator, an independent organization that evaluates charities in the United States, with their highest rating of four stars. This is the second consecutive year ARAHA has received this honor, giving us the distinction of being among the top 19% of all charities in the US, as determined by accountability and transparency. With your continued support, we are determined to uphold ARAHA’s legacy of sound financial management while delivering essentials and developing opportunities for our brothers and sisters in the Horn.

Many thanks for all that you do to make ARAHA’s work come alive.

Mohamed Idris
Executive Director
2014 HIGHLIGHTS

24 Water wells
   9 in Somalia
   7 in Sudan
   5 in Ethiopia
   3 in Kenya

80,000 People received their share of food from our food basket and meat distribution projects in Somalia, Ethiopia, Kenya and Sudan

1 Nursing School built in Kismayo, Somalia to increase local access to medical professionals

4 University scholarships provided to students graduating from our high school in the Shegerab Refugee Camps in Sudan
1 Special project to fund a life-saving medical operation for one young girl named Sheimaa from Sudan

1 School bus provided to students at Shegerab High School thanks to generous funding from Khawatir TV Program

200 Dairy goats distributed to villagers in Somalia as part of our self-reliance program

3 Containers filled with thousands of educational books (worth over $1.66 million) sent to middle and high school students in Somalia
In a year of incredible need, ARAHA supporters delivered and distributed food baskets to nourish over 80,000 people during a time of famine and food insecurity.

ARAHA extended a helping hand to communities in Ethiopia, Kenya, Somalia, and Sudan by providing emergency food baskets and distributing meat for holiday feasts. The meat brought a much-needed source of protein – as well as cause for holiday joy and celebration – to happy families throughout the region.
ARAHA continues to expand access to clean water in rural villages and refugee camps in the Horn.

In 2014, we built 24 wells in Somalia (9), Sudan (7), Ethiopia (5), and Kenya (3). The wells were dug within villages or their immediate surroundings to guarantee safe, convenient access for all.

By using these wells, communities experience greatly improved health outcomes and quality of life, as they no longer need to take dangerous walks to fetch water. Over the course of its history, ARAHA has constructed 175 wells serving over 280,000 people!
The pathway to opportunity starts at school, and in 2014 ARAHA affirmed its commitment to ensure every child in the Horn has access to an education. In particular, projects this year focused on equipping students and schools for success.

For example, ARAHA’s continued support brought exciting changes to Shegerab High School in Sudan. The only secondary education option in the Shegerab Refugee Camps, this year the school opened its doors to boys for the first time. Twice as many students are now able to pursue their education past the primary level! Additionally, ARAHA was able to provide the school with a bus, alleviating unsafe hour-long walks to school for students in the camps.

Perhaps most exciting is the success and love of learning this school has facilitated. Students are achieving great things and many seek to continue their education beyond graduation. To encourage and support these bright and ambitious graduates, in 2014 ARAHA established scholarships enabling four young people to attend university. The recipients will use this opportunity to become the next generation of leaders in their community.
Efforts in the past year showcase ARAHA’s dedication to improving the lives of children in the Horn, no matter how profound their needs.

As in years past, 350 children in refugee camps received a gift from their brothers and sisters in Minnesota to celebrate the Eid holiday, bringing smiles and joy to all.

Members of the ARAHA family also extended compassion and support to over 200 orphans in need in Somalia, Ethiopia, Sudan, and Kenya. Through small monthly contributions, donors provided orphans with food, shelter, and a quality education.
With poverty and famine comes the cost of health issues associated with malnutrition, unsanitary water, and lack of healthcare service and facilities.

In 2014, ARAHA’s health initiatives had a banner year. The construction of four additional classrooms at the Lower Juba University in Kismayo, Somalia will provide space for the first nursing school in the region. Provision of adequate healthcare services in this part of Somalia has been a persistent problem due to a lack of trained professionals in the wake of recurring conflict. With the new nursing school, Kismayo will be able to build capacity within its own community while simultaneously addressing the shortage of skilled medical professionals.

ARAHA’s donors also brought joy and relief to the family of a young girl named Sheimaa in Sudan. Sheimaa’s family was unable to pay for an expensive surgery she needed, but with the help of ARAHA she was flown to Jordan and received proper medical care. She is now back in Sudan, happy and healthy!
This year saw exciting developments in ARAHA’s self-reliance programs.

In Somalia, 200 dairy goats were distributed to rural villagers as the seed for a pay-it-forward program to spur individual income generation and a reliable source of milk.

Elsewhere in Somalia, ARAHA launched a pilot program based around the principle of micro-finance. Through this project, small loans at no interest are provided to families with implementable small business ideas, empowering them to create the foundations for their own success.
Imagine coming home at night to a home with no light and how that would impact your ability to do things around the house, to socialize with your family, or for your kids to do their homework.

Our pilot programs to explore the applications of solar energy continued in 2014. This year, ARAHA worked with a number of families in a refugee camp in Sudan to identify the model of solar lantern most suited to their needs.

The lantern provides illumination in all directions, making for safer, more productive conditions for these families. The product received resounding approval from participants in the pilot program, and ARAHA is currently exploring what the future holds for this exciting new venture.
Thanks to climate change, the livelihood of communities in the Horn are deeply linked to those right here in our backyard. In 2014, ARAHA has sought to draw attention to these connections, their impact, and possible solutions through a fruitful partnership with the Sierra Club. Collaboration with this organization allowed ARAHA to host an event series spotlighting climate issues in East Africa.

ARAH was invited to further explore climate change challenges during a presentation at the Minnesota International NGO Network 2014 IDEA Summit. During the presentation, Executive Director Mohamed Idris and Board Secretary Jaylani Hussein spoke about the evolution of humanitarian services in the Horn as a response to climate change, as well as practical solutions being employed by people in the region to adapt to the reality of environmental disruption.
## ASSETS
### Current assets
- Cash: $467,117
- Pledge receivable, net: $25,818
- Contribution receivable: $12,500
- Other receivable: $2,930
- **Total current assets**: $508,365

### Property & equipment
- Building & Improvements: $212,812
- Land: $39,100
- Equipment: $4,078
- Less accumulated depreciation: ($18,543)
- **Net fixed assets**: $237,447
- Mailing list & software: $13,345
- Less accumulated amortization: ($5,399)
- **Net mailing list & software**: $7,946
- **Total assets**: $753,758

## LIABILITIES & NET ASSETS
### Current liabilities
- Accounts payable: $25,635
- Accrued expenses: $10,135
- Security deposit: $3,750
- **Total current liabilities**: $39,520

### Non-current liabilities
- Accrued severance & sick pay: $29,401
- **Total non-current liabilities**: $29,401
- **Total liabilities**: $68,921

### NET ASSETS
- Unrestricted: $372,342
- Board designated: $184,500
- Temporarily restricted: $127,995
- **Total net assets**: $684,837
- **Total liabilities & net assets**: $753,758

---

**Audited by:**
La Fayette, Melssen & Plath, LTD.

**Opinion:**
In our opinion, the financial statements referred to above present fairly, in all materials respects, the financial position of American Relief Agency for the Horn of Africa as of December 31, 2014, 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.
## REVENUE & EXPENSES

### SUPPORT & REVENUE

<table>
<thead>
<tr>
<th></th>
<th>UNRESTRICTED</th>
<th>TEMP RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>363,961</td>
<td>691,033</td>
<td>1,054,994</td>
</tr>
<tr>
<td>In-kind</td>
<td>1,667,347</td>
<td></td>
<td>1,667,347</td>
</tr>
<tr>
<td><strong>Total support</strong></td>
<td>2,031,308</td>
<td>691,033</td>
<td>2,722,347</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental income</td>
<td>45,883</td>
<td></td>
<td>45,883</td>
</tr>
<tr>
<td>Net asset released from restrictions</td>
<td>(671,305)</td>
<td></td>
<td>(671,305)</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>717,188</td>
<td>(671,305)</td>
<td>45,883</td>
</tr>
<tr>
<td><strong>Total support &amp; revenue</strong></td>
<td>2,748,496</td>
<td>19,728</td>
<td>2,768,224</td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>UNRESTRICTED</th>
<th>TEMP RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program</strong></td>
<td>2,434,248</td>
<td></td>
<td>2,434,248</td>
</tr>
<tr>
<td>Management &amp; general</td>
<td>104,566</td>
<td></td>
<td>104,566</td>
</tr>
<tr>
<td>Fundraising</td>
<td>137,518</td>
<td></td>
<td>137,518</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>2,676,332</td>
<td></td>
<td>2,676,322</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Decrease) increase in net assets</th>
<th>UNRESTRICTED</th>
<th>TEMP RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>72,164</td>
<td>19,728</td>
<td>91,892</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>484,678</td>
<td>92,267</td>
<td>576,945</td>
</tr>
<tr>
<td>Prior period adjustments</td>
<td>-</td>
<td>16,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Restated beginning net assets</td>
<td>484,678</td>
<td>108,267</td>
<td>592,945</td>
</tr>
<tr>
<td><strong>Net asset end of year</strong></td>
<td>556,842</td>
<td>127,995</td>
<td>684,837</td>
</tr>
</tbody>
</table>

### FINANCIAL EXPENSES 2014

- **Program**: 91%
- **Fundraising**: 5%
- **Management & General**: 4%
We would like to take this opportunity to express our gratitude to the people responsible for making all of this possible. To our donors, volunteers, collaborators, partners, supporters and staff: thank you for making 2014 a wonderful year!