ARAHA
American Relief Agency for the Horn of Africa
Delivering Essentials, Developing Opportunities

2012 building the future

ANNUAL REPORT
OF THE AMERICAN RELIEF AGENCY FOR THE HORN OF AFRICA
Our mission

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

Our advantage

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 through 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.
## 12 months of ARAHA

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>ARAHA Action Forum on Famine Prevention</td>
</tr>
<tr>
<td>February</td>
<td>First two wells of the year built in Mogadishu</td>
</tr>
<tr>
<td>March</td>
<td>100 displaced families repatriated in Somalia</td>
</tr>
<tr>
<td>April</td>
<td>New ARAHA website; Food for 5000 Afar refugees</td>
</tr>
<tr>
<td>May</td>
<td>Walls of new primary school in Ethiopia go up</td>
</tr>
<tr>
<td>June</td>
<td>30 new water wells started in Somalia</td>
</tr>
<tr>
<td>July</td>
<td>We buy and move into our building after renting for a decade</td>
</tr>
<tr>
<td>August</td>
<td>Ramadan: Over 18,000 people fed for a month</td>
</tr>
<tr>
<td>September</td>
<td>Library built at Shegerab Secondary School for Girls in Sudan</td>
</tr>
<tr>
<td>October</td>
<td>Flood relief packages to Somalia; Meat distributed in four countries</td>
</tr>
<tr>
<td>November</td>
<td>Trip to Ethiopia and Sudan to visit schools; distribute dairy animals</td>
</tr>
<tr>
<td>December</td>
<td>$750K container of medical supplies shipped to a hospital in Somalia</td>
</tr>
</tbody>
</table>
In 2011, our primary goal was to provide emergency relief to those suffering from the devastating famine and droughts that ravaged the Horn of Africa region that year. As we mentioned in our last report, our hope was to look forward to the future in 2012. To accomplish this, our focus has been on development projects that not only help prevent famine conditions from existing but also serve to break the cycle of poverty in the region.

We’re happy to report that the projects started at this time last year have been completed and we are very proud of the results. We were able to send over 150 famine-displaced families home through our repatriation program which provided food, transportation, household items, and financial assistance to get families back on their feet in their fertile homelands.

We established 47 new water wells in Somalia, Ethiopia, and Sudan—a new annual record for ARAHA. We were able to purchase a building for our headquarters in Minnesota, allowing us to fund more projects instead of using these funds for monthly rent. In fact, we are now renting part of this building to another nonprofit to generate sustainable income to cover expenses.

Lastly, we completed the construction of a primary school in rural Ethiopia which will serve children from three villages in the Wabaro District. Families from this area have previously been forced to keep their children home to work in the coffee fields because city schools were simply too far away from their homes. We also added a library and small clinic in the Shegerab High School for Girls in Sudan, improvements which will enhance the education of the students in this groundbreaking institution. We truly believe that through these investments we are helping to build the future of many in the Horn of Africa region.
2012 Highlights

900 more children from three villages can now attend primary school in rural Ethiopia

86,900 people received emergency food and meat distributions

$1.38 million in books and medical supplies distributed

47 water wells built in three countries—a new ARAHA record!

150 families sent home to begin life again after being displaced by the famine in Somalia

Did you know? Half of the world’s out-of-school children live in sub-Saharan Africa, and girls have many fewer educational options than boys.
2012’s food distributions were more focused on filling the gaps in NGO and governmental aid for refugees in need rather than feeding famine victims. We also provided food through our repatriation and flood relief efforts in Somalia.

This chart shows the number of families fed in each month:

Did you know?

In Eritrea and Somalia, 70 percent of the population is undernourished, compared to 40 percent in the Horn of Africa region as a whole.
Despite the return of rains to drought-affected areas in the Horn of Africa, access to clean drinking water is still scarce. In 2012, we continued our efforts to bring water to rural villages, displacement camps, and other underserved areas through shallow, hand-dug wells. We initiated 47 new wells in 2012 alone, a new record for our organization. Recognizing that deeper (but much more expensive) wells are desired but too cost-prohibitive to build, we are looking into water catchment systems and other sustainable solutions for the region.

Since 1970, the percentage of the earth’s surface affected by drought has doubled, most likely due to global warming. (NOAA)
Ensuring that children have access to a quality education is a key component of “developing opportunities” in the Horn of Africa. Many of our projects in 2012 helped lay the foundation for this goal. We added a library and mini-clinic (complete with a nurse to give first aid and seminars on personal healthcare topics) to our high school for girls in the Shegerab Refugee Camp in Sudan. We also distributed $638,000 in books to two universities in Somalia. Our largest project was the construction of a primary school in rural Ethiopia. This school will allow 900 students the chance to attend school instead of working in the fields harvesting the coffee crop alongside their parents. We’re currently working to enhance their educational experience by raising funds for a science laboratory, library, and other projects. In addition, we’re researching solar energy options in Sudan to provide students with lighting at home to do schoolwork and other tasks in the evening.
Self-sufficiency

Just as educating children is necessary to providing avenues to success for families in the Horn of Africa, helping families become self-sufficient is also an important way to break the cycle of poverty in the region.

Our two main sustainability programs for 2012 consisted of repatriation and dairy animals. Helping displaced families return home after the famine in Somalia meant they could replant drops and restore livestock, and be less dependent on aid. The goats and cows we granted to families in Sudan and Ethiopia will provide a source of nutrition for children and potential income from the sale of additional milk and offspring.

2012 Sustainability Projects

Families Repatriated 150
Dairy Goats Granted 500
Dairy Cows Granted 50
Total Families Served 700

A pair of dairy goats can produce up to a gallon of milk in one day—more than enough for a family of five.

Did you know?

Top: A man & his new dairy cow. Bottom: Dairy goats; Families going home after the famine.
The number of orphans in sub-Saharan Africa was 50 percent higher in 2005 than in 1990. (UNICEF and USAID)

Our orphan sponsorship program has grown significantly in the last year. Over 60 new orphans have been sponsored thanks to generous individuals looking to make a difference in the life of a child. In addition to providing assistance with school fees, clothing, and other expenses an orphan may have, we also make sure to include orphans in other projects when appropriate. We held a community dinner at an orphanage in Mogadishu feeding over 500 children, single mothers, and their elderly and disabled neighbors. We also brought gifts of new clothing and toys to orphans in Sudan, a great surprise for the children.
After famine conditions receded in the spring and summer of 2012, donations from individuals also decreased as a result. This was expected, since the amounts raised in the previous year were largely due to the immediate urgency of the needs on the ground.

To offset this drop in smaller gifts, we sought and obtained large in-kind donations of books and medical supplies in order to provide much-needed assistance to schools, universities, and hospitals in the Horn of Africa. We also purchased our first building to create a permanent home for ARAHA and to eliminate rent as a monthly expense.

Through investments like this, we continue to deliver the essentials and develop opportunities for those in need while keeping fundraising and administrative costs low, so more donor dollars go straight to our programs. It’s working—we’ve increased program spending to 90% from 82% in 2011.
INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
American Relief Agency for the Horn of Africa
Minneapolis, MN

We have audited the accompanying financial statements of American Relief Agency for the Horn of Africa (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows 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.

Auditor’s 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 American Relief Agency for the Horn of Africa 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 on Summarized Comparative Information

We have previously audited the Organization’s 2011 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated March 1, 2012. In our opinion, the summarized comparative information presented herein as 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.

LaFayette, Mehlisen & Plath, Ltd.
LaFayette, Mehlisen & Plath, Ltd.
April 11, 2013

Expense Distribution

- Programs: 90%
- Fundraising: 4%

Management & General: 6%
Thanks!

We would like to express our gratitude to the people responsible for making all of this possible:

ARAHA’s individual donors
Our many dedicated volunteers
Our collaborators & supporters

And our partner organizations:

Life for Relief & Development
Zakat Foundation
Hidaya Foundation
Somali Relief Fund
Ummah Relief Foundation
Baitulmaal
EMC
Kind Heart

EMC