



# 2010 ANNUAL REPORT

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Dear Friends,

I'm writing this letter from seat 23D on a flight bound for Kenya. I've spent the past month in the U.S. planning out 2012 and beyond with Nuru's dedicated and talented staff, and now I can't wait to return to our project in Kenya to catch

up on the progress that our Kenyan staff has made in empowering the hard-working farmers of Kuria with sustainable solutions to end extreme poverty in their communities. But before touching down in Nairobi I want to reflect back on the year prior and set the stage for the content you'll find in this Annual Report.

2010 was a year of explosive growth for Nuru. We began the year working with 537 families and ended with more than 1,400 families enrolled in Nuru's Agriculture Program. Even with this explosive growth, new farmers' crop yields increased by 250% on average. This increase is absolutely transformational to a family who can now feed their children and sell the surplus to earn disposable income for the first time. For those farmers who live far from any town and don't have access to local markets, we launched an agribusiness run by our Kenyan staff that offers to purchase our farmers' excess maize at accessible locations and at a fair market price. That maize is then resold to local markets at a profit with all revenues invested back into the Agriculture Program to pay for the next season's loan inputs.

Also in 2010 our Community Economic Development Program laid the foundation for mobile banking services that will allow farmers to save their increased income and plan for their families' future. Our Healthcare Program trained and deployed Nuru Community Health Workers (CHWs) to provide basic disease prevention and affordable health and hygiene products to the extreme poor living in remote, rural areas. The Water & Sanitation Program increased access to clean water for over 1,755 community members via two new deep wells and created a new Water, Sanitation, and Hygiene (WASH) framework aimed at increasing sustainability and buy-in for clean water and sanitation. Lastly, our Education Program continued to iterate on its approach to increasing child literacy. We used the design thinking process to produce a new prototype: a Learning/Drop-In Center that also serves as a hub for outreach to public schools. This well-researched model will provide alternative education programs and a menu of low-cost, proven initiatives for public schools to implement themselves.

*We began the year working with 537 families and ended with more than 1,400 families enrolled in Nuru's Agriculture Program.*

As you know, Nuru is all about true sustainability. We create financial sustainability by embedding revenue models into our five programs. In 2010, those models produced over \$315,835 in program-sourced revenue! This moved us closer towards our goal of financial independence for the entire project before our U.S. staff's exit. As important as financial sus-

tainability is, true sustainability also requires leadership sustainability. Our Leadership Program is a comprehensive process and curriculum that identifies, screens, trains and equips service-minded leaders from the community to scale Nuru's model. After 9 months of research and design we began testing our prototype in February 2011.

2010 was also a year of explosive financial growth. More selfless donors are catching the vision of our sustainable, scalable model and are excited by the measurable, life-changing results we've accomplished thus far. Their contributions and yours have allowed us to exponentially increase our impact, and we rely on your continued support as we aggressively scale our programs into neighboring communities and additional countries trapped in the cycle of extreme poverty. Because of you, we are empowering more and more people with the choice to lift themselves out of extreme poverty... permanently.

Stay in the fight,

Jake Harriman  
Chief Executive Officer  
Nuru International



2010 was our second full year of operations in Kenya and with it came many financial changes throughout our organization as a whole. Our donors continued to astound us with their generous support by doubling their donations over the prior year.

This increase has further strengthened our commitment to always work with integrity and honesty and to be good stewards of the money donated toward our cause. To that end, we stepped up our financial controls and implemented a few new systems in 2010:

- We hired a reputable accounting firm from Chicago, Knutte and Associates, to audit our accounting information and prepare our Form 990s (which are always available to the public on our [website](#)).
- We officially separated Nuru's Kenyan organization from the U.S. organization to increase accountability and pave the way for a smooth exit when U.S. personnel are no longer needed in the project. Our goal is that each international project becomes a completely independent and community-owned operating unit. Even after U.S. personnel have exited, we will continue to track and monitor the ongoing impact created by our program dollars.

- We sent a U.S.-based accountant to Kenya for several months to refine the Kenyan accounting system and develop protocols for importing current financial information. With this solid financial data from the project we will be able to assess the sustainability and scalability of the programs and measure the direct impact of every donor dollar.

*Our donors continued to astound us with their generous support by doubling their donations over the prior year.*

- Despite a poor economic and fundraising environment in 2010, we ended the year with positive net income due to increased funding and the implementation of a tight budget. Budget revisions for the year included prioritizing Kenya expenses over domestic expenses.

After a year of developing tighter financial controls and increased accountability, we are ready for a year of sound program growth. We will continue to strive for complete transparency in all that we do.

Thank you for joining us in the fight against extreme poverty!

Kari L. Hanson  
Chief Financial Officer  
Nuru International





## AGRICULTURE

The Agriculture Program scaled to four more sub-locations increasing the number of farmers in Nuru's programs to 1,400. 18 more field officers joined the team, and their hard work resulted in both a continued exponential increase in maize yields for new farmers and a strong repayment rate. A granary was built to purchase excess grain from Nuru farmers to be resold at a small profit with all revenues invested back into the program.



## COMMUNITY ECONOMIC DEVELOPMENT

The CED program's microloan portfolio grew almost 149%. 114 loans were issued with an average loan size of US\$183 and a year-end repayment rate of 97.6%. Even though savings services were extended to two new sub-locations, the program only attracted about 50 new members. Consequently, Nuru staff designed a new savings service to increase farmer outreach; it will launch in 2011 with the goal of reaching 50% of Nuru farmers. The CED program also deployed Mifos as its first cloud-based management information system (MIS) and piloted mobile banking services through Safaricom's mobile money transfer service, MPESA. These technologies will play an important role in streamlining operations and providing financial resources to the poorest rural communities.



## WATER & SANITATION

The water and sanitation program shifted its strategy from drilling deep wells to stimulating demand for clean water solutions and improving hygiene and sanitation at a household level. Staff attended low-cost latrine training provided by partner organization CAWST and are developing a menu of affordable, incremental improvements that prevent disease. Wat-San staff prototyped and sold innovative handwashing stations and clean water storage units constructed from locally available materials, impacting hundreds of community members.



## HEALTHCARE

44 Nuru members completed both the official Community Health Worker (CHW) training program mandated by the Kenyan Ministry of Health as well as supplemental Nuru Healthcare trainings. With a focus on the diseases and problems closely linked to under-5 mortality, each CHW is responsible for providing preventative healthcare education and access to health commodities to approximately 25 households. The Commodities Sales System serves as a catalyst to increase the adoption of good health behaviors by selling soap, PUR, WaterGuard, Moringa Leaf, Sprinkles, and LLITNs (bednets) to the 3,429 individuals living in areas encompassed by our CHWs.

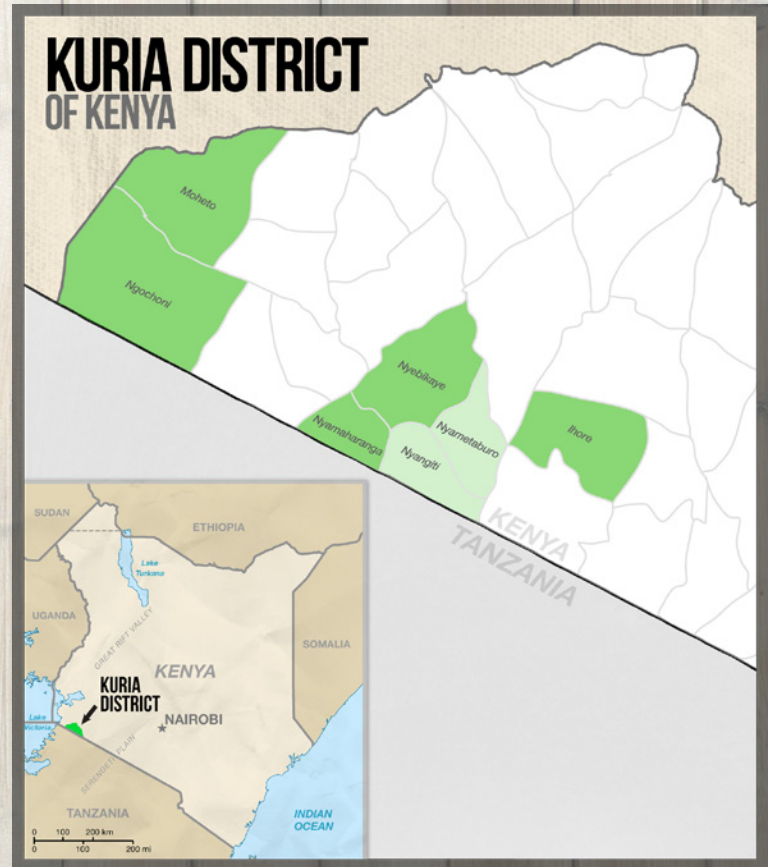


## EDUCATION

The Education Program continued to iterate on its approach to increasing child literacy in the community by using the design thinking process. They've produced a new prototype: a Learning/Drop-In Center that also serves as a hub for outreach to public schools. This well-researched model will provide alternative education programs and a menu of low-cost, proven initiatives the Nuru Education team implements in partnership with local schools. The Kenyan Ministry of Education approved this plan, outreach programs have been launched and the drop-in program design process is being finalized in preparation for implementation.



	2010	2009	2008
NURU FARMERS	1,400	537	0
TOTAL IMPACTED	7,000	2,685	0
MAIZE HARVESTED <i>(metric tonnes)</i>	2,125	910	0
CED LOAN PORTFOLIO <i>(USD)</i>	13,350	8,392	0
CED LOANS ISSUED	114	77	0
OVERALL SUSTAINABILITY RATIO	52%	0%	0%



## HIGHLIGHTS

### 2010

- The number of Nuru farmers almost triples
- New farmers experience 250% increase from pre-Nuru maize harvests
- Granary built to house surplus maize purchased from Nuru farmers
- Two deep wells drilled providing clean water access to 1,755 people
- 44 Community Health Workers (CHWs) trained to diagnose common diseases and sell health commodities
- Kenyan staff infrastructure developed for aggressive scaling to neighboring communities

### 2009

- Farmers experience 300%+ increase in maize yields
- 4 deep wells drilled at local primary schools providing clean water access to 2,000+
- 400 families trained in financial planning
- 1,000 subsidized bednets are sold and community members trained on proper use
- Local healthcare facility improved to offer 24-hour care
- First third-party evaluation conducted
- 2,000+ community members trained in basic clean water and disease prevention techniques

### 2008

- Nuru International arrives in Kuria, Kenya
- Local leaders identified and Community Development Committee formed
- Initial baseline and need finding analysis conducted
- Local farmers form groups and are trained in effective planting and harvest techniques
- Partnerships formed with top NGOs
- Preparations made for first agriculture loans



NURU EQUIPS THE POOR WITH TOOLS AND KNOWLEDGE TO LEAD THEIR COMMUNITIES OUT OF EXTREME POVERTY. HERE ARE STORIES OF TWO NURU MEMBERS WHOSE LIVES HAVE BEEN CHANGED FOREVER.



## ELIAS SINDA'S STORY



\* Video will open in web browser

*We have enough (maize) to eat and I can sell some to pay for my children's school fees.*

**"BEFORE NURU CAME I HAD A PROBLEM FEEDING MY FAMILY.** I used to farm maize and harvest six sacks per acre. This was not enough to feed my family and I couldn't sell any to pay my children's school fees. When Nuru came they taught us new farming methods and provided loans for those who could not afford to purchase fertilizers and topdressing for planting. Now I get 16 bags of maize from one acre. We have enough (maize) to eat and I can sell some to pay for my children's school fees. Nuru has also provided access to purchase mosquito nets so sicknesses like malaria have reduced in a big percentage. We are using the water from Nuru and are no longer getting abdominal discomforts or waterborne diseases. We profit from the food we harvest, so we hope that Nuru continues more and more and more." *(dictated to Nuru program staff, translated from Kiswahili)*

## MARGARET MATINDE'S STORY



\* Video will open in web browser

*After saving for 12 weeks I took a loan which I used to start a restaurant.*



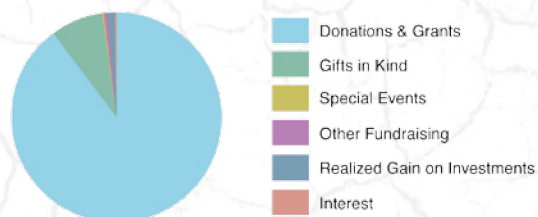
**"BEFORE NURU CAME I HAD A DIFFICULT LIFE.** I was living in a mud thatched house and I couldn't afford to send my children to school. When Nuru came I joined a savings club. After saving for 12 weeks I took a loan which I used to start a restaurant. My business has done well and I was able to pay off the loan. Now I can pay the school fees for my children. I'm happy since I joined Nuru. They have taught me to do business and now I'm saving. I'm praying so hard for Nuru since it came and lifted us out of extreme poverty. Thank you very much." *(dictated to Nuru program staff, translated from Kikurian)*

## NURU INTERNATIONAL US PROFIT AND LOSS 2010

Audit performed by **Knutte & Associates, P.C.**  
\* All Figures in U.S. Dollars

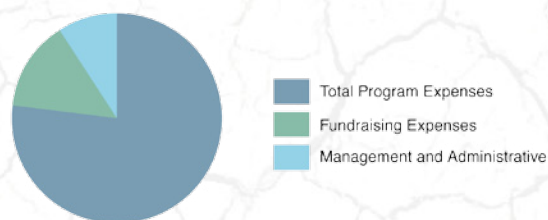
### PUBLIC SUPPORT AND REVENUES

Donations & Grants	3,114,404
Gifts in Kind	262,061
Special Events	16,610
Other Fundraising	7,073
Realized Gain on Investments	25,569
Interest	521
<b>Total Revenue</b>	<b>3,426,238</b>



### EXPENSE SUMMARY

<b>Program Expenses</b>	
International Programs	1,294,484
Awareness Programs	336,900
<b>Total Program Expenses</b>	<b>1,631,384</b>
<b>Fundraising Expenses</b>	<b>291,109</b>
Management and Administrative	197,075
<b>Total Functional Expenses</b>	<b>2,119,568</b>
<b>Loss on Investments</b>	<b>884</b>
Loss on Disposal of Fixed Assets	990
<b>Total Functional Expenses and Losses</b>	<b>2,121,442</b>



### FUNCTIONAL EXPENSE BREAKDOWN

Accounting	8,913
Books and Subscriptions	4,612
Contract Services	107,322
Facilities and Equipment	18,859
Foundation Team Expense	1,326
Insurance	28,166
IT & Website	6,514
Licenses and Fees	14,027
Nuru Kenya Grant	551,389
Payroll and Benefits	1,166,496
Rent	18,245
Supplies & Printing	45,132
Telecommunications	19,572
Travel	128,995
<b>Total Expenses</b>	<b>2,119,568</b>

### CURRENT ASSETS

Cash	755,189
Grants Receivable	502,567
Prepaid Expenses	36,101
<b>Total Current Assets</b>	<b>1,293,857</b>

Fixed Assets	43,604
Long Term Grants Receivable and Deposits	235,708
<b>Total Assets</b>	<b>1,573,169</b>

Current Liabilities	70,092
<b>Net Assets</b>	
Unrestricted	1,118,169
Temporarily Restricted	384,908
<b>Total Net Assets</b>	<b>1,503,077</b>

<b>Total Liabilities and Net Assets</b>	<b>1,573,169</b>
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Change in Net Assets	1,304,796
Beginning Net Assets	198,281
<b>Ending Net Assets</b>	<b>1,503,077</b>



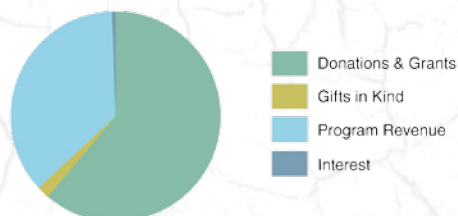
## NURU INTERNATIONAL KENYA PROFIT AND LOSS 2010



Prepared by Morris Chubb, U.S.-based accountant  
\* All Figures in U.S. Dollars

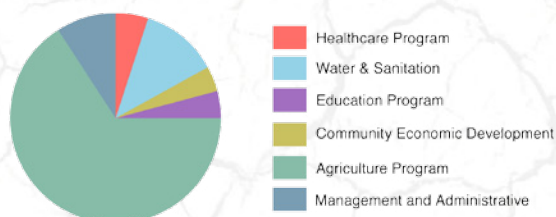
### PUBLIC SUPPORT AND REVENUES

Donations & Grants .....	531,995
Gifts in Kind .....	19,389
Program Revenue .....	315,835
Interest .....	1,388
<b>Total Revenue .....</b>	<b>868,607</b>



### EXPENSE SUMMARY

Program Expenses	
Healthcare Program .....	26,478
Water & Sanitation .....	69,915
Education Program .....	22,124
Community Economic Dev. ....	24,582
Agriculture Program .....	417,642
<b>Total Program Expenses .....</b>	<b>560,741</b>



Management and Administrative .....	54,922
<b>Total Functional Expenses .....</b>	<b>615,664</b>

### FUNCTIONAL EXPENSE BREAKDOWN

Books and Subscriptions .....	1,048
Contract Services .....	68,715
Cost of Goods from Program Revenues .....	276,927
Facilities and Equipment .....	12,281
Foundation Team Expenses .....	608
Insurance .....	295
Payroll and Benefits .....	67,698
Other Program Expenses .....	105,115
Supplies & Printing .....	27,502
Telecommunications .....	13,346
Training .....	17,336
Travel .....	24,794
<b>Total Expenses .....</b>	<b>615,664</b>

### CURRENT ASSETS

Cash .....	150,595
Program Loans Receivable .....	73,512
Program Inventories .....	22,224
<b>Total Current Assets .....</b>	<b>246,331</b>
Fixed Assets .....	184,865
<b>Total Assets .....</b>	<b>431,196</b>

Current Liabilities .....	20,882
<b>Net Assets</b>	

Unrestricted .....	410,314
<b>Total Net Assets .....</b>	<b>410,314</b>

<b>Total Liabilities and Net Assets .....</b>	<b>431,196</b>
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Change in Net Assets .....	252,943
Beginning Net Assets .....	157,371
<b>Ending Net Assets .....</b>	<b>410,314</b>

# COMMITMENT TO FISCAL RESPONSIBILITY

IT'S IMPORTANT TO US THAT THE MONEY YOU GIVE GOES DIRECTLY TO THE EXTREME POOR.  
HERE ARE A FEW OF THE WAYS THAT WE CUT COSTS TO MAKE YOUR DONATIONS GO FURTHER.



## WE TAKE LOCAL TRANSPORTATION OR WALK

Many organizations working in Africa spend tens of thousands of dollars on Land Rovers and professional drivers to get around. That's not our style. Instead, we travel like Kenyans by walking or taking local transportation like motorcycle taxis (usually less than \$1 per ride).



## WE WORK FROM HOME OFFICES

We smile whenever anyone asks to meet at our U.S. office – because we don't have one. We work out of our homes and connect online using free video conferencing software like Skype. Of course, our staff would love to work together in the same building, but we also love saving money by working virtually.



## WE USE DONATED OR FREE EQUIPMENT, SOFTWARE AND SERVICES

We have partnerships with computer re-sellers, software distributors, printers, law firms, and a half dozen other businesses to procure great equipment, software and services for free or at highly discounted rates. Thank you to all of our partners who fight extreme poverty by allowing us to do more for less.



## WE PARTNER WITH VOLUNTEERS

The fight to end extreme poverty requires all of us to play our part. In 2010, Nuru was privileged to partner with over 170 of the most talented, passionate, selfless volunteers on the planet. Thank you for your amazing contributions – we couldn't have made it this far without you.



## BOARD OF DIRECTORS

John G. Hancox, MD, Board Chairman  
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Andrew R. Cogar, Esq.  
Trey Dunham, PhD  
Jake Harriman, CEO

**Nuru International**  
855 El Camino Real Ste 13A-411  
Palo Alto, CA 94301

PH: 949.667.0796  
EM: [info@nuruinternational.org](mailto:info@nuruinternational.org)

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