



PARTNERS IN HOPE

2017 ANNUAL REPORT



Mission Statement

To empower orphaned and vulnerable youth to improve their socio-economic status through fostering financial independence and offering God's love.



Dear Champion of Hope,

It is a blessing to spread exciting news and testimonies about Panua for 2017. This was a year of impressive growth and transformation for our current youth, our recent graduates and our support team in Kenya and the United States.

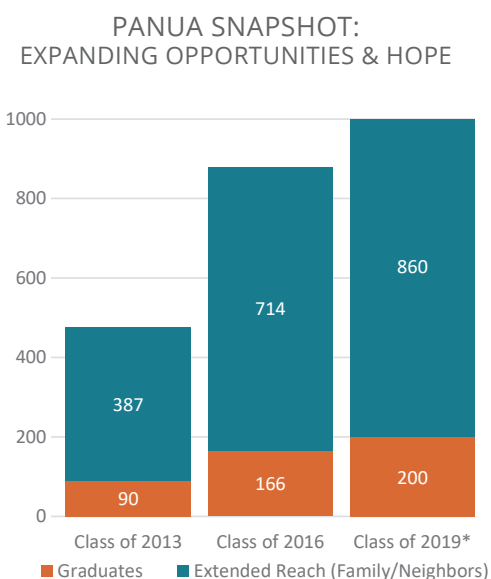
We are one year into our third 3-year cycle. We see God's work along our journey toward stability, success and growth of Panua. Our annual assessments indicate remarkable strides. As highlighted throughout this report, measurable transformations are occurring program-wide. We hope you will share in our joy as you review stories of impact and victory.



Lilian Rabera teaches others how to earn an income as a hairdresser.

Panua graduates have a positive ripple effect on their entire community.

neighbors and friends benefit from each graduate. The program has touched the lives of more than 2,000 individuals and 456 families in 15 distinct poverty-stricken neighborhoods. As alumni, like Lilian Rabera, employ and train others, those positively transformed by Panua grows exponentially. Since her graduation from the Panua Hair and Beauty program, she has trained more than 15 young women.



In the United States, we experienced tremendous growth in terms of fundraising and volunteer efforts. We have seen passionate community members willingly dedicating their time, talent and treasure to further the mission of transforming orphans and vulnerable youth in Naivasha into self-sustaining business owners and tradesmen/women. In 2017 we logged almost 5,000 unpaid volunteer hours. We hosted our second annual 5K fundraising event and exceeded our fundraising target. Our Board continues to streamline and document processes to ensure the continuity and growth of Panua.

Our mission teams, board members, committee members, event volunteers, youth partners and

business partners each play an important role. We have built a very solid foundation upon which we can flourish and grow. It is a blessing to realize how wonderfully lives in the United States are transformed through the opportunity to serve.

We are proud and humbled to know Panua has emerged as a model for other groups in Kenya. Our unique mentor-based delivery of life skills, personal development, leadership training, and business start-up support builds a strong foundation for continued success. The reputations of our mentors and youth and the results of our program have earned admiration throughout the community.

Your decision to partner with Panua on any level is a decision to transform a life, a community, a country, a world. On behalf of the Panua team in Kenya and in the United States, we give thanks for you.

Yours in Service,



The Central Florida community supports Panua's annual 5K fundraiser.



Rev. Paul Matheri
Program Director
Naivasha, Kenya



Amy McKenna
U.S. Board Chair
Winter Park, Florida

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PROGRESS MEASUREMENTS

Since 2010, Panua has successfully transformed more than 2,000 poverty-stricken lives. By blending education, faith-based mentoring and business/vocational training, the program restores hope and independence.

Our annual Panua Youth Survey indicated promising improvements over last year's baseline. The results are in line with expectations and the entire report is available upon request.

FOOD SECURITY

New initiatives in community farming among Panua Youth Groups have resulted in significant improvements in food security and nutrition. Mentors, community partners and staff members provide life skills training so Panua youth may have a healthy, safe and financially secure household.



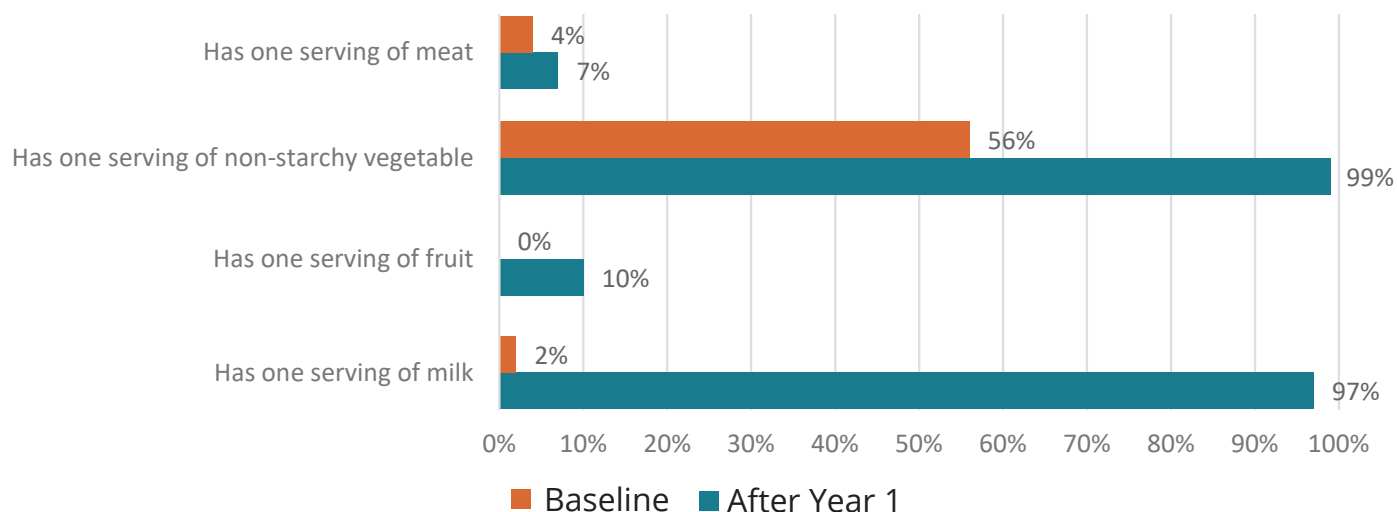
Improved nutrition has been a benefit of farming initiatives among Panua Youth.

Upon entering the Panua program, 16% of the youth indicated they rarely had food and went to bed hungry most nights. After Year 1, there are no Panua youth going to bed hungry.

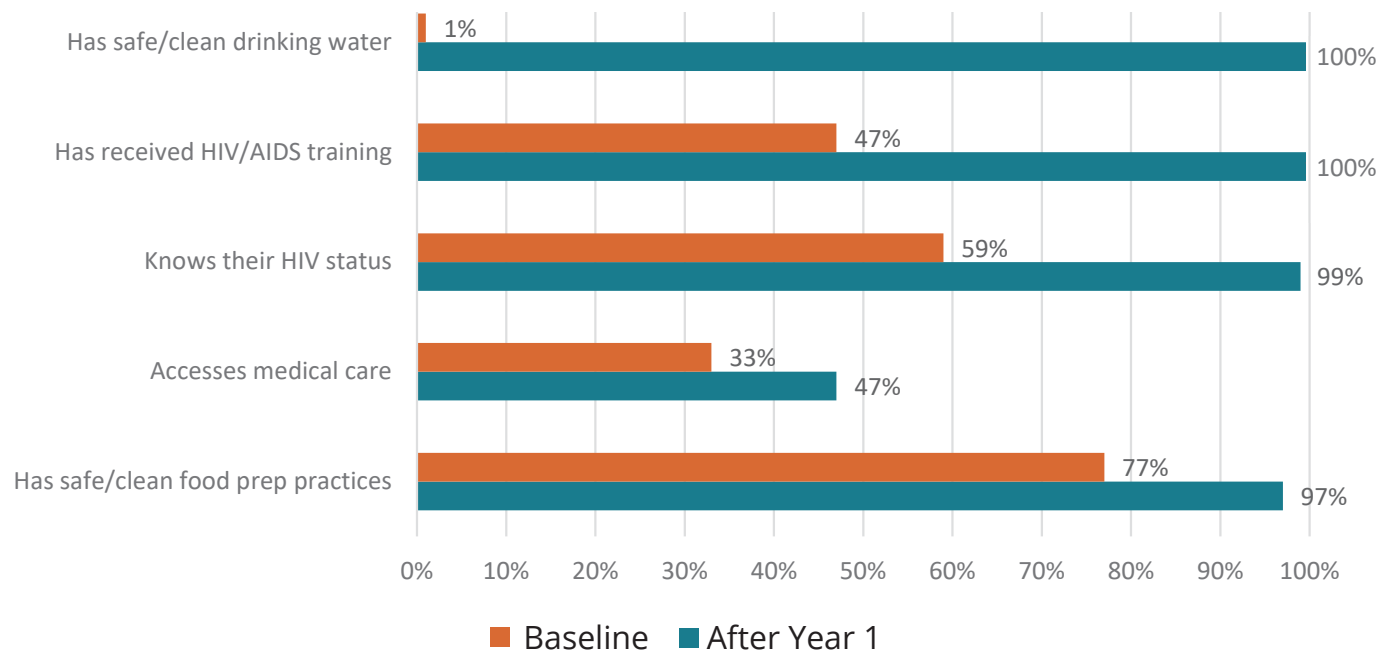
Likewise, only 3% routinely ate at least two meals per day compared with 38% in 2017. The number of youth complaining of hunger in general decreased from 20% to 13%.

Improving fundamental stability of food supply is a top priority in Year 1.

TYPICAL DAILY NUTRITION INTAKE



HEALTH & HYGIENE HABITS



Panua Salon Graduate beams with pride over her hopeful future.

INCOME & SAVINGS

As seen in previous cycles, Year 1 youth experienced a slight decline in daily income from \$1.19 - \$1.09. This is to be expected as the youth spend more time training and less time working. This trend is expected to reverse in Year 2.

Other financial indicators, such as a 34% increase of youth preparing a household budget and an 86% increase of youth having savings, point to a growing understanding for planning and prudence during Year 1.

The World Bank defines extreme poverty as \$1.25/day or less. While Panua youth face a slow climb out of poverty during Year 1 and 2, Panua program graduates provide a bright light of motivation. On average, post-graduation income rose to an average of \$3.05/day for youth in the last cycle.

PROGRESS MEASUREMENTS

The Herth Hope Index survey is part of Panua's regular annual assessment to restore hope through Christ and community. Panua youth strengthen bonds of friendship and faith in small group settings within their neighborhood. These Youth Groups meet weekly under the guidance of a neighborhood mentor and Panua staff. As they begin the journey of spiritual growth, emotional encouragement and accountability together, they eagerly become a community of extended family.



Broad smiles demonstrate a sense of restored hope and transformation.

THE HOPE INDEX

Question	Baseline 2016 Mean Score	End of Year 1 2017 Mean Score	Percent Improvement
I have a positive outlook towards life	2.17	3.64	68%
I have short and/or long goals	1.84	3.31	80%
I feel lonely*	2.01	3.24	61%
I can see possibilities in the midst of difficulties	2.04	3.23	58%
I have faith that gives me comfort	2.62	3.39	29%
I feel scared about my life*	1.76	3.12	77%
I can recall happy/joyful times	2.51	3.29	31%
I have deeper inner strength	2.30	3.40	48%
I am able to give care and love	2.88	3.38	17%
I have a sense of direction	1.97	3.43	74%
I believe that each day has potential	2.46	3.45	40%
I feel my life has value and worth	2.77	3.51	27%
I can make decisions	2.20	3.42	55%
Mean of all questions	2.27	3.37	48%
CUMULATIVE HOPE INDEX SCORE (RANGE 13 - 52)	29.53	43.81	48%

Scale for most questions:

4 - Strongly Agree

3 - Agree

2 - Disagree

1 - Strongly Disagree

*Questions rescaled so that 4 is the best score

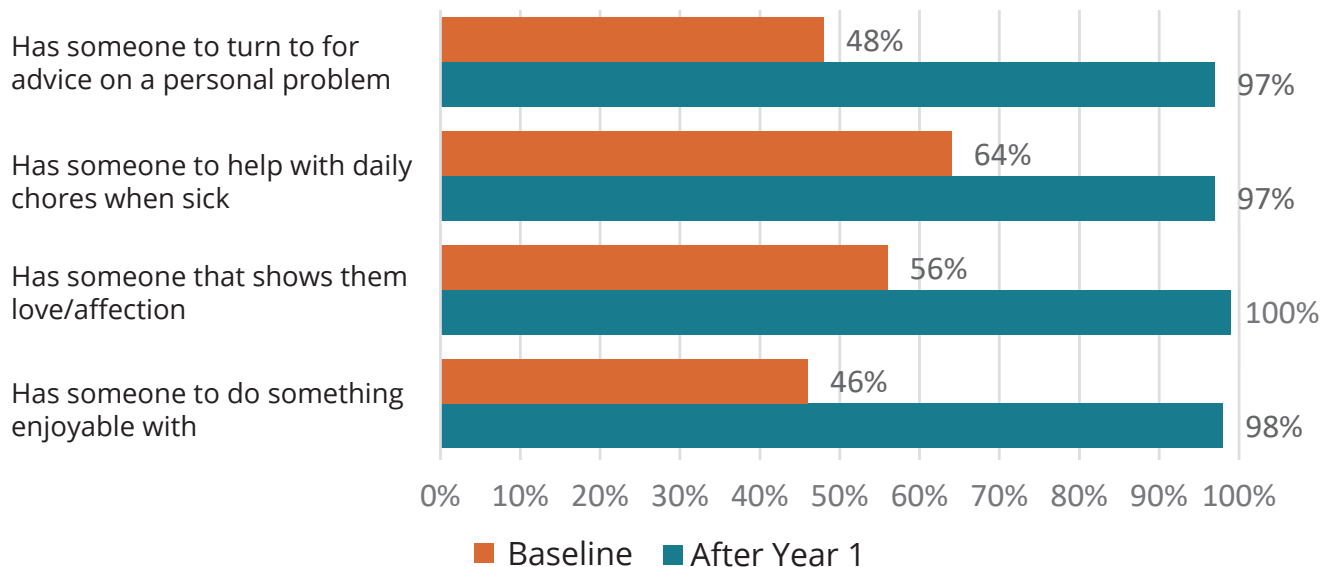
4 - Strongly Disagree

3 - Disagree

2 - Agree

1 - Strongly Agree

SUPPORT SYSTEM



VOCATIONS

Once basic needs are met, Panua youth explore career opportunities. Mentors guide them through a process of matching the needs of the community with their passion and skill set. Experienced craftsmen train the youth until a marketable skill is mastered. Panua continues supporting and training the youth as they transfer their education into a steady income stream.

Graduates have gone on to be successful in a growing number of industries including manufacturing, agriculture and hospitality. At the end of Year 1, 85% of current youth had selected a vocation for training.

The careers include:

- Art & Design
- Driving
- Farming
- Floriculture
- Hair Dressing
- Knitting
- Plumbing
- Welding
- Carpentry
- Electronics Repair
- Fashion
- Food Service
- Hospitality
- Mechanic
- Tailoring
- Video Production



John now earns a steady income because of his training in Art & Design.

IMPACT STORIES

CHANGING LIVES ACROSS THE GLOBE

SIMON BALANCES FUTURE DREAMS WITH PRACTICAL REALITIES

Like most students right out of high school, Simon lacked the funding and focus to set off toward a goal. He hopped between casual jobs and helping with the family farm. With little hope for ever getting ahead, Simon saw a great opportunity through Panua.

In November 2016, he joined Panua and completed the standard Life Skills training. Within six months, he was able to identify his passion for the Construction/Masonry training program.

While Simon attended training, Panua helped support his family financially. This is a standard benefit for Panua youth so their families are food-stable while the youth are training. Though Simon sometimes earned money through on-the-job training building homes, it was not enough to feed the family.

When Panua stepped in with farming support, Simon realized his interest in farming. The adaptability of the program allowed Panua to support Simon with basic agricultural training and farm inputs, including onions, and potatoes. Now his family is able to eat well and sell surplus crops for income. Simon's ability to farm enables him to continue training without struggling for food.

He works on the farm when not training in construction. He sees the possibility of making a good income from his crop. Florence Muriuki, Panua Field Operations Manager, says, "With Panua on his side,

Simon has the dedication and drive to turn his dream into a reality. His hard work and obedience will earn him more than we can imagine."



Simon aspires to a career in Construction-Masonry. His training may take time though, as he "double-majors" in Farming.

EQUIPPED FOR SUCCESS

Orphaned at age 10, Beth and her younger brother were lucky to have an uncle to turn to. However, he could not afford educating both siblings so Beth's education ended prematurely. Now a young single mother, Beth seized Panua's opportunity for a better life for herself and her daughter.

After entering the program at the end of 2016, she quickly took a leadership role as the elected group secretary and focused on life skills training. Smart and highly motivated, she finished Year 1 ready to pursue her dream of self-employment as the owner of a hair salon.

During her vocational training, Beth was able to earn some money assisting at a salon. By January she had saved enough to purchase a hair dryer, essential for her future business. A few weeks later, Panua supported her with a Hair Salon Business Start-Up Kit equipping her with all she needed to become self-employed.

Today Panua is proud to recognize Beth as the first hair salon business owner in the 3rd cycle. Her mentor and fellow youth see her confidence, drive and eagerness to achieve as strengths which will lead her to continued success.

BLESSED TO SERVE

The ability to serve others is a gift Frank and Wini Hagy, of Winter Park, Florida, feel blessed by every day. As a Neighborhood Coordinator, Wini promotes communication between the Panua youth in the DCK neighborhood and their youth partners in Central Florida. She fosters connections between youth partners and youth in Kenya through regular letters.

"I am humbled by the impact these letters have on both ends. The youth express gratitude and disbelief that a stranger from thousands of miles away is supporting them. The partners cheer the youth on, express love and provide hope that everything is possible with God. Beautiful relationships grow. It is blessing to me to support and witness that growth," she said.

Wini's husband, Frank, recently retired from a rewarding career in technology management. He knows the importance of the "back office" and puts his tech talents to valuable use helping track Panua's impact. Frank created an easy-to-use database program to collect, sort and analyze data relevant to the youths' education and optimism about the future.

"I believe in Panua's mission. This program is focused on education and spiritual growth. It is a hand up, not a hand out. I feel blessed to use the skills God gave me to support Panua," Frank said.

For additional stories of success and impact in Naivasha and the United States, please visit our website: panua.org



Beth's success story offers a prime example of Panua's program flexibility. While designed as a three-year cycle, youth may advance at their own pace.

"I believe in Panua's mission. This program is focused on education and spiritual growth. It is a hand up, not a hand out. I feel blessed to use the skills God gave me to support Panua."



The Hagys found a match for their call to serve in Panua.

FINANCIAL REPORT

PROGRAM & SALON

Funding sources for Panua include donations from various individuals, ministries, churches, businesses and the Panua Salon Training Facility.

The Panua Salon is a training facility for Panua youth and also serves the Naivasha community. Income generated from salon clients and training registrations was 11% of Panua's 2017 total revenue. Panua staff and board members continue to seek and support ways for the program to become self-sustaining.



Panua Partners In Hope accounting records are audited by the independent Certified Public Accounting firm of Wambugu Githaiga and Associates of Nairobi, Kenya. The audited financial statements are presented in accordance with International Financial Reporting Standards (IFRSs) and Interpretational Committee (IFIRC).

Panua Program	KES	USD
Capacity Building	909,055 KSH	\$8,930
Entrepreneur Training	3,555,000 KSH	\$34,921
Transportation for Youth	291,900 KSH	\$2,867
Life Skills & Child's Rights	866,190 KSH	\$8,509
Health Education	391,800 KSH	\$3,849
Food & Security	338,220 KSH	\$3,322
Education	321,011 KSH	\$3,153
Field Operations	1,236,958 KSH	\$12,151
Payroll Costs	5,621,655 KSH	\$55,222
Office Operations	692,929 KSH	\$6,807
Program Costs	527,050 KSH	\$5,177
Total Panua Program	14,751,768 KSH	\$144,907
Total Panua Management	475,795 KSH	\$4,674
Panua Salon	1,323,096 KSH	\$12,997
Total Expenses	16,550,659 KSH	\$162,577

Kenya Shillings to US Dollars Conversion Rate: 0.009823

CHARITABLE EFFICIENCY

For every \$US dollar allocated to the budget, 97¢ goes toward the Panua mission of empowering orphaned and vulnerable youth in Kenya. Only 3¢ is applied toward administrative and fundraising costs.

According to CharityNavigator, the benchmark for efficiently-run charities is 33%, meaning 33¢ of every dollar donated goes toward overhead relating to fundraising expenses or administrative fees leaving 77¢ for the mission-driven programs. Panua, at 3%, points to a resourceful and dedicated volunteer base and community partners to explain how so much of each donation directly supports the vulnerable youth of Kenya.

Full financials are available upon request.

STAFF & BOARD MEMBERS

PANUA PARTNERS IN HOPE

KENYA STAFF

Rev. Paul Matheri **Program Director**
Florence Muriuki **Field Operations Manager**
Patrick Ndonga **Business Program Manager**
Ephantus Kariuki **Finance Manager**
Eunice Mari **Social Worker**

KENYA BOARD

Dr. James Kuria Maina **Board Chair, Educator**
James Njuguna **Board Vice Chair, CPA, Businessman**
Mary Gacheru **Community Health Nurse**
Ann Muene **Community Health Volunteer, Farmer**
Jane Njeri Mwangi **Businesswoman**
George Shabaan **Accountant**

U.S. BOARD

Amy McKenna **Board Chair, RN, Businesswoman**
Mia Thomas **Board Vice Chair, CPA**
Jensie Gobel **U.S. Panua Administrator**
Larry Brown **Architect**
Jay Edwards **Business Executive, Retired**
Dawn Gilts **Social Worker**
Michael Linn **Businessman, Entrepreneur**
Erin O'Donnell **Marketing & Communications Consultant**
Ivor Singer **Businessman, Entrepreneur**
Carol Smith **FUMCWP Director of Lay Ministry, Retired**
Loran VanWormer **Educator**

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Connect

Follow and share our social media posts on Twitter, Instagram and Facebook. @panuaorg

Go

Travel with a Mission Team to Kenya. Visit panua.org/missiontrips

Learn

Sign up for our newsletter or volunteer by emailing: jensie@panua.org.

Pray

Pray for our youth, partners and our staff.

Donate

Make a single donation or a monthly pledge at panua.org/donate

(Choose "Other Ministry" under "Select the Fund" option and type "Panua" in the "optional Memo" field.)



Staff members and Kenya and US Boards strategize and fellowship together.



FIRST UNITED METHODIST CHURCH
WINTER PARK

panua
PARTNERS IN HOPE

www.panua.org

U.S. CONTACT

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KENYA CONTACT

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2018 CALENDAR OF EVENTS

March 7-17 Mission Trip
June 11 - 21 Mission Trip
July 13 - 23 Mission Trip

October 20 Panua 5K
October 21 Panua Sunday
December Holiday Gift Market



Our church's vision is: A vibrant family built on God's grace who share a passion for the Word of God, living and serving in the image of Jesus the Christ.

Through our Panua Ministry, we serve to make a difference in the lives of others - whether in our homes, in our community, or around the world! We leave the security of our comfort zones, meet people where they are, and live out the call of Christ in our daily lives.