

2015 MOSAIC ANNUAL REPORT

(A little more about who we are and what we do...)



VISION We envision a South Africa where every orphan and vulnerable child is loved and cared for, so we're implementing our country's first self-sustainable orphan care model.

TABLE OF CONTENTS

LETTER FROM THE FOUNDERS

P3

THE MOSAIC MODEL & STRUCTURE

P4

EDUCATING CHILDREN

P6

NALEDI CHRISTIAN ACADEMY

AFTERSCHOOL PROGRAM

MOSAIC EDUCATION FUND.

NALEDI KICKS

STORIES OF CHANGE & HOPE:

P8

JOHANNES' STAR IS RISING

P9

WILLIE DREAMS ON

P9

PRETTY' S STORY OF VICTORY AGAINST ALL ODDS

P10

MARTHA PHUNGWAKO' S STORY OF A FAMILY KNITTED TOGETHER IN LOVE

P11

DUPLICATING MOSAIC IN THE WESTERN CAPE

P12

MOSAIC BUSINESS VENTURES

P13

MOSAIC BUILDERS

P13

MOSAIC RENTALS

P14

MOSAIC BEE TRUST

P14

MADE BY MOSAIC

P15

FINANCIAL REVIEW

P16

LETTER FROM THE FOUNDERS

2015 was not an easy year... In South Africa, racial tensions peaked and once again, people are divided and at war because of race. At Mosaic one of our beloved foster dads was brutally murdered in front of his wife and kids. On a personal level we faced the loss of our unborn baby.

The reality is that in this broken world, in this broken country, the odds are against us. Tens of thousands of people are fleeing South Africa in search of a better future. Our economy is in the worst state it has ever been. Poverty is increasing instead of decreasing; so are HIV-infections and the number of orphan & vulnerable children. However, we choose not to be guided by statistics or 'the odds'. If our God is for us, who can be against us?

Considering the abovementioned facts, one might not expect this, but to be honest, 2015 was actually one of the best years since we started Mosaic in 2009! Through all of the major challenges, God proved to be in control and His showers of grace over us were miraculous. As you read the stories of hope, growth, love and grace in this report, join us in giving all glory to God. Because even though the statistics and 'the odds' will tell you it's impossible to effectively grow small job-creation initiatives in our crippling economy, Mosaic Builders and Made by Mosaic did just that. Although the statistics and 'the odds' are against most of our orphaned and vulnerable children here at Mosaic, they are excelling in school, getting tertiary qualifications and dreaming of bright futures.

When you feel discouraged about the current state of South Africa, please come and visit us at Mosaic. We guarantee you that at the two Mosaic communities, built around love and an orange community centre in Potchefstroom and around love and a shipping container building in Paarl Valley, you'll find hope. A hope that is rooted in a love for God, and a love for one another. You'll find a group of management, staff, volunteers and foster families who have big plans to build this country into a great nation.

We thank each and every member of our team: our board of directors in South Africa, as well as our board in the USA, our management team, our staff, our volunteers, our donors and our families. Your hearts to serve the most vulnerable of this country inspire us and make our hands strong. We look forward to 2016 with huge expectation. Many new programs will be implemented and many new families added to our bigger Mosaic family. Our prayer is that Mosaic Potchefstroom and Mosaic Paarl Valley will shine a bright light of hope to all who are challenged with 'the odds' and the harsh statistics in this country of ours.

"Everybody can be great. Because anybody can serve. You don't have to have a college degree to serve... You only need a heart full of grace. A soul generated by love." Martin Luther King Jr.



The Mosaic model & structure

The why and how we are taking care of orphaned & vulnerable children.

It is estimated that 5.2 million children (that is one third of all children in South Africa) have lost one or both their parents, making them orphaned & extremely vulnerable. According to research 90% of these orphaned & vulnerable children (OVC) live with extended family. This burden on the extended families of OVC in combination with a severe lack of resources has pushed this care network to a point of collapse, leaving South Africa with one of the biggest social challenges it has ever faced.

Mosaic's self-sustainable OVC care model focus on supporting this extended family network of caretakers of OVC with resources so that they can take proper care of the children who now live with them. This is done by providing caretakers/parents with extensive life skills training, job skills training, social support services, spiritual care and subsidised housing. With this focus on caretakers/parents of OVC, Mosaic enables this extended family network to take proper care of the OVC entrusted to them without any continued physical or financial support. Beyond the focus on developing caretakers/parents, Mosaic prioritises creating opportunities for the OVC forming part of its program through an after-school program, talent development programs, bible studies, recreational activities and access to proper education through the Mosaic Education Fund.

Once the parents and children of a family are fully engaged in all Mosaic activities they are well on their way to becoming truly self-sustainable.

The life-cycle of a Mosaic family participating in Mosaic's programs is depicted on the facing page.



THE MOSAIC LIFE-CYCLE



IDENTIFYING A FAMILY

We identify a family with 2 or more orphaned and vulnerable children in their care.

LIFESKILLS TRAINING

We make sure parents taking care of orphaned and vulnerable children are adequately equipped to do so through extensive life skills training courses



CREATING A JOB

We create jobs for parents who are taking care of orphaned and vulnerable children and other members of our immediate community.

EDUCATING CHILDREN

We create better futures for our orphaned and vulnerable children through private schooling, after-school programs and tertiary education scholarships



THE MOSAIC PROCESS

BUILDING A HOUSE

We build a three bedroom house for our mosaic families.



CONTINUOUS SOCIAL SUPPORT

We continue to support our families by facilitating access to basic government services, facilitating parent support groups, conducting individual counselling sessions, conducting bible study groups and organising community church meetings.



BECOMING SELF-SUSTAINABLE

We enable our families to stand on their own feet and take care of themselves as well as their children.



MOSAIC
piecing lives together

MosaicSA envisions a South Africa where every orphan and vulnerable child is loved and cared for, so we're implementing our country's first self-sustainable orphan care model.

www.mosaicsa.org



MOSAIC EDUCATION PROGRAMS

NALEDI CHRISTIAN ACADEMY

Mosaic, in partnership with TentMaker Ministries, founded **Naledi Christian Academy** a private Christian primary school (Gr 1 – Gr 7) in Ikageng. This was in answer to the dire need for a proper school which will actually enable the children of Mosaic and other community children to lay the foundations for a future beyond their current circumstances. Mosaic took on the responsibility of funding the new school buildings. By God's grace the first 8 classrooms are almost ready for occupation. Once all phases are complete the school will have 16 classrooms with a total of 320 students.



AFTER-SCHOOL PROGRAM

Mosaic's **after-school program** is a very big part of what we do for our children. Here we are not just focusing on schoolwork and academics, but we also constantly strive to expand our children's worldview. This is achieved by having guest speakers address the children, taking children on field trips, and exposing them to international visitors.



MOSAIC EDUCATION FUND

Two Mosaic children have received full college scholarships through the **Mosaic Education Fund**. The prospect of being able to attend a college has changed the course of the lives of Willie & Pretty drastically. Pretty is obtaining a nursing qualification and Willie a social work qualification. See their stories on p12 and 13.

Naledi KICKS

Naledi Kicks is a grass roots soccer development program that forms part of Mosaic's talent development program. Naledi kicks was founded by Jean Raath, and together with his coaching staff, he is not just teaching young children soccer, but also life skills.





STORIES OF CHANGE & HOPE

Willie dreams on

At 21 years old, Thapelo Willie Xhego is a role model to the other Mosaic children. He lives with his foster mother, Martha and three other children in a Mosaic home. Willie worked very hard to finish school. Since 2009, the year we met him and his family for the first time, Willie has dreamt of becoming a social worker.

Through the Mosaic Education Fund, Willie's dream is being realised. In the year 2015 he began his journey by enrolling with Khuthaza Strategic Development in a Social Auxiliary Work course. His course includes practical work where he can do in-service training at a non-profit organisation.

Asked why he is so keen on becoming a social worker, he says that he has a heart for people and that through his experience of not being cared for by his biological parents, he wants to answer to the plight of orphans and vulnerable children and contribute positively towards their lives.

Mosaic supports Willie by paying 100% of his tuition fees, transport, stationery and other resources needed to complete his qualification. At Mosaic's community centre, Willie is also provided with a space to study, and by having access to computers and the internet he can do research and complete his assignments. Programs such as Mosaic's bible studies have helped him to grow into a humble and a grounded individual.

He will be finishing his course in June 2016, and he hopes to realise his dream of being an aspirational example of caring for others.

Johannes' star is rising

15 year old Johannes stays with his foster mother, Crestina Yona together with six other kids in a Mosaic home. Johannes came to Mosaic not able to do the things a boy of his age is normally expected to do. Other children teased him, saying he was dumb and stupid, and many times he was called a 'retard'.

He could not read, count or even say and place the letters of the alphabet in order. But when Johannes came to stay in a Mosaic house and started to attend Naledi Christian Academy (a partnership between Mosaic and Tentmaker Ministries), things started to change drastically for Johannes. Better schooling, coupled with Johannes attending the Mosaic After-school Program, saw him being able to read, spell and count, as well as speak and understand English. The enormous growth in his emotional, spiritual and social well-being has also been remarkable.

Foster mother Chrestinah tells how she was reduced to tears to hear Johannes speak English for the first time in his life, saying and writing the alphabet, reading and pronouncing words perfectly.

During an award ceremony recently held for the Mosaic kids, Johannes walked away with a R400 clothing gift voucher for the most improved student in 2015... His eyes were filled with tears of joy, and today he shows his pride in his education by fully participating in programs such as A-Z reading and by walking around and speaking English with each and every opportunity he gets.

He promises that in 2016 he will carry on from where he left off, and continue to be a star.

Pretty's story of Victory against all odds

Pretty was born on March 6 1993 in Ikageng, Potchefstroom. After her mother passed away at a young age, Pretty went on to live with her father and her two siblings Bongani and Mase in Mafikeng where they experienced hardships and challenges such as lack of food and not being able to attend school because they couldn't afford school fees. As a result of her challenging circumstances, Pretty suffered from depression and anxiety. After her father passed away, she and her siblings came to live with their aunt, Martha Phungwako, in one of Mosaic's foster homes in Potchefstroom. It is here at Mosaic where Pretty's life started to improve because of favourable conditions such as a decent house, bible studies, Mosaic's after-school program and other activities facilitated by Mosaic.

Pretty finished school in 2012 yet could not further her studies because of a lack of funds. In 2015 the Mosaic Education Fund was founded and Pretty received a bursary to do a health care assistant course with Ukwazi Nursing College in Potchefstroom. Mosaic's education fund not only paid her tuition fees in full but also for her transport and any other resources necessary to attend classes.

Pretty performed exceptionally well in all her tests and eventually in her final exam, and she received distinctions in all her subjects. In January 2016 Pretty received a prize as the number one student at the entire Ukwazi Nursing College for the year of 2015. She is now a role model in the Mosaic community and urges all other Mosaic children to commit to their studies and grab the study opportunities through Mosaic's Education Fund. Now she looks back at those painful years when she was growing up with joy in her heart as she realises the mercy of God and HIS favour, and she now hopes to touch and change many lives as a nurse.



Martha Phungwako's story of a family knitted together in love

Martha is the loving foster mother of Pretty, Bongani, Mase and Odirile. The children grew up in very unfavourable conditions while living in a four roomed house with their father and extended family after their mother passed away. The house was congested with about 20 people living in it, and the kids were seldom lucky enough to receive a meal.

After their father passed away, their aunt Martha took them in and they came to live in a Mosaic foster home. The peace of mind of living in a healthy family in a healthy environment healed the emotional scars the children have been carrying throughout the years. They now attend school regularly and the Mosaic After-school Program as well as bible studies. This has helped shape their future as they are assisted in making good decisions concerning their lives. We believe that one of the major factors contributing to this good story of the Phungwako family is the opportunity Mosaic has provided Martha by offering her a job in the Made by Mosaic bakery. She previously worked under very strenuous conditions at a preschool and was significantly underpaid. With the little money she earned at her previous job she could hardly take care of her family.

Since she became a Made by Mosaic bakery employee she can provide for herself and the children, and the reasonable hours she works in a day also enable her to attend Mosaic's parent bible studies and other important programs. Martha says if it was not for all the emotional and spiritual support she gets from Mosaic, taking care of these children would have become a burden - but now she sees it as the biggest blessing from God.



DUPLICATING MOSAIC IN THE WESTERN CAPE

Since day one it has been Mosaic's goal to care for orphan & vulnerable children all over South Africa. It has therefore been a major goal to duplicate Mosaic's operations in many more cities in South Africa. 2015 has seen this goal finally starting to realize. Mosaic in the Paarl Valley (about an hour's drive from Cape Town) has been established through a lot of hard work, and exciting milestones were achieved, including:

Building relationships

Relationship-building is not just a value at Mosaic, but rather an integral part of our business model. For the Mosaic model to work we first have to establish real relationships with the community that we work in. Secondly, but equally important for the Mosaic model to be successful, we have to take hands with other role players in the wider community. We are therefore very excited and humbled to be able to partner with the Western Cape Government department of Social Development, local businesses, the Valley of Abundance movement and other non-profits such as 'Mothers-for-Wellington' and 'Khula Development Group'.

Mosaic Paarl Valley Community center



Towards the second half of the year, we identified a strategic location for Mosaic's Community center in the Paarl Valley and started construction on the Mosaic Paarl Valley Community Centre. This very modern building, built out of shipping containers, steel beams and concrete by three different groups of American volunteers in New Rest, Wellington, will be used to facilitate various programs in 2016 and beyond. These programs include job creation and skills development programs, an after-school program, parenting skills training and bible studies. This community center will also serve as an administration building for Mosaic Paarl Valley staff members.

Mosaic Swop Shop

The Mosaic Swop Shop is a very exciting new program that was launched at our newly built community center in late 2015 in partnership with Boland Pest Control, Cape Waste and Zam Group. The Swop Shop initiative is a very successful concept being implemented by a number of community development organizations across South Africa. The aim of the Swop Shop is to encourage children to collect and sort recyclable waste. The children are then rewarded with points based on the quantities of collected waste. These points can then be used to "buy" things from a shop stocked with items like school stationery, sanitary goods, and other household items.

The Mosaic Swop Shop helps us to continuously connect - and build relationships - with our target group of orphaned and vulnerable children. At the same time children are being introduced to educational processes and valuable life skills that are reinforced by sorting, counting, calculating, weighing, saving points, and choosing items from the shop wisely.

"Hands turned up to 'receive' create beggars. Hands turned down to 'do' create a future."

MOSAIC BUSINESS VENTURES

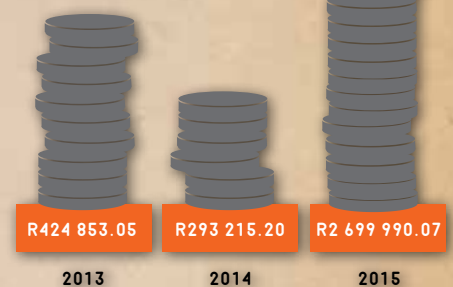
At Mosaic we do business for two reasons: first, to create jobs for parents who are formally participating in Mosaic's orphan & vulnerable child care program, and secondly to create a sustainable income for Mosaic beyond our donation income. Over the past 5 years we incorporated three business ventures - Mosaic Builders, Made by Mosaic and Mosaic rentals. In 2015 we focused on growing these businesses into viable businesses, delivering quality products and services to our customers while at the same time contributing to the two main goals of creating jobs for Mosaic parents and to create a sustainable income for Mosaic.

Mosaic BUILDERS

This is a construction business serving customers in and around Potchefstroom in the commercial and private sectors. In July 2015 we made the bold move of appointing a full time business manager, Jean Morkel, bringing with him 7 years of experience in major construction. This bold move paid off as we took on two major building projects and a number of smaller projects, in the second half of 2015. The two major projects included the second phase of Naledi Christian Academy and a very unique out-building for a private customer.

Having an aggressive growth plan in combination with the right people doing business for a good cause, has seen us achieve our two main goals by creating 5 new jobs and becoming profitable.

TURNOVER OF MOSAIC BUILDERS OF 2013, 2014 & 2015:



A RESIDENTIAL PROJECT BY MOSAIC BUILDERS



A COMMERCIAL PROJECT BY MOSAIC BUILDERS



MOSAIC RENTALS

Here we focus on renting industrial appliances to commercial customers over a long-term period. This business was founded in 2015 and its biggest focus is on creating long-term sustainable income for Mosaic.

MOSAIC BEE TRUST

In 2015 Mosaic founded the **Mosaic BEE Trust**. The focus of the Mosaic BEE Trust is to acquire shares in South African businesses as a BEE partner, or start new businesses operating within the BEE space in South Africa. The goal of these business acquisitions and start-up businesses is to create sustainable income for Mosaic.

MADE BY MOSAIC

This integral part of our set-up manufactures quality hand-made goods. With two different business units Made by Mosaic strives to provide customers with products that are great quality but also tells the story of the people behind who made it. Our bakery sells rusks, cookies, chutney & marmalade in local retail store Pick 'n Pay, food markets and a few boutique-style stores. Our leather workshop sells men's and ladies leather products to clients in South Africa, Germany and the USA through its online store (www.madebymosaic.com), at markets and at special events of Mosaic's partner churches. Although our knitting business unit is what got Made by Mosaic started, a decision was made to cut back manufacturing in this unit. All staff who worked in this business unit were reassigned to new positions in the bakery or at the leather workshop.

TURNOVER OF MADE BY MOSAIC OF 2013, 2014 & 2015:

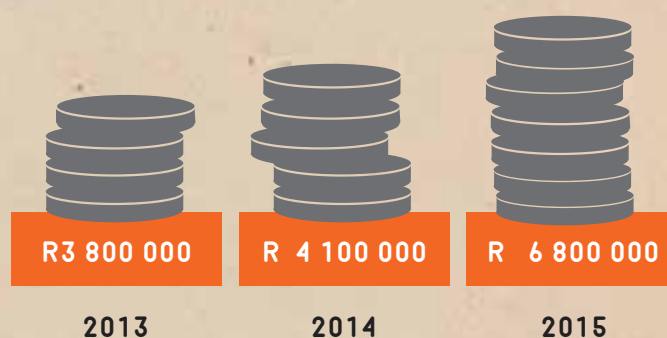


FINANCIAL REVIEW

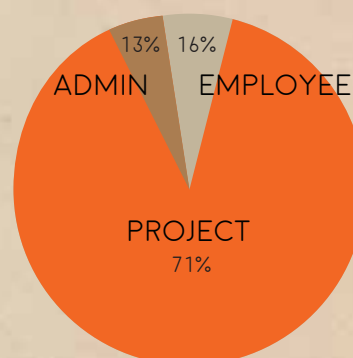
INCOME ACCORDING TO COUNTRY / CATEGORY



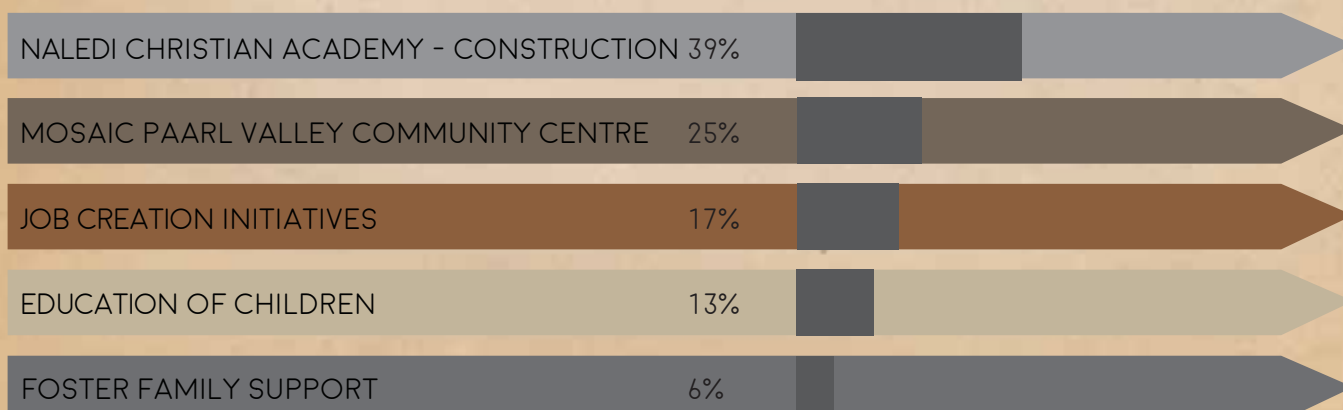
INCOME COMPARED TO PREVIOUS YEARS (ROUNDED FIGURES)



ADMIN. EMPLOYEE & PROJECT COSTS AS %



MAJOR PROJECT SPEND IN 2015 AS %





MOSAIC

piecing lives together

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DESIGN