

Dear Friends,

Lifting the lives of families with critically-ill children – that's what Friends of Karen has been doing since 1978, when Sheila Petersen came to the rescue of her friends, Barbara and Angus MacInnes and their desperately ill daughter Karen. Sheila reached out to the community to help pay for Karen's round-the-clock homecare. The response was phenomenal. Neighbors and strangers donated generously, and in doing so, gave the MacInnes family the gift of time together during the last precious months of Karen's life.

Sheila's compassion has become legend for us. Yet, today is really no different than years ago, when Sheila appealed to the community to help Karen's family. Only now, Friends of Karen supports hundreds of children and their families every single day.

You answered our call during a difficult year. In 2009, you helped Friends of Karen improve the quality of life for 524 families (5% more than the year before). You made sure they had the necessities (housing, food, medical coverage), and their children had gifts for the holidays, childcare when they needed it and were prepared for school.

You enabled us to remain true to our mission of supporting the whole family. We applaud our marvelous social work team, led by Rhonda Ryan, who celebrated 20 years with Friends of Karen this past year. We thank them for their commitment to guiding parents through the devastating world of childhood cancer.

As we look back at our achievements, we are also mindful of our future. Nothing crystallized this need more than the recent economic downturn, when we saw more families needing more help than ever before. With a myriad of possibilities on how to move forward, the Board of Directors has identified "now" as the key moment for strategic planning. This is an exciting time, as we build on our successes and develop strategies to strengthen our impact and reach more families in need.

As we chart the road ahead, please come along with us. Your confidence and support will make all the difference. On behalf of our Board and staff, our heartfelt thanks for all you have done and continue to do for our special children and families.

Judith Factor
Executive Director

Beth Leventhal
Board President



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Helping Families Emotionally and Financially for 32 Years

Friends of Karen is the "glue" that holds families together after their children are diagnosed with life-threatening illnesses.

Sean, age 8, (pictured with his mother) has spent half of his life battling leukemia. Friends of Karen has supported Sean and his family throughout their long ordeal.



Program Highlights:

In Fiscal Year 2010, we served a growing number of children and their families, and added important new programs.

- **Sibling Support Program: From Pilot to Full-Fledged Initiative.** Recognizing the overwhelming impact of a child's illness on siblings, we engaged two talented counselors to help children cope with their brother's or sister's illness.
- **Bereavement Support Expanded.** We added two new bereavement support groups, including a special group for Spanish-speaking parents who are grieving the loss of their child.
- **Comprehensive support.** No family should have to choose between clothing or feeding their family and paying for their child's medical care. Friends of Karen provided thousands of dollars in gift cards for clothing and food.

2009: The Year At A Glance

- 1,344 **Children supported** (524 ill children and 820 siblings)
- \$185,000 **Spent each month** on direct family support
- 773 Children received **holiday** gifts
- 589 Children received **back-to-school** supplies
- 425 Family members and friends attended our annual **Candle Lighting Memorial Service**

Our Families Say It Best...

"Had it not been for Friends of Karen we would have lost everything."

(Joshua's mom)



ORGANIZATION NEWS

Special events raise nearly \$700,000

Our wide-ranging events included golf tournaments, marathons and formal evening fundraisers. In last year's economy, our special 2009 "stay at home" event kept costs to a minimum and ensured that every donation benefited families caring for a critically-ill child.

"Re-branding" Friends of Karen

We adopted a new logo and palette of warm colors to reinforce our identity as a compassionate, respectful organization dedicated to families in need. We also redesigned our website www.friendsofkaren.org. Now colorful and user-friendly, this site is easy for families to navigate and for the public to learn about us and get involved.

Parents Advisory Committee Reaches Out

Led by board members Duncan and Erica Huyler, this new committee of Friends of Karen parents and children encourages the involvement of our families, past and present.

Long Island Advisory Board

Representatives from more than 40 corporations and businesses dedicate their time and resources to expanding our support.

2009 Journey of the Heart Bike Tour



"Once a year we get on our bikes and challenge ourselves on an uphill ride to the Berkshire Mountains as a way of understanding the challenges that critically-ill children and their families face every day. We ride to support their battle."

~ Harold Wagner, bike ride originator and participant

Our incredible riders raised over \$134,000 in 2009

Did You Know...

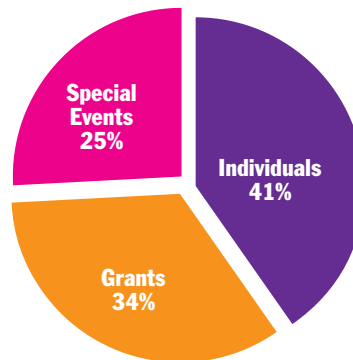
82% of Friends of Karen's income directly supports our families



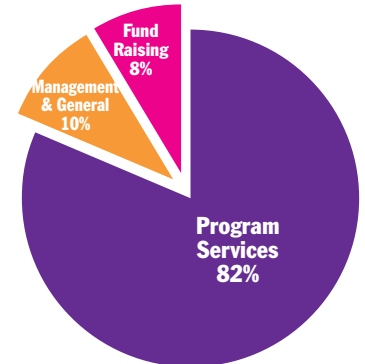
Financial Highlights

Fiscal Year ended
March 31, 2010 - Audited

TOTAL SUPPORT AND REVENUE



TOTAL EXPENSES



SUPPORT AND REVENUE

Individuals, Businesses & Organizations	\$1,078,802
Grants	\$898,608
Special Events (net of direct costs)	\$682,700
Total Operating Revenue	\$2,660,110

EXPENSES

Program Services	\$2,198,517
Management and General	\$274,606
Fundraising	\$226,072
Total Operating Expenses	\$2,699,195
Change in net assets before investments	\$(39,085)
Investment Income	\$687,687
Net Assets Beginning of Year	\$4,480,158
Net Assets End of Year	\$5,128,760

How You Can Help

Our supporters – and volunteers – are very important to us. Please call us at 1-800-637-2774 or visit our website www.friendsofkaren.org

Help our families. Make a donation. Volunteer.

"Thank you for everything you have done for us and especially our children...From the birthday gifts to the back-to-school packages and especially the Thanksgiving and Christmas packages...you have helped make a difficult time in our lives easier."

(Ava's mom)