



nepal orphans home

Annual Report 2009

Nepal Orphans Home is a 501(c)3 public charity incorporated in Davidson, North Carolina with operations in Nepal. Nepal Orphans Home was founded in 2005 by Michael Hess.

Mission Statement

Nepal Orphans Home attends to the total welfare of children in Nepal who are orphaned, abandoned, or not supported by their parents. Papa's House provides for the children's basic needs of food, shelter, and clothing, as well as schooling and health care, and administers to their emotional needs with love and compassion. Papa's House allows children to grow up in a nurturing environment. The mission of Nepal Orphans Home is not just to rescue children from abject poverty, but to enable the children to develop and realize their potentials.

Review of 2009

Despite a global recession and difficult political-economic conditions in Nepal, 2009 was another year of growth for Nepal Orphans Home (NOH) in providing for Nepali children. NOH began the year with two homes in Dhapasi, Papa's Samanjasya (Harmony) House for 46 girls, including 12 former Kamlari girls, and Papa's Sambhav (Possibilities) House nearby for 24 boys.

Providing for More Children

In March Michael brought 26 rescued Kamlari girls from the Lawajuni House in Narti to a new third home in Dhapasi, named Papa's Kalpana (Imagine) House. The girls moved into the building formerly housing the boys, who relocated to a newly expanded and renovated home on the same grounds, Papa's Sambhav House. Then, in November, another 24 girls rescued by Society Welfare Action Nepal (SWAN) came from Lawajuni to live in NOH's newest home, Papa's Gumba (Sanctuary) House. Thus, by the end of the year, NOH was operating four homes for a total of 124 children, including 26 boys and 98 girls, of whom 68 are former Kamlaris, on three campuses within walking distance of each other in Dhapasi. There were 9 resident staff members, including Michael, and 6 daily staff members.

NOH continued to support the Lawajuni (New Life) House in Narti for girls rescued by Society Welfare Action Nepal (SWAN). In addition, in May of 2009 NOH

increased its support of the Shree Sham Primary School in Votetar and the Shree Mudkeswari School in Dumrikharka, both in the Ramechhap district. Soon after, however, concerns with the operation of the schools and volunteer safety in the region led to a suspension of NOH support. Instead, in July NOH redirected funds to rebuilding the little school in Bastipur, where some of our NOH volunteers have served.

Our expanded mission was made possible by generous support of many donors across the world, three foundations, and the income from Volunteer Nepal.

Volunteer Nepal

The volunteer program continued to grow, even with the weak global economy and the ever-present domestic struggles in Nepal. Eighty volunteers from a dozen countries came to Nepal in 2009. Ten of the volunteers were returning for second stints. In March NOH leased a residential house for the volunteers, also in Dhapasi and near the main campus of Papa's Samanjasya House. By the end of the year, volunteer lodging was set up in a new, bigger house with better facilities, a more secure and less expensive lease, and even closer to the main campus.

Our volunteers continue with their important service: including introducing healthier and more environmentally sustainable briquette ovens to the villagers of Dumrikharka, teaching classes throughout the country, offering yoga and music instruction to our children, leading writing workshops, assisting in medical clinics, as well as tutoring, mentoring, and playing with Papa's House children. In the Terai, one volunteer, an emergency medical technician with plans to attend medical school, brought \$10,000 worth of donated medicines and supplies to a small clinic to help in his work assisting the local physician.

As the financial statement shows, Volunteer Nepal not only advances the NOH mission with talented, compassionate individuals serving in numerous capacities for the poor in Nepal, the income from volunteer fees significantly contributes to the operation of Papa's House. We are pleased to welcome Emma Brakes from England to the resident staff of NOH. Emma earlier served as a volunteer and will become to the new manager of Volunteer Nepal, beginning January 1, 2010.

Initiatives

In July NOH launched its electronic newsletter to connect better with the growing NOH family of volunteers, donors, and friends. Edited by Randi Miller of the NOH Board of Advisers, the inaugural edition, containing links to Michael's most recent update on the web site, profiles of Papa's House children and NOH volunteers, and announcement of major gifts, was emailed to over 750 friends of Nepal Orphans Home. In September a second newsletter was emailed to nearly 1,100 friends. In December our holiday greetings email was sent to the growing list of over 1,200 friends who subscribe to the newsletter.

In September NOH proudly presented its new logo, designed by Board of Director Toni Thomson's brother, Karl, and his team at Compass360 Advertising. The beautiful logo, a 'house with a heart,' captures the spirit, energy, and compassion of

Papa's House. Compass360 developed our logo as a donation to NOH, for which we are immensely grateful.

In October, we distributed new brochures for Nepal Orphans Home and Volunteer Nepal created by Carola Drosdeck of the Board of Directors. The colorful and informative brochures can be forwarded electronically and printed for use in fundraising and awareness raising events.

Affiliations

NOH registered with TechSoup Stock, 'an on-line product donation service that connects nonprofits with technology product donations.' NOH was accepted by VerticalResponse, a popular online service that allows 501(c)3 nonprofits to send up to 10,000 emails per month for free. This service has been invaluable in disseminating the NOH Newsletter. NOH also listed with FirstGiving, where individuals can create their own fundraising pages to raise money for nonprofit organizations. Late in the year, a friend created a page for NOH with GlobalMojo, a web browser that generates money for designated causes. Along with profiles on UniversalGiving, Guidestar, Change.org, Idealist.org, and our presence on Facebook, NOH is well positioned.

Support for Nepal Orphans Home

Nepal Orphans Home received generous support from many individuals around the world. Over the year, 400 individuals made donations to NOH, with gifts ranging from \$10 to \$10,000. Some of the gifts were designated for specific needs, including one for warm blankets for all of Papa's House children.

In 2009 Nepal Orphans Home received support from three foundations. The first foundation, Toni Thomson's Possible Worlds Foundation, has been a generous supporter of NOH for years, effectively raising awareness of our mission and contributing needed funds for our operations.

The William Hinman Foundation donated \$5,000 to NOH after three trustees visited Papa's House in April and met some of our children. The funds are being used for the tuition to the Skylark School of the 26 former Kamlari girls of Papa's Kalpana House.

Then, in the fall, Nepal Orphans home was selected as the international charity for support by the Sanctuary for Kids Foundation, a new not-for profit organization based in Canada that raises money for international and local children's charities providing vital services to youth and children in crisis. Sanctuary for Kids Foundation donated \$5,000 Canadian to NOH towards the operation of the new Papa's Kalpana House and has established a capital campaign with a fundraising goal of \$100,000 toward the construction of the first Papa's House for girls to be built on the future campus of Nepal Orphans Home.

NOH was also the beneficiary of corporate in-kind gifts, including over 400,000 Goody's Ouchless Elastic Bands, 2 ABS computers, 12 sets of the Banagrams word game, bracelet-making sets and paint and canvas kits from Alex Toys, and packages of waxy yarn from Omnicor, Inc.

For the second year, Jesse Bach of our Board of Advisers inspired the Imagine Event in December as well as a community yoga celebration on the shores of Lake Erie

in June, spreading the word about NOH and generating support throughout the greater Cleveland community. Also, through Jesse's goodwill, a professor and her public relations class at John Carroll University held a fund drive for NOH. In Raleigh, North Carolina, Alecia Westphalen, daughter of Marcie of our Board of Directors, inspired her classmates at Broughton High School to select Nepal Orphans Home as the beneficiary of its 4th annual International Festival. Like Jesse, Alecia has not only volunteered at Papa's House, but has continued to work to support the mission back at home.

Actions of the Board

In January the NOH Boards adopted a vision statement, which set forth the goal of our own campus in the Kathmandu valley for the children's homes and volunteer hostel incorporating sustainable technologies, vegetable gardens and fruit trees. We also aspire to have a school for kindergarten through grade 8 on the campus, ideally with a large endowment to pay for teacher salaries and assist our children in higher education.

Early in the year, the proposed budget for 2009 was approved by the NOH Board of Directors, as was the designation of the nonrefundable Volunteer Nepal application fee for Michael Hess's personal use, a stipend for the many hours he spends as coordinator of this NOH volunteer program. NOH opened a savings account with ING Bank, and the \$20,000 generated in 2008 for the NOH Capital Fund was placed into that account.

The NOH By-laws were revised. Mention of Papa's Trinity Academy, which NOH ceased supporting in April of 2008, was removed from the by-laws. Other rewording reflected the ever-changing numbers of children supported at Papa's House and the formal reporting to the board, from quarterly reporting to regular reporting (currently semiannual and annual reports). Also, more flexibility for the number of officers was incorporated. The NOH Board of Directors approved the revisions.

Two new members joined the NOH Board of Advisers: Randi Miller, an attorney from New York City, and Teri Duffy, a nonprofit executive director from Scappoose, Oregon.

In 2010 elections will be held for President, Secretary, and Treasurer. The initial officers were appointed by the Founder. After terms of 3 years, officers will be elected by the Board of Directors.

Concerns

Conditions in Nepal continue unsettled. Inflation, especially food prices, adds to the burden of the poor. Political instability and corruption remain entrenched and poverty endemic. The challenges of operating children's homes providing for the welfare of Nepali children are significant. Nepal Orphans Home remains focused on our mission of providing for the welfare of poor children. Papa's House children are growing up in a loving home, attending a good school, receiving regular health care, and embracing their opportunities to develop and realize their potentials.

Nevertheless, difficult starts in life, a harsh climate, and life's lottery of afflictions beset many children of Nepal, including our children. In November, Kajul Chaudhary, a former Kamlari who came to Papa's House in March, died at a children's hospital in Kathmandu from a congenital heart disorder. While deeply saddened by Kajul's passing,

we draw some solace from knowing that Kajul's last months were happily spent with her new sisters and brothers at Papa's House.

As noted, with our opening of two new homes in Dhapasi, Papa's Kalpana House in March and Papa's Gumba House in November, we were able to provide for 50 more rescued Kamlari girls who came from the Lawajuni Home in Narti. Nepal Orphans Home, however, is increasingly concerned about SWAN's operation of the Lawajuni Home. Our continuing support for the Lawajuni Home, financially and with volunteer service, is contingent on improved management.

Nepal Orphans Home will continue to work towards the realization of our campus. We have adopted a vision, begun a capital fund, and will seek external support from foundations, corporations, and individuals who share our mission.

Financial Statements

Below is presented the financial statements for 2009. In addition, attached at the end of the Annual Report is the proposed budget for 2010.

In 2009 Nepal Orphans Home had \$77,515 in net income derived from total income of \$236,550 and total expenses of \$159,035. For reference, the corresponding figures for 2008 were net income of \$28,383 from total income of \$140,115 and total expenses of \$111,732. From the net income for 2009 Nepal Orphans Home added \$56,000 to its capital fund. With the \$20,000 already in the capital fund from the net income from 2008 and accumulated interest, the capital fund, held in a money market account, now totals \$76,311. NOH is making progress toward realizing its vision of a campus in the Kathmandu valley.

In 2009 our total income, total expenses, and net income all increased by more than expected in our budget. The addition of the two new Papa's Houses with the increase in the number of children provided for largely explains the greater expenses. Growth in the NOH volunteer program, Volunteer Nepal, continued support from The Possible Worlds Foundation and new support from The William Hinman Foundation and The Sanctuary for Kids Foundation not only contributed to our operations but were confirmations of our mission. The Imagine events and Broughton High School fundraiser significantly contributed to the growth in donations. In particular, donations to Nepal Orphans Home more than doubled to \$133,436. We are grateful for all the support and heartened by the growing number of individual donors.

Peter Hess
President of Nepal Orphans Home



nepal orphans home inc.

a 501©3 Public Charity registered in North Carolina - P.O. Box 1254 Davidson, North Carolina, 28036
dedicated to helping children in need.

**NEPAL ORPHANS HOME Statement of Expenditures and Revenues
(January 1 - December 31, 2009)**

Figures are expressed in U.S. dollars, converted from the actual expenditures in Nepalese rupees using an average exchange rate determined each month.

Papa's Houses Expenditures:

\$ 16,855..... Grounds and Buildings
 \$5,255.....Building Lease Samanjasya
 \$ 564.....Land lease (playground) for Samanjasya
 \$3,401.....Building Lease Sambhav and Kalpana
 \$2,190.....Building Lease Gumba
 \$ 473.....Repairs & Improvements at all houses
 \$1,105.....Utilities at all houses
 \$3,867Cost of furniture

\$40,194..... Childcare
 \$20,508.....Food
 \$ 6,611.....Clothing
 \$ 8,616.....Supplies for children
 \$ 713.....Entertainment and Enrichment
 \$ 3,746.....Medical Services and Medicine

\$ 5,360..... Supplies for homes

\$ 7,915..... Staff Wages

\$ 9,696..... Skylark school, tutors, and other tuition and fees

\$ 1,775..... School expenses--books, uniforms, school bags, supplies

\$ 568..... Transportation

\$ 82,363.....Total Expenses for Papa's Houses

Business and Fundraising Expenditures:

\$ 2,676..... Business expenses (registration of NOH in Nepal, office supplies, etc)

\$ 4,545..... Communication and Fundraising
 \$ 2,641.....On-line service, computers
 \$ 1,854.....Web site maintenance
 \$ 50.....NC Solicitation License

\$ 4,354.....Banking fees (Pay Pal, ATM, wire transfers)

\$ 11,575.....Total Business and Fundraising Expenses

NEPAL ORPHANS HOME
Proposed Budget for 2010

The assumptions underlying the proposed budget for 2010 include:

1. The number of children provided for in the four Papa's Houses in Dhapasi will remain steady at 124.
 2. A projected general increase of 50 percent for childcare and staff expenses, allowing for price inflation and the growth in the number of children from 70 to 124 over last year. The projected increase for school tuition and expenses, allowing for full academic years for the additional Papa's House children and inflation, is also 50 percent. For all other expenses, other than grounds and buildings, the projected increase for price inflation is 15 percent.
 3. Growth of 20 percent in the income for Nepal Orphans Home from donations and the volunteer program. In turn, this growth in income assumes improvement in the global economy and no further political instability or unrest in Nepal.
 4. A general rounding up of estimates to the nearest hundred dollars.
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Papa's Houses Expenditures:

\$ 18,600.....	Grounds and Buildings
\$5,800.....	Building Lease Samanjasya
\$ 600.....	Land lease (playground) for Samanjasya
\$3,700.....	Building Lease Sambhav and Kalpana
\$4,200.....	Building Lease Gumba
\$ 500.....	Repairs & Improvements at all houses
\$1,300.....	Utilities at all houses
\$2,500	Cost of furniture
\$60,300.....	Childcare
\$30,700.....	Food
\$10,000.....	Clothing
\$12,900.....	Supplies for children
\$ 1,100.....	Entertainment & Enrichment
\$ 5,600.....	Medical Services & Medicine
\$ 6,200.....	Supplies for homes
\$11,900.....	Staff Wages
\$ 14,500.....	Skylark school, tutors, and other tuition and fees
\$ 2,700.....	School expenses--books, uniforms, school bags, supplies
\$ 700.....	Transportation
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\$114,900.....	Total Expenses for Papa's Houses
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Business and Fundraising Expenditures:

\$ 3,100..... Business expenses and office supplies, etc)
\$ 5,350..... Communication and Fundraising
 \$ 3,100.....On-line service, computers
 \$ 2,200.....Web site maintenance
 \$ 50.....NC Solicitation License
\$ 5,200.....Banking fees (Pay Pal, ATM, wire transfers)

\$ 13,650.....Total Business and Fundraising Expenses

Other Expenses (Support and local charity):

\$ 4,000..... Local charity
\$ 11,300..... Other projects
 \$ 7,300.....SWAN -- support for girls at Lawajuni
 \$ 2,500.....Transport to and from Narti
 \$ 1,500.....Remote village schools -- Dumrikharka and Votetar

\$ 15,300.....Total Other Expenses

Volunteer Nepal:

\$ 8,300.....House rent/lease
\$ 2,700.....Wages to employees
\$ 5,400.....Stipend to coordinator
\$44,000.....Food, transport, placement, etc.

\$ 60,400.....Total Volunteer Nepal Expenses

\$204,250.....Total Expenses for Nepal Orphans Home in 2009

Nepal Orphans Home Income:

\$160,200..... Donations
\$ 16,700..... Grants
\$106,700..... Volunteer Fees
\$ 600..... Interest on Capital Fund

\$284,200.....Total Revenue for Nepal Orphans Home

\$ 70,000.....Additions to Capital Fund
\$ 9,950.....Allocation to Contingency Fund

\$ 0.....Projected Net Income for Nepal Orphans Home in 2010