



nepal orphans home

Annual Report 2011

Nepal Orphans Home, a 501(c)3 public charity incorporated in Davidson, North Carolina, 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 2011

In 2011 Nepal Orphans Home (NOH) again excelled in its primary mission of providing for the children of Papa's House. As our children grow up, they continue to embrace their studies at Skylark School, while maintaining their affection and support for each other in the homes. The NOH boards adopted a committee structure to make better use of board members' talents and improve policy making. Volunteer Nepal (VN) became even more vital, not just in supporting Papa's House, but in the services of our volunteers that enrich the lives of the poor and disadvantaged in Nepal. Operating in a developing country, especially in a climate of political uncertainty, however, is difficult. Our effort to acquire land for a campus came up short; an agreement with Tilingatar that had been carefully negotiated fell apart. Nevertheless, NOH persists, bolstered by the support of many donors and volunteers around the world and inspired by the wonderful Papa's House children.

Papa's Houses

NOH began 2011 with 113 children (86 girls and 27 boys) in our four Papa's Houses. By the close of the year, we were providing for 124 children: 40 girls in the Samanjasya (Harmony) House, 27 girls in the Kalpana (Imagine) House, 29 girls in the Gumba (Sanctuary) House, and 28 boys in the Sambhav (Possibilities) House.

In addition to shelter, nutrition, and education, the health care of Papa's House children is ensured. Regular medical physicals and dental check-ups and treatment are

scheduled. Reflecting our open environment, the children of Papa's House celebrate Nepali and Western traditions, including Dashain and the Tihar festival, and Christmas and Valentine's Day. A number of volunteers from different countries came to Papa's House to share in the Christmas festivities this year.

Housing

Currently, the houses are under lease: three years for Samanjasya, the main campus, and two years for the others. NOH tries to secure leases of two to three years to provide some security, although as we experienced in 2010, landlords may change their minds, forcing NOH to find new shelter. With inflation and the current real estate boom in the Kathmandu Valley, continual pressure on leasing can be expected.

NOH, while carefully maintaining our homes, has also invested in additional facilities to enhance the development of our children, such as the playground equipment on the main campus and renovating a leased building into an arts and crafts center. Through donations, desktop and laptop computers with Internet connection are available in each home.

Education

All four homes are within fifteen minutes walking distance of Skylark School, and each school morning, the children set forth in a procession. At the end of the day, four tutors are available to assist the children with their studies. In November, the Board of Directors of the Amalia & Nicola Giuliani Foundation for Religion and the Arts voted to award a grant enabling NOH to employ four additional tutors for a year.

A good education is essential for the future livelihood of our children. Every child is encouraged and supported to continue their schooling for as long they can. At the Skylark School, five of Papa's House children ranked first, another five ranked second, and six more ranked third in their respective classes. Many of the stronger students give generously of their own time in the after-dinner homework session to help the other children.

In 2011, our eldest boy, Hikmat, who came to Papa's House in 2005 after escaping from Maoist insurgents, earned his School Level Certificate, and began attending Science College, an intense two-year curriculum that leads to university. Bumikha, a young girl with cerebral palsy and an indomitable spirit, has led our children to school and home again every day for the last several years. This year Bumikha began to attend the Special Education and Research Center (SERC) School, a private facility for children with physical and speech disabilities. There she receives specialized training, happily returning to Papa's House at the end of each school day.

Enrichment

In addition to this formal schooling, a number of other enrichment programs have been initiated. In April, six students from Aiglon, an International Baccalaureate boarding school in Switzerland, came to Papa's House with a faculty member to initiate an on-line mentoring program. Aiglon students had raised funds for six computers for Papa's House. Throughout the year, Aiglon students will help Papa's House children with their studies via the Internet, while increasing cultural awareness among both groups.

NOH has also been granted several computers, including solar-powered laptops downloaded with curriculum from Children of Tomorrow, an NGO for which Lauren Yanks serves as Project Manager for Nepal. Such programs contribute to the computer literacy of our children.

In the summer, NOH leased a small building next to the main campus that earlier had been a noodle factory as well as a rented residence. VN volunteers refurbished the run-down dwelling into an enrichment center, with a library, art room, storeroom, office, and a guest room for long term volunteers who will work with Papa's House children.

In September, Papa's House held the first "Sisters Day." After preparing for over a month, the boys of Sambhav (Possibilities) House put on a program incorporating song, dance, drama and comedy to the enthusiastic appreciation of their sisters. In addition, they prepared a multi-course Nepalese meal and served the assembled crowd of sisters, staff and honored guests.

To supplement their education during the long holidays in October, Papa's House created "Dashain Learning Camp," where the children who hadn't returned to their families took various subjects, from among English, math, computer, music, art, dance, drama, basketball, knitting, quilt and pillow-making--all taught by staff and volunteers.

Sustainable Livelihoods

Prior to this year, two of our oldest children became staff members at Papa's House after completing their schooling. Anita Mahato is the manager and her twin sister, Sunita, is the cook and live-in didi of Kalpana (Imagine) House. This past year, Sangita, one of the first children at Papa's House, completed her schooling and secured employment in sales at a call center in Kathmandu. Through the gift of a volunteer, one of the older boys, Chham, attended kayak camp, where he was offered a position as a guide-in-training. Chham, however, decided to continue with his studies for now.

There are other children at Papa's House who are approaching the end of their formal schooling. An integral part of the NOH mission is to prepare Papa's House children for lives as independent and productive citizens. NOH envisions establishing a sustainable livelihoods program through the Chelsea Education Center.

The Chelsea Education Center (CEC) will create a program where Papa's House children and others can develop the skills for sustainable livelihoods. For those children academically able and motivated, the CEC will provide university scholarship support. For those children with other interests and capabilities, the CEC will provide both vocational and life skills training. Subjects to be taught at the CEC might include: auto and motorcycle mechanics, welding, plumbing, electrical work, cabinetry, masonry, computer hardware repair, tailoring, cooking, and childcare, among others. An option in the program will be apprenticeships and on-the-job-training with local businesses. A guidance counselor will be hired to seek out apprenticeship and employment opportunities and offer each of our children counseling on an appropriate course of training to pursue before they reach the end of their formal schooling.

Through the leadership of Glenn Detrick, a member of the NOH Board of Directors, NOH has received a pledge of \$50,000 towards the Chelsea Education Center, intended to be an integral part of the NOH campus. The fundraising campaign begun on the NOH

website for the Chelsea Education Center will be incorporated into the capital campaign for the campus.

Actions of the NOH Board

In July of 2011, following a recommendation from board members who met in Cleveland in late April for an educational fundraiser for NOH, the boards were organized into committees, with the objective of increasing the effectiveness of the boards and improving the policy making of NOH. These committees of advisers, nominally led by the members of the Board of Directors, are open to others beyond the boards (e.g., those with expertise in related areas and former volunteers).

Committee Structure

The five committees with their primary responsibilities are:

- **Governance Committee**

Responsibilities include oversight of NOH, establishment and maintenance of affiliations with other nonprofits, recommendation of future directors of operations with determination of compensation, election of future members of the board of directors, and creating an "Expectations for NOH Board Members."

- **Communications Committee**

Responsibilities include the web management, newsletter, social media, marketing and promotion of NOH, including the development of fundraising kits, and oversight and planning of special projects, including fundraisers and in-kind contributions.

- **Volunteer Nepal Committee**

Responsibilities include working with the Volunteer Nepal director in setting the volunteer fees, establishing formal contracts and policies for volunteers, creating a volunteer alumni network to maintain the support and goodwill of NOH volunteers, and developing a recruitment process to generate new volunteers on college campuses and gap year programs.

- **Financial Committee**

Responsibilities include working with the NOH Treasurer on financial oversight, encompassing a system for audits and the filing of financial statements, and fundraising, involving the coordination of grant applications.

- **Strategic Planning Committee**

Responsibilities include development of a strategic plan and organizing and managing the capital campaign.

The committees began their work in the second half of the year. By the end of 2011, the Governance, Volunteer Nepal, and Strategic Planning Committees issued reports outlining specific actions and policy recommendations.

Adopted Proposals

In December, the Board of Directors approved several proposals of the Governance Committee: Expectations for Members of the Board of Directors; Expectations for Members of the Board of Advisers; Establishment of the Director of Operations as an ex-officio, voting member of the Board of Directors; and the process for filling the position of vice-president. Carola Drosdeck was selected as the vice president of NOH. She will serve an inaugural term of one year, with rotation among the non-officer members of the Board of Directors in following years until or unless formal elections are held.

Changes in Board Membership

In March, Katy Welter and Rick Bieterman joined the NOH Board of Advisers. Former VN volunteers, Katy is a research attorney for the Chicago Appleseed Fund for Justice in Chicago and Rick is a teacher at Hinsdale South High School in Hinsdale, Illinois. In June, Marcie Westphalen resigned from the Board of Directors. In July, Glenn Detrick, a former Associate Dean of the Olin Business School at Washington University in St. Louis, and cofounder of the company, Educational Benchmarking, Inc., joined the Board of Directors.

Strategic Plan

An initial draft of a strategic plan for Nepal Orphans Home was circulated to the boards in October. Designed to be a living document, continually evolving, the strategic plan includes: the mission and vision statements of NOH, an outline of the structural and financial organization of NOH, an overview of operations (Papa's Houses, Volunteer Nepal, and outreach programs), and a plan setting forth specific objectives, including the development of programs and facilities, with strategies and a time line for realizing these objectives. In particular, a description of the future campus for Nepal Orphans Home was provided.

In December the Strategic Planning Committee issued a revised Strategic Plan to the NOH boards, raising a number of specific issues to be addressed, including the design and timing of the capital campaign, NOH outreach programs, and current staffing. Summaries of the committee's discussion were provided and further discussion was invited.

An International Non-Governmental Organization

Nepal Orphans Home, known in Nepal as Papa's House, formally became an International Non-Governmental Organization (INGO) in the summer of 2011, in a ceremony at the Ministry of Social Welfare. As an INGO, Papa's House is recognized by the Nepali government and authorized to carry out social welfare programs and business in accordance with the applicable laws. There is a counterpart Nepali Board of Directors,

considered by the Ministry of Social Welfare to be the governing board for all activities of Papa's House in Nepal.

The Nepali Board functions as a counterpart to the NOH Board of Directors. A minimum of five members must serve on the Nepali Board to carry out the business in Nepal. Michael Hess, the NOH director of operations, and members of the NOH Board of Directors can sit as advisors on the Nepali Board, but by law the Nepali Board has the final say in the direction of Papa's House in Nepal. Ultimately, the control exercised by the NOH Board of Directors is in funding. Presently, the Nepali Board consists of the upper staff of Papa's House, the NOH lawyer, and a few select friends of NOH from the local community. Being an INGO might make it possible for NOH to acquire property through Papa's House in Nepal--as opposed to having a long-term lease (as was proposed in the contract with Tilingatar). According to the NOH counsel's interpretation of the law, Papa's House, but not NOH, can own land.

Volunteer Nepal

As noted, Volunteer Nepal (VN) is important in itself for providing valuable services to the poor in Nepal. Moreover, the net income from Volunteer Nepal continues to significantly contribute to the operating expenses of Nepal Orphans Home. The number of volunteer placements offered throughout Nepal has significantly increased over the last year. In 2011, over a hundred individuals from countries around the world, including the U.S., Canada, U.K., Germany, Spain, Finland, and Australia volunteered through VN. Several of the volunteers were returning for second or third stints.

Dedicated Volunteers

Besides the important services they provide while in Nepal, often our volunteers contribute before they arrive and continue supporting Nepal Orphans Home after returning to their home communities. Some examples are:

Before leaving with her mother and an aunt for VN, one high school student solicited eyeglasses from local optometrists, determined the prescriptions, and brought more than two hundred pairs to Kathmandu, where they were donated to a home for the elderly.

Two friends from Australia who volunteered at the Special Education and Research Center (SERC) collected and shipped three dozen boxes of sporting goods, toys, school supplies, and books to Papa's House, even incurring the 'hostage fees' imposed by the postal authorities in Kathmandu. Another volunteer raised funds to buy new mattresses, pillows, and quilts for all the Papa's House children.

In October, a former volunteer hosted a Nepal night fundraiser for NOH and VN in Adelaide, Australia, featuring Nepalese cuisine and handicrafts, and a video presentation of the volunteer's experience. A volunteer from this summer returned for the Christmas festivities bringing 125 back packs which he had solicited from Samsonite.

Some volunteers even start their own non-profits. For instance, a VN volunteer from Cleveland was so moved by her work at Bal Mandir Children's Home, a government-run orphanage, that she established a foundation to help children in Nepal with special needs. And, a teacher from Washington was so inspired by her volunteer experience that, upon

returning home, she founded her own charity, with a focus on supporting the education and future livelihoods of Papa's House children.

A volunteer, who served a nonprofit in Nepal that works with children and adolescents at risk of being trafficked, after returning to her home, not only has continued to assist with the organization's web site, but has become active in anti-human trafficking efforts in the United States.

In addition to those who volunteered through Volunteer Nepal, Papa's House hosted visiting mission groups during the year. A yoga group arranged with VN for a trekking and spiritual adventure in Nepal to help support Papa's House. NOH assisted an Australian team of medics in setting up clinics in Dolangsa and Bigu, remote regions of Nepal. In turn, this team, impressed by the care provided to the children of Papa's House, made a generous donation to NOH before leaving and seeks to establish an ongoing partnership with NOH.

Director of Volunteer Nepal

During 2011, Volunteer Nepal had three different directors, each very talented. The first, Sonam Dolkar, left in April for a job with the British Embassy. A former volunteer, Jehan Seirafi, capably filled in over the next few months, but had to return to her home in the United States in December. Before leaving, Jehan found her own replacement, Christina Baldarelli, our current director. Christina earned a B.A. from California State University and an M.A. in Applied Linguistics, with a focus on international education, from the Monterey Institute of International Studies. She has experience in Spain, Germany, and Kazakhstan.

Jehan will continue working for NOH from stateside. In addition to editing the NOH newsletter, she will develop VN alumni network to help with recruitment, especially at colleges and universities, and fundraising, and help maintain the other NOH social media platforms. Recent volunteers have put together videos and brochures describing some of the placement locations and experiences. Jehan will coordinate with Christina in organizing and expanding this collection.

The Volunteer Nepal Committee

In its report, the Volunteer Nepal Committee summarized its actions, including changes and additions to the Volunteer Manual which is sent to all accepted volunteers before their arrival in Nepal, and the development of a Welcome Manual for the Volunteer House. An on-line version of the Exit Interview has been created and suggestions were offered for changes on the VN website. In addition, the Volunteer Nepal Committee will work with the Communications Committee to develop fundraising kits for NOH benefits and special events.

Outreach

NOH's primary community outreach programs support the village school in Dumrikharka and the Sherpa School in Bigu. NOH also funds the education of 35 local children in Dhapasi, allowing them to attend the Skylark school where Papa's House children go. Other outreach efforts associated with Volunteer Nepal involve medical students from Australia who came to Nepal to work in hospitals and clinics.

The support for the Shree Sham primary school in Dumrikharka in the Ramechhap district began in 2008, was suspended in early 2010 due to dissension in the village, but renewed later in the year, albeit with NOH safeguards in place. NOH funds a hot lunch program six days a week, providing perhaps the most nutritious meal of the day for the children, which encourages their attendance in school. NOH also contributes to teacher salaries and school supplies for the village children, most of whom are Dalits (untouchables). Through Volunteer Nepal, NOH sends volunteers to teach in the village school. The monthly cost of our assistance to the village school is approximately \$350. In 2008 two VN volunteers, initiated a sustainable energy project in Dumrikharka with the introduction of briquette ovens. The project not only improved the health of the villagers, but launched a local cottage industry in briquette-making.

In 2010 NOH began helping a small Tibetan school near the Bigu Monastery, where many NOH volunteers serve. This school benefits about 20 poor Sherpa children, who attend for free. In 2011, NOH contributed \$1,000 to support the school.

For two years, from February 2008 through early 2010, NOH supported the Lawajuni Home in Narti for former Kamlari girls rescued by Society Welfare Action Nepal (SWAN). Subsequent mismanagement of the home led to the suspension of NOH support. Towards the end of 2010, Michael Hess began discussions with Man Bahadur Chhetri, an Ashoka fellow and founder of the Indentured Daughters Program, about the possibility of establishing a home for rescued girls in the Bardiya district in the mid-western region of Nepal, along the border with India. Subsequently, the Ministry of Education instituted a program for Kamlaris that provides 1500rs (approximately \$20) per child per month to children's homes. Many children's homes have since been opened in the Dang and Bardiya districts, often motivated by potential profit more than the welfare of the former Kamlaris. As a result, NOH's possible collaboration with Man Bahadur was on hold in 2011.

A Campus for Nepal Orphans Home

Late in 2010, Michael began a discussion with the Tilingatar Land Trust about a 3-acre (24 ropani) plot in Dhapasi. Although negotiations were still in the early stages by the end of the year, one plan involved an exchange. For use of some of this land for our campus, Nepal Orphans Home would pay for the construction of a new elementary school, to be run by Tilingatar. Negotiations continued into the new year. In March of 2011 the NOH board of directors unanimously approved of a proposed contract.

In late May of 2011, Michael signed a contract with the Tilingatar Land Trust. In return for a 99-year lease for 9 ropani of land (a little over an acre) for the NOH campus, NOH would contribute \$200,000 for an academic building for Tilingatar. NOH would also later contribute \$150,000 towards the construction of a vocational center, to be co-owned and managed with Tilingatar. NOH would have the naming rights to this nonprofit vocational center. Also on the Tilingatar land would be a school, financed in part by the Indian government, and a small orphanage, operated independently by another Nepali party. On the NOH campus would be three or four residential buildings (Papa's Houses), a separate dining hall which would have a central library, study hall meeting room combination; and a small general store.

All appeared ready to go, with groundbreaking anticipated within the month. NOH had already been working with an architect in New York on the design of the campus. An engineer in Nepal had developed a rendering of the Tilingatar buildings. Soon, however, Maoists in the Tilingatar group undermined the agreement, insisting on the following: the time period be reduced to 35 years (down from the 99-year lease); the allotted land be reduced to 6 ropani (down from the 9 ropani agreed upon), and language be included in the contract that the NOH campus was to be used for educational purposes only and any other use would be a breach of the agreement and forfeiture of the buildings. Consequently, NOH suspended its collaboration with Tilingatar. Fortunately, no payments were made by NOH to Tilingatar. Subsequently, NOH began anew the search for suitable land for the campus.

Contributions

In addition to the net income from Volunteer Nepal, Nepal Orphans Home depends on donations. In 2011, in addition to the numerous donations received through benefits and fundraisers, over 250 individuals made financial contributions and many others provided gifts-in-kind, including sports equipment, school supplies, computers, and hand-knitted hats. Significant for the raising of funds and spreading awareness of Nepal Orphans Home's mission were the numerous events held by friends. These ranged from bake sales and silent auctions, to fun runs, dinners, yoga events, and photography exhibits. A jewelry designer from Canada created a pendant with the VN logo for sale at fundraisers and on-line.

A very successful *Celebrate the Possibilities!* Education Fundraiser was held on Sunday, May 1st at Michaelangelo's Restaurant in the Little Italy section of Cleveland. Several of the 2010 Yoga for Freedom trip participants helped to organize and publicize the fundraiser, which included a silent auction, raffle, Nepali merchandise, photo and video displays, and plenty of food. Carola Drosdeck, Boo Hess, and Toni Thomson, members of the NOH Board of Directors, made two formal presentations, which included a general overview of NOH, the reading of a passage from Michael, and a screening of Toni's "What It Takes" video. The evening generated considerable funds, as well as a new set of people interested in supporting NOH into the future.

Noted in last year's annual report was the opening of NOH's account with Scottrade, allowing supporters to donate shares of stocks, which are then sold with the proceeds deposited into the NOH operating account. This provides another way to donate to NOH, one with tax advantages to the donors of the stocks. Since then, two generous donations of stock have been made to NOH, both intended for the capital fund for the future campus.

Foundation Support

NOH is fortunate to have the support of four foundations. Toni Thomson's Possible Worlds Foundation (PW), based in Canada, has been integral in raising awareness and generating funds for our mission for the past few years. In 2011 PW funded the education of twenty-five Papa's House children. In addition, PW contributed towards improving the

children's nutrition, purchased rugs for the children's rooms, and sponsored the Valentine's Day party, perhaps the first of its kind in Nepal.

The Sanctuary for Kids Foundation (SFK), also based in Canada, pledged C\$100,000 towards the first residential building on our future campus. In 2011, NOH received the final installment on that pledge. SFK also generously contributed to the nutrition of Papa's House children, allowing for milk and juice to be regularly served at meals, as well as subsidizing the purchase of fresh fruits and vegetables. In recent years, food prices have increased significantly in Kathmandu, so the support of SFK and PW are most welcome and advantageous to our children's health.

Jesse Bach's Imagine Foundation, dedicated to spreading awareness and promoting solutions for ending child slavery, held a yoga event in support of NOH in 2011, which contributed to the operations of Papa's House.

In 2011, NOH was awarded \$3,000 by Father Giuliani and the Board of Directors of the Amalia & Nicola Giuliani Foundation for Religion and the Arts to hire four additional tutors for a year.

Current Situation and Future Concerns

Nepal remains a challenging place in which to live and operate. Below, selected excerpts from Mikel Dunham's blogs (www.mikeldunham.blogs.com January 24, 2012) capture the conditions:

...Nepal's political and peace processes remained stalled in 2011, resulting in instability, weak governance, and a lack of progress on accountability for human rights violations, Human Rights Watch said today in its World Report 2012.

...The government and political parties consistently failed to establish accountability for serious abuses during the conflict with Maoist insurgents, which ended in 2006, Human Rights Watch said. Instead, they further weakened an already dysfunctional justice system by ignoring court orders and appointing people allegedly guilty of serious rights violations to senior government positions.

...In a positive development, the government agreed to an integration and rehabilitation package for former CPN-M combatants. Under this agreement, the former combatants could choose whether to join non-combat units of the army or seek rehabilitation and compensation. A high-level committee was formed in November to oversee this process.

...The government made little progress in 2011 toward realizing people's economic, social, and cultural rights, Human Rights Watch said. Reports of lawlessness persist in many parts of the country, especially in the southern plains of the Terai and the eastern hills. Allegations that armed groups and ethnically based organizations have been involved in killings, kidnappings, and extortion have not been investigated by the Nepali authorities.

...Dalits (“untouchables”) suffered from discrimination in virtually all spheres of life, including housing and education. In a positive move, the government announced in May the passage of a Caste-based Discrimination and Untouchability (Crime and Punishment) Bill. But the legislation needed to carry out the measures outlined in the bill has not yet been passed.

Moving Forward in 2012

Despite these challenges, Nepal Orphans Home remains steadfast, inspired by the wonderful children of Papa's House and energized by those around the world who have supported our mission, contributing funds and services, organizing benefits and spreading awareness of our work.

As 2012 unfolds, NOH persists in its efforts to secure land for our campus. As reflected in the Strategic Plan, primary areas for attention are: land for the campus, education and sustainable livelihoods, outreach, efficient operations, and the capital campaign.

Campus

Having a campus not only establishes our permanent presence in Nepal, a tangible commitment to the children of Papa's House, but improves our ability to help the poor in Nepal. Our children will be able live and play together on one campus. They will gain a sense of ownership of their home, the place where they grow up in a loving family of brothers and sisters.

Moreover, owning our campus will improve the financial security to sustain our mission. Currently NOH leases the property and buildings for our Papa's Houses and Volunteer Nepal. Real estate prices in Kathmandu, indeed in the entire Kathmandu Valley, are rising sharply, adding quite a burden to our budget. There are no assurances of continuing to be able to lease property. Having our own campus and being able to control cost seems essential to our future.

Education and Sustainable Livelihoods

Integral to the NOH mission is the education of our children. Ensuring access to good schools for our children is an essential consideration in locating our campus. Central to the campus will be the Chelsea Education Center, offering a program of vocational training and continuing education.

To monitor the progress of each child, Michael has prepared records for every Papa's House child, listing the children's guardianship information from their village, information about the child, including how the children have come to us, and other biographical data and health records. NOH will prepare the children for productive lives after they leave Papa's House. In addition to the formal schooling, essential will be reproductive health education as well as instruction on health, hygiene, nutrition, first aid, and treatment of illness.

Outreach Programs

As noted, NOH currently supports two village schools and the education of three dozen local children in Dhapasi. In the past NOH has supported the Lawajuni Home for rescued Kamlari girls in Narti in the Dang district. These programs also serve to provide VN opportunities. An important question is whether NOH should continue, increase, or reduce its outreach programs. Altering support for the current outreach programs or developing new programs are options to consider. Should the discussion with Man Bahadur about a new home for rescued Kamlaris in the Bardiya district be pursued? Once NOH secures its own campus, community outreach may be extended, for example, to adult literacy classes.

Efficient Operation of NOH

The recent reorganization into committees will result in more effective participation of the board members and should yield better policy for NOH. The Financial Committee is exploring the desirability of hiring a trained accountant to maintain the financial records, as well as file the necessary IRS forms and secure an external audit of NOH. With expenses over \$200,000 and income exceeding \$300,000 in 2011, NOH may need to move to professional accounting.

Whether the current staffing for NOH operations in Nepal is optimal needs to be addressed. Should an on-site business manager be added to relieve the director of operations of some of his many responsibilities? This individual would help manage the operations of all of Papa's Houses, maintaining complete records of expenditures, paying the bills, and overseeing the staff. Staffing this position, along with the manager of Volunteer Nepal, would free up Michael from some of the daily business to focus on the larger operations, including realizing the strategic plan, promoting NOH and corresponding with supporters and other NGOs in Nepal sharing our mission.

Fundraising and Capital Campaign

NOH has enjoyed some success in building up a capital fund, both through savings and through the generous contributions of the Sanctuary for Kids for the first residential building on the new campus and Glenn Detrick for the Chelsea Education Center. With our plans for this campus and education center, as well as endowments for the higher education of Papa's House children, Nepal Orphans Home will need to launch a capital campaign. Developing this campaign should be a focus of 2012. Key issues to be addressed include creating fundraising kits, more effectively using the NOH websites and Facebook pages for increasing support, and developing the VN Alumni Network. Logistical questions include the timing of the campaign, offering various ways for giving, and the designation and recognition of major gifts. Grants from corporations and foundations should be pursued.

Financial Statement for 2011

Below please find the financial statement for Nepal Orphans Home for 2011. For the year, income from donations, volunteer fees, and grants totaled \$331,434. The total expenses of NOH summed to \$248,997. Consequently, the net income for 2011 was \$82,437. For comparison, the figures for 2010 were: total income of \$329,104; total expenses of \$210,438; and net income of \$118,666.

From the net income for 2011, NOH added \$44,989 to its capital fund, which stood at \$213,546 entering into 2012. The proposed budget for Nepal Orphans Home for 2012 follows the financial statement.



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
www.nepalorphanshome.org

NEPAL ORPHANS HOME Statement of Expenditures and Income (January 1 - December 31, 2011)

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

Papa's Houses Expenditures:

\$ 36,054	.....	Grounds and Buildings
\$ 5,984	.....	Building Lease Harmony
\$ 948	.....	Land lease (playground)
\$ 1,825	.....	Cottage and land
\$ 7,943	.....	Building Lease Imagine
\$ 5,651	.....	Building Lease Possibilities
\$ 5,568	.....	Building Lease Sanctuary
\$ 4,165	.....	Repairs & Improvements at all houses
\$ 1,719	.....	Utilities at all houses
\$ 2,251	.....	Cost of furniture
\$ 68,786	.....	Childcare
\$50,022	.....	Food
\$ 2,745	.....	Clothing
\$ 9,925	.....	Supplies for children
\$ 6,094	.....	Medical Services and Medicine
\$ 3,088	.....	Supplies for homes
\$ 12,654	.....	Staff Wages
\$ 24,191	.....	Skylark school, tutors, other tuition and fees, and enrichment
\$ 20,803	.....	School expenses--books, uniforms, school bags, supplies
\$ 1,091	.....	Transportation
\$166,667	.....	Total Expenses for Papa's Houses

Business and Fundraising Expenditures:

\$ 5,555	.....	Communication & Fundraising
\$ 1,575	.....	Fundraising
\$ 3,070	.....	On-line service, computers
\$ 910	.....	Web site maintenance
\$ 3,402	.....	Business expenses (registration of NOH in Nepal, office supplies, postage, etc)
\$ 5,874	.....	Banking fees (Pay Pal, wire transfers, conversion fees)
\$ 14,831	.....	Total Business and Fundraising Expenses

Outreach and local charity:

\$ 8,394 Local charity
\$ 986 Sherpa school
\$ 4,288 Dumrikharka village school
\$ 2,394 Miscellaneous

\$ 16,062 Total Other Charity

Volunteer Nepal:

\$ 8,372 Payroll (non-Nepali staff)
\$ 38,100 Food, transport, sightseeing, placement, Nepali wages
\$ 4,965 House lease

\$ 51,437 Total Volunteer Nepal Expenses

\$248,997.....Total Expenses for Nepal Orphans Home in 2011

Nepal Orphans Home Income:

\$175,081..... Donations
\$ 54,760 Grants
\$ 99,631 Volunteer Fees
\$ 1,962 Interest

\$331,434Total Income for Nepal Orphans Home in 2011

\$ 82,437 Net Income for Nepal Orphans Home in 2011

NEPAL ORPHANS HOME Proposed Budget for 2012

The assumptions underlying the proposed budget for 2012 include:

1. The number of children provided for in the four Papa's Houses in Dhapasi will be maintained at 125, approximately the average number of children in 2011.
 2. A projected increase of five percent for grounds and buildings, while under lease, to allow for unexpected expenses. This is included as a contingency fund.
 3. A projected general increase of ten percent for childcare, staff expenses, supplies, and other operating costs, allowing for price inflation. The projected increase for school tuition and expenses, allowing for additional tutoring and enrichment programs, is ten percent. For food, expected inflation is also ten percent.
 4. A projected increase of forty percent in business and fundraising expenses, to include the capital campaign, web site maintenance, business expenses and banking fees (including accounting and legal expenses).
 5. Outreach programs and local charity are budgeted to increase by ten percent overall.
 6. Growth of ten percent in the number of volunteers to 125, with corresponding increases of 10 percent in income and expenses for Volunteer Nepal.
 7. Growth of twenty percent in donations independent of the capital campaign.
 8. NOH will continue to pursue foundation support and other grants, however, with the final installment of the Sanctuary for Kids Foundation received in 2011, a reduction of fifty percent in grants is projected. The capital campaign, to be launched in 2012, will be separate from this proposed budget.
 9. Projections of income and expenses are conditional, in general on continued improvement in the global economy and no further political instability or unrest in Nepal.
 10. A general rounding up of estimates to the nearest hundred dollars.
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Papa's Houses Expenditures

\$ 38,100 Grounds and Buildings

- \$ 6,000 Building Lease Harmony
- \$ 1,000 Land lease (playground)
- \$ 1,800 Cottage and land
- \$ 8,000 Building Lease Imagine
- \$ 5,700 Building Lease Possibilities
- \$ 5,600 Building Lease Sanctuary
- \$ 4,200 Repairs & Improvements at all houses
- \$ 1,700 Utilities at all houses
- \$ 2,300 Cost of furniture
- \$ 1,800 Contingency Fund

\$ 75,600 Childcare

- \$55,000 Food
- \$ 3,000 Clothing
- \$10,900 Supplies for children
- \$ 6,700 Medical Services and Medicine

\$ 3,400 Supplies for homes

\$ 13,900 Staff Wages

\$ 26,600 Skylark school, tutors, other tuition and fees, and enrichment

\$ 22,800 School expenses--books, uniforms, school bags, supplies
\$ 1,200 Transportation

\$181,600 Total Expenses for Papa's Houses

Business and Fundraising Expenditures:

\$ 7,800 Communication & Fundraising
 \$ 2,200 Fundraising
 \$ 4,300 On-line service, computers
 \$ 1,300 Web site maintenance
\$ 4,800 Business expenses (registration of NOH in Nepal, office supplies, postage, etc)
\$ 8,400 Banking fees (Pay Pal, wire transfers, conversion fees)

\$ 21,000 Total Business and Fundraising Expenses

Outreach and local charity:

\$ 9,200 Local charity
\$ 1,100 Sherpa school
\$ 4,700 Dumrikharka village school
\$ 2,600 Miscellaneous

\$ 17,600 Total Other Charity

Volunteer Nepal:

\$ 9,200 Payroll (non-Nepali staff)
\$ 41,900 Food, transport, sightseeing, placement, Nepali wages
\$ 5,500 House lease (including utilities and supplies)

\$ 56,600 Total Volunteer Nepal Expenses

\$276,800.....Total Expenses for Nepal Orphans Home in 2012

Nepal Orphans Home Income:

\$210,100 Donations
\$ 27,400 Grants
\$ 109,600 Volunteer Fees
\$ 2,000 Interest

\$349,100Total Income for Nepal Orphans Home in 2012

\$ 72,300Net Income for Nepal Orphans Home in 2012

\$60,000 Additions to Capital Fund
\$12,300 Allocation to Contingency Fund