



nepal orphans home

Annual Report 2012

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 2012

In 2012, Nepal Orphans Home (NOH) continued to fulfill its central mission, not only with safe shelter, nourishment, education, and health care for over a hundred and thirty Papa's House children, but providing them with a happy, secure environment for growing up and hope for a bright future.

The number of children cared for increased over the year and a fifth Papa's House was added. We continued in our search for land for a consolidated campus and prepared for a capital campaign to raise the funds for construction. We began formulating a Sustainable Livelihoods program of vocational training and life skills instruction through the Chelsea Education Center. Our Volunteer Nepal grew and we took steps to develop a volunteer alumni network to support our efforts in fundraising and generating new volunteers. Our outreach to assist others in need increased. In all, significant progress was made, but much remains to be done.

A New Papa's House

In early March, Michael sent Hari, a new Volunteer Nepal staff member to Achham, a remote, poor district of Nepal, over thirty hours by bus from Kathmandu. As Michael described it:

This is a place that is so barren that despite all extraordinary human toil the ground is only going to yield enough food for a few months. It either is painfully dry or receives biblical amounts of rain in a few days, causing mud slides which result in loss of life and a cholera epidemic each monsoon. Because it is so far away from Kathmandu and the people so

helpless...it is largely ignored by the government, so the schools are spaced far apart and receive no subsidy. There is no work for men, so they go to India, become HIV-infected, and return home and pass it along to their wives. With little or no medical intervention and little to feel hopeful about, they both die leaving the children to fend for themselves.

Hari soon identified eighteen girls who desperately needed help and eight boys who would be on their own if NOH were to help their sisters. He was able to find eight mothers willing to take in the boys if NOH provided some support. In Dhapasi, Michael found a house, an older home, large, in good repair, with a yard, located on a quiet walking path near the school.

In March the members of the NOH board approved opening a new Papa's House in Dhapasi for these eighteen girls, as well as supporting foster homes for the eight boys remaining in the village in Achham. The boys in Sambhav House moved to the new house, since it is bigger than their own and a better match for their outdoor playing. In April, however, the government ministries of social welfare and women and children invoked a rule that children should be cared for in their own communities. Consequently, only four of the Achham girls were able to come to Dhapasi to their new home, Papa's Indreni (Rainbow) House, formerly the boy's home.

Over the next few months, eleven additional children (ten girls and one boy) came to Papa's House, from villages across Nepal, including Narti, where the Lawajuni Home is located. Most of these new children had been orphaned. The new girls settled into the Papa's Indreni House. In the fall, two more girls from Achham arrived.

For the two-week Dashain holiday in October, NOH arranges for those Papa's House children who have some family or guardians to travel back to their villages. Occasionally a few of these children are not able to return. This time, unfortunately, the six girls from Achham did not come back. The adult responsible for their return trip kept the funds NOH had provided for their travel back for himself. Three other girls from Narti were kept from returning to Papa's House by their guardians.

Papa's Houses

NOH began 2012 with 124 children (96 girls and 28 boys) in the four Papa's Houses. At the close of the year, we were providing for 135 children: 39 girls in Samanjasya (Harmony) House, 28 girls in Kalpana (Imagine) House, 29 girls in Gumba (Sanctuary) House, 30 boys in Sambhav (Possibilities) House and 9 girls in the newest home, Indreni (Rainbow) House.

Each of our five Papa's Houses is managed by Nepali staff. In July, Michael, who had been managing Samanjasya (Harmony) House, in addition to all of his responsibilities as director of operations, hired Anita Chaudhary to manage this home. Dawn Kumari Gurung, a staff member since 2005, helps Anita manage Samanjasya House, which is the largest of the five homes. Gita Lama, who has also been with NOH since 2005, is in charge of Gumba House, and Pratap Chetri and his wife, Devika, manage Sambhav House. NOH is especially proud that two of our first children, Anita and Sunita Mahato, twin sisters, are respectively running Kalpana and Indreni Houses.

In addition to the on-site managers, each house has a didi (young woman) for cleaning and other chores. House managers also help with buying supplies and accompanying children to medical appointments.

After a summer stint as a volunteer at Papa's House, Carola Drosdeck, vice-president of the board of directors, observed:

Our House Managers (Anita, Gita, Pratap, and Sunita) are outstanding! They are unbelievably dedicated to the children, to Michael, and to NOH as a whole....All four managers practice a wonderful balance of flexibility and firmness, humor and seriousness, play and work, creating an overall environment of respect, security, and love in each of the homes.

In 2012 Nepal Orphans Home rented the five large homes for the Papa's Houses. Additionally, another house for Volunteer Nepal, a cottage next to the main campus for workshops, the large playground in front of Papa's Harmony House, and land next to the cottage are under lease. The total cost of these leases for 2012 exceeded \$30,000. Whenever possible, NOH tries to secure leases for two to three years. With inflation and the population growth in the Kathmandu Valley, continual pressure on leasing can be expected.

Through donations, desktop and laptop computers with Internet connection are available in each home. In 2012 NOH was able to purchase solar panels for our homes. Possible Worlds Foundation donated the funds for ten solar panels. Additional solar panels were funded by Sanctuary for Kids Foundation and individual donors. With electricity often available for only six to eight hours a day outside of the monsoon months, solar panels provide reliable lighting for the kitchens and dining rooms, which double as study halls.

To facilitate the daily business of Papa's House, in 2012 NOH purchased a new Honda motor scooter for the house managers to transport supplies and take children to their doctor's appointments. The scooter and helmets were funded by a university professor from Minnesota, who over the years had numerous students from Nepal, and happening upon the NOH web site, was motivated by our mission.

Child Care

Founder and director of operations, Michael Hess, and his staff are diligent in managing the daily expenses. Nevertheless, the average cost of providing for a child at Papa's House, while still under \$4 a day, is rising.

A large share of this is for food. In 2012, Papa's House spent over \$59,000 for food, approximately \$440 per child. In recent years, food prices have increased worldwide (from 2005 through 2011, the World Bank's price index for food rose over seventy percent). Nepal is no exception. In 2012 Nepalnews.com reported twelve percent inflation in food prices. Our children enjoy a nutritious diet, with milk, fresh vegetables and fruit supplementing the staple of rice. Twice a week chicken is served in the girl's houses and chicken and meat are each served once a week in the boy's house. Nepal Orphans Home is grateful to Sanctuary for Kids Foundation for their contribution for the nutrition of our children.

As our children experience their physical growth spurts, so do their needs for new clothing. Moreover, as our children advance in school, the costs of school supplies rise with

the additional requirements for texts and 'homework copies.' We can expect rising expenses for childcare, especially if the number of children at Papa's Houses increases.

Papa's House children receive excellent care. Glenn Detrick, a member of the NOH Board of Directors, after visiting Papa's House in February reported,

This bunch of kids has to be the happiest group of children I have ever seen, anywhere (I've been to 81 countries). The joy to the kids of having 125 brothers and sisters and a well-managed, loving home is readily apparent. They are disciplined in their studies and very, very thankful for what they have.

Later in the year, in opening the new Indreni House, Michael eloquently captured the mission of Nepal Orphans Home,

In observing our children all these years, I have found that they are their own best medicine. Regardless of the grim histories they each own before coming to us, they enter our homes and become swept up in the buoyancy of love, optimism, glee for the present and excitement for the future. They do not dwell on their past, in fact it is seldom if ever present in their thoughts.

Education

Most of our children continue to attend Skylark school, where they work hard at their studies. The end of the school year always finds a number of Papa's House children at the top of their classes. Some of our children, however, who had received little if any schooling before coming to Papa's House, struggle. Yet they too persevere, determined to get an education.

The new children who arrived during 2012 were not able to attend Skylark School, since the school year was well underway. NOH home-schooled these children, hiring a full-time teacher, initially assisted by one of our older students, who had a three-month wait for the results of her School Leaving Exam before she could begin college. Also, volunteers, some of whom have teacher training, offer one-on-one help to the children. By the end of the year, there were fourteen children going to school at Papa's House.

In 2012, four of our older children, having achieved their School Leaving Certificates after completing the tenth grade and passing a comprehensive exam, are attending college. Nepal Orphans Home is grateful to the Life's Handy Work Foundation for supporting the higher education of these Papa's House children.

The total cost for education for all of Papa's House children (tuition and fees, tutors, school supplies, books, and uniforms) in 2012 was nearly \$33,000.

Enrichment

There are enrichment programs after school for Papa's House children, including instruction in Tae Kwon Do, dance and music, arts and crafts. There are opportunities for our older children to correspond online with students from Aiglon, an International Baccalaureate boarding school in Switzerland.

For a second year, during the two-week school holiday in October, Papa's House ran a "Dashain Learning Camp," for the children who hadn't returned to their villages. Various classes, including English, math, computer, drama, sports, sewing and knitting, were taught by staff and volunteers.

Papa's Samanjasya House girls, under the guidance of Dawn Kumari, grew fresh spinach, lettuce and vegetables on the land NOH leased between cottage and their home. Also, Papa's House boys, under the guidance of Pratap, the Sambhav House manager, cultivated a small garden at their home.

Once or twice a month all the children gathered at 5:30 on Saturday morning to clean up the litter on the streets in their Dhapasi neighborhood. On alternate Saturdays they cut the grass of the large playground with small scythes. The children enjoy working together for the common good, and perhaps their example is making an impression on their neighbors.

Holidays are joyous occasions at Papa's House. Following the two-week Nepali festival of Dashain, is Tihar, a five-day celebration, including a Brother's Day. In addition, the children look forward to the Christmas holiday, Valentine's Day, and Sister's Day. Birthdays are celebrated with cakes, song, and small gifts. These traditions enrich their childhoods and promote the wonderful sense of family that permeates Papa's House.

Sustainable Livelihoods

While NOH recognizes that a good education is essential for the future livelihood of our children, and every child is encouraged and supported to continue their schooling for as long they can, not all of our children will choose to attend university. Consequently, NOH is establishing the Chelsea Education Center (CEC) with a Sustainable Livelihoods Program to provide both vocational and life skills training.

Under the leadership of Glenn Detrick, initial progress was made in 2012 in developing the Sustainable Livelihoods Program. A process for identifying prospective students and determining their interests and skills was drafted. This will serve as a guide for beginning the vocational training. Currently there are only a few of Papa's House older children who are potential candidates for this program, i.e., who are unlikely to progress to university. The life skills workshops, however, will benefit all of Papa's House children. Topics to be covered include listening and communication skills, basic introduction to business (marketing, sales, accounting, etc., for those who ultimately may want to open their own shops), and creative problem solving.

A job description for a director of the CEC and Sustainable Livelihoods Program has been developed. This individual will become part of the management of NOH and responsible for finding internship or apprenticeship opportunities and developing appropriate life skills workshops. Nevertheless, it is difficult at this time to financially justify a full-time director's position to get the Center off the ground. It is likely that a CEC director's position will begin on a part-time basis or, more preferably, be considered as part of a position that at least initially includes other responsibilities.

In 2013 we will continue to develop the concept of the CEC and Sustainable Livelihoods Program, identify those children who will be best served by vocational and life

skills training, search for a director, and explore opportunities in the Kathmandu area for apprenticeships. Moreover, raising funds for the CEC is part of the NOH capital campaign. At the end of 2012, the capital fund for the Chelsea Education Center totaled over \$56,000.

Volunteer Nepal

Officially, there were 131 volunteers in 2012 from eleven countries. In December Volunteer Nepal (VN) was moved to a five-bedroom house near Skylark School. The former VH is now home for two of NOH's college students, with space for overflow crowds of volunteers.

During the year there were two directors of the program. Christina Baldarelli, who began in December 2011, reluctantly had to resign in September when her husband was relocated out of Kathmandu. Erin Murphy, who overlapped one month with Christina, unfortunately did not work out and left in November. Michael filled in after Erin departed. NOH then hired Nancy Ko, who is scheduled to begin her work in Nepal in February of 2013. Nancy has extensive international experience, including service as a volunteer with the Peace Corps in Guyana, a WorldTeach Volunteer in Bangladesh, and most recently as Deputy Director, Minority Culture & Heritage Center in Guizhou, China.

Carola Drosdeck, convener of the VN committee, reported that the volunteer program has become increasingly professional in its operations, recruiting a sizeable pool of dedicated volunteers, while maintaining its "personal touch" approach. Staff policies, job descriptions, and more systematic methods for recording keeping have been developed. A new VN Teaching Manual includes many helpful hints and even simple lesson plans for experienced or novice teachers who plan to teach at some of our placement locations. Other convenient services added are money exchanges and a portable medical kit for volunteer placements outside of the Kathmandu Valley.

More frequent postings about special events, new placement opportunities, and advice for volunteers, were made this year on the NOH page and the VN+NOH group page on FaceBook. At the end of 2012, there were more than 700 members of the VN+NOH group. A former VN director and current editor of the NOH Newsletter, Jehan Seirafi, was able to arrange for Volunteer Nepal to be mentioned in the latest edition of the Lonely Planet book on Nepal.

Volunteer feedback from the online exit surveys from the past year was compiled and has been helpful in improving the experience of future volunteers. Reviews by volunteers are available on the NOH profile on Guidestar. For the eleven reviews posted, Volunteer Nepal received the top five-star rating.

Working with Nancy Ko, the new director of Volunteer Nepal, the NOH VN committee plans to develop the volunteer alumni network for spreading awareness, supporting fundraising, and generating new volunteers. At the end of 2012, a Vertical Response mailing and postings on Facebook invited former volunteers to host Holiday House Parties. Electronic files of materials as well as suggestions for organizing events were made available to anyone requesting them.

We are also recruiting volunteers through college career and volunteer offices. NOH has developed materials for distribution to these offices, including examples of volunteer placements (Tibetan school in Bigu, government orphanage, medical clinics). Carola made a

presentation about Volunteer Nepal at the Graduate Volunteer Fair at John Carroll University in October. Tamara Saltzman, a new member of the NOH Board of Directors has worked with her alma mater, Smith College, to establish an internship with VN/NOH. Bob Linscott, a new member of the Board of Advisers, made a presentation at University of Massachusetts-Boston last fall.

Outside of the valuable services provided by our volunteers in Nepal, the net income generated by Volunteer Nepal (over \$61,000 in 2012) is essential for covering the expenses of NOH and Papa's Houses.

Outreach

Nepal Orphans Home continued its support of the Shree Sham primary school in Dumrikharka and the Sherpa School in Bigu. For the former, NOH funds a hot lunch program six days a week and also contributes to teacher salaries and school supplies for the village children, most of whom are Dalits (untouchables). NOH helps fund the operations of the small Tibetan school for twenty poor Sherpa children. Through Volunteer Nepal, NOH sends volunteers to teach in the both schools. In addition, NOH subsidizes the education of over thirty local children in Dhapasi, allowing them to attend the Skylark school where Papa's House children go.

Also, in 2012 NOH contributed towards a new well at the Lawajuni Home in Narti in the Dang district. From February 2008 through early 2010, NOH had 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. Nevertheless, NOH has maintained contact with SWAN and was happy to help with the project to provide safe water for the children of the Lawajuni Home.

Overall in 2012, NOH spent \$18,000 for charity.

Actions of the NOH Board

In February, with the release of the NOH Annual Report for 2011, the 2012 budget was proposed and subsequently adopted by the board. In March, the vision statement for a campus for Nepal Orphans Home, initially formulated in January 2009, was reaffirmed. The board endorsed Michael Hess writing to prospective major donors as part of the silent phase of the NOH capital campaign. Also, in March, the board of directors approved the Achham program described earlier in this report. Charges for the committees that were established in 2011 were set forth.

The Governance Committee would develop the expectations for board members for the capital campaign, for example, in terms of raising funds, contacting potential donors, and spreading awareness of NOH. The Volunteer Nepal committee, working with Jehan and Christina, would develop the VN Alumni Network and a process for integrating past volunteers in raising awareness and funds. The VN committee would also collaborate with the Communications Committee to organize fundraising kits that could be sent electronically to friends of NOH organizing benefits or special events. The Communications Committee would develop a plan to promote the capital campaign through the social media, e.g., NOH pages on Facebook, UniversalGiving, Guidestar, FirstGiving. The Finance

Committee would develop a list of grant opportunities for the capital campaign and decide on naming rights for major gifts, e.g., for designated parts of the campus, whether a residential building, or rooms within a building, e.g., a dining room library, science lab, or kitchen, or parcels of land. The Strategic Planning Committee, working with the Chelsea Education Center Committee, would develop the vision, strategy, and implementation of the capital campaign.

To varying degrees, the Committees did make progress. The Volunteer Nepal and Chelsea Education Center advances were noted earlier. An NOH Information Kit was assembled and presented to the boards in November, along with an invitation for members of the board to host holiday house parties or events to generate support for NOH. Among other material the kit contained electronic files with House Party Guidelines, information on accessing YouTube videos made about Papa's House, a document "Improving the Lives of Poor Children in Nepal," with a brief history of Nepal Orphans Home, Volunteer Nepal information, our vision for a permanent campus in the Kathmandu Valley, a one-page 'press release' about NOH, brochures for NOH and VN, and profiles of several of Papa's House children.

Some members of the boards subsequently did solicit support over the holidays, including organizing an event at Lake Erie Artists Gallery in Shaker Heights, Ohio, hosting a holiday house party in Jamaica Plains, Massachusetts, sending personal appeals to supporters in North Carolina and Toronto, Canada, and holding a fundraiser sale in Paris, France.

Changes in Board Membership

Tamara Chant Saltzman, an event planner and business developer from Paris, joined the NOH Board of Directors. Tamara, a long-time supporter, has initiated important projects, including the Aiglon College cultural exchange, and has worked to raise awareness and generate support for NOH both in Europe and the United States. After returning to the South Carolina Senate, Greg Gregory asked to move from the Board of Directors to the Board of Advisers. Carola Drosdeck, who was selected as the vice president of NOH in 2011, agreed to continue to serve in that position. Elections for officers will be held in 2013.

Bob Linscott, Assistant Director of the LGBT Aging Project, in Massachusetts, and Laurie Levine, Spiritual Director and Minister of Positive Living Spiritual Centre in Australia, joined the Board of Advisers. Both Bob and Laurie had previously volunteered through Volunteer Nepal and have been active in generating support for NOH in their home communities. Benjamin Hess resigned from the Board of Advisers, due to the demands of his work not allowing him to give the attention to NOH he desired.

A Campus for Nepal Orphans Home

In concert with developing a capital campaign, throughout the year, possible land sites for the campus were reviewed. The search for suitable land that is also affordable for the proposed NOH campus has been ongoing for the last few years.

In the past decade, a real estate boom has driven up land prices in the Kathmandu Valley. As Michael noted, the boom has been created by easy credit from the banking sector, as well as the investment in real estate of the substantial remittances received from

Nepalis abroad. Even during the ten-year insurgency that ended in 2006, the price of land in the valley had increased, as it was the only physically and economically safe haven for investment in the country. While in the last couple of years, land prices have dropped by over a third, further decline is unlikely. Most owners of land seem willing to hold and wait for the inevitable increase back to previous levels.

Factors weighing the opportunities to purchase land outside the valley at an initially cheaper cost against paying exorbitant prices in the valley, include security, the costs of infrastructure like water, electricity, and Internet, and access to schools, markets and hospitals. Construction costs and the lower quality of building are strong mitigating factors in the attractiveness of the less expensive land outside the valley. Rural land is often terraced, requiring retaining walls, and there will be the greater expense in the delivery of materials, difficulty in finding a talented labor force, and in many cases, the costs of boring of deep wells for water, running electricity to the property, and construction and maintenance of usable roads to the campus.

In early 2012, Nepal Orphans Home considered two plots of land, each around 20 ropani (2.5 acres), about thirty minutes from the Papa's Houses in Dhapasi. The first, while having an ample supply of water, would require grading and is projected to adjoin a major road, with heavy traffic. The asking price was around \$650,000. The second, a flatter plot of similar size but with scenic views, would need some investment in securing adequate water and opening up a suitable road. The asking price was over \$700,000. In March other land was found, a 3.5-acre rice field bordering a stream, undeveloped but with access to electricity and Internet, on a good road. The price was \$825,000, which was less than half of what similar parcels were selling for a year earlier.

This is the current reality for land in the Kathmandu Valley. If NOH desires a campus in the Kathmandu Valley, and if the minimum size is on the order of 2.5 acres, then the investment in land will run \$750,000. Building the campus, to include the Chelsea Education Center, will likely entail at least another \$500,000. In 2012, our savings in the capital fund are less than a sixth of this total. The \$100,000 donated by the Sanctuary for Kids Foundation is designated for the first residential building and \$56,000 has been donated explicitly for the Chelsea Education Center. In short, little is available for the purchase of land.

Moreover, the political turmoil and instability in Nepal are ongoing. As noted by Mikel Dunham (<http://www.mikeldunham.blogs.com>):

The Constituent Assembly (CA) of Nepal was dissolved on May 27, 2012 after it failed to draft a Constitution within the stipulated time, even after four extensions. Amid protests and disagreements among the political parties, the former Prime Minister (presently the caretaker Prime Minister) Baburam Bhattarai announced fresh polls to be held on November 22, 2012 to give a logical conclusion to the drafting process. The blame game, as usual, is at its peak among the political parties. (from: Anshuman Behera of the Institute for Defence Studies and Analyses):

and

The current situation remains extremely volatile, with a vacuum of political legitimacy in Kathmandu risking an escalation of violence across the country. The Nepali people's trust in their political institutions and major political parties have been considerably eroded, as these

have apparently placed their own political interests and objectives ahead of those of the aspirations of the people they represent. (from: a written statement submitted by the Asian Legal Resource Center to the Asian Human Rights Commission on June 5, 2012).

Given this uncertainty, the still extremely expensive price of land in the Kathmandu Valley, the lack of response to Michael's solicitation of major donors, and the shortfall in our savings, the NOH Board of Directors deemed it best to postpone the formal launch of a major capital campaign. Rather, NOH will continue operations as they are, leasing the homes, carefully moving forward on the Chelsea Education Center (CEC) and sustainable livelihoods program, and while selectively pursuing major gifts in a silent phase of the capital campaign, redouble our efforts to generate grassroots support. We will still explore possibilities for land for a campus, but we recognize that we will not likely have the sufficient funds for a major investment for some time.

Contributions

In addition to the net income from Volunteer Nepal, Nepal Orphans Home depends on donations. In 2012, nearly three hundred individuals across the world donated to NOH. Members of the NOH Boards were among the most generous. Furthermore, numerous monetary gifts were received through benefits and fundraisers. Many others provided gifts-in-kind, including sports equipment, school supplies, computers, and knitted socks and hats.

Significant for the raising of funds and spreading awareness of Nepal Orphans Home's mission were the numerous events held by friends. These included bake sales and silent auctions, photography exhibits, fun runs, yoga events, tea parties and Australian BBQs. Especially inspiring were the children who initiated the bake sales or who celebrated their birthdays by asking for donations for the children of Papa's House. Sometimes groups passing through Nepal make it a point to visit Papa's House, like the ultra-marathoners from Hong Kong, who made a generous donation.

NOH also received gifts of stock, processed and sold through our account with Scottrade. One end-of-year stock donation was sufficient for covering the lease of Papa's Samanjasya House.

Foundation Support

NOH is fortunate to have the support of four foundations, one of which asked to remain anonymous. Toni Thomson's Possible Worlds Foundation (PW), based in Canada, has been integral in raising awareness and generating funds for our mission over the years. In 2012 PW funded the education of twenty Papa's House children. In addition, PW purchased solar panels for the homes and sponsored the Valentine's Day party.

The Sanctuary for Kids Foundation (S4K), also based in Canada, who pledged C\$100,000 towards the first residential building on our future campus, continued with its generous support. In 2012, S4K 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 2012, NOH received support from Life's Handy Work, a nonprofit organization headquartered in Washington state, with a mission to provide the children from Nepal Orphans Home with the opportunities to seek a college education, vocational training, housing, and small business grants as they grow into adulthood. Life's Handy Work's donation supported our first four children in college: Hikmat at Southwestern College of Science and Engineering, Kabita and Sabita at Herald College of Science and Management, and Anil at Kathmandu College of Medicine.)

Initiatives

Tamara Salzman arranged for a Smith College and Princeton University alumni tour group to visit Papa's House one day in June as part of their "Himalayan Kingdoms" journey. Dividends from this visit include subsequent collaboration with Smith College in establishing an undergraduate praxis experience for Smith students through Volunteer Nepal. Also, during June, Tamara, Carola, and the director of Volunteer Nepal, Christina Baldarelli, met with the program director of the Fulbright office in Kathmandu for information on various projects that might help to connect U.S. college students with activities in Nepal.

A Prospectus, a ten-page account of Nepal Orphans Home chronicling our progress and aspirations with colorful charts, photos, profiles of Papa's House children, and testimony of volunteers is being developed to aid in the solicitation of support from corporations, foundations, and major foundations. Bob Linscott is taking the lead in designing the Prospectus.

Moving Forward in 2013

Nepal remains a challenging place in which to live and operate, as selected excerpts from Mikel Dunham's blogs ([http: www.mikeldunham.blogs.com](http://www.mikeldunham.blogs.com)) well illustrate the conditions:

A 2012 World Bank outlook points out that 25 percent of Nepalese live below the international poverty line of less than US\$1.25 per day, and two out of three live in rural areas, where they depend on agriculture for their livelihood. In the UN Human Development Index it is ranked at 157 out of 187 countries - among the poorest in the world. Only 16.7 percent of Nepal's land is arable, yet agriculture makes up one-third of its GDP. (from July 19, 1012)

and

There are an estimated 1.5 million Nepali child workers between 5-17 years. Even though the minimum legal age of employment in Nepal is 14, children as young as six can be seen working in roadside restaurants, factories, offices, and even in homes.

Poverty and lack of opportunities are driving many families to use children as safety nets and sending them out to earn without caring about the physical and psychological dangers involved," says Helen Sherpa of World Education, which has been working on educational projects to combat child labour in Nepal.

Although the number of child workers under-14 has dropped from 2.6 million ten years ago, surveys show there has been an alarming rise in the number of children working in hazardous environments like mines, brick kilns, factories and “entertainment” industries. (from July 6, 2012)

In addition to providing for the welfare of Papa’s House children, Nepal Orphans Home’s agenda for 2013 includes: developing the Chelsea Education Center and Sustainable Livelihoods program, continuing to grow and strengthen Volunteer Nepal; and building the capital fund for the NOH campus. Determining how best to move forward will require the insights, hard work, and commitment of the boards of directors and advisers, the management and staff of Papa’s House and Volunteer Nepal, our VN volunteers, and our many friends and supporters, all inspired by our mission of enabling Papa’s House children to develop and realize their potentials.

Financial Statement for 2012

Below please find the financial statement for Nepal Orphans Home for 2012. For the year, income from donations, volunteer fees, and grants totaled \$316,853. The total expenses of NOH summed to \$263,949. Consequently, the net income for 2012 was \$52,904. For comparison, the figures for 2011 were: total income of \$331,434; total expenses of \$248,997; and net income of \$82,437.

The NOH capital fund stood at \$251,104 entering into 2013. The proposed budget for Nepal Orphans Home for 2013 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, 2012

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

Papa's House Expenditures:

\$ 43,256 Property

\$ 30,532 Leases on Children's Homes and Playground

\$ 1,692 Lease on Cottage and Garden

\$ 4,281 Repairs and Improvements at all Houses

\$ 2,593 Utilities at all Houses

\$ 2,274 Cost of Furniture

\$ 1,884 Motor Scooter

\$ 78,655 Childcare

\$ 59,400 Food

\$ 3,663 Clothing

\$ 8,949 Supplies

\$ 2,752 Medical

\$ 3,891 Supplies for the Homes

\$ 32,893 Education

\$ 20,422 Skylark Tuition, College Fees, Tutors

\$ 4,116 Home Schooling and Enrichment

\$ 8,355 Uniforms, Books, Supplies

\$ 759 Local Transportation

\$ 4,858 Transport to Home Villages

\$ 12,467 Staff Wages

\$172,888 Total Expenses for Papa's Houses

Administration and Fundraising Expenditures:

\$ 4,080..... Communication and Fundraising

\$ 532 Fundraising

\$ 1,508 Online Service

\$ 2,040 Web Site Maintenance

\$ 3,430 Business (registration, office supplies, visa, postage)

\$ 6,000 Banking Fees

\$ 13,510 Total Administration & Fundraising Expenses

Other Charity given in Nepal:

\$ 10,013 Local Charity

\$ 3,387 Sherpa School and Bigu Monastery

\$ 3,405 Ramechhap School

\$ 1,204 SWAN

\$ 18,009 Total Other Charity

Volunteer Nepal Program:

\$ 40,619 Food, transport, placements, sightseeing, other VN exp.

\$ 7,435 House lease and utilities

\$ 4,130 Volunteer Nepal director payroll

\$ 7,358 Volunteer Nepal staff wages

\$ 59,542..... Volunteer Nepal

\$ 263,949 Total Expenditures for Nepal Orphans Home in 2012

Nepal Orphans Home Income:

\$170,523 Donations

\$ 23,429 Grants

\$120,722 Volunteer Nepal Fees

\$ 2,179 Interest

\$316,853 Total Income for Nepal Orphans Home in 2012

\$ 52,904 Net Income for Nepal Orphans Home in 2012

NEPAL ORPHANS HOME Proposed Budget for 2013

The assumptions underlying the proposed budget for 2013 include:

1. The number of children provided for in the five Papa's Houses in Dhapasi will be maintained at 135.
2. A projected increase of ten percent for grounds and buildings, while under lease, to allow for unexpected expenses.
3. A projected general increase of ten percent for childcare, staff expenses, supplies, and other operating costs, allowing for price inflation. For food, expected inflation is twelve percent, the estimated average for Nepal in 2012.
4. A projected increase for school tuition and expenses, allowing for additional tutoring and enrichment programs, is ten percent. A line item for \$4,000 for the Chelsea Education Center and the Sustainable Livelihoods Program is added.
5. A projected increase of ten percent in business and fundraising expenses, to include the capital campaign, web site maintenance, business expenses and banking fees (including accounting and legal expenses).
6. Outreach programs and local charity are budgeted to increase by ten percent overall.
7. Growth of ten percent in the number of volunteers to 145, with increases of 20 percent in income and operating expenses for Volunteer Nepal to account for growth in the program and inflation. This also assumes an increase of ten percent in scheduled volunteer fees.
8. Growth of ten percent in donations independent of the capital campaign.
9. NOH will continue to pursue foundation support and other grants, and a ten percent increase in current grants is budgeted. The capital campaign will be separate from this proposed budget.

Notes: Projections of income and expenses are conditional, in particular on no further political instability or unrest in Nepal. A general rounding up of estimates to the nearest hundred dollars is used.

Papa's House Expenditures:

\$ 46,100 Property

- \$ 33,600 Leases on Children's Homes and Playground
- \$ 1,900 Lease on Cottage and Garden
- \$ 4,700 Repairs and Improvements at all Houses
- \$ 2,900 Utilities at all Houses
- \$ 2,500 Cost of Furniture
- \$ 500 Motor Scooter (maintenance and operation)

\$ 87,600 Childcare

- \$ 66,500 Food
- \$ 4,000 Clothing
- \$ 9,800 Supplies
- \$ 3,000 Medical
- \$ 4,300 Supplies for the Homes

\$ 40,200 Education

\$ 22,500 Skylark Tuition, College Fees, Tutors

\$ 4,500 Home Schooling and Enrichment

\$ 9,200 Uniforms, Books, Supplies

\$ 4,000 Chelsea Education Center and Sustainable Livelihoods Program

\$ 800 Local Transportation

\$ 5,300 Transport to Home Villages

\$ 13,700 Staff Wages

\$193,700 Total Expenses for Papa's Houses

Administration and Fundraising Expenditures:

\$ 4,500..... Communication and Fundraising

\$ 600 Fundraising

\$ 1,700 Online Service

\$ 2,200 Web Site Maintenance

\$ 3,800 Business (registration, office supplies, visa, postage)

\$ 4,000 Banking Fees

\$ 12,300 Total Administration & Fundraising Expenses

Other Charity given in Nepal:

\$ 11,000 Local Charity

\$ 3,700 Sherpa School and Bigu Monastery

\$ 3,700 Ramechhap School

\$ 1,300 SWAN

\$ 19,700 Total Other Charity

Volunteer Nepal Program:

\$ 48,700 Food, transport, placements, sightseeing, other VN exp.

\$ 8,900 House lease and utilities

\$ 10,000 Volunteer Nepal Director

\$ 10,000 Director of Operations

\$ 8,800 Volunteer Nepal staff wages

\$ 86,400..... Volunteer Nepal

\$ 312,100 Total Expenditures for Nepal Orphans Home in 2013

Nepal Orphans Home Income:

\$188,000 Donations

\$ 25,800 Grants

\$144,900 Volunteer Nepal Fees

\$ 2,200 Interest

\$360,900 Total Income for Nepal Orphans Home in 2013

\$ 48,800 Net Income for Nepal Orphans Home in 2013

\$ 40,000 Allocation to Capital Fund

\$ 8,800 Allocation to Contingency Fund