The year 2012 marked our 10th year since formally incorporating in the United States. This landmark birthday afforded us the opportunity to reflect on our achievements over the last decade, as well as engage in some deep visioning about the years ahead. The pages that follow will take you on an inspiring journey both into the past and the future of Lotus Outreach. But before you begin this journey, we wanted to take this opportunity to tell you what it is that makes Lotus Outreach such a unique and powerful organization.

Broadly speaking, Lotus Outreach’s mission is to ensure the education, health, and safety of at-risk and exploited women and children in the developing world. Our purpose in pursuing this mission is to help create a more just, peaceful world where all people – regardless of nationality, ethnicity, religion, and gender – can lead rich, meaningful lives that are free of physical and structural violence.

Our pursuit of this vision is manifested in the following core program areas:

1. improving access to quality education for marginalized youth
2. economic empowerment of parents and young women
3. human trafficking and gender-based violence prevention and aftercare
4. improving health and sanitation for vulnerable communities

We pursue our mission with both passion and intelligence. Through a process involving extensive research, careful strategic planning, on-the-ground assessments of needs and opportunities, and relentless dialog with our stakeholders and beneficiaries, we have developed a number of guiding principles which we believe sets us apart from other charitable organizations:

1) Multi-Dimensional Problems Demand Multi-Dimensional Solutions
Lotus Outreach believes that the most successful programs will embrace the complex nature of the development process, and introduce holistic and cross-cutting interventions where possible. For example, our microfinance programs incorporate advocacy on education, sanitation, and human trafficking prevention; our scholarship programs recognize that malnutrition and sickness can interfere with schooling and thus provide food stipends and healthcare; and our counter-trafficking advocacy programs seek to link at-risk migrant populations to village-based economic opportunities. We feel that a problem as complicated as third world poverty demands a similarly complex, thoughtful, and well-planned solution.

2) Diverse Communities = Diverse Approaches
Through our nearly 20 years of experience, we have learned that cultural nuance must be a core element of program design. We recognize that values, priorities, and capabilities can change drastically from one country to another, but also from one village to another. Perhaps more importantly, we recognize that opportunities vary greatly from one community to the next. Whether our target beneficiary is landed or landless, urban or rural, or young or old will determine the type of services we provide them.
3) Balancing Novel Approaches With The “Tried And True”
Lotus Outreach values innovation, and is always looking for opportunities to become better stewards of our limited donor resources. But we also believe in continuing to invest in what has been demonstrated to work, i.e., “the tried and true.” Most importantly, we pride ourselves in our ability to make novel and innovative approaches “tried and true” over time by experimenting small and scaling up what works.

4) Maximize Existing Resources, Particularly When They Are Already Provided By The Government
We believe that good stewardship means not duplicating projects and programs that are already underway, be they implemented by other development organizations or governments. Perhaps more importantly, however, we believe that we can get a lot more mileage from our investment of time and money if we augment what already exists. In the case of our core education programs, for example, this means supplementing (v. replicating) the government education system through transportation programs, scholarships, and tutoring. Unlike some of our counterparts in the charitable sector, we don’t build private schools or fund private scholarships. We believe that if education is going to be effective, compulsory, and universal, we must invest in improving the government system rather than turning our backs on it.

5) Correcting Inequities
Lotus Outreach programs target extremely marginalized populations in the developing world, and seek to correct inequities related to gender, caste, ethnicity, language, and religion so all children – regardless of the conditions into which they were born – have an equal chance at achieving their full potential.

6) It’s Better To Cure A Problem Than Treat Its Symptoms
We believe that it is far more prudent and compassionate to invest in programs that prevent needless suffering, abuse, and exploitation before they occur. In the words of Frederick Douglass, “it is easier to build strong children than to repair broken men.”

7) Investing Wisely
Charitable funds are finite – particularly for international organizations – and we owe it to our donors and our target communities to expend our resources carefully and smartly. We believe that investing wisely means supporting projects that will a) achieve sustainable results for entire communities or b) capitalize on the “multiplier effect” by investing in those who promise to pay forward the skills and knowledge they receive.

8) Community Participation And Social Cohesion
Lotus Outreach believes in turning the development process over to the very people who stand to benefit. To achieve this goal, many of our programs train communities on their rights and responsibilities as citizens and encouraging democratic participation. We have a deep level of respect for our beneficiaries, and believe that they will be the ones to ultimately guide their communities and nations toward better futures. We simply aim to extend a helping hand in the process.

9) Fostering Self-Reliance
Believing that change spreads fastest from the ground up, Lotus Outreach projects are delivered at the grassroots level by local people and organizations. We provide critical support to our program partners in the areas of funding, program design, performance management, technical support, training, and data collection and analysis, while giving them enough autonomy to ensure the local ownership and cultural relevance of each project. In essence, we work to connect concerned and compassionate people in affluent nations with effective, grassroots projects in the developing world, while making sure every donor dollar is spent in an effective, judicious and transparent way.

Lotus Outreach’s long-term vision, however, is to make our role superfluous. We aim to create a world in which our projects are no longer necessary: where the rare cases of extreme poverty and exploitation are effectively dealt with by local governments and indigenous nonprofits, which are equipped to meet the needs of their people. In sum, we aim to create a world where both families and nations are self-reliant.

We thank for your engaged and compassionate support of this vision.

Sincerely,

Patty Waltcher  Erika Keaveney
President  Executive Director

Lotus Outreach Annual Report 2012 3
Improving Access To Quality Education For Marginalized Youth

Education is the backbone of Lotus Outreach’s mission, and each and every year we continue to grow our educational reach. In 2012, our educational support programs – which provide essential materials such as school supplies, transportation, and meals – reached 1,100 students in Cambodia and India. In Cambodia, our scholarship efforts continue to expand at the tertiary level, with over 100 girls receiving university scholarship support by the start of the 2012 2013 school year. The focus on tertiary education marks a critical juncture for Lotus Outreach in Cambodia. We are not only proving to poor communities that educating girls is a worthy investment, but we are helping to rebuild the intellectual class which was purged during the 1975–79 genocide. And with our first cohort of Blossom Bus riders expected to graduate high school in 2013, we hope to soon see these incredible outcomes replicated in India.

2012 At-A Glance

- **651** at-risk youth provided scholarships in Cambodia.
- **112** of them received their high school diplomas in July.
- **364** bikes distributed to impoverished Cambodian girls clearing the single greatest obstacle to their continued education.
- **6,000** Cambodians reached through advocacy campaign on the returns of investing in children’s education.
- **20** ethnic Phnong teachers in Cambodia supported through pedagogy school.
- **4** of them are now teaching in public classrooms.
- **16** of them are currently completing their teaching practicum.
- **383** School Management Committees established and trained in Mewat, India.
- **410** toilets built at public schools as a result of LO’s pressure on the government of Mewat.
- **350** kitchens built at public schools as a result of LO’s pressure on the government of Mewat.
- **149** adolescent girls provided enrollment assistance and bus transportation in Mewat through Blossom Bus.
- **99%** of the Blossom Bus riders advanced to the next grade level.
Chanta’s Story: From Student To Educator

Cambodia is only beginning to heal from the scars left by the Khmer Rouge genocide in the late 1970s. An entire generation missed out on public education, and only 2% of women in the country have baccalaureate education today. This dearth of professionals is directly linked to infant and maternal mortality, poor education quality, and sluggish growth of the white-collar sector. Further, the legacy of poverty left by the genocide means the very people who promise to help Cambodia develop – its future doctors, teachers, lawyers, and businesspeople – are unable to reach their potential for want of a few dollars each month in school-related expenses. By supporting higher education for Cambodia’s poorest girls, Lotus Outreach is working to change this reality, one girl at a time.

The story of Luen Chanta showcases the multiplier effect of investing in the education of women and girls. Orphaned in the 9th grade, Chanta was able to survive on her own thanks to the GATE residential care program, which provides housing, utilities, food, and transportation to at-risk girls so they can continue their studies. Chanta’s hard work in the face of adversity paid off, and she was accepted into a two-year pedagogy school shortly after graduation in 2010. In 2012, Chanta received her primary school teacher certificate (with distinction) with continued support from GATEways scholarship program which covered her living expenses while in college. Chanta’s high score on the pedagogy exam (3rd in her district and 19th in her entire province) meant she had the choice to accept a teaching placement anywhere in the country; she chose to return to her home village. “I’m so happy to be working back in my home village,” shares Chanta. “I can be a role model and will help the children and families here to value education and stay in school as long as they can!”

Right now, there are over 100 girls like Chanta pursuing higher education with dedicated support from Lotus Outreach through GATEways. These promising young women are not only committed to improving the lives of their families, but hope to contribute to the social and economic development of their country.

What Are Our Gateways Scholars Studying?

- 41% Accounting & Finance
- 16% Medical
- 13% Humanities
- 12% Education
- 8% Business
- 3% Law
- 3% Development
- 2% Science
- 1% Social Services
- 1% Arts
2012: A Year in Review
Human Trafficking And Gender-Based Violence Prevention And Aftercare
The year 2012 witnessed a significant increase in the number of at-risk migrants reached through our counter-trafficking advocacy program on the Thai-Cambodian border. This was partially attributable to the installation of an innovative new safe migration information kiosk directly outside of the immigration detention facility in Poipet. In India, we continue to provide educational support to several hundred lower-caste child laborers living in brick factory compounds in order to free them from the life of nomadic subsistence labor known to the countless generations that preceded them.

While most of Lotus Outreach’s programs are designed to prevent abuse and exploitation before they occur, we still recognize that victims of sexual violence and exploitation will depend entirely on nonprofit organizations for comprehensive aftercare. That is why we continue to provide trauma therapy, social assistance, skills training, and financial support for survivors referred to us by law enforcement agencies. Though gender-based abuse and exploitation is a persistent problem in Cambodia, in 2012 the number of shelter referrals was at an all-time low while the percentage of girls pursuing legal action against their abusers was at an all-time high. This suggests the beginning of a cultural shift treatment of women and girls in Cambodia.

### 2012 At-A Glance

- **13,736** migrants and street children reached by LO’s message on safe migration and human trafficking prevention.
- **75** shelter-based victims of trafficking, rape and domestic violence received counseling, social assistance and financial aid.
- **8** child rapists convicted with LO’s assistance in Cambodia.
- **5** perpetrators awaiting trial.
- **300** former child laborers in Mewat, India, provided with enrollment assistance and bus transportation.
- **25** red light children provided with scholarship materials including supplies, books, uniforms and shoes.
- **4** trafficking victims identified and referred for aftercare and reintegration assistance.
- **7** of these victims’ relatives also referred for aftercare and reintegration assistance.
The year 2012 marked a significant expansion of our economic empowerment programs. In Cambodia, our Integrated Rural Development program was scaled up to 20 new villages in the remote province of Pursat, bringing life-changing economic opportunities and basic financial services to thousands of rural villagers. Our emphasis on expanding livelihood programs is a result of Lotus Outreach’s long-term goal to equip people to meet the health, education, and nutritional needs of their families – without reliance on outside support. Further, we believe that empowering communities to engage in village-based economic opportunities will result in reduced high-risk migration and consequently reduced labor and sex trafficking.

Lotus Outreach also provides training and small business support to survivors of sexual exploitation, rape, and domestic violence in order to give them a fresh start and lower their odds of re-victimization.
Vanna’s Story: From Karaoke Girl To Village Tycoon

The remarkable story of 30-year-old Khorn Vanna showcases the untapped potential of the 45% of Cambodian women that missed out on basic education. Vanna is part of an entire generation that was denied education due to the Khmer Rouge’s systematic shutdown of the public system and summary execution of 90% of the country’s teachers in the late 1970s. Growing up in the wake of genocide, civil war and foreign occupation, Vanna and her siblings were forced by poverty and political turmoil to spend their childhoods working rather than studying.

Cambodia is only beginning to make a comeback from those tragic events, and the nation’s Ministry of Education has worked to develop a fast-track literacy, numeracy and life skills curriculum designed to give women like Vanna the basic skills they need to enter the workforce. Lotus Outreach has been delivering Non-Formal Education (NFE) and job skills training courses in the red light areas of Phnom Penh since 2005, and has witnessed hundreds of entertainment and sex workers acquire the skills and confidence necessary to pursue safer, more dignified careers.

While many NFE participants are able to better their lives tangibly as a result of the classes, Vanna has used the skills she acquired to improve the livelihood of an entire village. Vanna entered the NFE program in 2011 while working as a karaoke girl and instantly soared to the top of her class. While soaking up daily lessons on basic literacy, numeracy and business management, she additionally enrolled in our sewing and tailoring course, which proved to be a springboard for her career as a prolific businesswoman. "When I started NFE, I couldn’t sew a straight line," shares Vanna. "It was the skills I learned during NFE that have made me the successful tailor that I am today."

Successful is an understatement: in just a few short years, Vanna has managed to invest in 30 weaving looms and four sewing machines, effectively employing 100 local villagers in her weaving, tailoring and silk-making workshop. Her ingenuity and careful business planning have allowed her to employ the bulk of her extended family, and she reflected on how the family no longer has to experience hunger each day. “Every day we used to worry how we would survive. Now I feel very happy knowing we’ll be okay.” Vanna (a single mom of a 6 year-old girl) is now able to earn $200 a month – three times the per capita income in Cambodia – and hopes to buy her first home in the near future. Vanna is additionally starting up a small retail operation, and recently purchased second-hand blue jeans, which she plans to re-sell with a great margin of profit.

“Our visit with Vanna marked the most interesting and satisfying visit I can remember in many years and hundreds of visits with Cambodian families,” shares Glenn Fawcett, Lotus Outreach’s Director of Field Operations. “Vanna is a warm-hearted and generous boss that pays her employees well and inspires those around her to find the best in themselves. We are so happy to see such a kind and talented person in the midst of great success.”

2012 At-A Glance

15 financial cooperatives established in Cambodia.

262 families participating in those cooperatives provided with financial services including savings, loans and emergency insurance.

$1,409 saved collectively by the participants of the financial cooperatives.

107 family loans granted by the financial cooperatives.

58 of them used toward small businesses including agriculture, woodworking and food vending.

128 women and children from karaoke bars in Phnom Penh received literacy, life skills and vocational classes.

21 of them left the red light districts for work in food service, factories and groceries by the end of 2012.

$1.171 is the average annual salary for NFE graduates. 26% higher than the per capita income in Cambodia of $931.

43 victims of trafficking and violence against women received training in business management and animal husbandry.

18 of the trainees were awarded small business grants to start up chicken farms.
Lotus Outreach recognizes that inadequate access to clean water, sanitation, and preventative health education can severely inhibit even the best of programs. That is why nearly all of our projects incorporate basic health and sanitation outreach. In the case of Integrated Rural Development, we understand that our agriculture-centric economic empowerment groups cannot succeed if there is an insufficient year-round water supply for their crops. For our scholarship recipients, we know that a single bout of intestinal illness can set a student intractably behind in her studies. And if a head-of-household comes down with malaria or cholera, the entire family can be swallowed by income loss and healthcare debt.

Believing that prevention is the best cure, our health and sanitation program focus on sustainable, cost effective interventions that will enable families to avoid illness in the first place. Looking ahead to 2013 and beyond, we hope to bring more water wells to needy communities, expand the reach of our preventative health education programs into public schools, and work toward getting rural villages to collectively abandon the practice of open defecation.

2012 At-A Glance

10 deep-bore water wells drilled on the Vietnam-Cambodia border.
800 villagers benefitted from the wells’ supply of clean, fresh, safe-drinking water.
55 families used the water to start up home gardens, improving their nutrition and earning capacity.
12 organized health education outreaches in four villages (one every month).
5,167 villagers educated on sanitation, hygiene, maternal health and childhood nutrition through the outreaches.
2 billboards featuring pictorial messages on preventative healthcare practices installed in a high-risk district in Cambodia.
95 sex workers provided with STD screening and counseling in Phnom Penh.
28 street children, near the Thai-Cambodian border, provided with basic health care and medical referral services.
18 students in our scholarship programs provided with life-saving healthcare.
2012: A Year in Review

Ten Years of Impact

415,458 people reached
376,648 through our public advocacy work
38,810 through direct service program

Timeline

White Lotus Charitable Trust founded in Bir, India
Lotus Outreach Annual Report 2012

2002
White Lotus Incorporated in the United States

2003
Name Changed to Lotus Outreach

2005
Established Lotus Outreach Cambodia

2006
GATE program established

2011
Lotus Outreach secures refund of $3.2 million in illegally-charged fees to India’s school children

2014
First class of GATE scholars to graduate college

Economic Empowerment
3,405
villagers received access to basic financial services for the first time

693
sex workers empowered through literacy classes and skills training

267
women and children became computer literate

90
youth started small businesses through vocational training and grants

Violence Against Women & Human Trafficking
29,164
street children and migrants were educated on safe migration and human trafficking prevention

4,000
entertainment workers protected through public advocacy

1,121
victims and their children started new lives through counseling, training, and financial assistance

100
at-risk homeless children received shelter and nutrition

Health & Sanitation
20,544
injured and sick people provided with basic healthcare

20,494
received preventative health education

9,321
people provided with clean water and preventative healthcare education

Education
294,200
public school children in India directly benefited from our anti-corruption work

24,177
people were educated on the importance of investing in children’s schooling

2,304
children prevented from dropping out due to the provision of school bus transport or bicycles

1,250
children stayed in school as a result of Lotus Outreach scholarships

342
children improved their performance through tutoring and non-formal education

105
youths attend university – against all odd – with financial support from Lotus Outreach
Our Approach: Grassroots Collaboration

Our unique approach to tackling poverty and its consequences involves working with local grassroots organizations that possess the deepest understanding of their communities’ needs and challenges. And while we believe that change spreads fastest from the ground up, we are also aware that grassroots organizations in the developing world are confronted by a unique set of challenges including lack of money, infrastructure, accountability measures, and performance management techniques. Lotus Outreach is thus working to empower our local partners by providing critical, on-the-ground support in the areas of funding, program design, performance management, technical support, training, and data collection and analysis, while giving them enough autonomy to ensure the local ownership and cultural relevance of each project.

Our Beneficiaries

Lotus Outreach seeks to empower both its partners and beneficiaries to become self-sufficient. Lotus Outreach has, at its core, a simple value and principle – to enable local resources to flourish so people can meet their own needs. We only seek to change the inequity between those who can manifest their own solutions and those who cannot.

Children

Children are the most vulnerable members of our global community, and it has been demonstrated that working with them provides the greatest long-term, sustainable benefits to communities in need. Poverty is nearly always transmitted from one generation to the next – a devastating cycle that must be broken. Children who are afflicted by poverty are substantially more likely to grow into adults who lack the education, resources and empowerment to give their children more hopeful futures. Consequently, Lotus Outreach operates on UNICEF's principle that “investments in children are the best guarantee for achieving equitable and sustainable human development.”

Women

The connection between empowering women and improving the lives of children is now widely recognized by the international community. As stated in UNICEF’s 2007 State of the World's Children report, “healthy, educated and empowered women have healthy, educated and confident daughters and sons.” With this important connection in mind, Lotus Outreach also specifically targets girls and young women in order to achieve this “double dividend” of social change.

Vulnerable Communities

Lotus Outreach programs also target children in communities that are among the poorest and most vulnerable – those most in need of assistance. Lotus Outreach programs are deployed in regions where both the needs are most pressing and where the organization has the ability to operate effectively. Though there are several large, highly effective NGOs and non-profits operating in Asia today, Lotus Outreach is unique in that it works to ‘fill the gaps’ that larger organizations leave behind. Lotus Outreach specifically targets underserved populations in isolated regions in order to ensure that it does not duplicate efforts already underway while reaching the people most in need, such as the rural poor.

Local Partners

Because we believe that change spreads fastest from the ground up our projects are delivered at the grassroots level by local people. Lotus Outreach carefully selects smaller partners who have demonstrated a capacity to do excellent work and could benefit from both financial assistance and program development. In addition to keeping its programs culturally relevant, this model also allows Lotus Outreach to have a much greater impact, for less. Lotus Outreach follows the principle of ‘a hand-up, not a hand-out’ (change not charity) and aims to build local capacity in the areas it serves.
**Our Local Partners**

**Cambodian Women’s Crisis Center (CWCC)**

CWCC is a local Non-Governmental Organization (NGO) registered with the Royal Cambodian Government’s Ministry of Interior. Its primary purpose is to provide assistance to women and children who are victims of domestic violence, sexual abuse and trafficking. Its mission is to eliminate all forms of violence against women and to work toward creating a society founded on equality, peace and development that will achieve happiness for all.

**Khemara**

Khemara was the first Non-Governmental Organization for women established in Cambodia. It was founded by Mu Sochua, the former Minister of Women’s and Veterans’ Affairs. Khemara delivers Non-Formal Education to sex workers and to impoverished youth who are at risk of entering the commercial sex industry. Classes are taught by Ministry of Education-trained teachers and cover a wide range of subjects including numeracy, literacy, life skills, income generation and bill paying, how to avoid credit schemes, embroidery, sewing, gardening, HIV prevention and sanitation.

**Cambodian Organization for Children and Development (COCD)**

COCD is a local Non-Governmental Organization registered with the Royal Cambodian Government’s Ministry of Interior. Its vision is to see a society where all people are equal, where all children are protected, educated, cared for, and have their rights respected. COCD’s mission is to improve the social welfare of vulnerable children, their families and communities through the implementation of integrated development and empowerment projects.

**Kampuchean Action for Primary Education (KAPE)**

Founded in 1999, KAPE is a grassroots NGO that seeks to improve both the quality of, and access to, basic education for children living in Cambodia. The agency was founded by local stakeholders for the stakeholders, representing a unique experiment in stakeholder-driven development. KAPE also seeks to assist the Cambodian government in realizing recently proposed educational reforms that focus on increasing access to education for vulnerable groups.

**Passerelles Numériques**

Passerelles Numériques is the result of a collaboration between Enfants du Mekong, a French NGO that sponsors vulnerable children in Southeast Asia, and Accenture, a global consulting and technology service provider. Its founding vision is to give disadvantaged youth a means to escape poverty through specialized education. Specifically, it seeks to train them to be both skilled technicians in the rapidly growing field of information technology and savvy professionals able to respond to the needs of thriving companies.

**White Lotus Charitable Trust**

Founded by Khyentse Norbu in 1993, White Lotus works with socio-economically weaker sections of society with special emphasis on women and children – irrespective of caste, creed, culture and religion – toward the sustainable development of individuals, the family and the community through various interventions to raise the standard and quality of their lives.

**Spirit in Life Movement**

Founded by Indian University Professor and deeply engaged social worker Dr. Manivannan, Spirit in Life is a humble grassroots initiative that aims to build a peaceful, nonviolent and just world. Lotus Tutors (formerly Buddha Smiles) is a project of the Spirit in Life Movement, a registered Public Charitable and Educational Trust in India. Lotus Tutors is a secular initiative that draws its inspiration from Gandhian philosophy of Sarvodaya (Welfare of All) which recognizes that moral, cultural, social, economic and political dimensions are all necessary components of holistic development.
Statement of Activities

For the year ended December 31, 2012

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<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total 2012</th>
<th>Total 2011</th>
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<td>$</td>
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<td>$</td>
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<tr>
<td>Revenue and Support</td>
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<tr>
<td>Contributions</td>
<td>94,606</td>
<td>423,529</td>
<td>518,135</td>
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<td>Special events</td>
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<tr>
<td>In-kind donations</td>
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<td>Interest income</td>
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<td>Net assets released from restrictions</td>
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<td>(343,700)</td>
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<td>125,644</td>
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Expenses

Program Services                          520,682 - 520,682 404,874
Supporting Services
  Fundraising                               127,820 - 127,820 61,358
  General and administrative                27,286 - 27,286 29,009
  Total Supporting Services                155,106 - 155,106 90,367
  Total Program and Supporting Services    675,788 - 675,788 495,241
Special Events
  Total Expenses                           681,526 - 681,526 495,241
Change in Net Assets                      (221,824) 125,644 (96,180) 119,902
Net Assets at Beginning of Year           253,953 119,716 373,669 253,767

Net Assets at End of Year                 32,129 245,360 277,489 373,669

Expenses by Category

- Admin 4%
- Fundraising 19%
- Programs 77%

Revenue by Source

- Grants 52%
- Individuals 37%
- Events 8%
- In-kind 3%
## Statement of Financial Position

**December 31, 2012**

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<thead>
<tr>
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<th>2012</th>
<th>2011</th>
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<tr>
<td><strong>Assets (Notes 1 and 2)</strong></td>
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<tr>
<td>Cash and cash equivalents</td>
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<tr>
<td>Contributions receivable, net</td>
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<td>Prepaid expenses</td>
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<td><strong>Total Assets</strong></td>
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<td>395,935</td>
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<tr>
<td><strong>Liabilities (Note 1)</strong></td>
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<td>Accounts payable and accrued expenses</td>
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<td><strong>Total Liabilities</strong></td>
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<tr>
<td><strong>NetAssets (Notes 1 and 3)</strong></td>
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</tr>
<tr>
<td>Unrestricted</td>
<td>32,129</td>
<td>253,953</td>
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<tr>
<td>Temporarily Restricted</td>
<td>245,360</td>
<td>119,716</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>277,489</td>
<td>373,669</td>
</tr>
</tbody>
</table>

| **Total Liabilities and Net Assets** | 278,945 | 395,935 |
Principles & Practices of Financial Management

Lotus Outreach has adopted and adheres to the most current practices of financial and performance accountability. We want every stakeholder to rest assured in the transparent presentation of our fund management.

The following are some of the most important principles we practice:

1. Lotus Outreach operates in accordance with an annual budget that has been approved by the Board of Directors prior to the beginning of each fiscal year.

2. Lotus Outreach maintains financial reports on a timely basis, accurately reflecting the financial activity of the organization, including the comparison of actual to budgeted revenue and expense.

3. Lotus Outreach subjects its financial accounting principles and reports to annual audits by an independent accounting firm. That firm’s audited financial statements are available on our website.

4. Quarterly financial statements are provided to the Board of Directors. The statements explain any significant variation between actual and budgeted revenues and expenses.

5. Lotus Outreach has written financial policies.

6. Lotus Outreach may budget for a deficit from time to time but does not incur persistent or increasing operating deficits.

Charitable Donations & Giving Guidelines

Lotus Outreach follows all laws, rules and regulations concerning charitable giving and receiving. We believe it is important to conduct our giving and receiving with as much transparency and accountability as possible. We want to assure every donor that each dollar is collected and distributed in a manner compliant with pertinent U.S. and international law.

Charitable Donations And Contributions To Lotus Outreach

Lotus Outreach will accept only unrestricted contributions and contributions for projects approved in advance by Lotus Outreach. While Lotus Outreach welcomes suggestions from donors about our use of funds, donor suggestions are not binding on Lotus Outreach. In all cases, Lotus Outreach will, as required by law, retain full discretion and control over the use of contributed funds, including the right to withdraw approval of a previously approved project if necessary so as to ensure that all contributions will be used or are being used to carry out Lotus Outreach’s functions and purposes.

Lotus Outreach cannot accept funds that have been earmarked or restricted by the donor for use by a particular foreign organization or person.

Charitable Giving

The Lotus Outreach Board of Directors reviews and approves all charitable giving abroad and retains full discretion and control to ensure that partners are using funds for the stated purpose.

Foreign charitable partner agencies submit to regular financial and narrative reporting that assures Lotus Outreach funds are being spent on the stated purpose formally approved by the Board of Directors.
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We are immensely grateful to our individual contributors, foundation and corporate funders, in-kind donors and volunteers for your support and partnership. You make the work of Lotus Outreach possible and your continued aid is invaluable as we further our mission and expand the reach and benefit of Lotus Outreach programs. Your generosity is a lifeline for the children we serve.

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Courtyard Marriott
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Disneyland
Denise Collaro
Estancia La Jolla
Gang Kitchen
Ginseng Yoga
Go Raw
Grande Colonial Hotel & NINE-TEN Restaurant
Hornblower Cruises & Events
Infinite Fitness
Jake’s Del Mar
Luce Bar & Kitchen
Lululemon
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Primavera Restaurant
Rancho La Puerta
Recreational Music Center
Robert Cromeans Salon
Sail Ho Golf Club
San Diego Air & Space Museum
San Diego Gymnastics
San Diego Hydroponics and Organics
San Diego Zoo
SeaWorld
Six Flags Magic Mountain
Tender Greens
The Bar Method San Diego
The Chameleon Salon & Boutique
The Joyful Parent
The New Children’s Museum
The Pearl Hotel
Tio Leo’s
Vecchione Plastic Surgery
Thank you for your support

How To Help

There are many ways to support Lotus Outreach, including:

1. Visiting www.lotusoutreach.org and clicking ‘Donate Now’ or mailing your donation in the enclosed envelope
2. Gifts of stocks, bonds and other appreciated assets
3. Enrolling Lotus Outreach in your employer’s matching gifts program
4. Honoring someone with a gift in their name
5. Making a gift by bequest
6. Engaging in peer-to-peer fundraising by organizing an event, donating your birthday or asking for sponsorships for your next athletic event. To get started, visit www.lotusoutreach.org and click ‘Get Involved’
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Lotus Outreach is a secular, non-profit organization dedicated to improving the living conditions of vulnerable children and their communities through education and healthcare. Lotus Outreach is a registered 501(c)(3) public charity, EIN# 80-0013909