

ANNUAL REPORT 2011



INTRODUCING LOTUS OUTREACH

OUR SOLUTION

Lotus Outreach is a 501(c)(3) non-profit organization dedicated to ensuring the education, health and safety of vulnerable women and children in the developing world.

Lotus Outreach was founded in 1993 in Bir, Northern India. Chairman and Founder Khyentse Norbu formed the White Lotus Children's Program to provide educational sponsorships for Tibetan refugee families. Recognizing the dire poverty suffered by largely invisible local populations, he decided to expand beyond refugee communities and founded the first mobile health and education program for street children in Delhi.

In 2002, White Lotus was incorporated as a secular charitable organization in the United States. In 2003, the name was changed to Lotus Outreach. Since then, Lotus Outreach has expanded both the reach and scope of our work. While expanding access to education remains a top priority, we are also tackling more unsettling issues such as preventing the sexual exploitation of children and rehabilitating survivors of human trafficking.

OUR VISION

- Lotus Outreach envisions a world where every child has equal access to quality education and healthcare.
- We envision a world where children of all races and nationalities are free from exploitation, sexual abuse and forced labor.
- We envision societies that nurture, protect and educate children thereby eliminating poverty and its tragic consequences.



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OUR PROGRAMS

Lotus Outreach is bringing this vision to life through the following initiatives, which reach over 30,000 men, women and children in Asia today:

GIRLS' ACCESS TO EDUCATION (GATE) – CAMBODIA

Provides educational scholarships to at-risk and exploited young girls in Phnom Penh, Siem Reap and Banteay Meanchey.

GATE WOMEN AND YOUTH SCHOLARSHIP INITIATIVE (GATEWAYS) – CAMBODIA

Provides scholarships to GATE graduates so they can continue their studies at the tertiary level.

LOTUS TUTORS – INDIA

Provides after school education and tutoring to children of illiterate dalits who labor in the dangerous rock quarries of Tamil Nadu.

LOTUS EDUCATION AS A RIGHT NETWORK (LEARN) – INDIA

Utilizes community mobilization, legal advocacy and public interest litigation to expand access to quality public education for thousands of marginalized children in rural Haryana.

INTEGRATED RURAL DEVELOPMENT – CAMBODIA

A social development program that provides microloans and agriculture/farming resources to thousands of rural villagers residing in the remote villages of the Cardamom Mountain Range.

SAFE MIGRATION AND REDUCTION OF TRAFFICKING (SMART) – CAMBODIA

A mobile anti-trafficking program which moves from point-to-point along the porous Thai-Cambodian border to educate at-risk migrant laborers and street children on the dangers of human trafficking.

COUNSELING & REINTEGRATION – CAMBODIA

Provides trauma counseling, social assistance and small business grants to hundreds of young survivors of human trafficking, sexual abuse and domestic violence residing in a women's shelter in rural Cambodia.

NON-FORMAL EDUCATION – CAMBODIA

Provides literacy classes, vocational training and life skills to sex workers and their children in order to help them find better opportunities.

WELL PROJECTS – CAMBODIA

Constructs water wells that serve entire villages in the drought-prone regions of rural Cambodia.

PHNONG EDUCATION INITIATIVE – CAMBODIA

Improves access to education for ethnic minorities in Monduliri through children's scholarships and teacher training.

BLOSSOM BUS – INDIA

Provides daily transportation to and from school for adolescent minority girls who live too far from the nearest schoolhouse to walk each day.

LOTUS PEDALS – CAMBODIA

Provides heavy-terrain bicycles to rural Cambodian girls that are otherwise unable to traverse the considerable distance to the nearest school.

EDUCATION SCHOLARSHIPS FOR CHILD LABORERS – INDIA

Provides bus transportation and enrollment assistance to hundreds of migrant child laborers living in brick factory compounds.

LETTER FROM THE PRESIDENT



Dear Lotus Outreach supporters,

To begin, I'd like to thank everyone involved with Lotus Outreach for making the previous year our most successful ever. In 2011, we surpassed the \$500,000 revenue mark for the first time, and becoming a million dollar non-profit is now on the horizon. In particular, my gratitude goes out to our chair, Khyenste Norbu, a mountain of compassion whose vision to serve vulnerable girls in Asia has made this work possible. I have been involved with LO for many years, and it brings great joy to my heart to see what amazing progress our team has made as they join with a one-pointed vision to bring tremendous benefit to the world.

In early 2012, members of our Board of Directors and Executive Committee conducted an exposure visit to Cambodia to witness the many different new and continuing projects that are thriving there. The most touching experience for me was visiting with the young women of GATEways, a new initiative which provides university-level scholarships to promising young women graduating from GATE. Most of these young women enrolled in the GATE program at the junior high level, and 58 of them are now in their freshman and sophomore years of university. This achievement is astonishing when we consider these girls come from homes made of thatched palm and makeshift walls, and used to survive on just a dollar a day. After many years of studying and sacrifice, these young women are now determined to become educated and break the cycle of poverty for their families. What's more, they are majoring in fields including law, accounting, nursing, medicine, IT and education with the goal of giving back to their communities and their country. Their triumph over adversity was obvious in their teary eyes as they expressed to us their gratitude for helping them reach this point. What an amazing journey!

Glenn Fawcett, our Field Operations Director since Lotus Outreach's inception in 1993, has been the backbone and pivotal visionary behind our programs in Cambodia and India. He has worked tirelessly to cultivate all of

the Lotus Outreach programs, and I would like to personally thank him for his dedication and the brilliant sense of humor that he demonstrates in all of his activities.

The future of Lotus Outreach is in good hands. Our Executive Director, Erika Keaveney, keeps us on a track of expansion and inspiration. Her skillfulness, dedication and passion come together to create the energetic force that binds together all of the various petals of Lotus Outreach.

I am also happy to welcome our new Grants Manager, Sara Haq, to the LO family. With roughly one-third of our funding coming from our generous foundation supporters, it is essential to continue nurturing, cultivating and growing these partnerships. Sara brings a wealth of experience in development, and is deeply aware of and committed to the issues we address in the developing world.

I thank you again for your tremendous generosity in time, money and effort. This generosity has created countless opportunities and has relieved immeasurable suffering for the hundreds of thousands of people that have been directly or indirectly affected by Lotus Outreach. Your intention and commitment are coming to fruition through this work, and your continued support will carry us boldly into the future. Lotus Outreach could not thrive without you.

Sincerely,

Patty Waltcher
President

LETTER FROM THE EXECUTIVE DIRECTOR



Dear friends of Lotus Outreach,

The year 2012 will mark my 5th year serving as Executive Director for this small but mighty global organization. In those five years, I have witnessed incredible things. I have watched us grow our staff and board, triple our annual revenue and greatly increase our programs and partnerships on the ground. But most importantly, I have witnessed real, tangible change happening in the communities we serve.

When I first started telling people about the conditions in Cambodia, the numbers were staggering and the picture was bleak: per capita income was \$380 per year, life expectancy was just 58 years of age, HIV/AIDS was a growing problem and only 14% of girls would ever reach the 7th grade. Since then, we have witnessed a remarkable sea change. Income has more than doubled to \$802, people are living well into their 60s and the number of people dying from AIDS has dropped from its peak of 15,000 per year to just 3,000. One of the biggest changes we have witnessed – and one which we proudly claim direct responsibility for along with our colleagues in the development sector – has been the achievement of gender parity in primary education in Cambodia, an accomplishment which the Asian Development Bank attributes to girls' scholarship initiatives such as GATE, our flagship program in the region.

Our achievements on the girls' education front in India have likewise been great. Just a few short years ago, not a single Muslim girl in Mewat had ever studied beyond primary school. The schools that were actually functioning when LEARN first started were in a state of utter disrepair. They lacked toilets and drinking water, and the school building conditions

were so precarious that the children had their "classes" in the school yard for fear the building would collapse and kill them. Since then, much has changed. The vast majority of schools have received significant infrastructure upgrades, including the construction of toilets. Tens of thousands of out-of-school children have been enrolled, and the first Muslim girls in the history of their villages have now reached secondary school.

Despite this tremendous progress, however, we still have our work cut out for us. Gender parity is a long way off in secondary and tertiary education, human trafficking is an ever-morphing problem and the majority of people in our target communities still survive on less than \$2 per day.

But Lotus Outreach is up for the fight. Armed with great ideas, talented people and a passionate core of supporters, we will continue to work vigorously to accelerate these changes. And we look forward to continuing to share these stories of triumph until we can finally close this chapter in human history.

We thank you again for joining us hand-in-hand as we pursue this mission.

Sincerely,

Erika Keaveney
Executive Director

THE WORLD NEEDS OUR ATTENTION...

THE PROBLEM: HUMAN TRAFFICKING

2.4 MILLION

The UN's estimate of the global number of human trafficking victims at any one time



\$40,000

The average cost of a slave – in today's money – during the height of the Transatlantic African slave trade

\$90

The average cost of a slave today

800,000

The number of people absorbed globally by the modern-day slave trade every year



THE PROBLEM: GENDER INEQUALITY

7♀% The percentage of the world's 1 billion people living in extreme poverty that are women



Out of the world's 130 million out-of-school youth, 70 percent are girls

THE PROBLEM: LIMITED EDUCATION



ONE IN FIVE

Adults in the developing world - or 862 million people - are illiterate



CHILD LABOR
POVERTY
EARLY MARRIAGE
CORRUPTION
MILITARY CONFLICT
SEXUAL EXPLOITATION
DISCRIMINATION



Are the main reasons children are prevented from achieving the promise of education and breaking the cycle of poverty

THE PROBLEM: POOR HEALTH AND SANITATION



EVERY 20 SECONDS

A child dies as a result of poor sanitation

1.5 MILLION PREVENTABLE DEATHS

Occur each year as a result of poor sanitation

ONE IN SIX PEOPLE GLOBALLY

Lack access to safe drinking water



EDUCATION

Expanding access to education is internationally recognized as one of the most powerful methods for reducing poverty and its myriad consequences including infant and maternal mortality, poor health and gender-based violence. Studies show that a single year of basic education, for example, can increase a young girl's future earning potential by as much as 25%. Not only will education help her earn better wages, but her future children will benefit as well: children born to mothers without primary school education are twice as likely to die before the age of five, and those that survive are twice as likely to be out of school.

With these facts in mind, nearly all of Lotus Outreach's initiatives in Asia work to expand access to education, with a particular focus on women and girls. Our approach to improving education is broad-ranging, and we adapt our strategies to the changing cultural, political and socio-economic contexts on the ground. From literacy classes for sex workers up to university scholarships, to directly supporting teachers or exposing corrupt education officials, all of our education work is having a significant impact in our target communities and transforming the fates of countless generations to come.



2011 AT-A-GLANCE

- Provided scholarship packages – including uniforms, school supplies, meals, transportation, monthly stipends, and housing and emergency food relief where necessary – to 757 children throughout Cambodia. Over 90% of our students successfully advanced to the next grade or graduated at the close of the academic year.
- Provided daily bus transportation to 510 adolescent Muslim girls and former child laborers in rural India, clearing the single greatest obstacle to their continued education.
- Provided literacy and life skills classes to 133 sex workers and children living and working in Phnom Penh's red light districts. Eighteen of the students had secured alternative employment and left the commercial sex industry by the close of the year, with an additional 19 enrolled in public school.
- Provided remedial education to 252 lower-caste children in India, allowing them to excel in public school and break free from the life of subsistence labor endured by their illiterate parents.
- Supported 25 promising young graduates of GATE through their freshman year of university with tertiary education scholarships, which cover housing, food, text books, tuition and other living expenses. These young women are deeply committed to rebuilding Cambodia's human capital, and are studying subjects such as pedagogy, accounting, law, nursing, finance and foreign languages to help their country heal from the scars left by genocide.
- Supported IT training for 20 impoverished young Cambodian women. All 20 have already secured jobs, and will soon begin their university studies with tuition assistance from their employer, Digital Divide Data.
- Provided scholarships to 20 ethnic Phnong youth to attend a two-year teacher's training college. Sixteen of these students graduated in 2011, and are now sharing the gift of education with other linguistic minority children in Cambodia's public classrooms.
- Reached 4,162 Cambodians through education campaigns designed to increase community awareness on the importance of education. Teaching communities about the value of education provides one of the greatest returns on investment, with every \$100 spent on public awareness resulting in 40 additional years of education.
- Identified and enrolled 3,000 children in Mewat, India in public school through our LEARN project. An additional 80,000 children throughout Haryana state were enrolled in school due to public pressure resulting from LEARN's 2011 social audit.
- Pressured education officials in Mewat, India to construct 200 functional toilets in public schools, greatly increasing regular attendance for adolescent girls in the region.



Afsana Makes History

Afsana just received the wonderful news that she passed grade 9. But this achievement is more than a milestone for her; her entire community is marking the occasion. That's because Afsana will be the very first female in the history of her village to reach grade 10.

Finishing grade 9 at 16 years old, Afsana is a tad behind by western standards. But in the remote, rural district of northern India where she is from, an unwed, childless girl of her age is a rarity. Afsana's own mother was 14 when she married, and neither of her parents ever attended school.

A striking contrast also lies between Afsana and her two older sisters, only one of whom reached as far as grade 5 (the other never went to school). While Afsana amiably leads our field staff on a tour of her home, her sisters remain in their rooms; on the way out, our officers are discouraged from acknowledging their veiled forms at the door. As married women, they must keep their heads covered, and certainly not address men other than their husbands.

"It's like seeing the past and the present in one place at the same time," remarked our Director of Field Operations, Glenn Fawcett.

This surreal juxtaposition almost didn't come to pass. Despite her visible passion for education, in the year after grade 8 Afsana remained at home, helping to look after her nieces, nephews and the housekeeping. With her secondary school too far away to safely walk to alone, Afsana's parents pulled her out of school. She resigned herself to the idea of an early marriage.

That's when news of Lotus Outreach's Blossom Bus, a school transportation program designed specifically to reach Mewat's secondary school-aged young women, blew through Mehluka village. *"When I heard about the chance to return to school, my heart almost burst,"* says Afsana. Not only did she sign herself up for the Bus, she rallied four of her friends who had also dropped out to re-enroll with her. Now at the top of her class, a confident Afsana declares, *"I want to finish grade 12 before even thinking about marriage."*

Describing her return to student life, Afsana tells us, *"we leave for school at 7:30 in the morning and return by 3:00 pm. Academically, I now rank first of 16 girls in my class. Science and Math are my favorite subjects. I study two to three hours at home every day and my parents give me the time so in that way they support me. Fortunately we have electricity at night and I can study during evenings."*

We asked Afsana if villagers in these parts treat boys differently from girls and she tells us, *"boys get more opportunities than girls but I think both should be treated equally. Girls should be given the same opportunity to get an education and jobs so they too can help to support their families."*

HUMAN TRAFFICKING AND VIOLENCE AGAINST WOMEN (VAW): AWARENESS & PREVENTION

A rapidly growing multibillion dollar criminal industry, human trafficking is second only to the drug trade in lucre. With as many as 27 million trafficking victims worldwide, there are more slaves today than in four centuries of the Transatlantic African slave trade - when a slave cost the equivalent of \$40,000. Today, the average price for a human being is \$90.

Human trafficking is the recruitment, transportation, harboring, or taking of persons by means of threat, force, coercion, abduction, fraud, or deception for the purpose of exploiting them. It includes involuntary servitude, slavery, debt bondage, and forced prostitution and labor. Trafficking is inextricably linked to poverty in the developing world, and for that reason Lotus Outreach considers all of its programs to be preventative in nature. We do, however, work to educate especially vulnerable populations - such as illegal migrants and impoverished teenage girls - on the dangers of trafficking and the ruses of exploiters.



2011 AT-A-GLANCE

- Reached over 2,000 Cambodian migrants and street children through mobile counter-trafficking advocacy and peer-to-peer education so they know how to protect themselves from sex and labor trafficking.
- Produced an original movie on human trafficking which was screened to 2,000 at-risk Cambodians during the year, providing life-saving information in an easy-to-understand format with broad public appeal.
- Distributed over 8,000 leaflets, booklets and emergency contact cards containing messages on safe migration and trafficking prevention to Cambodian migrants and street children living near Poipet on the Thai-Cambodian border, a known international hotspot for human trafficking.
- Trained 28 border police, local government and military officials on Cambodia's 2008 counter-trafficking law to enhance understanding and enforcement among duty bearers in the region.
- Hosted a public awareness campaign for National Day Against Human Trafficking on December 12, which was attended by 1,250 Cambodians.





Turning the Tables on Domestic Violence in Cambodia

The story of Goong Mouey highlights just how far a small investment can go in helping sufferers of Violence Against Women.

Mouey may have survived decades of war and genocide in Cambodia, but she didn't emerge unscathed. The Khmer Rouge completely shut down the public education system in the late 1970s, and 90 percent of all teachers were summarily executed. Mouey is a part of an entire generation of women to grow up completely illiterate, and with little to no economic opportunity.

Lacking education and living in abject poverty, Mouey is representative of the roughly 30 percent of Cambodian women that suffer from regular domestic violence. Escaping her abusive, alcoholic husband and unable to provide for her five young children, she was forced to turn the children over to an orphanage for two years. *"This was especially painful for me,"* she shares, *"but I had run out of options."*

Since coming into contact with Lotus Outreach's counseling and reintegration program, the tables have turned for Mouey. After spending some time at a safe shelter, Mouey received \$20 in start-up support along with a \$120 small business grant and now runs a highly successful vegetable grocery business near Poipet city. Her business allows her to earn about \$50 per day—over 15 times the per capita income in Cambodia—and she has since been able to resume caring for her children.

"I did have a small vegetable stall earlier but it was not enough to live on and the grant allowed me to offer five times as much variety and volume," Mouey shares. *"Now I can afford pretty much whatever the children need to be well nourished."* Mouey's 16 year-old daughter, Srey Mom, pipes in as well: *"Previously we didn't have the money I need to pay for school tuition or buy food and medicine and now we do!"*

The social stigma attached to divorce in Cambodian society is harsh. When Mouey's husband came skulking back to their improved financial situation, she let him in. The difference now, however, is that the physical abuse has ended. *"I control the money in the family now,"* Mouey tells us.

HUMAN TRAFFICKING AND VIOLENCE AGAINST WOMEN (VAW): VICTIM AFTERCARE

Though our main activities focus on preventing abuse and exploitation before they occur, it is an unfortunate reality that one out of three females around the world will fall victim to violence and sexual abuse during her lifetime, and the majority will depend on non-profit organizations for aftercare and support. While prioritizing most of our efforts on preventing these atrocities from happening in the first place, we make sure to extend a loving hand to those who have already fallen victim by providing trauma therapy, social services and economic empowerment.

2011 AT-A-GLANCE

- Provided 127 shelter-based victims of trafficking, rape and domestic violence with trauma therapy, allowing them to overcome the ravages of abuse and regain the self-worth and self-confidence needed to successfully rejoin society and lead safe, healthy and productive lives.
- Our social workers helped 106 clients find housing, employment and/or enroll in public school, paving the way for their futures outside of the shelter.
- Provided 25 clients with start-up support packages - including food and kitchenware - to aid them in their reintegration into Cambodian society.
- Repatriated 21 victims of violence and trafficking to their home provinces, following a comprehensive family-tracing assessment.
- Established two victim support groups for reintegrated clients and members of the broader community.
- With moral support and encouragement from the victims' counselors, oversaw the conviction of 14 child rapists who are now behind bars in Cambodia.
- Through our SMART counter-trafficking unit, identified and referred 16 trafficking victims and at-risk migrants to vocational training, aftercare and legal services.



HEALTH & SANITATION

Lack of access to clean water and adequate sanitation facilities - along with poor hygiene - are among the leading causes of childhood death in the developing world. But it doesn't have to be this way. For a small investment, Lotus Outreach can bring clean water, toilet access and hygiene education to isolated communities which drastically improves their well-being.

Furthermore, many health problems plaguing developing nations such as typhoid, dysentery and malaria are easily preventable and treatable. It is often poverty of knowledge - rather than economic poverty - that prevents communities from maintaining good health. That is why Lotus Outreach works to spread knowledge on preventative healthcare practices - from hand-washing to reproductive health - throughout our countries of operation.



2011 AT-A-GLANCE

- In cooperation with the Cambodian Department of Health, provided healthcare education - including prevention and treatment for malaria, dengue fever, anemia, diarrhea, tuberculosis, HIV/AIDs as well as the importance of breast-feeding and childhood vaccinations - to 3,266 rural villagers. Preliminary reports have shown a 35% decrease in healthcare expenditure in the region since our work began there in 2009.
- At the close of the year, the number of households using toilets increased to 18% of our target villages in Pursat (up from just 2.9% of households in 2008). This is a direct result of our toilet use advocacy, and the support of toilet construction for 24 "model families" in 2009 and 2010.
- Constructed eight deep-bore water wells, which now provide a daily supply of clean, safe drinking water to over 1,000 impoverished villagers living in the drought-prone regions of rural Cambodia. As a result, rates of typhoid and diarrhea among children in these regions dropped over 38%, and 41% fewer children are missing school due to water-borne illness.
- Educated well recipients on the importance of basic sanitation and hygiene practices. As a result, the number of villagers washing their hands after going to the bathroom increased 124% and the rate of villagers boiling water before consuming increased 34%.
- Educated 85 urban sex workers on reproductive health and STD prevention. Provided HIV testing and counseling to 72 of them.
- Provided on-the-spot medical care to 84 street children on the Thai-Cambodian border through our SMART mobile advocacy unit.
- Supported life-saving emergency medical treatment for 40 scholarship girls throughout the year for ailments including malaria, dengue fever, malnutrition and intestinal parasites.



ECONOMIC EMPOWERMENT

Lotus Outreach believes firmly in empowering people and communities to meet their own needs. For this reason, we invest heavily in initiatives that improve earning potential and livelihood for needy individuals, families and communities. We achieve this goal by working closely with our local partners and beneficiaries to take stock of potential capital - both material and human - that can help people earn income. Through the provision of skills training, small business grants, and the establishment of community-led savings and loan groups, Lotus Outreach has helped thousands of families become economically self-sufficient. In doing so, we ensure communities can ultimately meet their own needs, such as food, healthcare and education, without continued dependence on development and relief organizations.



2011 AT-A-GLANCE

- Supported six community savings and loan cooperatives - or "Self Help" Groups (SHGs) - consisting of 122 villagers (95% women) in Pursat, Cambodia. During the year the total value of the SHG funds increased 48% to US\$3,026.
- In 2011, Self Help Groups supplied microloans to 69 villagers to support income-generating activities, including animal farming and cash crop production. Villagers also used loans to construct wells and toilets, cover healthcare expenses and purchase bicycles so their children can get to school. There were zero loan defaults during the year.
- 150 families earned approximately \$200 each during the year as a result of cash crop support packages (seeds, tools and training) provided in 2009. Beneficiaries of the original support packages "paid forward" seeds from their harvest to 78 additional families, 41 of which were able to sell surplus crops to earn around \$34 each month.
- Provided 30 at-risk and abused young women with agricultural training - including hands-on support and bookkeeping assistance - so they could establish pig and chicken farms. An additional seven families in Pursat, Cambodia received training in mushroom growing, fish farming and soy milk production.
- Provided vocational training in sewing, tailoring and cosmetology to 19 sex workers so they can find better job opportunities.
- Provided 26 at-risk and abused young women with small business grants. Grants were used to purchase sewing machines, establish pig and chicken farms, grow vegetable gardens and more. By the end of 2011, some of the grantees were already earning as much as \$100 per month as a result of the grant.





Srey Leak Leaves The Red Light District, Dreams Of Opening Her Own Beauty Salon

Srey Leak is one of hundreds of “entertainment workers” to graduate from our Non-Formal Education (NFE) program, which targets young women looking for better opportunities in Phnom Penh’s red light districts. Leak and her twin sister were orphaned at just three years of age, losing their mother to malaria and their father to alcoholism. The toddlers then began their lives as transients, rotating under the care of relatives until their older brother found two small businesses willing to house and feed the little girls in exchange for their labor. They both dropped out of school in the first grade, and ultimately reunited as young women when they began entertaining men at the same karaoke bar in Phnom Penh’s red light district.

Fortunately, the tides have turned for Leak, and we recently visited her at her new job as a beautician in Phnom Penh’s riverside Old Market. Leak completed NFE in 2010, and in 2011 was one of five graduates to receive additional beauty skills training from the program - a pilot initiative slated for expansion in 2012. LO Director of Field Operations Glenn Fawcett describes the observable change in Leak’s appearance:

“I remembered Leak’s apparent sadness and lack of energy on the many occasions we met during our visits to the karaoke bar where she lived, and could hardly believe how happy and easy going she is now,” says Glenn. *“Her happiness to be away from her former life, where she was prone to abuse and exploitation, and to now be among good friends that nurture and love her is so apparent - the transformation is extreme.”*

During the visit Leak laughed often with her co-workers, and her boss Pov described the atmosphere: *“We all love each other very much.”* There is little reason to doubt her sincerity – in addition to full-time work and a living wage, Pov provides Leak with free training in nail design.

What’s more, Pov has invested heavily in a training course in Hong Kong, and is saving to open up her own training school. It’s clear that Leak has landed in a positive, future-focused environment where she will have room to thrive, living on her own terms. *“I will continue to add to my skills,”* says Leak. *“I plan to open my own small business in this market, maybe on this very spot when Pov opens her training school.”*

While Pov partially hired Leak out of pity for an orphaned young woman trying to make a better life for herself, Leak wouldn’t have been a viable candidate without the training in cosmetology she received from NFE. *“I can now earn \$50 each month,”* beams Leak. *“I am very happy!”*

Bridging the small gap in education and training to make these women’s skills marketable in their communities is precisely what NFE is designed to do, and we are overjoyed to see this come to fruition in a case like Leak’s.

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



KHEMARA

Khemara was the first Non-Governmental Organization (NGO) 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 WOMEN'S CRISIS CENTER (CWCC)

CWCC is a local 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.



CAMBODIAN ORGANIZATION FOR CHILDREN AND DEVELOPMENT (COCD)

COCD is a local NGO 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 free from all forms of abuse, and where 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.



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.



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.

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.



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.



SANTI SENA

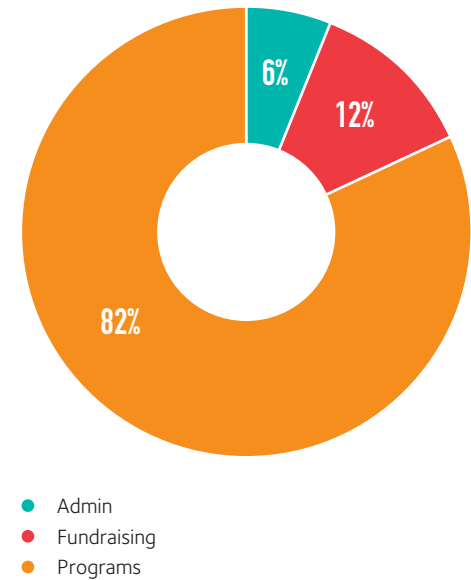
Santi Sena is a non-profit, non-governmental and non-political organization; it is a Buddhist monks' organization founded by Venerable Nhem Kim Teng and other founders in 1994, at Prey Chhlak pagoda, Svay Rieng province and registered with the Cambodian Ministry of Interior. "Santi Sena" is from the Pali language, meaning a group of persons that works for peace, livelihood improvement, social justice and environmental protection.

FINANCIAL SNAPSHOTS

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011

	UNRESTRICTED \$	TEMPORARILY RESTRICTED \$	TOTAL \$
Revenue and Support:			
Contributions	326,650	270,499	597,149
In-kind contributions	16,442	-	16,442
Interest income	795	-	795
Other income	757	-	757
Net assets released from restrictions	205,899	(205,899)	-
Total Revenue and Support	550,543	64,600	615,143
Expenses:			
Program Services	404,874	-	404,874
Supporting Services:			
Fundraising	61,358	-	61,358
General and administrative	29,009	-	29,009
Total Supporting Services	90,367	-	90,367
Total Expenses	495,241	-	495,241
Change in Net Assets	55,302	64,600	119,902
Net Assets at Beginning of Year	198,651	55,116	253,767
NET ASSETS AT END OF YEAR	253,953	119,716	373,669

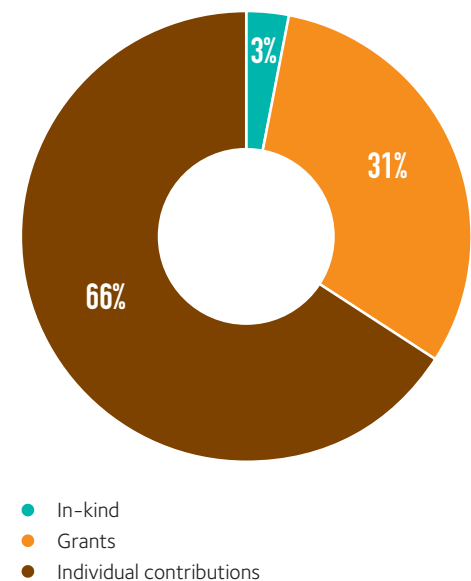
EXPENSES BY CATEGORY



STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2011

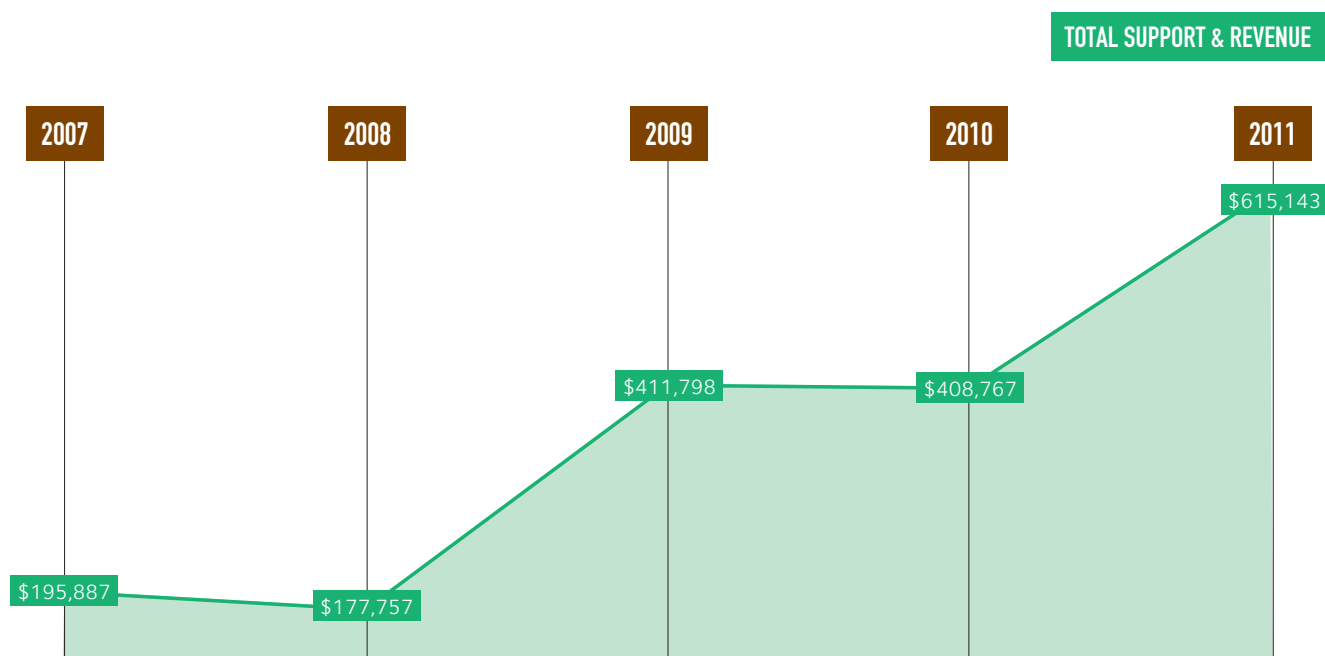
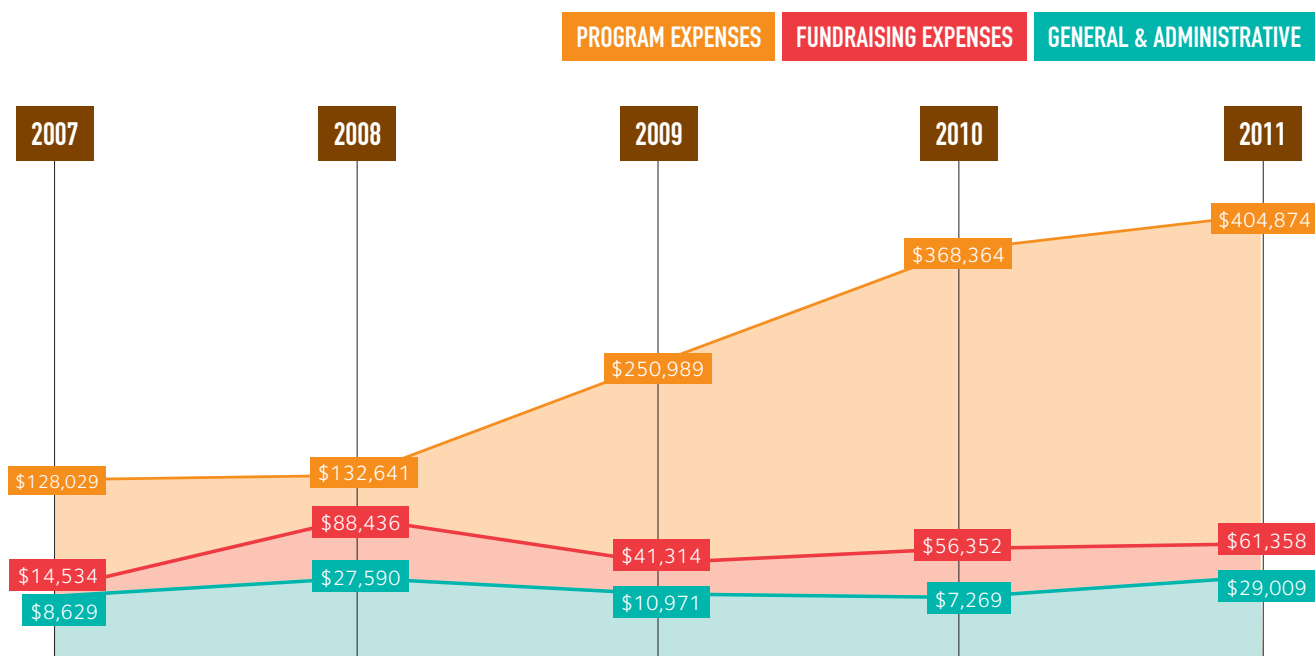
	\$
Assets:	
Cash and cash equivalents	296,497
Contributions receivable, net	99,122
Prepaid expenses	316
Total Assets	395,935
LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable and accrued expenses	22,266
Total Liabilities	22,266
Net Assets:	
Unrestricted	253,953
Temporarily restricted	119,716
Total Net Assets	373,669
TOTAL LIABILITIES AND NET ASSETS	395,935

REVENUE BY SOURCE



TRENDS OF FINANCIAL PERFORMANCE

2007 THROUGH 2011



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 have full confidence in the transparent presentation of our fund management. The following are some of the most important principles we practice:

- 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.
- 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.
- 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.
- Quarterly financial statements are provided to the Board of Directors. The statements explain any significant variation between actual and budgeted revenues and expenses.
- Lotus Outreach has written financial policies.
- 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 or 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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Khyentse Norbu

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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 crucial as we further our mission and expand the reach and benefit of Lotus Outreach's programs. Your generosity is a lifeline for the children we serve.

FOUNDATIONS & CORPORATE SPONSORS

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HOW TO HELP

There are many ways to support Lotus Outreach, including:

- Visiting www.lotusoutreach.org and clicking 'Donate Now' or mailing your donation in the enclosed envelope
- Gifts of stocks, bonds and other appreciated assets
- Enrolling Lotus Outreach in your employer's matching gifts program
- Honoring someone with a gift in their name
- Making a gift by bequest
- 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.