



# Open Arms Home for Children South Africa

2006 Annual Report



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## **Board of Directors for the 2006 and 2007 Term**

Bob Solis, President  
Ted Freese, Treasurer  
Mark Peterson, Secretary  
Sallie Solis  
Dave Horan  
Dave Nelson  
Tim Chervenak

### **Key Staff**

Aaron Finch, Interim Executive Director

### **Mission Statement**

To provide a loving residential environment that serves the emotional, physical and developmental needs of children orphaned by the AIDS pandemic in the Eastern Cape of South Africa.

### **Our Core Values**

- We create a safe, welcoming, home-like environment for children
- We instill feelings of self-worth and values in a spirit of compassion
- We respect the rights of children
- We focus on the best interests of each child
- We treat all people with respect
- We maintain integrity by operating honestly and ethically in everything we do
- We always believe that we can make a difference
- We offer hope to the children and families we serve

### **Our Diversity Statement**

Open Arms Home for Children is committed to valuing the uniqueness of all peoples. The Home works to provide a residential and work environment where the lives and feelings of everyone are appreciated and valued. We call this diversity. It means that we value the presence of people of various strengths and backgrounds including but not limited to economic status, ethnicity, gender, physical abilities, political beliefs, racial heritage, religious conviction and social class.

Because of this belief in action, our commitment is to provide a residential and work environment in which children and adults can realize their full potential. Without this realization, Open Arms Home for Children cannot be successful. Our mission is to be a shining example of inclusion and diversity to the community in which we are privileged to operate.

## President's Report

The year 2006 has been a year of tremendous growth for Open Arms Home for Children. On March 16, 2006, we took in our first child, a young boy named Sifundo. This was the culmination of a dream to open a home for children in the Eastern Cape.

Over the course of the next nine months, six more children would come to Open Arms Home for Children, ranging in age from six months to nine years of age.

During the course of 2006, a number of additional achievements were realized, including:

- the hiring of our first six staff members, including four house mothers and two garden workers
- the installation of a borehole to help supply water to the Home
- the construction of a playground for the children
- the start of a search for a permanent Executive Director
- providing monthly health checks by a nurse from the Komga Clinic
- the placement of five children in the local Komga pre-school
- the first fundraising effort via a mail campaign in August 2006
- the development of marketing materials including our website ([www.openarmshome.com](http://www.openarmshome.com)) and a promotional brochure

These achievements would not have been possible without the generous support of donors in both the United States and South Africa. So many people have stepped forward to make Open Arms Home a place of refuge for our children. We are grateful beyond words for this generous support and look forward to expanding our services to children in need in 2007 and beyond.

## Overview

Open Arms Home for Children is a residential facility dedicated to serving the needs of children orphaned by the AIDS pandemic in the Eastern Cape. The Home is a licensed Section 21 company and also has non-profit status in South Africa and the United States.

Open Arms Home for Children was founded by Bob and Sallie Solis of Phoenix, Arizona. Following their lifelong dream to open a home for children in need, Bob and Sallie committed their life savings in August, 2005 to purchase a 70 acre hilltop property in Komga in the Eastern Cape Province. The Home currently features three residences; a five bedroom home, a two bedroom cottage and a one bedroom cottage.

The goal of Open Arms Home for Children is to raise each child in a family environment with five to six "siblings" under the nurturing care of a house mother where they can thrive and grow to become future leaders in the community. Future plans include the construction of additional cottages to expand the number of children we serve.

### The Need

The need for Open Arms Home for Children is supported by the following statistics:

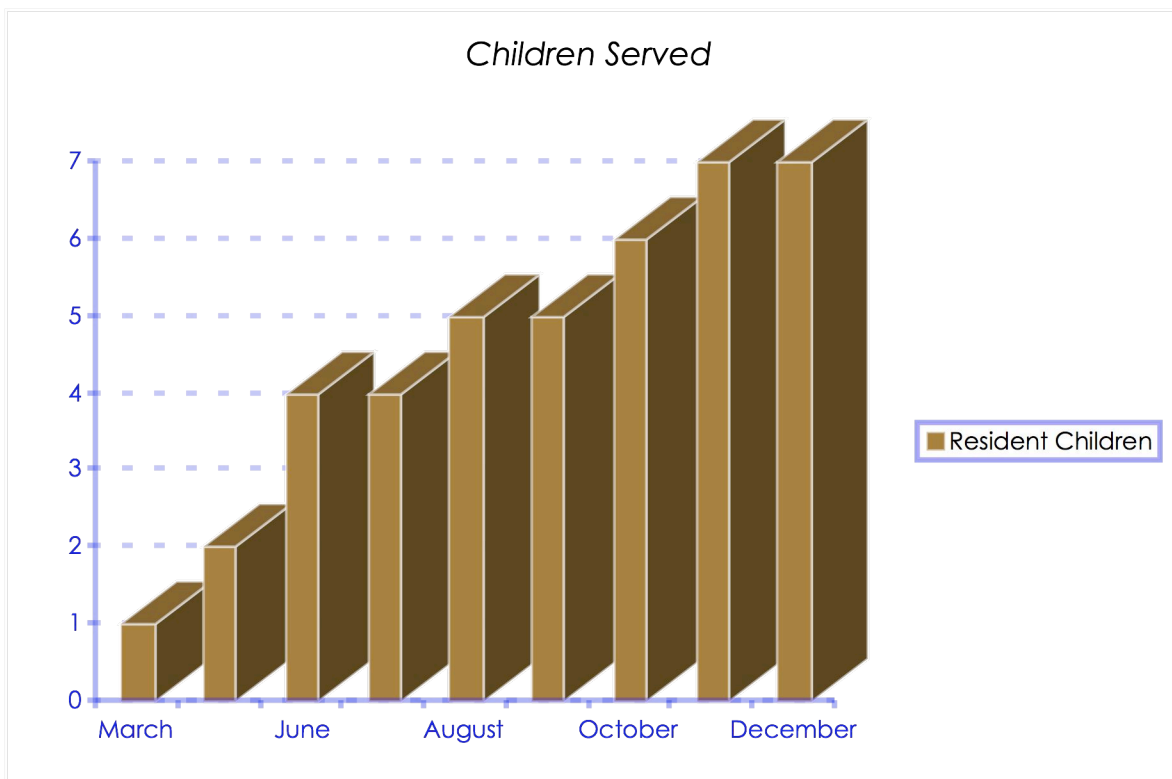
- On average, 600 people die from AIDS each day in South Africa
- South Africa has one of the highest HIV rates in the world
- The HIV prevalence rate among pregnant women is currently estimated at 27% nationally
- 250 babies are born HIV positive each day in South Africa

In wake of these statistics, there will be thousands of orphaned children in the years to come in our service area. The need is there, and unfortunately, grows every day.

### Program Report

Open Arms Home for Children is serving a growing and vital need in the Eastern Cape of South Africa. Currently, the six children's homes in neighboring East London are at capacity. As a result, the development of Open Arms Home has met a vital need in the community as it has allowed the placement of seven children at our facility. This number is sure to grow in 2007.

During 2006, Open Arms served the following number of children:



## Organizational Capacity

Open Arms Home for Children continues to address four key areas of organizational capacity:

- Serving more children
- Building infrastructure
- Organizational leadership
- Resource development

### 1. Serving More Children

With more than 70 acres, Open Arms Home for Children has plenty of room for additional construction and expansion of our services to children. With planned renovations to existing cottages in the months ahead, we will be able to expand our services to serve 30 children. After those renovations, we will seek to expand our staffing and build additional cottages as resources permit. Our goal is to serve 30 children by the end of 2007 and double that number by the end of 2009. This is an ambitious goal but one that our Board is fully committed to achieving.

### 2. Building Infrastructure

The ability of Open Arms Home for Children to expand services to children in need is dependent on our ability to grow and develop our physical infrastructure. To that end, plans are in place to make the following physical improvements to the Home in 2007:

- Finish construction of our new playground complete with climbing structures, swings, slides and a sand box.
- Renovate our two bedroom cottage to make it habitable for an additional 8 children
- Construct a crèche (nursery school) out of an abandoned building so that we can educate our preschool children on site
- Finish renovation of a one-bedroom apartment so we can accommodate the placement of a long-term volunteer
- Replace the septic system at the Home to accommodate additional capacity
- Continue to work on a long-term, sustainable solution to our water needs
- Acquire a new 14 passenger bus to transport our children to their various activities

We are fully committed to achieving these goals in 2007.

### 3. Organizational Leadership

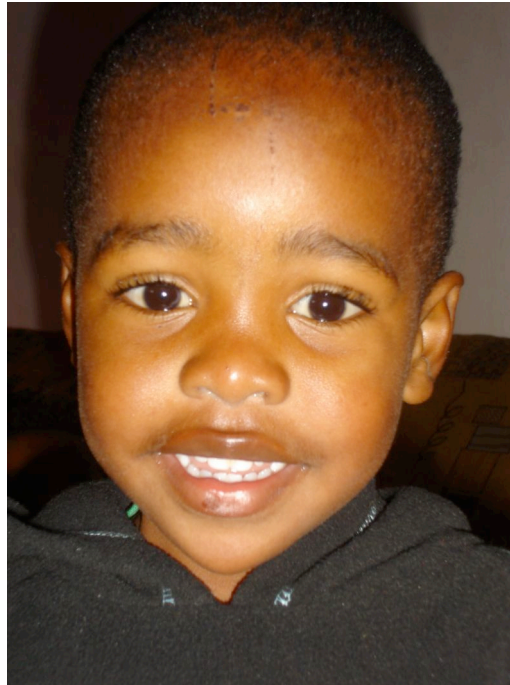
With the growth of our ministry to children, it is necessary to locate and hire an experienced leader to lead the organization forward. To achieve this goal, the Board of Directors launched a search for an Executive Director at the end of 2006. We are seeking a person with extensive leadership experience in the non-profit sector in South Africa. We are committed to finding a person in the first quarter of 2007.

### 4. Resource Development

Open Arms Home is wholly dependent on the generosity of individuals, corporations and foundations for its support. At this time, Open Arms receives no government funding of any kind. We are committed to the continued development of our fundraising operation as it will serve as the lifeblood of our organization's sustainability.

Open Arms undertook a variety of initiatives in the 2006 to aid in its resource development program, including:

- the hiring of Mr. Ted Freese as Development Director
- the first successful direct mail solicitation campaign
- successful solicitation of two foundations
- the purchase of Donor Perfect software to track and record donations
- approval as a licensed non-profit organization in the U.S. and South Africa
- the establishment of the Open Arms Angels program which pairs a sponsoring family with one of our children for a commitment of 700 rand (\$100) per month for a year



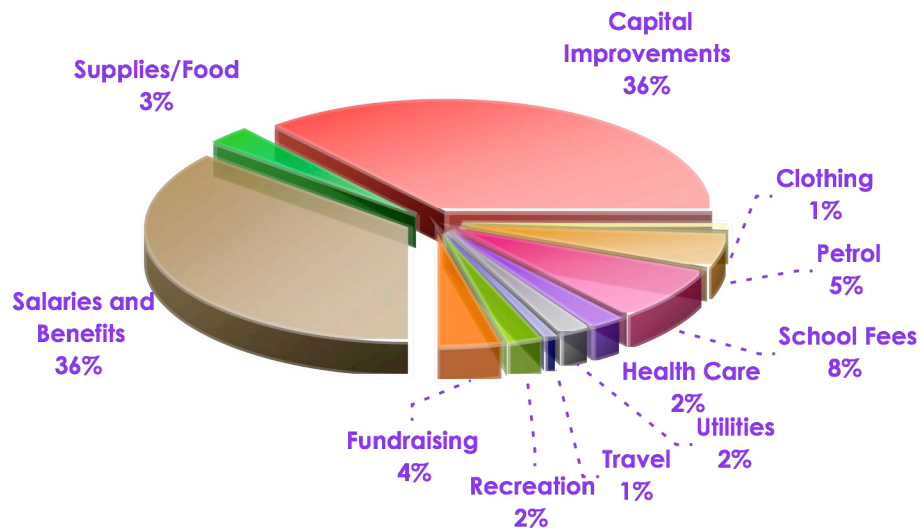
As a result of these efforts, Open Arms Home for Children raised 1.4 million rand, or \$200,000 in 2006. These funds carried the operating expenses of the Home for 2006 and we ended the year with a fund balance of 900,000 rand (\$130,000). Many of these funds are earmarked for capital improvements in 2007.

Operating expenses in 2006 were as follows:

Salaries and benefits: 144,600 rand (\$30,200)  
 Supplies/food: 16,000 rand (\$2,300)  
 Capital Improvements (include renovations, vehicles): 212,000 rand (\$30,285)  
 Clothing/shoes: 7,000 rand (\$1,000)  
 Petrol: 31,500 rand (\$4,500)  
 School fees: 48,000 rand (\$6,850)  
 Health care: 8,800 rand (\$1,250)  
 Utilities/phone: 9,800 rand (\$1,400)  
 Travel: 5,600 rand (\$800)  
 Recreation/entertainment: 8,000 rand (\$1,200)  
 Fundraising expenses: 22,000 rand (\$3,200)

Total expenses: 513,300 rand (\$82,985) \*

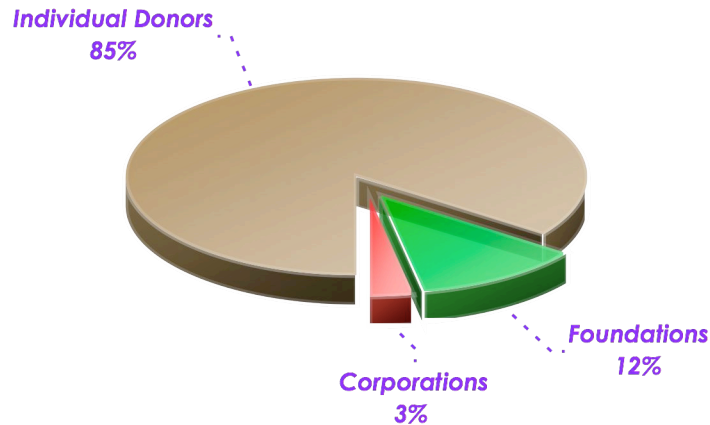
### Expenses



• Assumes average conversion rate of 7 rand = 1 dollar

Our sources of funding in 2006 are presented as follows.

### Sources of Funding



### Outlook for 2007

As we begin 2007, the Board of Directors and staff of Open Arms Home for Children are fully committed to providing the services that meet the needs of children in our care. While we are pleased with the first delivery of our services to children in 2006, we are committed to growth well beyond our current scope. The need for loving and nurturing care for children orphaned by the AIDS pandemic continues to grow exponentially and we know we must grow in order to meet this need.

We remain more committed than ever to our biblical motto: "Whoever welcomes one child such as this in my name, welcomes me" (Mark 9:37). Our work is important to those we serve and we look forward to continued progress in 2007 and beyond.

### Update through August, 2007

We are pleased to report the following achievements through August, 2007:

- Hiring Lana Liable as Executive Director of Open Arms Home for Children. Lana brings a wealth of experience to her position, having previously served as a hospital administrator in Kwazulu-Natal and the Executive Director of Big Brothers/Big Sisters of South Africa.
- We now are pleased to report that the number of children we serve has tripled, up from 7 at year-end 2006 to 21 currently.

- A number of construction projects have been completed, including a new septic system, renovation of our 2 bedroom cottage, completion of our borehole and playground, renovation of a new crèche for our pre-school students, and the construction of a new one bedroom volunteer accommodation and a small office for our Executive Director.
- The staff has been expanded to now include 6 house mothers.

We look forward to reporting additional achievements in our 2007 Annual Report which will be available in January, 2008.