



Open Arms Home for Children
2009 Annual Report

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Board of Directors for the 2009 and 2010 Term

Bob Solis, President, Litchfield Park, AZ
Ted Freese, Treasurer, Minneapolis, MN
Mark Peterson, Secretary, Scottsdale, AZ
Sallie Solis, Litchfield Park, AZ
Dave Horan, Minneapolis, MN
Jeff Towery, Boise, ID
Dave Nelson, Sarasota, FL
Tim Chervenak, Spokane, WA
Ann Parsons, Seattle, WA

Key Staff

Ms. Rita Montgomery, 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

Open Arms Home for Children celebrated many milestones in 2009. Most importantly, we provided a loving home to 30 children who give us so much joy. Each child who comes to our doors has special gifts and qualities and we celebrate their achievements each and every day.

Throughout 2009, Open Arms was at capacity with 30 children. But because the demand for homes continues to grow, we are pleased that we spent the year preparing for additional capacity. By the end of 2009, we put the finishing touches on our four new cottages which will bring our eventual capacity to 70 children. This is so exciting for us as we prepare to expand in 2010 and beyond. Finally, we will be able to say "yes!" when called to take additional children.



In addition to our four new cottages, we had a number of other achievements:

Capital Improvements:

- Put new roof on existing boys cottage
- Established a large fenced garden which will serve our food needs
- Added six new swings
- Built a new laundry room with 3 commercial washers and 1 dryer
- Painted new murals throughout the property
- Put in new septic system to accommodate our growth

Fundraising:

- In a difficult economy, kept our fundraising on pace with our growth
- Grew our donor base from 450 active donors to 625, an increase of 38%
- Established annual golf tournament in Milwaukee

Public Relations:

Established a spring and fall newsletter, *Open Arms News*
Distributed *Open Arms Lessons* book to more than 200 friends of Open Arms
Completed revamped our website, www.openarmshome.com

Staff and Volunteers:

Started ongoing relationship with Notre Dame for 2 volunteers each summer
Hosted more than 10 long-term volunteers
Grew staff to 24 employees on site

These achievements would not have been possible without the generous support of donors in both the United States and South Africa. It is with humility that we extend our most sincere thanks to those who continue to make our progress possible. We aim to be good stewards of your gifts and thank you for providing so much love and opportunity to our children. We can hardly wait for 2010!

Bob Solis
President, Open Arms Home for Children



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 of South Africa. The Home is a licensed Section 21 company in South Africa and has non-profit status in both South Africa and the United States.

Open Arms 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 of 2005 to purchase a 70-acre hilltop property in Komga in the Eastern Cape Province. The Home currently features six cottages and a four-bedroom home.

The goal of Open Arms Home for Children is to raise each child in a family environment with seven to eight "siblings" under the nurturing care of a housemother. We aim to provide a loving home where children can grow and become future leaders in their communities.

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

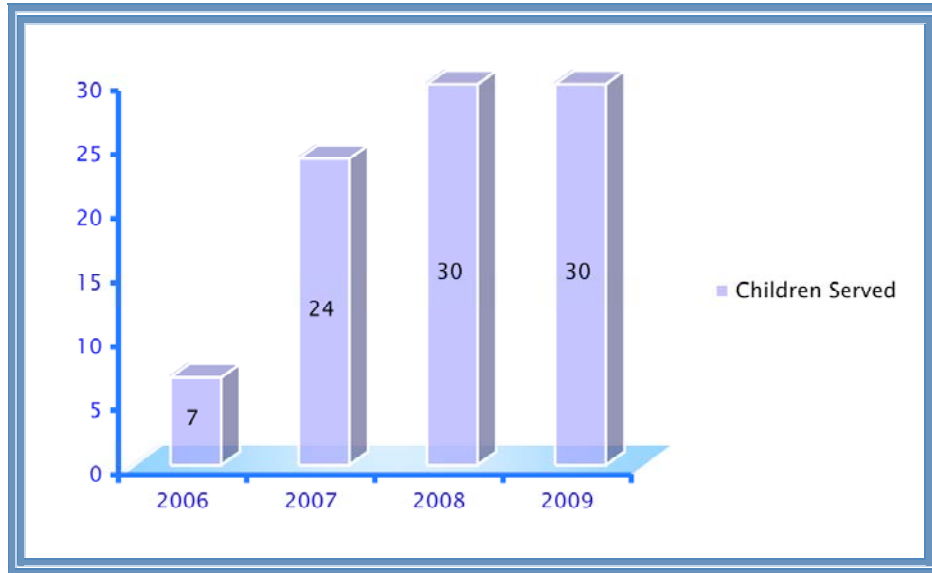
In wake of these statistics, there will be thousands of orphaned children in the years to come in our service area. The need is there, and unfortunately, grows every day.



Program Report

Open Arms Home for Children is serving a growing and vital need in the Eastern Cape of South Africa. Currently, the five 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 in which we operate.

In our four-year history, Open Arms served the following number of children:



Organizational Capacity

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

1. Serving more children
2. Building infrastructure
3. Organizational leadership
4. Resource Development

1. *Serving More Children*

With the great need for homes for orphaned children, Open Arms has established growth as a key priority. We aim to provide a home for 40 children by the end of 2010 and 70 children by 2012. With our newly completed cottages, we are on track for this goal but need to develop resources that will allow us to meet our future budget needs. With the help of many good people and a providential God, we are confident that we will reach our goals in 2010 and beyond.

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 2010:

- Complete a paved driveway on our property to eliminate the need for constant grading
- Develop plans for a new kitchen and mess hall so that 70 children can eat in one place
- Build an electrified security fence around our property
- Build an athletic field for soccer and other activities
- Secure a new 14 passenger van to carry more children and also a used 8 passenger van for a variety of uses

We are fully committed to achieving these goals in 2010.

3. *Organizational Leadership*

With the growth of our ministry, we are in need of more full-time help for Rita Montgomery, our very capable Executive Director. To that end, we will be hiring two full-time employees who recently graduated from college to help spearhead our on-site activities, including coordination of volunteers and our ongoing educational efforts. In addition, because we plan to grow our service to more children, we will be hiring a full-time social worker to assist in the coordination of care for our children. These people will be in place by June of 2010.

4. *Resource Development*

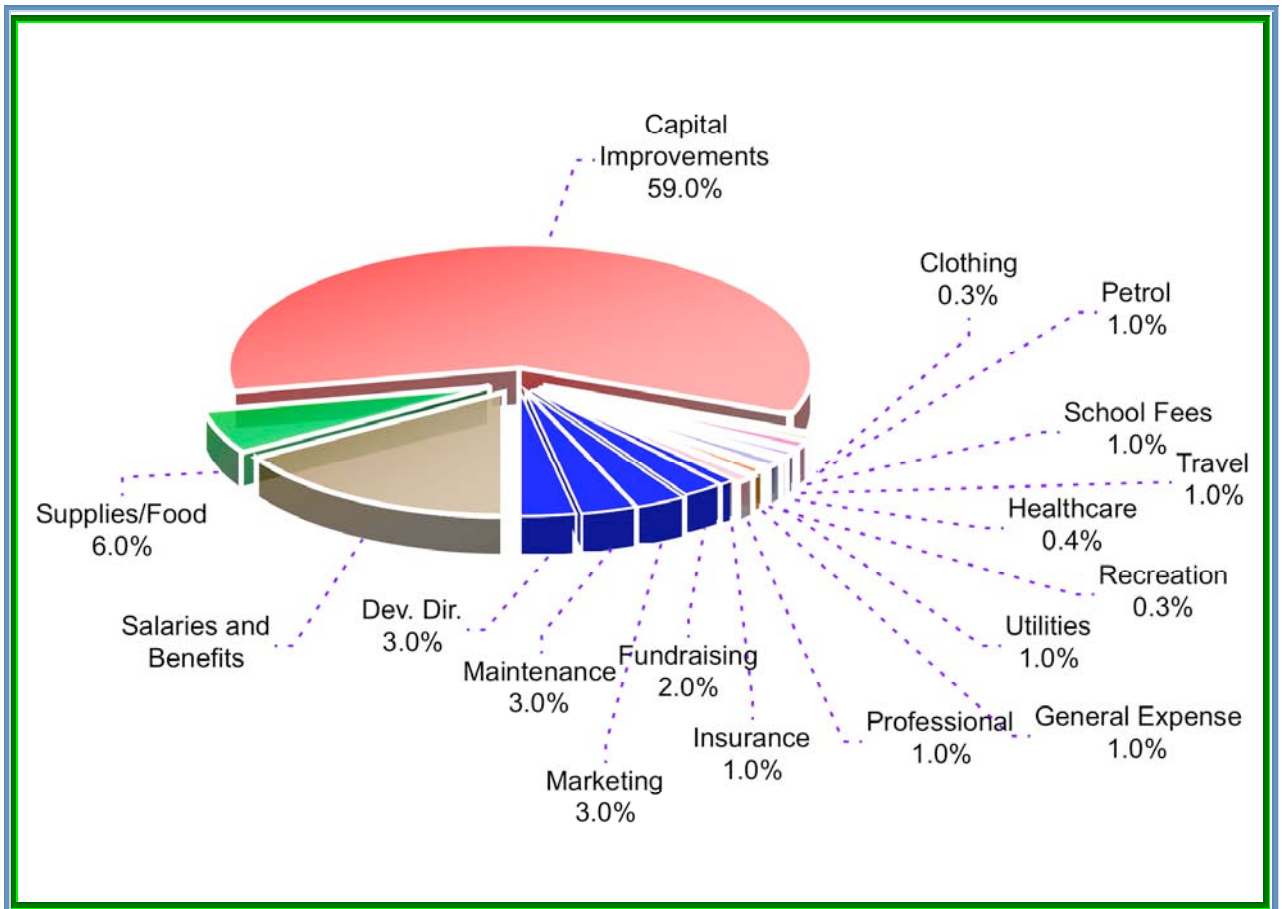
Open Arms is wholly dependent on the generosity of individuals, foundations, churches and corporations for its support. At this time, Open Arms receives no government funding of any kind. We are committed to the continued development of our fundraising operation as it will serve as the lifeblood of our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

As a result of these efforts, Open Arms Home for Children raised \$398,704 or 2.87 million rand in 2009. These funds carried the operating and capital expenditures of the Home throughout the year and left us with a fund balance of \$159,264 at the end of 2009. This represents about seven months of operating expenses on hand at the end of the calendar year.

Total operating expenses in 2009 were as follows:

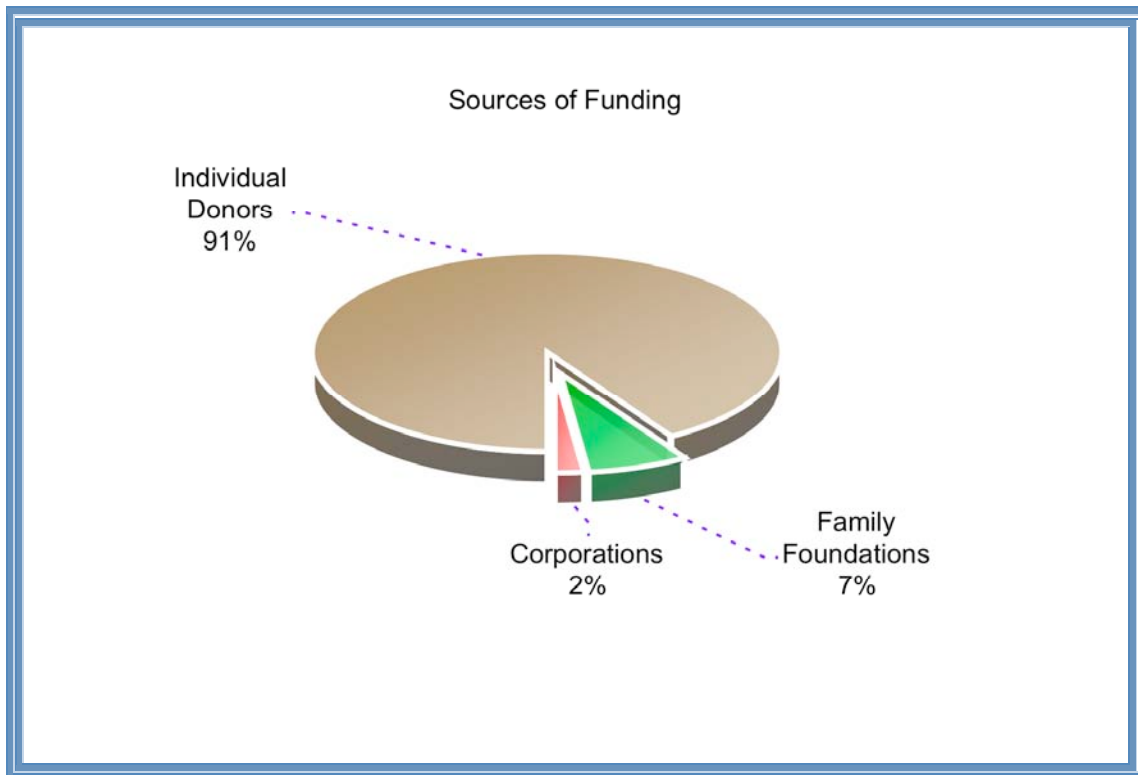
Salaries and benefits: \$72,921
Development Director: \$14,400
Supplies/food: \$25,751
Capital improvements (building/vehicles): \$275,576
Clothing/shoes: \$1,004
Petrol: \$6,777
School fees: \$4,541
Health care: \$1,254
Utilities/phone: \$5,925
Travel: \$3,800
Recreation/entertainment: \$328
Fundraising expenses: \$11,108
Marketing/printing/postage: \$14,082
General expenses: \$5,936
Professional services (legal/HR/audit): \$4,510
Insurance: \$4,001
Maintenance/repairs: \$13,490

Total expenses: \$465,404

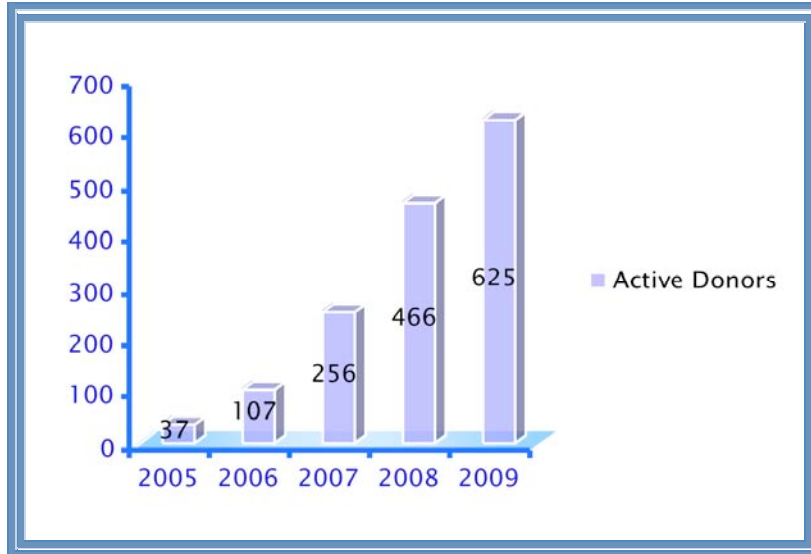




Our sources of funding in 2009, a total of \$398,704 are presented as follows:



Active Donor Growth



Outlook for 2010

As we begin 2009, the Board of Directors and staff at Open Arms Home for Children remain as committed as ever to living out our biblical motto: "Whoever welcomes one child such as this in my name, welcomes Me." (Mark 9:37). We are excited about the prospect of providing love and security to more children in the year ahead. The work we do is vitally important and we sincerely thank all those people who make our work possible. Through you, God is working great things!

