2013 ANNUAL REPORT

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Photo credits: Hunter Johnson and Kara King, NPH International; Kate Dorman, NPH Bolivia; Megan Tribble, NPH Dominican Republic, Monica Henry and Amy Jo Hutchison, NPH USA; Gabriel Rozyczki, NPH Germany; Giles Ashford; Taylor Mithelman; Jeff Noble, Noble Studios; Ted Stevens, Akron Children’s Hospital

Cover: Primary school at NPH El Salvador; Above: Chore time at NPH Peru
Who We Are

Mission
NPH USA, formerly Friends of the Orphans, transforms the lives of abandoned and disadvantaged children with homes, healthcare and educational programs, making a positive impact in Latin America and the Caribbean.

NPH USA is a 501(c)(3) non-profit corporation, Federal Tax ID# 65-1229309.

Who We Serve

NPH USA supports Nuestros Pequeños Hermanos (NPH, Spanish for “Our Little Brothers and Sisters”), which is currently raising more than 3,200 boys and girls. An additional 1,900 students who live outside the homes receive scholarships, meals and health care. In 2013, more than 113,000 services were provided to children and adults through community outreach programs.

Where We Serve

Mexico
Open: 1954
Number of children: 752
Features: The main home in Miacatlán has a clinic, chapel, farms, and primary and secondary schools. There are homes and a vocational high school in Cuernavaca, and a home in Matamoros.

Guatemala
Open: 1996
Number of children: 285
Features: 25 acres of land, farm, homes, school (grades K-9), vocational workshops and clinic

El Salvador
Open: 1999
Number of children: 311
Features: Homes, school (grades K-9), vocational workshops, clinic, farm and a waste water treatment plant

Nicaragua
Open: 1994
Number of children: 235
Features: Small group homes, farms, greenhouse, primary school, and vocational workshops

Peru
Open: 2004
Number of children: 94
Features: 37 acres of land, family-style homes with solar water heaters, water treatment system, playground, clinic, and therapy center

Bolivia
Open: 2005
Number of children: 109
Features: Dining hall, family-style homes, primary school, garden and clinic

Haiti
Open: 1987
Number of children: 718
Features: The main home is on 15 acres 5,000 feet above sea level in Kenscoff. It has residential cottages, a chapel, farm, and primary school (grades K-8). There is a pediatric hospital, plus rehabilitation centers, homes and schools in Tabarre.

Dominican Republic
Open: 2003
Number of children: 232
Features: 50 acres of land, family-style homes, school (grades 1-11) and gardens. Can accommodate up to 500 children.

Honduras
Open: 1985
Number of children: 469
Features: Preschool through secondary school, vocational workshops, farm, special homes for disabled children and elderly adults, and a surgery center

National Director was raised at an NPH home.

Right: A member of NPH Nicaragua’s dance group
Sixty years ago, Fr. William B. Wasson established a home for orphaned, abandoned and vulnerable children in Mexico. From that small beginning has grown the Nuestros Pequeños Hermanos (NPH) network of homes, medical facilities, schools and outreach programs in nine countries in Latin America and the Caribbean. The NPH homes now care for about 3,200 children, or pequeños. While NPH has grown in 60 years, the founding principles remain the same. The children live together with each other and the staff as a true family. They are given unconditional love, security and an education, and are taught personal responsibility and the need to serve others. The results are remarkable. Children who come from backgrounds of almost unimaginable poverty, abuse and neglect emerge as responsible, caring adults. Many receive a university education, and all are taught the skills and values they need to lead productive, rewarding lives. In addition, NPH’s medical facilities and community service touch the lives of tens of thousands of others.

NPH USA supports the work of NPH by raising funds in the United States through its six regional offices. In the years I’ve served on the board, our support of NPH has grown substantially. At the same time we’ve strengthened our organization, finances and staff and are poised to provide even greater support in 2014 and beyond. Details about our financial performance and support of NPH can be found elsewhere in this report. One notable achievement in 2013 was a change of name. Formerly known as “Friends of the Orphans” we adopted and rolled out our new name “NPH USA.” This better expresses who we are and what we do. I am pleased to say that the new name has been well received and, I believe, has contributed to our attracting new supporters. Our sponsorship program continues to grow and provide more people with the opportunity to know and interact with a child on a one-to-one basis.

Thanks to each and every one of our donors and supporters for the contributions they are making to better the lives of the children we are privileged to serve. You may be only one person, but you may mean the world to a child.

Yours truly,

M. Charles Swope
Chair, National Board of Directors
NPH USA
2013 was a tremendous year for NPH USA. Undesignated revenue grew 9% compared to 2012, and this comes on the heels of a very successful 2012 when we achieved a 5% growth rate. We were able to accomplish this while keeping our operational costs flat, which explains why we also had a record year in the amount of support provided to NPH. Additionally, we are proud that of the 9 percentage points of growth, 7 were the direct result of donor cultivation at the regional offices, rather than one-time grants or gifts, which often do not represent ongoing, dependable support into the future. Such a strong growth rate from our growing donor base is exciting and promises great opportunities for the future.

NPH USA provided $10.9 million of support to NPH International (NPHI), comprised of $9.3 million in cash and $1.6 million in materials (primarily medical in nature) in 2013. Although the cash provided to NPHI is at an all-time high, the donations of medicines and medical supplies have declined considerably as NPH has become more selective of the medicines it is able to accept. The NPH USA 2013 program ratio of 75% - a standard measure of effectiveness for a non-profit organization – indicates an efficient operation in support of NPHI, also indicated by our four-out-of-four star rating by Charity Navigator. The 7 percentage point decrease in the program ratio from 2012 is due entirely to the aforementioned reduction in donated medicines and supplies and not a reflection of cash provided to NPHI.

During 2013, we achieved an operating surplus of $0.3 million, even after providing additional support to NPHI. This surplus stemmed primarily from our growth in undesignated revenue and helped to drive an increase in our cash reserve of $0.8M. In light of our strong growth and cash position, NPH USA’s board committed to increasing the level of support that it provides to NPHI in 2014 by 10% compared to 2013.

NPH USA is committed to maintaining a healthy financial position and balance sheet. We continue to closely monitor financial performance through this challenging economic period and will take actions to ensure that we will always be there for the children of NPH just as we are for our own children. As our staff implements fundraising plans, your continued support remains the absolutely vital key to our success. We hope, and believe, that you will continue to keep the children of NPH uppermost in your hearts and minds.

On behalf of the children of NPH, thank you for your support.

Marnix Guillaume
Treasurer, National Board of Directors
NPH USA

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\(^a\) for this calculation, we have excluded non-cash donations (primarily donated medicines and supplies).
2013 Financial Highlights

The financial data on this page has been extracted from our 2013 Audited Financial Statements, which are available upon request.

Assets and Liabilities

**ASSETS**
- Cash and Cash Equivalents: $4,179,000
- Receivables and Prepaids: 263,000
- Investments and Endowments: 12,667,000
- Beneficial Interests in Trusts: 2,841,000
- Fixed Assets (Net): 28,000
- Other Assets: 33,000

**TOTAL ASSETS**: $20,011,000

**CURRENT LIABILITIES**: $734,000

**NET ASSETS**: $19,277,000
- Unrestricted Net Assets: 2,551,000
- Temporarily Restricted Net Assets: 3,681,000
- Permanently Restricted Net Assets: 13,044,000

**TOTAL LIABILITIES AND NET ASSETS**: $20,011,000

2013 Functional Expenses: $15,008,000

- Program Services 75% ($11.2M)
- Management & General 9% ($1.3M)
- Fundraising 16% ($2.4M)

2013 Sources of Revenue: $16,873,000

- Contributions 67%
- Bequests 2%
- Special Events 10%
- In-Kind Donations 10%
- Realized and Unrealized Gains 9%
- Other Income 2%
Homes

Children being raised at NPH homes: 3,205
- Bolivia: 109
- Dominican Republic: 232
- El Salvador: 311
- Guatemala: 285
- Haiti: 718
- Honduras: 469
- Mexico: 752
- Nicaragua: 235
- Peru: 94

New arrivals: 289

Education

High School Graduates: 162
Vocational Certifications: 243
University Graduates: 32
Year of Service pequeños: 248

Students supported through educational programs: 1,932
- Children from low-income households who attend NPH schools: 1,688
- Children living with family who receive academic scholarships: 244

Highlights

- Bolivia: Completed the primary school, clinic and volunteer home
- Dominican Republic: Completed second floor of the high school and added 11th grade
- El Salvador: Harvested enough corn and sorghum for the entire year
- Guatemala: 10 of the 12 high school graduates were girls
- Haiti: Installed a water purification system at the main home in Kenscoff
- Honduras: Implemented a water project that will use gravity instead of electrical pumps to fill storage tanks
- Mexico: Constructed boys’ dorm at Ciudad de los Niños
- Nicaragua: Installed a greenhouse
- Peru: Three youths received university scholarships from the Peruvian government

Helping the Community

All of the NPH homes assist people in their communities in a variety of ways. The homes with their own schools offer scholarships to local children and those with clinics provide health care services to thousands of children and adults each year. Other programs include offering vocational education to unemployed adults in the Dominican Republic, providing child daycare to working mothers in Honduras, and assisting children living at a garbage dump in Mexico. In addition, the homes provide disaster relief when needed.

Above: NPH Guatemala’s nationally certified bakery workshop; the NPH Honduras day care center; NPH Haiti. Right: NPH Dominican Republic

In 2013, a total of 113,387 services were provided through community outreach programs and more than 2,300 people were employed locally.
Donations to NPH USA help provide for the basic needs of over 3,200 children at the NPH homes. It costs less than $17 a day, or $6,000 per year on average, to raise a child at our homes.

Our homes strive to be as resourceful and frugal as possible. Following are some of the ways that we are able to keep costs low:

- Supplies and food are bought in bulk and used to maximum efficiency. For example, in Mexico, extra grain is used to feed pigs and tilapia, which the children eat.
- Various vendors provide discounts and donations on everything from seed to medicine. For example, electricity for NPH Dominican Republic is donated by the local power company.
- Our homes produce some of their own food, including fruit and vegetables, and at a few of the homes, poultry, meat and even fish.
- Several of our homes produce furniture, shoes, and other essential items.
- International volunteers and youths doing a year of service fill jobs that would otherwise be paid positions.
- Every child does daily chores, such as cooking, cleaning, and farming to help our family.

These figures include salaries for NPH staff, utilities and home maintenance.

### Table: Cost Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$1,182</td>
</tr>
<tr>
<td>Clothing</td>
<td>$160</td>
</tr>
<tr>
<td>Housing</td>
<td>$213</td>
</tr>
<tr>
<td>Health Care</td>
<td>$2,190</td>
</tr>
<tr>
<td>Education</td>
<td>$2,255</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$6,000</strong></td>
</tr>
</tbody>
</table>

NPH USA donors have helped rescue thousands of children from poverty and provide them with the chance to become self-sufficient.
Making a Difference

LEADERSHIP PROGRAM

CHILD SPONSORSHIP

EVENTS

VOLUNTEERS

SPECIAL GIFTS

TRIPS
One of the dreams of Fr. William B. Wasson, founder of NPH, was that the pequeños grow up to care for subsequent generations of children in need. To cultivate future leaders, the NPH International Leadership Institute was founded in September 2011. The Institute is designed to build upon the foundation emerging leaders have already received at their NPH homes and through various Family Services workshops.

Participants live with host families in Seattle, Washington, while they study English and attend leadership courses, spiritual retreats and various community events. They speak at a variety of NPH USA fundraisers and perform other service-work. When they return to their home countries, they will be better prepared to share their gifts and talents with the NPH family and the local community.

2013 - 2014 Class

Cesario, Guatemala
A psychology student at the Mariano Galvez University in Guatemala, Cesario assists with the coordination of the high school boys’ home.

Ricardo, Mexico
In 2013, Ricardo received a degree in Nursing. He completed internships in the internal medicine, home care and psychiatry departments of two hospitals in Monterrey.

Daphney, Haiti
During her year of service, Daphney worked in the social work office helping with files, documentation, and child sponsorship.

Saribel, Guatemala
A business administration student at the Rafael Landivar University in Guatemala, Saribel also serves NPH as the assistant director of the babies’ house.

Migdalia, Nicaragua
When she returns to NPH, Migdalia plans to return to the University of Managua and complete the Pediatric Nursing Program.

“NPH means a brighter future for me and for my brothers and sisters.”
- Saribel

Top: The Leadership students with Miguel Venegas, Executive Director of NPH International. Miguel is an Hermano Mayor (older brother) who was raised at NPH Mexico. On page 9: A child at NPH Honduras reads a letter from her sponsor
The regional offices of NPH USA organize local events to raise awareness of and funds for our work. Events vary from fun runs to formal galas. In addition, supporters plan and host their own events, such as concerts and cocktail parties, and giving campaigns to benefit the children of NPH. In 2013, supporter events and campaigns yielded more than $163,000.

nphusa.org/events

The NPH USA Child Sponsorship Program connects caring people in the U.S. with individual children at the NPH homes. Sponsors (Godparents) generously give ongoing financial support to provide for the children’s daily care. They also provide friendship that helps the children develop self-esteem and reinforces the values they are taught at NPH.

nphusa.org/sponsorship

<table>
<thead>
<tr>
<th>Region</th>
<th>Sponsorships</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest</td>
<td>1,203</td>
<td>$ 593,000</td>
</tr>
<tr>
<td>Southwest</td>
<td>1,848</td>
<td>$ 825,000</td>
</tr>
<tr>
<td>Upper Midwest</td>
<td>1,875</td>
<td>$ 845,000</td>
</tr>
<tr>
<td>Midwest</td>
<td>1,507</td>
<td>$ 621,000</td>
</tr>
<tr>
<td>Mid-Atlantic/Northeast</td>
<td>654</td>
<td>$ 325,000</td>
</tr>
<tr>
<td>Southeast</td>
<td>471</td>
<td>$ 193,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7,558</strong></td>
<td><strong>$ 3,402,000</strong></td>
</tr>
</tbody>
</table>

One of the things that makes NPH USA unique is we give you the opportunity to meet the children whose lives you are transforming with your support. We organize trips to our homes on a regular basis, making arrangements for transportation, accommodations and activities. Some trips include work projects, such as gardening or constructing facilities.

nphusa.org/travel

<table>
<thead>
<tr>
<th>Country</th>
<th>Trips</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Republic</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>El Salvador</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>Guatemala</td>
<td>4</td>
<td>160</td>
</tr>
<tr>
<td>Honduras</td>
<td>8</td>
<td>132</td>
</tr>
<tr>
<td>Mexico</td>
<td>7</td>
<td>172</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>2</td>
<td>55</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>23</strong></td>
<td><strong>555</strong></td>
</tr>
</tbody>
</table>

The regional offices of NPH USA organize local events to raise awareness of and funds for our work. Events vary from fun runs to formal galas. In addition, supporters plan and host their own events, such as concerts and cocktail parties, and giving campaigns to benefit the children of NPH. In 2013, supporter events and campaigns yielded more than $163,000.

nphusa.org/events

Above: Service trip to NPH Honduras; supporter trip to NPH Mexico; the NPH Nicaragua dance group at an event in Arizona

<table>
<thead>
<tr>
<th>Region</th>
<th>Events</th>
<th>Attendees</th>
<th>Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest</td>
<td>12</td>
<td>1,200</td>
<td>$ 208,000</td>
</tr>
<tr>
<td>Southwest</td>
<td>9</td>
<td>1,455</td>
<td>$ 245,000</td>
</tr>
<tr>
<td>Upper Midwest</td>
<td>9</td>
<td>1,486</td>
<td>$ 370,977</td>
</tr>
<tr>
<td>Midwest</td>
<td>13</td>
<td>1,295</td>
<td>$ 182,065</td>
</tr>
<tr>
<td>Mid-Atlantic/NE</td>
<td>6</td>
<td>1,730</td>
<td>$ 162,683</td>
</tr>
<tr>
<td>Southeast</td>
<td>5</td>
<td>400</td>
<td>$ 61,900</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>54</strong></td>
<td><strong>7,566</strong></td>
<td><strong>$ 1,230,625</strong></td>
</tr>
</tbody>
</table>

Table does not include supporter events or campaigns.

nphusa.org
International Volunteer Program: Serving at Our Homes

The NPH USA International Volunteer Program sends qualified individuals, married couples and families to support the staff and children living at the NPH homes. 

nphusa.org/IVP

<table>
<thead>
<tr>
<th>143</th>
<th>47</th>
<th>3</th>
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</thead>
<tbody>
<tr>
<td>applications</td>
<td>U.S. volunteers served six months</td>
<td>summer volunteers Dominican Republic</td>
</tr>
</tbody>
</table>

$206,800 Estimated savings in salaries

Right: Ashley Siferd of Lenoir City, TN, is serving in El Salvador

Surgery Brigades: Saving Lives in Honduras

In 2013, there were five brigade trips to the Holy Family Surgery Center at NPH Honduras. This was in addition to the regular supporter trips listed on page 11.

nphusa.org/HFSC

<table>
<thead>
<tr>
<th>450</th>
<th>189,000</th>
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<tbody>
<tr>
<td>participants</td>
<td>hours given</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1,909</th>
<th>372</th>
</tr>
</thead>
<tbody>
<tr>
<td>consultations</td>
<td>surgeries</td>
</tr>
</tbody>
</table>

Right: Surgery brigade

Local Volunteers: Sharing Skills and Time

Volunteers are essential to the success of NPH USA and help in a number of ways, including:

- Serving on boards and committees
- Assisting with office tasks
- Translating letters to/from child sponsors
- Working at special events
- Hosting visiting children

nphusa.org/vlocal

<table>
<thead>
<tr>
<th>728</th>
<th>22,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>volunteers</td>
<td>hours given</td>
</tr>
</tbody>
</table>

Right: Members of the Mid-Atlantic/Northeast Junior Board
In-Kind Gifts

We are grateful to the generous individuals, companies and organizations that donate merchandise (primarily medical supplies and medicines) to augment cash donations and help meet the daily needs of our homes. We also thank the generous partners that donate services, items and gift certificates for special events.

nphusa.org/inkind

$1.6 Million
value of products and services donated for our homes

$300,000
value of items for regional special events

Legacy Gifts

Each year, we are both saddened and bolstered by the generosity of individuals who cared so much for the children of NPH that they chose to provide for them through their charitable estate plans. As we say good-bye to the friends who remember the pequeños in this way, we offer our deep condolences to their families and friends.

nphusa.org/legacy

19
gifts
$362,491
legacy gifts total

Tribute Gifts

Throughout the year, many donors remember or honor a friend or loved one by making a gift in their name. These meaningful tributes help support the thousands of children in our care.

nphusa.org/tribute

476
gifts
$73,112
tribute gifts total

Matching Gifts

Many employers match charitable donations made by their employees and even their retirees, increasing their impact on our children’s lives.

nphusa.org/match

175
individuals

49
companies

$107,344
matching gifts total
St. Damien Pediatric Hospital is the premier children’s facility in Haiti. It offers long-term care as well as emergency and outpatient services. Contributions to NPH USA’s St. Damien Pediatric Hospital Fund support the hospital and its related public health programs.

$1,399,106 given for hospital programs

96,123 services provided

- Consults and admissions: 22,000+
- Neonatology: 4,000+
- Surgery: 800+
- Cholera treatment: 4,800+

Above: St. Damien employs over 400 Haitians, including some who were raised at the NPH home. Right: solar panels, which will reduce diesel use by 20-30%, were installed at the hospital in 2013; a child in the malnutrition program.
Fr. Wasson Legacy Endowment, Inc. (FWLEI, Federal Tax ID #91-2005679) is a nonprofit, nonsectarian 501(c)(3) organization incorporated in Delaware in 1995. The purpose and mission of FWLEI is to create a substantial and growing financial corpus (the Endowment) that will generate income and help provide long-term financial stability for Nuestros Pequeños Hermanos.

Directors are nominated by NPH USA and elected to represent geographic areas paralleling the regions of the NPH USA offices. The Executive Director of NPH International and CEO of NPH USA are ex-officio voting members of the Board of Directors. The representative of Friends of the Orphans Canada is a non-voting advisory member due to the limitations of Canadian tax laws. The NPH USA offices and NPH Mexico raise funds for the Endowment. Donors receive receipts from NPH USA, which may be used to obtain deductions from U.S. taxes as provided by law. FWLEI may make an annual distribution from earnings to NPH USA for support of the NPH homes.

FWLEI Board of Directors
OFFICERS
John Iberle, President
Placido (Pete) Blanco, Treasurer
Claire H. Topp, Secretary

DIRECTORS
Brian Arezzo
Placido (Pete) Blanco
A. Frank Donaghue, NPH USA
President & CEO
R. Jean Gray
John Iberle
Lic. Fernando Gres Lozano
David Seidel
John Zicarelli

Anna Lammerding
Friends of the Orphans Canada Liaison

Todd Schultz
NPH USA CFO

Claire H. Topp
Legal Counsel

Joan Provencio
Secretary Emerita

President’s Report

The Father Wasson Legacy Endowment, Inc. (FWLEI or the Endowment) was established in 1995 to provide a repository of long-term financial assets and thus create an on-going source of financial support through NPH USA to Nuestros Pequeños Hermanos (NPH). FWLEI is a separate 501(c)(3) charitable organization.

The Endowment net asset balance has continued to increase, to a total of $13.2 million at yearend 2013 from $11.6 million at yearend 2012. This growth has occurred in large part due to the continuing recovery of the financial markets in 2013, even while FWLEI made distributions to NPH USA for the benefit of the children of NPH in 2013 totaling over $417,000.

A major milestone for FWLEI in 2013 was the consolidation of the Sky Blue Waters Fund into the general FWLEI Endowment Fund. Established in 2004 through the persistent and substantial generosity of a particularly far-sighted donor, the Sky Blue Waters Fund remained restricted from use, at the donor’s request, in the Distribution Policy that governs the general Endowment Funds. In September, the Sky Blue Waters Fund achieved its total assets goal and was therefore consolidated into the general Endowment Funds. Henceforth, those additional funds will allow for increased distributions each year for the benefit of the NPH children.

As the Board enters 2014, we wish to acknowledge the contributions of John Zicarelli and Pete Blanco as they conclude their service as full board members due to term limits. Gentlemen, your insights, wit and generosity of service will be missed but we trust that your hearts will remain with NPH and that you will continue to help us support the NPH family. The Board concurrently welcomes several new board members – Mary Guillaume, Nellie Johnson and Charlie Swope – into service with us in stewarding FWLEI.

In conclusion, let me note the on-going efforts to build support for NPH through the staff and supporters of NPH USA. The primary role that FWLEI plays in the NPH USA fundraising platform is to offer a targeted vehicle – one with a strong record of oversight and investment performance – for appropriate planned gifts and estate opportunities in stewarding donor prospects. A complete fundraising operation offers an endowment opportunity for donors to contribute to the longer-term sustenance of the beneficiary organization. FWLEI plays that role for U.S. donors to NPH. If you are interested in learning more or know of someone who should hear about this opportunity, we urge you to call your NPH USA Regional Director or one of our board members. We urge you to GET CLOSER.

Thank you so much for your contributions and support. God bless you and the children of Nuestros Pequeños Hermanos.
2013 Portfolio Management Report

The Father Wasson Legacy Endowment portfolio is managed by Victor Ziminsky III of Morgan Stanley. Vic has provided excellent investment results for the Endowment Fund, outperforming the benchmark in six of the past seven years.

In 2013, the Endowment Fund investment portfolio – whose year-end balance was $12.97 million – achieved a 17.25% return net of fees, nicely above the 16.17% result in our targeted performance benchmark for a portfolio containing 65% world equities and 35% fixed income. Vic mentioned that “ Stocks seemed to have leap-frogged the real economy in 2013, outpacing what has been...a bumpy, below-par and brittle (triple-B) expansion.’ The 30-plus percent return for the S&P 500 was coupled with a less than torrid estimated two percent rise in United States gross domestic product.”

At yearend 2013, equities represented approximately 77% of the portfolio (somewhat above the 65% benchmark) with two percent in an alternative asset (a gold exchange traded fund). Fixed income and cash comprised the remaining 21%, with fixed income investments rated “AA” and above.

The Board expresses its appreciation to Vic and his team for continuing good performance and to the Investment Committee for their oversight.

Assets and Liabilities

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$751,000</td>
</tr>
<tr>
<td>Receivables</td>
<td>$16,000</td>
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<tr>
<td>Investments and Endowments</td>
<td>$12,390,000</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>$13,158,000</td>
</tr>
</tbody>
</table>

CURRENT LIABILITIES

NET ASSETS

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>$13,158,000</td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td>$296,000</td>
</tr>
<tr>
<td>Permanently Restricted Net Assets</td>
<td>$3,212,000</td>
</tr>
</tbody>
</table>

TOTAL LIABILITIES AND NET ASSETS $13,158,000

2013 FWLEI Expenses: $472,000

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Support to NPH USA 89%</td>
<td>$418,000</td>
</tr>
<tr>
<td>Professional Fees 4% ($20,000)</td>
<td></td>
</tr>
<tr>
<td>Investment Management Fees 6% ($27,000)</td>
<td></td>
</tr>
<tr>
<td>All Other 2% ($8,000)</td>
<td></td>
</tr>
</tbody>
</table>

2013 FWLEI Revenue: $2,016,000

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions 11%</td>
<td></td>
</tr>
<tr>
<td>Interest/Dividends 12%</td>
<td></td>
</tr>
<tr>
<td>Realized and Unrealized Gains 77%</td>
<td></td>
</tr>
</tbody>
</table>

The financial data on this page has been extracted from the 2013 FWLEI Audited Financial Statements, which are available upon request.

Below: NPH Dominican Republic; NPH Guatemala; NPH Mexico
NPH USA Leadership

A. Frank Donaghue
President and Chief Executive Officer

Todd Schultz
Chief Operating Officer/Chief Financial Officer

Katie Hultquist
Regional Director - Northwest

James Hoyt
Regional Director - Southwest

Molly Boyum
Regional Director - Upper Midwest

Chuck Allworth
Regional Director - Midwest

Monica Henry
Regional Director - Mid-Atlantic/Northeast

Leah Stern
Regional Director - Southeast

Jennifer Rayno
Director, St. Damien Pediatric Hospital Fund

2013 National Board of Directors

NPH USA is governed by a volunteer Board of Directors. Members have diverse professional backgrounds and expertise, but each actively works to raise funds for and awareness of NPH USA.

M. Charles Swope, Chair
Senior Director, Thomson-Reuters (retired)

Patricia Buckley, Vice Chair
Vice President and Practice Leader, Duffy Group

Claire Topp, Secretary
Partner, Dorsey & Whitney LLP

Marnix Guillaume, Treasurer
Associate, Hanover Stone Partners

John Shinsky, At-Large
Professor, Grand Valley State University

John Deinhart
Director of Stewardship and Strategic Planning, Catholic Diocese of Knoxville

Kara Henry
Senior Director, Marketing Communications & Agency Relations, Kraft Foods Group

John Iberle
Executive, The John Buck Company (retired)

Nellie Johnson
CEO, CareChoice Cooperative

Larry Krema
Senior Vice President of Human Resources & Corporate Services, Simon Property Group

Maria Lamas Shojaee
CEO, Shoma Group

Max Maccoby
Shareholder, Butzel Long, P.C.

Jorg Nowak
Vice President of Emerging Markets, YuMe

Miguel Venegas
Executive Director, NPH International

Above: NPH Honduras
NPH USA was founded as Friends of Our Little Brothers in 1965. In addition to our national office located in Illinois, we have six regional offices, each of which has its own volunteer Board of Directors.

2013 Regional Board Members

**NORTHWEST**
Chris Hartinger, Chair
Donna Egge, Past Chair
Mike Billish
Malia Cranmer
Doug DeBen
Camilla George
Cheryl Goodwin
Bill Griffin
Jim Hall
Julie Kee
Bonnie Preece
Tony Richardson
Susana Valencia
Larkin VanDerhoef
Sadie Whitley
Ray Wilde

**UPPER MIDWEST**
Nestor Jaramillo, President
Rose M. Schaffhausen, Founder
D’Anne Briggs
John Cleveland
Lulu Daly
Peter Daly
Shannon Hollanitsch
Richard Jordan
Terry Koller
Sue Lovegreen
Kelly Regan
Vic Roers
Jessica Snell

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T. Christopher Donnelly
Patricia Flatley
Stephen Franzino
Winifred Henry
Barbara Kelley
Gerald McGrath
Dr. Brian Orr

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Martha Fogler, Mentor Chair
Molly VanRibbink, Incoming Chair
Anthony Austin
William Bradford
Susan Fioriti
Alexander Glueckler
Terry Keenen
Joseph Klag
Robert Messer
Justin Niedzialek
Katherine Swenson

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Kelly Corley
Colleen Flanagan
Cristina Gomez Garcia
Gabe Gonzalez
Ray Grzesiak
Marc Harrison
Lynda Houston
John Iberle
Donna Lichtenstein
Jill Adams McDonough
Tom Scherschel
John Shattuck
Frank Sorensen
Ellen Tombaugh

**SOUTHEAST**
Tomas Hauff
Dr. Robert Jacobson
Eduardo Jose Latham
Art Massolo
Jorg Nowak
CJ Occhipinti
John Price
Ramiro Prudencio
Theresa Rice
LJ Rodriguez
Maria Shojaee
Ingrid Vasiliiu-Feltes
Jorge Uribe

Above: NPH Dominican Republic
HOW YOU CAN GET CLOSER

GIVE
Providing food, shelter, clothing and education to our children

SPONSOR
Establishing a personal connection with a child

VOLUNTEER
Helping in regional offices or at an NPH home location

VISIT
Experiencing life at a home and spending time with the children

For more information on how to help, please visit nphusa.org or contact your regional office.

Above: NPH Peru