

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2007 calendar year, or tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

<b>B</b> Check if applicable:	Please use IRS label or print or type. See Specific Instructions.	<b>C</b> Name of organization <b>NEPALESE YOUTH OPPORTUNITY FOUNDATION</b>	<b>D</b> Employer identification number <b>68-0224596</b>
<input type="checkbox"/> Address change	Number and street (or P.O. box if mail is not delivered to street address) <b>3030 BRIDGEWAY</b>	Room/suite <b>123</b>	<b>E</b> Telephone number <b>415-331-8585</b>
<input type="checkbox"/> Name change		City or town, state or country, and ZIP + 4 <b>SAUSALITO, CA 94965-2895</b>	
<input type="checkbox"/> Initial return		<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶	
<input type="checkbox"/> Termination	• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ). Hand I are not applicable to section 527 organizations.		
<input type="checkbox"/> Amended return	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<input type="checkbox"/> Application pending	<b>H(b)</b> If "Yes," enter number of affiliates ▶ <b>N/A</b>		

**G** Website: ▶ **WWW.NYOF.ORG**

**J** Organization type (check only one) ▶  501(c) ( **3** ) ◀ (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **2,513,329.**

**H(c)** Are all affiliates included? **N/A**  Yes  No (If "No," attach a list.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number ▶ **N/A**

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

	<b>1</b> Contributions, gifts, grants, and similar amounts received:			
	<b>a</b> Contributions to donor advised funds	<b>1a</b>		
	<b>b</b> Direct public support (not included on line 1a)	<b>1b</b>	<b>1,799,048.</b>	
	<b>c</b> Indirect public support (not included on line 1a)	<b>1c</b>	<b>37,136.</b>	
	<b>d</b> Government contributions (grants) (not included on line 1a)	<b>1d</b>		
	<b>e</b> Total (add lines 1a through 1d) (cash \$ <b>1,752,860.</b> noncash \$ <b>83,324.</b> )	<b>1e</b>	<b>1,836,184.</b>	
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		
	<b>3</b> Membership dues and assessments	<b>3</b>		
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>		
	<b>5</b> Dividends and interest from securities	<b>5</b>	<b>92,069.</b>	
Revenue	<b>6 a</b> Gross rents	<b>6a</b>		
	<b>b</b> Less: rental expenses	<b>6b</b>		
	<b>c</b> Net rental income or (loss). Subtract line 6b from line 6a	<b>6c</b>		
	<b>7</b> Other investment income (describe ▶ )	<b>7</b>		
	<b>8 a</b> Gross amount from sales of assets other than inventory	(A) Securities	<b>8a</b>	
		<b>596,897.</b>		
	<b>b</b> Less: cost or other basis and sales expenses	(B) Other	<b>8b</b>	
		<b>533,974.</b>		
	<b>c</b> Gain or (loss) (attach schedule)	<b>8c</b>		
	<b>d</b> Net gain or (loss). Combine line 8c, columns (A) and (B)	<b>8d</b>	<b>62,923.</b>	
<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
<b>a</b> Gross revenue (not including \$ of contributions reported on line 1b)	<b>9a</b>			
<b>b</b> Less: direct expenses other than fundraising expenses	<b>9b</b>			
<b>c</b> Net income or (loss) from special events. Subtract line 9b from line 9a	<b>9c</b>			
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>			
	<b>b</b> Less: cost of goods sold	<b>10b</b>		
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	<b>10c</b>		
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>	<b>&lt;11,821.&gt;</b>		
<b>12</b> Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	<b>12</b>	<b>1,979,355.</b>		
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>	<b>1,207,859.</b>	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>	<b>241,135.</b>	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>	<b>8,124.</b>	
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>		
	<b>17</b> Total expenses. Add lines 16 and 44, column (A)	<b>17</b>	<b>1,457,118.</b>	
Net Assets	<b>18</b> Excess or (deficit) for the year. Subtract line 17 from line 12	<b>18</b>	<b>522,237.</b>	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>	<b>3,074,877.</b>	
	<b>20</b> Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 3</b>	<b>20</b>	<b>&lt;252,211.&gt;</b>	
	<b>21</b> Net assets or fund balances at end of year. Combine lines 18, 19, and 20	<b>21</b>	<b>3,344,903.</b>	

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>			STATEMENT 5	STATEMENT 6
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ 1116207 noncash \$ 0) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	1,116,207.	1,116,207.		
<b>23</b> Specific assistance to individuals (attach schedule) STATEMENT 7	4,361.	4,361.		
<b>24</b> Benefits paid to or for members (attach schedule)				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A	83,096.	2,475.	80,621.	0.
<b>25b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
<b>25c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	97,698.	49,672.	47,432.	594.
<b>27</b> Pension plan contributions not included on lines 25a, b, and c				
<b>28</b> Employee benefits not included on lines 25a - 27				
<b>29</b> Payroll taxes	25,146.		25,086.	60.
<b>30</b> Professional fundraising fees				
<b>31</b> Accounting fees	36,195.	3,250.	32,945.	
<b>32</b> Legal fees				
<b>33</b> Supplies	2,943.	990.	1,953.	
<b>34</b> Telephone				
<b>35</b> Postage and shipping	2,444.		2,444.	
<b>36</b> Occupancy	18,716.	4,865.	13,851.	
<b>37</b> Equipment rental and maintenance	9,966.	6,697.	3,269.	
<b>38</b> Printing and publications	23,039.	906.	20,363.	1,770.
<b>39</b> Travel	13,153.	11,333.	1,348.	472.
<b>40</b> Conferences, conventions, and meetings				
<b>41</b> Interest				
<b>42</b> Depreciation, depletion, etc. (attach schedule)	1,091.		1,091.	
<b>43</b> Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 4	23,063.	7,103.	10,732.	5,228.
<b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	1,457,118.	1,207,859.	241,135.	8,124.

**Joint Costs.** Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;  
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? <b>SEE STATEMENT 1</b>	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
<b>a SEE STATEMENT 8</b>	
(Grants and allocations \$ 175,009. ) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	175,009.
<b>b SEE STATEMENT 9</b>	
(Grants and allocations \$ 120,257. ) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	120,451.
<b>c SEE STATEMENT 10</b>	
(Grants and allocations \$ 385,019. ) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	397,480.
<b>d SEE STATEMENT 11</b>	
(Grants and allocations \$ 238,659. ) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	243,151.
<b>e Other program services (attach schedule) SEE STATEMENT 12</b>	
(Grants and allocations \$ 185,513. ) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	271,768.
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) <b>1,207,859.</b>	<b>1,207,859.</b>

Form 990 (2007)

**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing .....	15,807.	45	45,431.
	46 Savings and temporary cash investments .....	374,798.	46	419,434.
	47 a Accounts receivable .....	47a 3,876.		
	b Less: allowance for doubtful accounts .....	47b	6,976.	47c 3,876.
	48 a Pledges receivable .....	48a 235,839.		
	b Less: allowance for doubtful accounts .....	48b 20,792.	36,967.	48c 215,047.
	49 Grants receivable .....		58,950.	49 149,030.
	50 a Receivables from current and former officers, directors, trustees, and key employees STATEMENT 13 .....		1,635.	50a 196.
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....			50b
	51 a Other notes and loans receivable .....	51a		51c
	b Less: allowance for doubtful accounts .....	51b		
	52 Inventories for sale or use .....			52
	53 Prepaid expenses and deferred charges .....		7,123.	53 6,952.
	54 a Investments - publicly-traded securities STMT 15 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV .....		2,627,673.	54a 2,505,520.
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV .....			54b
	55 a Investments - land, buildings, and equipment: basis STMT 14 .....	55a		
	b Less: accumulated depreciation .....	55b		55c
	56 Investments - other .....			56
	57 a Land, buildings, and equipment: basis .....	57a 12,973.		
b Less: accumulated depreciation .....	57b 10,570.	3,494.	57c 2,403.	
58 Other assets, including program-related investments (describe SEE STATEMENT 16 ) .....		22,060.	58 39,597.	
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58 .....		3,155,483.	59 3,387,486.	
Liabilities	60 Accounts payable and accrued expenses .....	46,229.	60	42,583.
	61 Grants payable .....	34,377.	61	
	62 Deferred revenue .....		62	
	63 Loans from officers, directors, trustees, and key employees .....		63	
	64 a Tax-exempt bond liabilities .....		64a	
	b Mortgages and other notes payable .....		64b	
	65 Other liabilities (describe ) .....		65	
	66 <b>Total liabilities.</b> Add lines 60 through 65 .....		80,606.	66 42,583.
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted .....	1,929,166.	67	1,742,107.
	68 Temporarily restricted .....	1,145,711.	68	1,602,796.
	69 Permanently restricted .....		69	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds .....		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund .....		71	
	72 Retained earnings, endowment, accumulated income, or other funds .....		72	
	73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) .....		3,074,877.	73 3,344,903.
	74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 .....		3,155,483.	74 3,387,486.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

Table with 5 main rows (a-e) and sub-rows (b1-b4, c, d1-d2, e). Totals: 1,717,704., <261,651.>, 1,979,355., 0., 1,979,355.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

Table with 5 main rows (a-e) and sub-rows (b1-b4, c, d1-d2, e). Totals: 1,457,118., 0., 1,457,118., 0., 1,457,118.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

Table with 5 columns: (A) Name and address, (B) Title and average hours per week devoted to position, (C) Compensation, (D) Contributions to employee benefit plans, (E) Expense account and other allowances. Row 1: SEE STATEMENT 17, 83,096., 0., 0.

**Part V-A Current Officers, Directors, Trustees, and Key Employees** *(continued)* **Yes No**

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ..... 8

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) ..... **SEE STATEMENT 18** 75b X

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." ..... 75c X  
If "Yes," attach a statement that includes the information described in the instructions.

d Does the organization have a written conflict of interest policy? ..... 75d X

**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				
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**Part VI Other Information** *(See the instructions.)* **Yes No**

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change ..... 76 X

77 Were any changes made in the organizing or governing documents but not reported to the IRS? ..... 77 X  
If "Yes," attach a conformed copy of the changes.

78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? ..... 78a X  
b If "Yes," has it filed a tax return on **Form 990-T** for this year? ..... N/A 78b

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement ..... 79 X

80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? ..... 80a X  
b If "Yes," enter the name of the organization..... N/A  
\_\_\_\_\_ and check whether it is  exempt or  nonexempt

81 a Enter direct and indirect political expenditures. (See line 81 instructions.) ..... 81a 0. 81b X  
b Did the organization file **Form 1120-POL** for this year? ..... 81b X

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		
	N/A		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	N/A		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
85g			
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
85h			
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
88a			
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
88b			
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
89b			
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization 0.		
89e			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A		
89g			
90 a	List the states with which a copy of this return is filed CA		
b	Number of employees employed in the pay period that includes March 12, 2007	90b	3
91 a	The books are in care of JANIS OLSON Telephone no. 415-331-8585 Located at 3030 BRIDGEWAY, SAUSALITO, CA ZIP + 4 94965-2895		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country NEPAL See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

**Part VI Other Information** (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c X  
 If "Yes," enter the name of the foreign country ► **NEPAL**

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here   
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

**Part VII Analysis of Income-Producing Activities** (See the instructions.)

**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments .....					
g Fees and contracts from government agencies ...					
94 Membership dues and assessments .....					
95 Interest on savings and temporary cash investments ...					
96 Dividends and interest from securities .....			14	92,069.	
97 Net rental income or (loss) from real estate:					
a debt-financed property .....					
b not debt-financed property .....					
98 Net rental income or (loss) from personal property					
99 Other investment income .....					
100 Gain or (loss) from sales of assets other than inventory .....			18	62,923.	
101 Net income or (loss) from special events .....					
102 Gross profit or (loss) from sales of inventory .....					
103 Other revenue:					
a <b>CURRENCY REMEASUREMENT</b> .....			01	<11,821.>	
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E)) .....		0.		143,171.	0.
105 <b>Total</b> (add line 104, columns (B), (D), and (E)) .....					143,171.

**Note:** Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

**Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).



**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). N/A

106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
<b>Totals</b>				

107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
<b>Totals</b>				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Please Sign Here</b>	Signature of officer _____	Date _____	
	Type or print name and title _____		
<b>Paid Preparer's Use Only</b>	Preparer's signature _____	Date 03/06/09	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP + 4 WILSON MARKLE STUCKEY HARDESTY & BOTT 101 LARKSPUR LANDING CIRCLE, #200 LARKSPUR, CA 94939-1750		Preparer's SSN or PTIN (See Gen. Inst. X) EIN _____ Phone no. 415-925-1120

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information-(See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

**2007**

Name of the organization <b>NEPALESE YOUTH OPPORTUNITY FOUNDATION</b>	Employer identification number <b>68 0224596</b>
--	---

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶	0			

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	0	

**Part III Statements About Activities** (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property? .....	2a	X
b	Lending of money or other extension of credit? ..... <b>SEE STATEMENT 19</b>	2b	X
c	Furnishing of goods, services, or facilities? .....	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V-A, FORM 990</b>	2d	X
e	Transfer of any part of its income or assets? .....	2e	X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) ..... <b>SEE STATEMENT 20</b>	3a	X
b	Did the organization have a section 403(b) annuity plan for its employees? .....	3b	X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement .....	3c	X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? .....	3d	X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g .....	4a	X
b	Did the organization make any taxable distributions under section 4966? .....	4b	N/A
c	Did the organization make a distribution to a donor, donor advisor, or related person? .....	4c	N/A
d	Enter the total number of donor advised funds owned at the end of the tax year .....		0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year .....		0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts .....		0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year .....		0.

Schedule A (Form 990 or 990-EZ) 2007

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III-Functionally Integrated       Type III-Other

**Provide the following information about the supported organizations.** (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> .....					▶

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,139,254.	1,226,157.	524,522.	1,042,540.	3,932,473.
<b>16</b> Membership fees received					
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose				21,805.	21,805.
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	85,868.	94,394.	<30,925.>	54,857.	204,194.
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
<b>23</b> Total of lines 15 through 22	1,225,122.	1,320,551.	493,597.	1,119,202.	4,158,472.
<b>24</b> Line 23 minus line 17	1,225,122.	1,320,551.	493,597.	1,097,397.	4,136,667.
<b>25</b> Enter 1% of line 23	12,251.	13,206.	4,936.	11,192.	
<b>26 Organizations described on lines 10 or 11:</b> a Enter 2% of amount in column (e), line 24					<b>26a</b> 82,733.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					<b>26b</b> 673,284.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					<b>26c</b> 4,136,667.
d Add: Amounts from column (e) for lines: 18 <u>204,194.</u> 19 _____ 22 _____ 26b <u>673,284.</u>					<b>26d</b> 877,478.
e Public support (line 26c minus line 26d total)					<b>26e</b> 3,259,189.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>26f</b> 78.7878%
<b>27 Organizations described on line 12:</b> a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: <b>N/A</b> (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: <b>N/A</b> (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					<b>27c</b> N/A
d Add: Line 27a total _____ and line 27b total _____					<b>27d</b> N/A
e Public support (line 27c total minus line 27d total)					<b>27e</b> N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					<b>27f</b> N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27g</b> N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27h</b> N/A %

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

**Part V Private School Questionnaire** (See page 9 of the instructions.)

N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? ..... If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) _____ _____ _____		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff? .....	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? ..... If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____	32d	
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges? .....	33a	
b	Admissions policies? .....	33b	
c	Employment of faculty or administrative staff? .....	33c	
d	Scholarships or other financial assistance? .....	33d	
e	Educational policies? .....	33e	
f	Use of facilities? .....	33f	
g	Athletic programs? .....	33g	
h	Other extracurricular activities? .....	33h	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____		
34 a	Does the organization receive any financial aid or assistance from a governmental agency? .....	34a	
b	Has the organization's right to such aid ever been revoked or suspended? .....	34b	
	If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation .....	35	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.) N/A  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a**  if the organization belongs to an affiliated group. Check **b**  if you checked "a" and "limited control" provisions apply.

		(a) Affiliated group totals	(b) To be completed for all electing organizations
<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)			
	<b>N/A</b>		
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) .....	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) .....	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37) .....	<b>38</b>		
<b>39</b> Other exempt purpose expenditures .....	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) .....	<b>40</b>		
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table -			
<b>If the amount on line 40 is -</b>	<b>The lobbying nontaxable amount is -</b>		
Not over \$500,000 .....	20% of the amount on line 40 .....		
Over \$500,000 but not over \$1,000,000 .....	\$100,000 plus 15% of the excess over \$500,000 .....		
Over \$1,000,000 but not over \$1,500,000 .....	\$175,000 plus 10% of the excess over \$1,000,000 .....	<b>41</b>	
Over \$1,500,000 but not over \$17,000,000 .....	\$225,000 plus 5% of the excess over \$1,500,000 .....		
Over \$17,000,000 .....	\$1,000,000 .....		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41) .....	<b>42</b>		
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 .....	<b>43</b>		
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 .....	<b>44</b>		
<b>Caution:</b> If there is an amount on either line 43 or line 44, you must file Form 4720.			

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
<b>45</b> Lobbying nontaxable amount .....					0.
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) .....					0.
<b>47</b> Total lobbying expenditures .....					0.
<b>48</b> Grassroots nontaxable amount .....					0.
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) .....					0.
<b>50</b> Grassroots lobbying expenditures .....					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities** (For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.) N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
<b>a</b> Volunteers .....			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h</b> .) .....			
<b>c</b> Media advertisements .....			
<b>d</b> Mailings to members, legislators, or the public .....			
<b>e</b> Publications, or published or broadcast statements .....			
<b>f</b> Grants to other organizations for lobbying purposes .....			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body .....			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....			
<b>i</b> Total lobbying expenditures (Add lines <b>c</b> through <b>h</b> .) .....			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 14 of the instructions.)

**51** Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

- a** Transfers from the reporting organization to a noncharitable exempt organization of:
  - (i) Cash
  - (ii) Other assets
- b** Other transactions:
  - (i) Sales or exchanges of assets with a noncharitable exempt organization
  - (ii) Purchases of assets from a noncharitable exempt organization
  - (iii) Rental of facilities, equipment, or other assets
  - (iv) Reimbursement arrangements
  - (v) Loans or loan guarantees
  - (vi) Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
<b>51a(i)</b>		<b>X</b>
<b>a(ii)</b>		<b>X</b>
<b>b(i)</b>		<b>X</b>
<b>b(ii)</b>		<b>X</b>
<b>b(iii)</b>		<b>X</b>
<b>b(iv)</b>		<b>X</b>
<b>b(v)</b>		<b>X</b>
<b>b(vi)</b>		<b>X</b>
<b>c</b>		<b>X</b>

**d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: **N/A**

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

**52 a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?  Yes  No

**b** If "Yes," complete the following schedule: **N/A**

(a) Name of organization	(b) Type of organization	(c) Description of relationship



**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for  
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

**2007**

Name of organization

NEPALESE YOUTH OPPORTUNITY FOUNDATION

Employer identification number

68-0224596

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

**General Rule-**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules-**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ..... ► \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions  
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

## STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III

## EXPLANATION

THE FOUNDATION IS DEVOTED TO BRINGING HOPE TO THE MOST DESTITUTE CHILDREN IN THE BEAUTIFUL BUT IMPOVERISHED COUNTRY OF NEPAL. WITH A PERSONAL TOUCH, WE PROVIDE THEM WITH WHAT SHOULD BE EVERY CHILD'S BIRTHRIGHT - EDUCATION, HOUSING, MEDICAL CARE AND LOVING SUPPORT.

COPY

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES			STATEMENT	2
DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)	
FORD MOTOR	3,416.	3,460.	0.	<44.>	
SUREWEST COMMUNICATIONS	1,004.	1,043.	0.	<39.>	
ALEXANDER BALDWIN	2,497.	2,758.	0.	<261.>	
FORD MOTOR	3,416.	3,452.	0.	<36.>	
CONAGRA FOOD	37,746.	32,695.	0.	5,051.	
CONAGRA FOOD	14,694.	14,493.	0.	201.	
CONAGRA FOOD	518.	488.	0.	30.	
SUREWEST COMMUNICATIONS	494.	481.	0.	13.	
EXXON MOBIL	94.	94.	0.	0.	
K-SWISS INC	3,943.	3,984.	0.	<41.>	
AMAZON.COM INC	1,024.	1,037.	0.	<13.>	
VERIGY LTD	89.	87.	0.	2.	
LSI CORP UNSOLICITED	48.	47.	0.	1.	
NICR CORP	128.	125.	0.	3.	
PENNY J C CO	40.	39.	0.	1.	
TERADATA CORP	149.	149.	0.	0.	
SCHWAB TAX FREE YIELD PLUS FUND	1,976.	1,989.	0.	<13.>	
COMCAST	10,373.	10,221.	0.	152.	
HERMAN MILLER	2,049.	1,967.	0.	82.	
SYSCO	21,775.	21,971.	0.	<196.>	
GOLDMAN SACHS GROUP	21,866.	18,941.	0.	2,925.	
FED HOME LOAN BANK BD 6.75% DUE 08/15/07	50,000.	50,458.	0.	<458.>	
AMBAC FIN GROUP INC	8,985.	28,123.	0.	<19,138.>	
AMBAC FIN GROUP INC	6,418.	17,761.	0.	<11,343.>	
NOKIA ADR	15,152.	8,762.	0.	6,390.	
L-3 COMMUNICATIONS HOLDINGS	10,952.	6,410.	0.	4,542.	
L-3 COMMUNICATIONS HOLDINGS	10,952.	6,282.	0.	4,670.	
L-3 COMMUNICATIONS HOLDINGS	10,953.	71.	0.	10,882.	
NOKIA ADR	8,885.	4,929.	0.	3,956.	
INTEL	12,340.	10,559.	0.	1,781.	
EXXON MOBIL	18,250.	7,413.	0.	10,837.	
EXXON MOBIL	2,281.	894.	0.	1,387.	
MCDONALD'S	16,680.	9,192.	0.	7,488.	
GENERAL ELECTRIC	3,684.	4,870.	0.	<1,186.>	
GENERAL ELECTRIC	5,526.	7,107.	0.	<1,581.>	
MEDTRONIC	24,976.	23,625.	0.	1,351.	
MEDTRONIC	4,995.	4,938.	0.	57.	
JOHNSON & JOHNSON	3,344.	1,774.	0.	1,570.	
JOHNSON & JOHNSON	6,687.	3,031.	0.	3,656.	
AFLAC	13,868.	10,696.	0.	3,172.	
CITIGROUP	12,854.	11,096.	0.	1,758.	
CITIGROUP	3,781.	3,006.	0.	775.	
CITIGROUP	7,561.	5,395.	0.	2,166.	
CITIGROUP	6,049.	5,045.	0.	1,004.	

MEDTRONIC	19,807.	18,620.	0.	1,187.
MEDTRONIC	4,952.	4,568.	0.	384.
EXXON MOBIL	11,605.	4,469.	0.	7,136.
AMERICAN INT'L GROUP	445.	396.	0.	49.
AMERICAN INT'L GROUP	5,248.	4,278.	0.	970.
FRANKLIN RESOURCES	11,318.	9,031.	0.	2,287.
PHARMACEUTICAL PRODUCT DEVELOPMENT	7,012.	6,293.	0.	719.
INTEL	6,597.	5,866.	0.	731.
MICROSOFT CORP	7,115.	8,945.	0.	<1,830.>
MICROSOFT CORP	7,115.	7,241.	0.	<126.>
MICROSOFT CORP	8,894.	6,169.	0.	2,725.
NOKIA ADR	4,764.	2,738.	0.	2,026.
DOMINION RESOURCES	11,722.	9,879.	0.	1,843.
EMERSON ELECTRIC	8,423.	6,499.	0.	1,924.
US TREASURY NOTE 6.25% 02/15/2008	10,000.	9,921.	0.	79.
US TREASURY NOTE 6.25% 02/15/2008	10,000.	9,992.	0.	8.
US TREASURY NOTE 6.25% 02/15/2008	10,000.	10,700.	0.	<700.>
US TREASURY NOTE 6.25% 02/15/2008	10,000.	9,718.	0.	282.
INTEL	18,458.	18,771.	0.	<313.>
AMERICAN INT'L GROUP	10,048.	10,061.	0.	<13.>
AMERICAN INT'L GROUP	2,512.	2,533.	0.	<21.>
AMERICAN INT'L GROUP	1,730.	2,248.	0.	<518.>
COSTCO WHOLESALE	6,249.	4,851.	0.	1,398.
TEXTRON INC	10,371.	9,229.	0.	1,142.
TO FORM 990, PART I, LINE 8	596,897.	533,974.	0.	62,923.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	3
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DESCRIPTION	AMOUNT
UNREALIZED GAINS (LOSSES) ON INVESTMENTS CARRIED AT MARKET VALUE	<261,651.>
CURRENCY TRANSLATION GAIN (LOSS)	9,440.
TOTAL TO FORM 990, PART I, LINE 20	<252,211.>

FORM 990	OTHER EXPENSES			STATEMENT 4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COMMUNICATIONS	5,699.	3,752.	1,947.	
INSURANCE	3,582.	741.	2,841.	
TAXES, LICENSES AND DUES	383.	152.	231.	
BANK FEES	9,569.	151.	4,485.	4,933.
PROMOTION	1,436.		1,436.	
TRAINING	904.	846.	58.	
MISCELLANEOUS	1,490.	1,461.	29.	
ALLOCATED	0.		<295.>	295.
<b>TOTAL TO FM 990, LN 43</b>	<b>23,063.</b>	<b>7,103.</b>	<b>10,732.</b>	<b>5,228.</b>

FORM 990	CASH GRANTS AND ALLOCATIONS TO OTHERS	STATEMENT 5
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CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
SCHOOLS AND SCHOLARSHIPS FRIENDS OF NEEDY CHILDREN P O BOX 25012 KATHMANDU, NEPAL	385,019.
LIBERATING GIRLS FROM INDENTURED SERVITUDE FRIENDS OF NEEDY CHILDREN P O BOX 25012 KATHMANDU, NEPAL	175,009.
CHILDREN'S HOMES FRIENDS OF NEEDY CHILDREN P O BOX 25012 KATHMANDU, NEPAL	120,257.
NUTRITIONAL REHABILITATION HOME (NRH) FRIENDS OF NEEDY CHILDREN P O BOX 25012 KATHMANDU, NEPAL	88,898.
VOCATIONAL COUNSELING FRIENDS OF NEEDY CHILDREN P O BOX 25012 KATHMANDU, NEPAL	69,128.

OPERATIONS AND OVERHEAD FRIENDS OF NEEDY CHILDREN P O BOX 25012 KATHMANDU, NEPAL	71,466.
NUTRITIONAL REHABILITATION HOME (NRH) SAATHI P O BOX 7770 KATHMANDU, NEPAL	23,045.
NUTRITIONAL REHABILITATION HOME (NRH) NEPAL COMMUNITY DEVELOPMENT CENTRE CAMPUS MODE BHADRAPUR, JHAPA, NEPAL, 15	26,080.
NUTRITIONAL REHABILITATION HOME (NRH) BIDHYARTHI JAGARN MANCHI IN NEPALI P O BOX 94 BIRGUNJ, PARSA, NEPAL, 12	26,072.
NUTRITIONAL REHABILITATION HOME (NRH) RURAL WOMEN'S DEVELOPMENT AND UNITY CENTRE GENERAL DELIVERY KANCHANPUR, NEPAL	28,847.
EMPOWERING DALIT DAUGHTERS PROFESSIONAL RESEARCH AND DEVELOPMENT CENTER GENERAL DELIVERY KATHMANDU, NEPAL	36,592.
NUTRITIONAL REHABILITATION HOME (NRH) GOOD NEIGHBOUR SERVICE ASSOCIATION NAYABAZAR, POKHARA 08 KASKI, NEPAL	12,295.
NUTRITIONAL REHABILITATION HOME (NRH) RURAL WOMEN'S DEVELOPMENT AND UNITY CENTRE GENERAL DELIVERY KANCHANPUR, NEPAL	33,422.
JANATA PRIMARY SCHOOL SCHOOL INFRASTRUCTURE 783 KENDALL AVE PALO ALTO, CA 94306	8,327.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	<hr/> <hr/> 1,104,457.

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FORM 990	CASH GRANTS AND ALLOCATIONS TO INDIVIDUALS	STATEMENT	6
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CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
SCHOOLS AND SCHOLARSHIPS VARIOUS ELEMENTARY, SECONDARY AND COLLEGE STUDENTS 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	NONE	11,750.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B		11,750.

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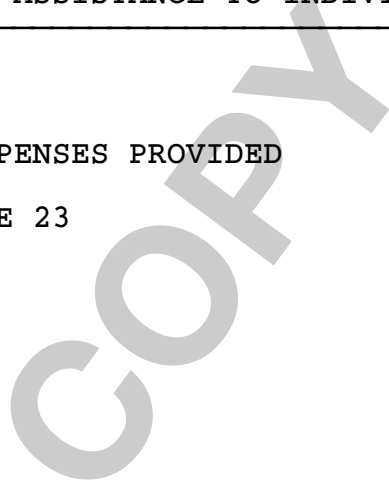


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FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT	7
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DESCRIPTION	AMOUNT
MEDICAL, DENTAL AND HOSPITAL EXPENSES PROVIDED	4,361.
TOTAL TO FORM 990, PART II, LINE 23	4,361.



DESCRIPTION OF PROGRAM SERVICE ONE

LIBERATING GIRLS FROM INDENTURED SERVITUDE - IN THE DANG DISTRICT IN WESTERN NEPAL, MANY INDIGENOUS FAMILIES FROM THE THARU ETHNIC GROUP SUBSIST AS FARM LABORERS. ECONOMIC CONDITIONS FORCE THEM INTO A DESPERATE TRADE-SELLING THEIR DAUGHTERS TO WORK FAR FROM HOME AS BONDED SERVANTS IN PRIVATE HOMES OR AS DISHWASHERS IN TEAHOUSES. SOME OF THESE CHILDREN ARE AS YOUNG AS FIVE YEARS OLD. ALONE AND FAR FROM HOME, THESE "INDENTURED DAUGHTERS" HAVE NO KNOWLEDGE OF THE WAYS OF CITY PEOPLE OR OF OTHER CULTURES, AND MOST SPEAK ONLY THE LOCAL DIALECT. THEIR LIVING CONDITIONS ARE ENTIRELY AT THE DISCRETION OF THEIR EMPLOYERS. THE GIRLS SELDOM ATTEND SCHOOL AND HAVE NO PROSPECTS FOR A DECENT FUTURE. SOME EMPLOYERS ULTIMATELY FORCE THE GIRLS INTO PROSTITUTION. THE SITUATION IS TAILOR-MADE FOR ABUSE. WORKING CLOSELY WITH LOCAL COMMUNITIES, THE FOUNDATION PROVIDES A CREATIVE, HUMANE ALTERNATIVE FOR THESE FAMILIES, HELPING THE FAMILIES TO KEEP THEIR DAUGHTERS AT HOME AND THE FOUNDATION PAYS ALL OF THE EXPENSES OF EDUCATING THE GIRLS, INCLUDING PROVIDING THEM WITH SCHOOL SUPPLIES, BOOKS, AND A KEROSENE LAMP AND KEROSENE, SO THEY MAY STUDY AT NIGHT.

TO FORM 990, PART III, LINE A

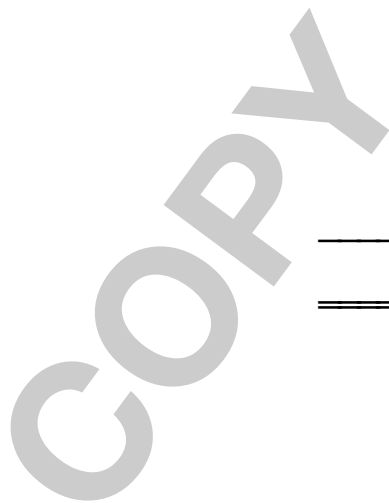
GRANTS	EXPENSES
175,009.	175,009.



DESCRIPTION OF PROGRAM SERVICE TWO

CHILDREN'S HOMES - THE FOUNDATION HAS CREATED TWO OF THE BEST CHILDREN'S HOMES IN NEPAL. J HOUSE (FOR BOYS) AND K HOUSE (FOR GIRLS) EACH HOLD UP TO 30 CHILDREN. THESE CHILDREN ARE THE MOST VULNERABLE IN THE COUNTRY. SOME OF THEM ARE ORPHANS, ABANDONED BY THEIR PARENTS, BEGGARS OR DISABLED. MANY OF THEM HAVE ENDURED MORE SUFFERING AT A YOUNG AGE THAN SOME OF US HAVE EXPERIENCED IN A LIFETIME, BUT THEY HAVE FOUND WAYS TO TRIUMPH OVER THEIR DIFFICULTIES. WE GIVE THESE CHILDREN NOT ONLY ALL LIVING, EDUCATIONAL AND MEDICAL EXPENSES, BUT ALSO LOVE AND PERSONAL ATTENTION-JUST AS A GOOD PARENT WOULD DO. WE COMMIT TO THEM FOR THE LONG TERM, FROM CHILDHOOD THROUGH COLLEGE AND PROVIDE WHAT IS USUALLY THE FIRST REAL SENSE OF SECURITY IN THEIR LIVES.

TO FORM 990, PART III, LINE B



GRANTS	EXPENSES
120,257.	120,451.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 10

DESCRIPTION OF PROGRAM SERVICE THREE

SCHOOLS AND SCHOLARSHIPS - EDUCATION IS THE ONLY REAL TICKET OUT OF POVERTY FOR DESTITUTE OR ORPHANED CHILDREN IN NEPAL. HOWEVER, EDUCATION IN NEPAL IS NOT THE SAME AS IT IS IN WESTERN COUNTRIES. IMAGINE NOT EVEN BEING ABLE TO GO TO SCHOOL AND THUS BEING UNABLE TO LEARN THE BASIC SKILLS NEEDED TO PARTICIPATE IN SOCIETY, GET A JOB, UNDERSTAND THE CHANGING WORLD OR CREATE A BETTER LIFE FOR ONESELF. WITHOUT AN EDUCATION, A CHILD IN NEPAL IS DESTINED TO LEAD A LIFE OF EXTREME POVERTY AND BACKBREAKING LABOR. CHILDREN AT RISK OF LIVING SUCH A LIFE ARE THE BENEFICIARIES OF OUR PROGRAM. AN EDUCATION IS THE ONLY WAY TO BREAK THE BONDS OF POVERTY, LOW CASTE AND DISABILITY. THIS IS ESPECIALLY TRUE OF GIRLS, WHO ARE OFTEN ILLITERATE, MARRIED BEFORE THEY ARE 14 YEARS OLD, AND SPEND THE REST OF THEIR LIVES BEARING CHILDREN AND WORKING ENDLESS HOURS. THE FOUNDATION INTERVENES AT CRITICAL POINTS TO MAKE EDUCATION POSSIBLE FOR CHILDREN WHO HAVE NO OTHER HOPE. EACH YEAR, WE CURRENTLY GIVE SCHOLARSHIPS TO APPROXIMATELY 4,000 YOUNGSTERS, FROM KINDERGARTEN THROUGH MEDICAL SCHOOL. OUR STUDENTS ATTEND DAY SCHOOL IN KATHMANDU AND RURAL VILLAGES A DAY'S WALK FROM THE NEAREST ROAD, BOARDING SCHOOL AND COLLEGE. SOME OF THE CHILDREN WE SPONSOR ARE "UNTOUCHABLES," SHUT OUT FROM EDUCATION FOR CENTURIES. OTHERS ARE DISABLED. WE ALSO HELP TRAIN TEACHERS, BUILD AND IMPROVE CLASSROOMS AND SCHOOLS.

TO FORM 990, PART III, LINE C

GRANTS	EXPENSES
385,019.	397,480.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 11

DESCRIPTION OF PROGRAM SERVICE FOUR

NUTRITIONAL REHABILITATION HOME (NRH) - WE HAVE ALL SEEN THE HORRIFIC IMAGES OF SEVERELY MALNOURISHED CHILDREN WITH HUGE BELLIES, GLASSY EYES AND STICKS FOR ARMS AND LEGS. THE PROBLEM CAN SEEM OVERWHELMING. HOW CAN WE TRULY HELP SUCH CHILDREN? THE FOUNDATION HAS FOUND A SIMPLE, EFFECTIVE WAY THAT TRANSFORMS THESE HEARTRENDING CHILDREN INTO BOUNCY, ACTIVE LITTLE PEOPLE WITHIN A MONTH OR TWO. MOREOVER, OUR APPROACH KEEPS THE PROBLEM FROM RECURRING. NEPAL IS NOT THE SUDAN, YET HALF THE CHILDREN UNDER FIVE ARE MALNOURISHED, AND POOR NOURISHMENT IS ONE OF THE LEADING CAUSES OF DEATH FOR YOUNG CHILDREN. OFTEN, THE PROBLEM IS LESS ONE OF POVERTY THAN OF IGNORANCE. IN 1998, THE FOUNDATION OPENED THE DOORS OF THE NUTRITIONAL REHABILITATION HOME (NRH) IN KATHMANDU TO NURSE SEVERELY MALNOURISHED CHILDREN BACK TO HEALTH. CHILD AND MOTHER LIVE TOGETHER AT THE NRH DURING THE COURSE OF TREATMENT, USUALLY ABOUT FIVE TO SIX WEEKS. WHILE WE REHABILITATE THE CHILDREN, WE EDUCATE THEIR MOTHERS IN HOW TO PREPARE NUTRITIOUS MEALS USING FOODS READILY AVAILABLE IN RURAL NEPAL. WE ALSO INSTRUCT THE MOTHERS IN HOW TO PASS ON THEIR KNOWLEDGE TO OTHER MOTHERS AFTER THEY RETURN TO THEIR VILLAGES. WE HAVE ESTABLISHED FIVE MORE NRHS IN OUTLYING AREAS SO THAT CHILDREN THROUGHOUT THE COUNTRY WILL BENEFIT. THE FOUNDATION IS BUILDING THREE MORE NRHS IN FISCAL YEAR 2008-09.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE D	238,659.	243,151.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 12

DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
PSYCHOLOGICAL COUNSELING - NEPAL IS IN ITS INFANCY AS FAR AS PSYCHOLOGICAL COUNSELING IS CONCERNED. THERE IS MUCH TRAUMA AMONG CHILDREN BECAUSE OF THE INSURGENCY, WHICH HAS RAGED IN THE COUNTRY FOR THE PAST 14 YEARS. DISABLED CHILDREN ALSO SUFFER FROM OPPRESSION AND DISCRIMINATION, AND THEY, TOO, ARE IN NEED OF COUNSELING. IN ORDER TO MEET THIS NEED, THE FOUNDATION HAS ESTABLISHED A COUNSELING CENTER AIMED AT TRAINING NEPALI COUNSELORS TO PROVIDE PROFESSIONAL SERVICES TO THE MANY CHILDREN WHO NEED IT AND TO		

OTHERS WHOSE JOB ENTAILS DEALING WITH CHILDREN AND THEIR PROBLEMS. THE NEPALI COUNSELORS WILL ALSO PROVIDE DIRECT THERAPY TO CHILDREN. THE CENTER HAS INTRODUCED SAND PLAY THERAPY TO NEPAL - A FORM OF THERAPY THAT TRANSCENDS LANGUAGE AND IS THEREFORE PARTICULARLY SUITABLE TO THE NEEDS OF CHILDREN.

0. 0.

VOCATIONAL COUNSELING - ANOTHER MAJOR DEFICIT IN NEPAL IS VOCATIONAL COUNSELING. THE UNEMPLOYMENT RATE IN NEPAL HOVERS AROUND 50%. WE SELECT CHILDREN FOR J AND K HOUSE AND SCHOLARSHIPS (OTHER THAN COLLEGE SCHOLARSHIPS) BASED ON NEED RATHER THAN ON THEIR ACADEMIC ABILITY. MANY OF THESE CHILDREN ARE NOT ACADEMICALLY GIFTED BUT HAVE OTHER ABILITIES THAT WOULD ENABLE THEM TO FIND EMPLOYMENT, IF ONLY THEY HAD SOME IDEA ABOUT WHAT THEY WANTED TO DO AND COULD RECEIVE TRAINING ON HOW TO DO IT. THE CENTER WILL PROVIDE COUNSELING FOR J AND K HOUSE CHILDREN AND OTHERS SUPPORTED BY THE FOUNDATION, FROM EIGHTH GRADE ONWARD, EXPLORING THEIR INTERESTS AND APTITUDES. IF, AFTER DISCUSSIONS WITH THESE CHILDREN OVER TIME, THEY DECIDE TO PURSUE VOCATIONAL TRAINING RATHER THAN ATTENDING COLLEGE, THE CENTER WILL FIND THE BEST TRAINING PROGRAM FOR THEIR CHOSEN FIELD, PAY FOR THE COST OF TRAINING AND HELP THEM TO FIND EMPLOYMENT FOLLOWING THE COMPLETION OF THEIR COURSES. THERE ARE WELL-PAYING JOBS AVAILABLE IN AREAS LIKE CONSTRUCTION THAT FOREIGNERS DO BECAUSE THERE ARE FEW NEPALIS WHO HAVE THE PROPER TRAINING. THE CONSULTATION SERVICES WILL BE AVAILABLE TO YOUNGSTERS IN ADDITION TO THE J AND K HOUSE CHILDREN.

69,128. 69,128.

EMPOWERING DALIT DAUGHTERS - IN NEPALI, THE WORD "DALIT" DENOTES THE UNTOUCHABLE CASTE. BY ANY MEASURE, THE MEMBERS OF THIS CASTE ARE AMONG THE MOST DOWNTRODDEN PEOPLE ANYWHERE. FOR HUNDREDS OF YEARS, THESE OCCUPATION-BASED CASTES (E.G., TAILORS, METAL AND LEATHER WORKERS, BASKET WEAVERS, POTTERS, MUSICIANS, STREET CLEANERS), HAVE ENDURED SOCIAL EXCLUSION, DISCRIMINATION, FOOD SHORTAGES, LACK OF EDUCATION AND VIOLENCE. ABOUT 70% LIVE BELOW THE POVERTY LINE. MANY MUST ENDURE WORK AS BONDED LABORERS. THERE ARE ABOUT 5 MILLION DALITS IN NEPAL. THEIR LIFE EXPECTANCY IS SEVEN YEARS LOWER THAN THE REST OF THE NEPALI POPULATION, THEIR FEMALE LITERACY RATE SHOCKINGLY LOW (12%) AND THEIR PER CAPITA INCOME FAR LESS THAN THE REST OF THE CITIZENS OF NEPAL. THE CHILD AND MATERNAL MORTALITY RATES ARE TWICE AS HIGH AS THAT OF THE REST OF THE POPULATION. MOST OF THEM ARE DEPRIVED OF AN EDUCATION, AND THOSE WHO DO GO TO SCHOOL OFTEN SUFFER SEGREGATION AND DISCRIMINATION IN THE CLASSROOM. THE FOUNDATION GIVES SPECIAL ATTENTION TO THE MEMBERS

OF THIS COMMUNITY BY PROVIDING SCHOLARSHIPS FOR 400 DALIT GIRLS IN REMOTE VILLAGES IN THE LOWER GRADES AND GIVING SOME PREFERENCE IN COLLEGE SCHOLARSHIPS TO DALITS. NEVERTHELESS, THEIR STATUS REMAINS AT THE VERY BOTTOM OF NEPALI SOCIETY. THIS NEW PROGRAM, SEEKS TO PROMOTE EDUCATION OF YOUNG, ABLE DALIT WOMEN BY GRANTING THEM SPECIAL COLLEGE SCHOLARSHIPS. IN THE SUMMER OF 2006, OUR STAFF FANNED OUT THROUGHOUT THE COUNTRY TO INTERVIEW SCHOLARSHIP CANDIDATES. WE CHOSE 20 YOUNG WOMEN WHO DID WELL ON THEIR COLLEGE ENTRANCE EXAMINATIONS; SOME OF THEM ARE EXTRAORDINARY. THEY ARE NOW IN KATHMANDU, AND WE ARE PROVIDING THEM WITH LEADERSHIP TRAINING, COUNSELING AND COMMUNICATIONS SKILLS, AND HAVE PLACED THEM IN GOOD COLLEGES. A FEMALE STUDENT FROM THE DALIT COMMUNITY WHO CAN FINISH 10TH GRADE (THE END OF HIGH SCHOOL IN NEPAL) AND EVEN QUALIFY TO TAKE THE COLLEGE ENTRANCE EXAMINATION IS A RARE THING, AND THOSE WHO PASS WITH GOOD MARKS ARE EVEN RARER. IN A RECENT YEAR'S COLLEGE ENTRANCE EXAMINATIONS, ONLY 112 DALIT WOMEN PASSED IN FIRST DIVISION, WHEREAS ALMOST 11,000 NON-DALIT WOMEN ACHIEVED THESE HIGH MARKS. ALTHOUGH THE GOVERNMENT HAS A SET-ASIDE PROGRAM FOR DALITS IN MEDICAL SCHOOL, THE PLACES OFTEN GO BEGGING BECAUSE THERE ARE SO FEW STUDENTS WHO QUALIFY FOR MEDICAL SCHOOL. THE FOUNDATION HOPES TO EVEN THE PLAYING FIELD IN THIS REGARD. IT IS OUR GOAL TO PROVIDE THESE YOUNG WOMEN WITH AN EDUCATION THAT WILL MOTIVATE THEM TO GIVE BACK TO THEIR COMMUNITY SOME OF THE BENEFITS THEY RECEIVED FROM THESE SCHOLARSHIPS. THE FOUNDATION HOPES THAT SOME WILL QUALIFY TO ENTER THE PROFESSIONS - MEDICAL SCHOOL, LAW SCHOOL, ENGINEERING COLLEGE AND BUSINESS SCHOOL, SO THAT THEY WILL BECOME THE LEADERS OF THEIR COMMUNITIES. IT IS DIFFICULT TO SEE HOW THESE BELEAGUERED POPULATIONS CAN RAISE THEMSELVES FROM THEIR ABJECT STATUS WITHOUT SUCH HELP. ALREADY, THE PROGRAM HAS HAD SUCCESS: TWO YOUNG DALIT WOMEN IN THE PROGRAM ARE AN EXCEPTION TO THE RULE - ONE JUST GRADUATED FROM MEDICAL SCHOOL AND ANOTHER HAS JUST STARTED. THEY PLAN TO GO BACK TO THEIR COMMUNITIES TO PRACTICE MEDICINE.

36,592.

36,592.

RANDOM ACTS OF KINDNESS - ONE OF THE MOST SATISFYING ASPECTS OF THE WORK OF THE FOUNDATION IS PROVIDING TIMELY, STRATEGIC HELP-INSTANTLY AND WITHOUT RED TAPE-TO MANY DESPERATE PEOPLE. THESE SMALL ACTS OF ASSISTANCE MAKE A CRUCIAL DIFFERENCE. HERE IS A VERY PARTIAL LIST OF GOOD WORKS THE FOUNDATION HAS BEEN ABLE TO DO, WITH HELP FROM OUR SUPPORTERS.

SUBSIDIZED HEART SURGERIES FOR 50 PATIENTS AT NEPAL'S ONLY HEART HOSPITAL. MOST OF THESE WERE CHILDREN. INTERESTINGLY, ALL THESE LIFE-SAVING PROCEDURES WERE

THE RESULT OF CONTRIBUTIONS MADE BY A SINGLE DONOR. THE DONOR HAS HELPED TO SAVE 50 LIVES! THE AVERAGE CONTRIBUTION OF THE FOUNDATION TO EACH SURGERY IS ABOUT \$300. THE HEART HOSPITAL DONATES SOME OF THE COST OF THE SURGERY AND HOSPITALIZATION, A FOUNDATION ESTABLISHED WITH FUNDS FROM THE ESTATE OF A MEMBER OF THE NEPALI ROYAL FAMILY DONATES A SHARE, AND SOME OF THE CHILDREN'S FAMILIES, ALL COMPLETELY IMPOVERISHED, ARE ABLE TO RAISE FUNDS IN THEIR COMMUNITIES.

PAID FOR SURGERY FOR A YOUNG BOY WHO WAS SERIOUSLY INJURED WHEN HE WAS RUN OVER BY A TRACTOR. THE ACCIDENT HAPPENED WHEN THE BOY, IN HIS EXCITEMENT AT SEEING A VEHICLE FOR THE FIRST TIME AFTER A NEW ROAD TO HIS VILLAGE OPENED, RAN BESIDE THE TRACTOR AND FELL UNDER IT.

PAID A NUMBER OF TIMES FOR DESTITUTE FAMILIES WHO WERE STRANDED IN KATHMANDU TO RETURN TO THEIR VILLAGES.

PAY THE ROOM RENT FOR THE ALCOHOLIC PARENTS OF SOME OF THE CHILDREN AT K HOUSE WHO WOULD OTHERWISE LIVE ON THE STREET.

PROVIDE LIFE-SAVING SUPPORT FOR CHILDREN WITH LEUKEMIA, CANCER AND KIDNEY FAILURE. ONE OF THEM IS A VERY BRIGHT AND SWEET-NATURED 14-YEAR-OLD ORPHAN BOY WITH LEUKEMIA. HIS TWO SISTERS, 10 AND 12 YEARS OLD, ARE BOTH WORKING AS CHILD SERVANTS. THE FOUNDATION FINANCES HIS CHEMOTHERAPY TREATMENTS.

ON REGULAR VISITS TO REMOTE AREAS WHERE THE FOUNDATION HAS PROGRAMS, OUR FIELD WORKERS IDENTIFY CHILDREN IN NEED AND BRING THEM TO KATHMANDU WITH THEIR PARENTS FOR MEDICAL CARE OR OTHER ASSISTANCE THEY MAY REQUIRE.

SUFFERING ABOUNDS IN A POOR COUNTRY LIKE NEPAL; CONVERSELY, IT TAKES SO LITTLE, IN DEVELOPED-COUNTRY TERMS, TO MAKE A BIG DIFFERENCE.

79,793. 166,048.

TOTAL TO FORM 990, PART III, LINE E

185,513. 271,768.

FORM 990 RECEIVABLES DUE FROM OFFICERS, DIRECTORS, TRUSTEES AND OTHER KEY EMPLOYEES - REPORTED SEPARATELY STATEMENT 13

BORROWER'S NAME AND TITLE			ORIGINAL LOAN AMOUNT	
SOM PANERU, EXECUTIVE DIRECTOR - NEPAL			196.	
DATE OF NOTE	MATURITY DATE	TERMS OF REPAYMENT	INTEREST RATE	
07/01/06	VARIOUS	NEXT PAYROLL	.00%	
SECURITY PROVIDED BY BORROWER		PURPOSE OF LOAN		
NONE		SALARY AND TRAVEL ADVANCE		
DESCRIPTION OF CONSIDERATION			FMV OF CONSIDERATION	BALANCE DUE
NONE			0.	196.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 50A, COLUMN B				196.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 14

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
CORPORATE EQUITIES	FMV	1,030,136.			1,030,136.
MUTUAL FUNDS	FMV			446,730.	446,730.
MONEY MARKET FUNDS	FMV			442,941.	442,941.
TO FORM 990, LINE 54A, COL B		1,030,136.		889,671.	1,919,807.

FORM 990 GOVERNMENT SECURITIES STATEMENT 15

DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
U. S. GOVERNMENT AND AGENCIES	FMV	585,713.		585,713.
TOTAL TO FORM 990, LINE 54A, COL B		585,713.		585,713.

FORM 990 OTHER ASSETS STATEMENT 16

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
GRANTS ADVANCED	20,507.	38,060.
DEPOSITS	1,553.	1,537.
TOTAL TO FORM 990, PART IV, LINE 58		39,597.

COPY



FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 17

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
OLGA MURRAY 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	PRESIDENT 40.00	0.	0.	0.
TOTTON HEFFELFINGER 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	ASSTISTANT. SEC./TREAS. 10.00	0.	0.	0.
YALE JONES 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	SECRETARY 10.00	0.	0.	0.
MICHAEL PREISS 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	CHAIR 10.00	0.	0.	0.
IAN COATS MACCOLL 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	DIRECTOR 10.00	0.	0.	0.
LORI PERLSTADT 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	DIRECTOR 5.00	0.	0.	0.
STEVE FOX 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	TREASURER 10.00	0.	0.	0.
HAYDI SOWERWIRE 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	DIRECTOR 5.00	0.	0.	0.
JANIS OLSON 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965-2895	EXECUTIVE DIRECTOR 37.50	83,096.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		83,096.	0.	0.

FORM 990

EXPLANATION OF RELATIONSHIP  
PART V-A, LINE 75B

STATEMENT 18

INDIVIDUAL'S NAMETITLE OR ROLE

SOM PANERU

EXECUTIVE DIRECTOR - NEPAL

INDIVIDUAL'S NAMETITLE OR ROLE

SAJANI AMATYA

PRESIDENT - GRANTEE

EXPLANATION OF RELATIONSHIP

AN OFFICER OF THE FOUNDATION IN NEPAL IS MARRIED TO AN OFFICER OF ANOTHER ENTITY THAT RECEIVES SUPPORT FROM THE FOUNDATION. DURING THE YEAR ENDED JUNE 30, 2007, THE ENTITY RECEIVED SUPPORT FROM THE FOUNDATION TOTALING \$909,778.

COPY

SCHEDULE A

EXPLANATION OF TRANSACTIONS  
PART III, LINE 2B

STATEMENT 19

AS OF JUNE 30, 2008, AN OFFICER OF THE FOUNDATION IN NEPAL OWES THE FOUNDATION \$196 FOR SALARY AND TRAVEL ADVANCES.

COPY

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SCHEDULE A      EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS      STATEMENT      20  
PART III, LINE 3A

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THE FOUNDATION PROVIDES GRANTS TO ORGANIZATIONS IN NEPAL THAT PROVIDE ELEMENTARY- AND SECONDARY-SCHOOL AND COLLEGE SCHOLARSHIPS. IN ADDITION, THE FOUNDATIONS PROVIDES A LIMITED NUMBER OF COLLEGE SCHOLARSHIPS TO NEPALIS ATTENDING COLLEGES OUTSIDE OF NEPAL.

COPY