

HOPE FOR RURAL CHILDREN & ORPHANS (HORCO)

(Ontario Corporation No.1670425; CRA No. 82604 0941 RR001)

ANNUAL REPORT 2010

Administrative Activities

The year 2010 was an important year for HORCO Canada to continue to establish a strong working relationship with our affiliated NGO in Ethiopia, called *Hope for Rural Children*. This new NGO, which is directed by Dr. Getenesh Sintayehu, former Board Chair of HORCO Ethiopia, grew out of a series of changes mandated by the Ethiopian Government in 2009. With new working guidelines, and many communications between Dr. Getenesh and HORCO Canada (documented in Board Minutes for 2010), we were able to arrive at a point where we committed to work with Dr. Getenesh in implementing our first water/sanitation project in the Gimbichu District, in 2010 (see below).

The Board set a priority of working in a rural area of Ethiopia where no other NGOs are currently working, the Gimbichu District. The Board set a goal of implementing one water/sanitation project per year for the next 5 years.

Although several people were approached regarding an appointment to the Board of Directors of HORCO Canada, no new Directors were appointed in 2010. An important goal for 2011 is to appoint at least two new Directors.

Charitable activities in Ethiopia

Gimbichu District. By the end of 2009, with funds (\$18,000 CDN) already sent to Ethiopia prior to government-mandated delays and poor weather, work was ready to begin with the Lem Lem Community in early 2010. Rising inflation and new government guidelines regarding NGO admin and management fees required that a new budget be established to protect three springs and construct a large reservoir to supply clean water for the 400 or so families living in this area. A second installment of \$10,300 CDN allowed completion of the work in May-June, 2010. A narrative report, photographs and a financial report are on record in Board Minutes and on the web site. Similar information was sent to donors, along with tax receipts for 2010. We will receive an audited financial report from Dr. Getenesh in 2011.

Holeta Town. Dr. Getenesh requested that we provide follow-up, educational and health support for 20 vulnerable children who were initially supported by HORCO Canada in 2008. (This was a project initiated with funds-on-hand before HORCO Canada actually became a registered charity.) The Board agreed to do this based on the availability of a special gift to HORCO Canada. A total of \$4,200 CDN was committed to this work after approval of a budget. Dr. Getenesh provided photos and a report of how the funds were used. While this is an activity HORCO Canada is interested in pursuing, it was agreed that at this point and with our current donors, we could not seek funding for two different areas of work. Furthermore, rather than continuing to supply provisions for children, it would be better to help families develop their own income-generating activities so that they could provide for their children. Dr. Getenesh is looking into other sources of funding to help with these needs. HORCO Canada is not currently licensed with CRA to provide this kind of development assistance. We could in the future add "elimination of poverty" to our Charitable Objects, if we wish to get involved in this kind of work.

Fund-raising

Annual Event. A goal of raising sufficient funds to complete water/sanitation services for another community in Gimbichu (\$20,000) was set for 2010. We held an Event on October 16th, *In Celebration of Water*, which was an Ethiopian dinner similar to those served in 2008 and 2009. The event was held again at Hillside Church in London, and *Joy in the Harvest* Drum Choir, a local African Ladies' Group, provided entertainment. By all measures the evening was again a great success. Approximately 150 people plus volunteers attended the event. London's Ethiopian Community provided help with the event, and donated 200 injera for the meal! Tickets at \$15 each helped to cover the costs for the evening (total cost = \$3,550), and 61(65 last year) individuals donated \$12,480 (\$6,020 last year). Corporate sponsorships from *Quench Water Canada, Inc* and *Trojan UV* also helped to defray event costs. Complete details of dinner finances are in Board Minutes of November, 2010.

By the end of 2010, we had raised just about \$25,000 for the second Gimbichu Project, to be done in partnership with the Dire Kebele Community, starting in early 2011. Tax receipts were sent out for those who donated funds in 2010. We had 95 (53 new) donors overall, which is about the same as last year. It is great to see new donors joining the HORCO Family, but it seems that each year we also lose 40-50% of donors from the previous year. This should be addressed in 2011 fund-raising.

Ethiopian Community. We continue to look for active support from Ethiopian Communities across Canada, but have not made much progress to date. Letters and email have been sent, and personal contact made with several groups but without any success. Dagim and Bob again attended the Ethiopian-Canadian Day celebration in September, 2010. A few people from Toronto came to our dinner in October. It is our goal to get Ethiopians engaged in supporting HORCO Canada and initiating fund-raising activities for HORCO Canada on their own (e.g. *Sunfest*). While this partnership is developing in London, it is a slow process and we have not been able to get Ethiopians to take the initiative. It was our suggestion that the fund-raising dinner in the Fall be an Ethiopian event to support HORCO Canada, rather than a HORCO Canada fund-raiser supported by Ethiopians.

Financial Report

The 2010 records and reports of HORCO Canada were reviewed by Mr. R. James Connelly, C.A. His letter and the summary report will be presented at the AGM and attached to this report. This is not a formal audit, but rather an "audit engagement" by a qualified accountant. Ontario Corporations with revenues <\$100,000 per year are not required to have formal audits if Board Members agree that an audit engagement is sufficient to provide accountability for financial dealings of the corporation. Mr. Connelly donated his time and expertise to complete this review.

HORCO Board Members in 2010

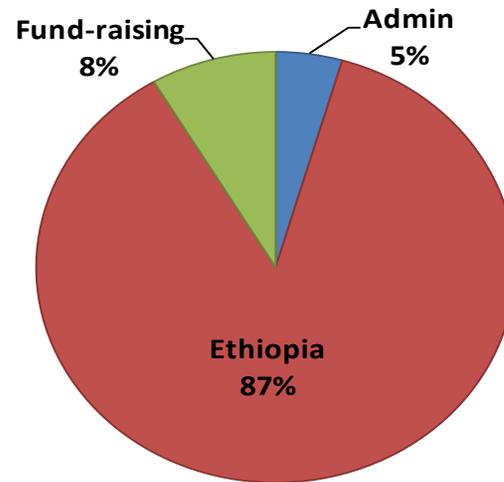
Howard Katz	President and Director
Dagim Almaw	Vice President and Director
Bob Kline	Secretary/Treasurer and Director
Kevin Webb	Director and Development Consultant

HORCO Canada STEWARDSHIP REPORT 2010

FINANCES AND ACTIVITIES

SUMMARY 2010		
Balance Forward	16,116.66	Jan. 1/10
Revenue - Donations		
General Fund	2,559.60	Fundraising & Dinner Event
Gimbichu Water Fund	23,709.30	
Holeta Children Fund	4,050.00	Special Gift
Sub-Total	30,318.90	
Revenue - Other		
General Fund	2,115.00	Dinner Tickets
Revenue Total	32,433.90	
Expenses		
Admin (Canada)	826.83	Bank, publicity, office supplies
Fundraising Expenses	3,675.85	Event-related costs
Gimbichu Water Project	11,800.00	Funds wired to Ethiopia
Holeta Child Support	4,200.00	Funds wired to Ethiopia
Expenses Total	20,502.68	
Balance	28,047.88	Dec. 31/10

Summary of disbursement of charitable donations (\$18,387.85) in 2010 *



* Above expenses do not include the portion of the event expenses which was paid for by the sale of tickets.

It is our commitment to the supporters of HORCO Canada to be transparent and accountable with respect to finances and activities. As a volunteer-based organization dedicated to improving the quality of life in rural Ethiopia, we strive to keep our administrative costs here in Canada to a minimum, while **guaranteeing that 100% of project-designated gifts** (gifts to the Gimbichu Water Fund) are used for implementation of Board-approved projects by our Ethiopian partner NGO. Gifts to the General Fund are used to support administrative and fund-raising costs, and to supplement project funds when necessary and available.

Notes:

1. The Holeta Children Fund was a carry-over from a previous project that was started before HORCO Canada became a registered charity. The special gift of \$4,050 plus \$150 from the General Fund allowed us to follow-up on that project for an additional year. Twenty children, identified as being the most vulnerable, were aided in their schooling by providing uniforms and school supplies.
2. The Gimbichu Water expenses were the final installment of funds required to complete the project with the Lem Lem Community, which was begun in 2009. Total cost of the project was \$28,300, plus \$1,500 towards airfare and expenses for Dagim Almw to go to Ethiopia in March, 2011, to follow-up on the completed work and monitor progress on the 2011 project in Dire Kebele. The first installment (\$17,000) of funds for the 2011 project was sent on January 14, 2011.

HORCO Canada in Partnership with Hope for Rural Children Ethiopia

From contaminated surface water of an underground spring ...

Lem Lem Community Water Facility
Gimbichu District
Ethiopia, 2010



Kassahun Hiyile Mikael
Water Engineer

Dr. Getenesh Sintayehu
HORC Ethiopia

... to a protected, spring-fed reservoir providing clean water for over 400 families, a trough for their domesticated animals and a table for washing clothes!