

## **HOPE FOR RURAL CHILDREN & ORPHANS (HORCO)**

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

### **ANNUAL REPORT OF ACTIVITIES IN 2013**

#### **Administrative Activities**

In 2013 HORCO completed its second year of working with the Ethiopian Kale Heywet Church (EKHC) Development Office as the agent for charitable work in Ethiopia. EKHC's *Integrated Water, Sanitation and Hygiene Program*, under the direction of Mr. Mogus Mehari, contracted with HORCO to implement the Board-approved work with the Kersa Villages of the Gimbichu District (see Activities summary below). Mr. Mehari is an extremely good communicator and EKHC has in place all of the business practices expected of an experienced NGO that continues to have significant funding from well-known international agencies and foundations. They know what we expect of them in terms of accountability and timeliness, and they have expressed to us their expectations of HORCO.

HORCO received frequent updates on the progress of the work, with financial summaries submitted at various times throughout the year, as required in our agency agreement. Final reports of the work completed and details of project expenses were received early in 2014. Overall, as in 2012, it was a pleasure to work with EKHC staff. They achieved more than we expected with the funds that were sent, and were prompt in answering any questions that we asked throughout the year.

In late 2013, the Board of Directors began to examine ways that HORCO may be able to increase its capacity for fund-raising, enhance its funding of projects in Ethiopia and address the issue of leadership succession. All of these were brought into focus with the idea of a partnership or even a merger with another like-minded charity working in Ethiopia. *World Serve*, a Canadian charity, was identified as such an organization. The Board discussed various scenarios and considered pros and cons for such a move. Future talks were scheduled for early 2014, including visits by *World Serve* leaders.

A new webmaster was engaged and the HORCO webpage was upgraded and updated with new photos, videos and stories. It is important to maintain an up-to-date presence on the internet.

We appointed Mr. Botossa Balcha to HORCO's Board of Directors in November. Botossa is an Ethiopian-Canadian from Toronto, who has many years of experience with NGOs in Ethiopia. He has previously directed an NGO that worked in the Gimbichu District. We welcome him and the experience he brings to our Board.

## Charitable Activities in Ethiopia

HORCO continued to work toward its 5-year goal starting in 2010, of developing improved water sources and effective sanitation practices in rural communities in the Gimbichu District of Oromia Regional State, Ethiopia.

In 2013, EKHC staff worked with four different villages and an elementary school in Kersa Kebele to develop improved water sources and provide training in sanitation and hygiene for an estimated population of 3,800 adults and children. The approved project called for building a large reservoir which would be filled from a pre-existing well near-by. A gravity-flow system connected the reservoir to water distribution points located close-by to each of the villages and the school, providing families and children with ready access to safe water. Families and children were trained in sanitation and personal hygiene and encouraged to construct family pit latrines. Dagim visited the project site in April, 2013. He took photos and videos of the work in progress, which were placed on the web and shown at the fund-raising dinner in November.

In the fall, HORCO sent additional funds to help construct a large pit latrine for the school. This was not in the original plan but it became obvious that this was needed to complement the improved water source at the school. As directed by the Board, the additional funds (\$1,800) came from new sources which were generated by HORCO's participation in the *Ride for Refuge* in September.

**A summary of HORCO's charitable activities from 2010 until the present is attached (Appendix A).**

[Note: The community celebration for the completion of the work was held in February, 2014. Dagim, Bob and David attended this. An update will be part of the 2014 AGM Minutes.]

## Fund-raising

A goal of raising \$43,475 to complete water/sanitation services with another group of villages in Gimbichu was set for 2014 – this was based on a Board-approved project proposal submitted by EKHC. We held our 6<sup>th</sup> annual fund-raising event, *In Celebration of Clean Water*, on November 9<sup>th</sup>, which was an Ethiopian dinner similar to those served each year since 2008. The event was held again at Hillside Church in London. Entertainment was provided by London Jazz singer, Denise Pelley and her accompanist, Stephen Holowitz. *Joy in the Harvest* Drum Choir, a local African Ladies' Group, also participated for the 4<sup>th</sup> straight year.

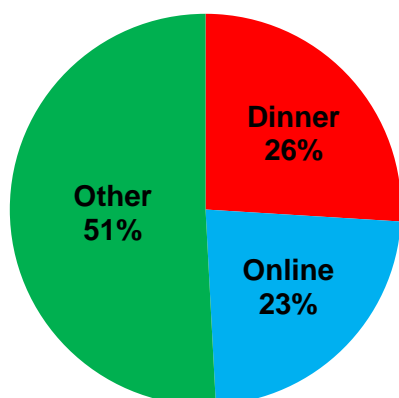
This was another successful event, with just over 200 paid guests plus about 25 volunteers. London's Ethiopian Community provided help with the event, and donated 200 injera for the meal. Ethiopian food was purchased from the ENAT Restaurant in London. A sponsorship by the *Sansin Corporation* provided \$3,500 toward the cost of the event, thereby allowing ticket revenue at \$20 each to go towards the Gimbichu Project Fund. The total money raised for Gimbichu from ticket sales and donors (81) at the dinner was \$16,229. Corporate donations from *Quench Water Canada, Inc* and *Robertson Hall Insurance* also helped to defray entertainment costs. **Complete details of 2013 dinner finances and a summary of dinner**

**stats since 2008 are attached (Appendix B).** It is notable that for the first time in 2013, the median donation rose from \$50 to \$100.

By the end of 2013, with donations from the dinner, from monthly donors and gifts from other donors who did not attend the dinner, we had raised over \$46,000 for the 5<sup>th</sup> Gimbichu Project, to be done in partnership with EKHC, the Town of Cheffe Donsa and the Village of Ancheta, starting in early 2014. Tax receipts were sent out for those who donated funds in 2013; we had 150 donors overall (123 last year), 47% of whom were new donors. It is great to see new donors join the effort, but we consistently lose donors from the previous year (e.g. 37% for 2012 to 2013), some who have given substantial gifts. Perhaps they need a special contact in 2014. This seems to be a trend in charitable giving that is not unique to HORCO.

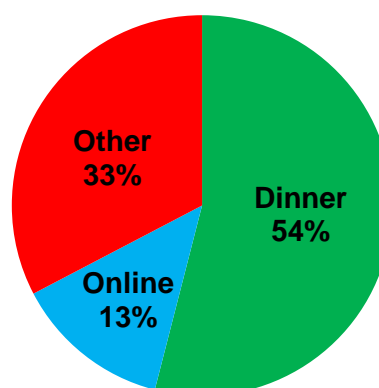
### 2013 Donations

Total = \$50,247



### 2013 Donors

Total No. = 150



Online (CanadaHelps)	20	\$11,647
Sponsorships	3	\$4,500
Qualified Donors (charities)	4	\$4,015
Anonymous	24	\$500

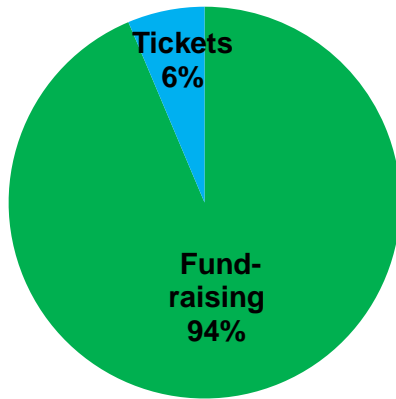
The importance of the fund-raising dinner can be seen by the large percentage of our donors who attend the dinner; however, in 2013, over half of the funds came from people who did not attend the dinner or give online. The percent of people who donated online increased from 10% in 2012 to 13% in 2013; their donations accounted for 23% of the revenue for Gimbichu.

### Financial Report

We are pleased to report as shown below that 87% of HORCO's disbursements in 2013 were used to support work in Ethiopia. **Details of 2013 finances are attached (Appendix C).** The 2013 records and reports of HORCO were reviewed by Mr. R. James Connelly, C.A. His letter and summary report will be available at the AGM. 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.

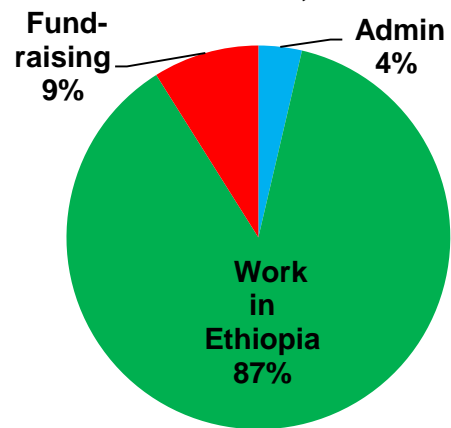
## 2013 Income

Total = \$53,657



## 2013 Expenses

Total = \$50,708



## HORCO Board Members in 2013

Howard Katz

Dagim Almaw

Bob Kline

Tendayi Gwaradzimba

Jane Rylett

David Hiebert

Dan Kalmar

Botossa Balcha

President and Director

Vice President and Director

Secretary/Treasurer and Director

Director

Director

Director

Director

Director

## Appendix A

### Summary of Water/Sanitation Work by HORCO in Gimbichu District of Ethiopia

Date	Site	Work Done	People Benefitted	Implementation	Actual Project Costs	HORCO Management*	Follow-up
2009/10	Lem Lem Community	Improved water source	400 families est. 2,400 people	HORC	\$28,300	\$1,500	Apr, 2011 - Dagim Apr, 2012 - Dagim/Bob
2011	Dire Kebele Community	Improved water source	400 families est. 2,400 people	HORC	\$26,800		Apr, 2011 - Dagim Apr, 2012 - Dagim/Bob
2012	Goro Buchara Area Villages	12 month Integrated WaSH	4 villages est. 5,800 people	EKHC	\$34,752	\$556	Apr, 2012 - Dagim/Bob Apr, 2013 - Dagim
2013	Kersa Kebele Villages	12 month Integrated WaSH	4 villages + school est. 3,600 people	EKHC	\$43,778	\$800	Apr, 2013 - Dagim Feb, 2014 - Dagim, David, Bob
<b>Total People</b>			<b>~ 14,000 people (~2000 families)</b>		<b>\$133,630</b>	<b>Per person cost = ~\$10; per family cost = \$60-\$70</b>	

\* Costs include partial travel expenses for follow-up by HORCO

## Appendix B

### In Celebration of Water (9Nov2013) - Financial Report

#### Revenue - General Fund

Tickets	3,560.00	\$20 ea or table of 8 for \$150
Sponsorships	4,360.00	
Misc	-	
<b>Total Revenue</b>	<b>7,920.00</b>	

#### Expenses

Dinner Expenses	2,917.36	Food, Decorations
Misc	251.21	Photocopying, printing supplies, mailing
Entertainment	1,050.00	Joy in the Harvest Drum Choir + Denise Pelley
Rental Fees	175.00	Hillside Church (auditorium, kitchen, custodian, a-v tech)
<b>Total Expenses</b>	<b>4,393.57</b>	

**Net Dinner Proceeds**      **3,526.43**      Dinner revenue - dinner expenses; goes to Gimbichu Fund

#### After Dinner Donations -

General Fund	350.00	
Gimbichu Project	12,702.26	
<b>Total</b>	<b>13,052.26</b>	22 new donors out of 81 = 27%

**Total Event Proceeds**      **16,578.69**      Gimbichu (\$16,228.69); General (\$350)

**Attendance = 178 tickets + 28 donated = 206 + about 25 volunteers**

**Number of donations at the dinner = 81 (27% new)**

**Average donation at the dinner = \$186 (Range: \$5 - \$2,309; Ave = \$134 without largest gift)**

**Median donation at the dinner = \$100**

#### Cumulative Dinner Event Stats

	2008	2009	2010	2011	2012	2013
Attendance (1)	170	191	149	144	201	205
No. of Donations	49	65 (49% new)	61 (57% new)	70 (51% new)	72 (43% new)	81 (27% new)
Average Donation (2)	\$129	\$93	\$201	\$164	\$243	\$186
Range of Donations (3)	\$10 to \$1,100	\$5 to \$1,000	\$5 to \$7,000	\$10 to \$4,660	\$5 to \$5,000	\$5 to \$2,309
Median Donation (4)	\$50	\$50	\$40	\$50	\$50	100
Total Donations	\$6,600	\$6,020	\$12,480	\$11,449	\$17,520	\$13,052
Donations to Gimbichu Fund (5)	\$5,726	\$5,040	\$12,174	\$10,777	\$17,520	\$12,702
Donations to General Fund (6)	\$874	\$980	\$306	\$672	\$0	\$350

#### Notes:

(1) Refers to number of ticket holders - does not include 20-25 volunteers each year; Denise Pelley 2009 and 2012

(2) When large gifts (>\$1,000) are factored out, the average gift is between \$90 and \$134

(3) Not surprisingly, ~20% of donors account for ~80% of the total value of donations

(4) 50% of donors gave less than this amount and 50% gave more than this amount

(5) In 2013 a \$5,000 gift usually given at the dinner was given a week before the dinner; net proceeds of 2013 dinner (\$3,526) also went to Gimbichu for total of (\$16,229)

(6) Donors were requested to give all gifts to the Gimbichu Fund in 2012 and 2013

## Appendix C

### HORCO Financial Report for 2013

<b>Balances 1Jan 13</b>	<b>43,812.99</b>
General Fund	3,144.74
Gimbichu Fund	40,668.25

#### Revenue

##### General

Donors	1,257.10	
Qualified Donors	-	Registered charities
Sponsors	4,360.00	Non-receiptable
Other	-	
<b>Sub-Total</b>	<b>5,617.10</b>	

##### Gimbichu

Donors	40,474.68	
Qualified Donors	4,015.18	Registered charities
Other (non-receiptable)	3,550.00	Ticket revenue + sponsor
<b>Sub-Total</b>	<b>48,039.86</b>	

**TOTAL REVENUE** **53,656.96**

#### Expenses

##### General

Admin	204.76	Bank Fees: monthly + wire charges
Office	1,647.87	See below*
Fund-raising	4,530.85	Dinner and related expenses
<b>Sub-total</b>	<b>6,383.48</b>	

##### Gimbichu

EKHC	<b>43,525.00</b>	\$40,872 2013 project; \$853 2012 EKHC deficit; \$1,800 School pit latrine
HORCO Management	800.00	Dagim evaluation trip Mar/Apr
<b>Sub-total</b>	<b>44,325.00</b>	

**TOTAL EXPENSES** **50,708.48**

**Balances to date** **46,761.47** 31-Dec-13

General Fund	2,378.36	
Gimbichu Fund	44,383.11	Note: Commitment to 2014 Gimbichu Project = \$42,446.00

\* "Other" Expenses: mailing tax receipts, printing supplies, annual fees for web site and accounting software, insurance (> \$1,000)

#### Summary of Donations from DONATION Software

# Received	99	\$29,584.26
# Qualified Donors	4	\$4,015.18
# CanadaHelps Donors	20	\$11,647.32
# Sponsorships*	3	\$4,500.00
# Anonymous/Non-receiptable	<u>24</u>	<u>\$500.20</u>
<b>Total # Donors</b>	<b>150</b>	<b>\$50,246.96</b>

#### Summary of Expenses

% spent on fund-raising*	8.9%
% spent on admin/management	3.7%
% spent on charitable activities	87.4%

\*96% covered by Corporate Sponsorships

\* Sansin Corporation (\$3,500); Quench Water Canada Inc (\$650); Robertson Hall Insurance (\$350)