

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

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

# **ANNUAL REPORT OF ACTIVITIES**

## **Highlights of 2016**

### **Administrative Activities**

#### **EKHC Partnership.**

- During the previous year EKHC underwent some government- required restructuring to separate itself entirely from the Church. It was re-named the EKHC Development Commission (EKHCDC); it has a new Board and new admin staff. The Commissioner is Simon Haile. Bereket Gebretsion, the Director of WASH and Public Health Programs, is our primary contact. Yohannes Demisse continues to be WASH Coordinator. Bereket is an excellent communicator. Although leadership of their organization has changed, our partnership with EKHCDC remains strong, based on mutual trust and commitment to the mission.
- Bob and Dagim visited Ethiopia in February, 2016, to attend a celebration of the new water system in Jejiga Village. They also visited other villages with whom HORCO has worked in previous years, going back to 2012. Everything was working well. Our reputation and that of EKHCDC is growing in the Gimbichu District, as was expressed in conversation with Emishaw, the District Water Officer. A memorable visit was also made to the village where work will be done in 2016/17, where we were unexpectedly invited to join a farmer and his family for a special lunch of roast sheep. A full report is on file.
- After several iterations, a 2-year budget was approved for a large water/sanitation project with the Menjigso Gora Villages in 2016/17.
- HORCO received interim project updates and financial summaries (on file) throughout the year, as required in our agency agreement. An official 2016 audit by Ethiopian Auditors has been received (summary page attached).

### **Charitable Activities**

HORCO's charitable activities in 2016 consisted of partnering with EKHCDC and the Menjigso Gora Villages to complete the first half of the 2-year project which, when completed by the end of 2017, will bring clean water and sanitation to about 1,500 people. A previously existing well was fitted with a new pump (provided by the Villages) and generator (provided by the Ethiopian Government) to pump clean water into a new 27,000 L reservoir. The reservoir will feed a number of new water points located as far

away as 7 km, by regulated gravity flow. In 2016, pipe was laid and water points were constructed for 3 of the 6 planned water points in the Villages. Other water points were completed for the near-by elementary school and the healthcare clinic. Clothes washing tables and livestock troughs will also be built as part of the clean water system. Sanitation and personal hygiene were taught in small groups throughout the year. Families were taught how to make a sanitary pit latrine, and a high percentage of families actually did so. A community sanitation team was established to continue training and monitoring of sanitary practices. HORCO provided approximately \$57,000 for this phase of the project Menjigso Gora project. (A full report from Bereket is on file.)

**Appendix A** is a summary of HORCO's charitable activities since 2009.

## Fund-raising

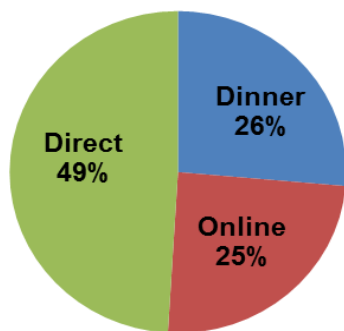
- **2017 Project.** Discussions regarding a project and budget for 2016 began in October, 2015, and continued through December. The proposed project was with the Menjigso Gora Villages; it was a large project with a significantly higher budget than HORCO has funded previously. After discussion it was agreed that the project would be done over two-years, and we settled on a total budget of 1,582,455 ET Birr (\$105,147 CAD), with sub-totals of 935,675 ET Birr (\$62,171 CAD) and 646,180 ET Birr (\$42,975 CAD) for 2016 and 2017, respectively.
  
- **Ethiopian Dinner.** We held our 9<sup>th</sup> annual fund-raising event, *In Celebration of Clean Water*, on November 5<sup>th</sup>, which was an Ethiopian dinner similar to those served each year since 2008. The event was held at Oakridge Presbyterian Church in London. Besides the popular Ethiopian food, the evening featured an interview with Roslynn Norman and her daughter, Claire, who has a passion for raising money for HORCO to help children in Ethiopia. Claire's personal fund-raising total was almost \$1,600. Total donations to what is known as "Claire's Well" by the Norman Family and their friends totaled almost \$10,000. We also had new photos and several video interviews from HORCO's visit to Ethiopia in February, 2016. The London Amabile Boys Training Choir performed (free-of-charge), much to the delight of the guests.
  - The event had 200 seated 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.
  - Sponsorships by the *Sansin Corporation (\$4,000)*, *Quench Water Canada Inc (\$960)* covered much of the cost of the event.
  - The total money raised from ticket sales (\$3,750) and donors (77) at the dinner was \$20,962.
  
- **Summary of all donations.**

In addition to donations received at the dinner, HORCO also received donations online (CanadaHelps), directly in person, or through the mail. Most of the donations came in response to the mail/email request in the fall, although > \$900 comes in each month from monthly donors (CanadaHelps).

	2016		2015	
	#	\$	#	\$
Received Donors	111	44,052.20	111	47,093.20
Qualified Donors - Charities	3	2,262.58	4	1,064.60
Qualified Donors - CanadaHelps	31	16,035.00	18	11,565.40
Anonymous/Non-receiptable	14	1,932.00	10	465.00
Sponsors/Non-receiptable	1	960.00	3	3,830.00
<b>Total</b>	<b>160</b>	<b>65,241.78</b>	<b>146</b>	<b>64,018.20</b>

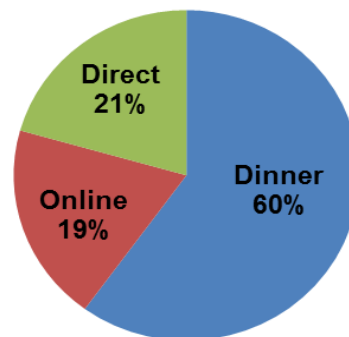
### 2016 Donations

Total = \$65,241



### 2016 Donors

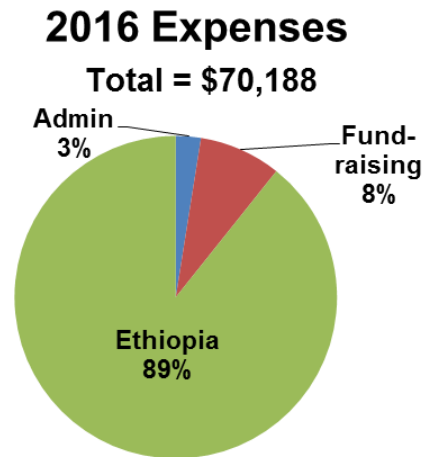
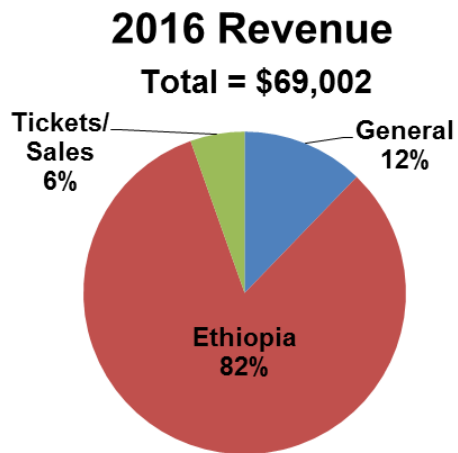
Total No. = 160



- The dinner continues to attract the greatest number of donors
- Online donations and dinner donations were about equal
- Direct donations accounted for half of the revenue – this includes corporate sponsors and qualified donors (churches)
- 43% (68) of the donors were new; 16% (25) of donors gave almost 80% of the total donations

## Financial Report

We are pleased to report as shown below that 89% of HORCO's disbursements in 2016 were used to support charitable activities in Ethiopia. **Details of 2016 finances are attached (Appendices B and C).** The 2016 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.



- Donations made-up 94% of total revenue
- 100% of donations to the Gimbichu Fund go to project related expenses
- The General Fund supports admin and fund-raising expenses

## HORCO Board Members 2016

Name	Position	Appointed
Howard Katz	Director, President	5Dec2005
Dagim Almaw	Director, Vice President	5Dec2005
Bob Kline	Director, Secretary/Treasurer	5Dec2005
Jane Rylett	Director	8Jul2012
Dan Kalmar	Director	8Jul2012
Botossa Balcha	Director	9Nov2013

## Appendix A

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

Date	Site	Work Done	People Benefitted	Implementation	Actual Project Costs	\$CAD		Follow-up
						Community In Kind (est)	HORCO Management	
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		\$0	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	\$43,489	\$2,267	\$800	Apr, 2013 - Dagim Feb, 2014 - Dagim, David, Bob
2014	Cheffe Donsa Ancheta Village	12 month Integrated WaSH	Town + Village est. 10,000	EKHC	\$46,451	\$1,710	\$1,400	Feb 2014 - Dagim, David, Bob Apr 2015 - Dagim
2015	Jejiga Village	12 month Integrated WaSH	est 1,500 people	EKHC	\$49,651		\$0 \$800	Apr 2015 - Dagim Feb 2016 - Dagim, Bob
2016/17	Menjigsso Villages	2-year Integrated WASH	6 villages + school est 1,500 people	EKHCCDC	\$106,000 est			Feb 2016 - Dagim, Bob
<b>Cumulative for 2009 through 2016</b>		<b>Total People</b>	<b>&gt;25,000 people (~4,000 families)</b>		<b>\$335,443</b>			<b>Per person cost ~ \$13; per family cost ~ \$83</b>

Notes: HORCO Management costs include a computer for EKHC (2012) and partial travel costs for follow-up visits by HORCO

## Appendix B – Audited EKH CDC Expenses 2016

### ETHIOPIAN KALE HIWOT CHURCH -HORCO PROJECT FINANCED BY HORCO STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Notes</u>	<u>Birr</u>	<u>Birr</u>	<u>2015 Birr</u>
<b><u>REVENUES</u></b>				
Donation income	3a,4,7		936,100.55	<u>743,964.79</u>
<b><u>EXPENDITURES</u></b>				
<b><u>Operational cost</u></b>				
Salary		114,045.51		133,466.36
Prdiem		81,212.50		92,760.60
Transport material and personal		-		5,000.00
Training cost		22,913.50		36,587.49
Masson, plumber and assistance		128,970.00		183,033.42
Vehicle operation cost		75,390.22		-
Construction materials		<u>361,176.17</u>		<u>262,950.41</u>
<b>Total operational cost</b>		<u>783,707.90</u>		<u>713,798.28</u>
<b><u>Administration expenditure</u></b>				
Salary for supporting staff		29,499.07		-
Other administration service costs		<u>38,316.00</u>		<u>65,001.29</u>
<b>Total Administration</b>		<u>67,815.07</u>		<u>65,001.29</u>
<b><u>TOTAL EXPENDITURES</u></b>			<u>(851,522.97)</u>	<u>(778,799.57)</u>
<b><u>CESS OF INCOME OVER EXPENDITURE (EXPENDITURE OVER INCOME)</u></b>			84,577.58	(34,834.78)
<b><u>IND (DEFICIT) BALANCE BROUGHT FORWARD FOR YEAR ADJUSTMENT</u></b>			(85,284.43)	(50,449.65)
			<u>(1,451.19)</u>	-
<b><u>IND(DEFICIT) BALANCE CARRIED FORWARD</u></b>			<u>(2,158.04)</u>	<u>(85,284.43)</u>



Note: The 2015 deficit of ET Birr 85,284 (~\$5,000 CAD) was attributed to some disputed charges not in the original budget. We called this to their attention in early 2016, and EKH CDC made adjustments to our expenses in 2016, essentially eliminating the disputed charges in 2015, i.e. the 2016 expenses were reduced by almost ET Birr 85,000. The 2016 year-end deficit was ET Birr 2,158 (~\$140 CAD). Average exchange CAD vs ET Birr for 2016 = 15-16.

## Appendix C – HORCO 2016 Finances

<b>Financial Summary for 2016</b>		<b>2015</b>
<b>Balances 1Jan 16</b>	<b>60,940</b>	<b>44,899</b>
General Fund	906	1,104
Gimbichu Fund	60,034	43,794
<b>Revenue</b>		
<b>General</b>		
Donors	4,500	2,620
Qualified Donors	2,975	Churches + CanadaHelps 4
Sponsors	960	Non-receiptable 3,830
Other	2,000	Ticket sales -
<b>Sub-Total</b>	<b>10,435</b>	<b>6,453</b>
<b>Gimbichu</b>		
Donors	41,484	44,938
Qualified Donors	15,323	Churches + CanadaHelps 12,626
Sponsors	-	-
Other	1,760	Ticket sales 4,375
<b>Sub-Total</b>	<b>58,567</b>	<b>61,940</b>
<b>TOTAL REVENUE</b>	<b>69,002</b>	<b>68,393</b>
<b>Expenses</b>		
<b>General</b>		
Admin	246	Bank Fees + wire charges 199
Office	1,518	See below* 1,434
Fund-raising	5,719	Dinner, website, CH fees 5,019
<b>Sub-total</b>	<b>7,483</b>	<b>6,652</b>
<b>Gimbichu</b>		
EKHCDC	61,598	2016 Project 45,700
HORCO Management	1,107	Dagim, Kurkura travel -
<b>Sub-total</b>	<b>62,705</b>	<b>45,700</b>
<b>TOTAL EXPENSES</b>	<b>70,188</b>	<b>52,352</b>
<b>Balances to date</b>	<b>59,753</b>	<b>12/31/2016 60,940</b>
General Fund	3,858	906
Gimbichu Fund	55,896	60,034

\* "Other" Expenses: mailing tax receipts, printing supplies, annual fee for accounting software, photocopies, insurance (\$1,080)

<b>Summary of Donations from DONATION Software</b>			<b>Summary of Expenses</b>	
	#	\$		
Received	111	44,052.20	<b>Fund-raising</b>	<b>8%</b>
Qualified Donors	34	18,297.58	<b>Admin/management</b>	<b>4%</b>
3 Churches: 2,262.58			<b>Charitable activities</b>	<b>88%</b>
31 CanadaHelps 16,035.00				
Non-receiptable	<u>15</u>	<u>2,892.00</u>		
14 Anonymous 1,932.00				
1 Sponsoship 960.00				
<b>Total</b>	<b>160</b>	<b>65,241.78</b>	68 new donors (42.5%)	