

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

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

# **ANNUAL REPORT OF ACTIVITIES**

## **Highlights of 2017**

### **Administrative Activities**

#### **EKHC Partnership.**

- During 2017, the Ethiopian Kale Heywet Church Development Commission (EKHCDC) has continued to under-go Government- required restructuring to separate itself entirely from the Church and to make changes in management, staff and operations. 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. All three men attended our 10<sup>th</sup> Anniversary Dinner last October. We had good discussions with them about projects and HORCO's future. The meeting solidified the effective partnership we have had with this organization over the past 6 years.
- Late in the year, however, we were told that there had been difficulties in moving the 2<sup>nd</sup> year of the 2016/17 Project to completion. Specifically, a new high-capacity pump had not been purchased and there were some issues among the Village, EKHCDC and the Government. The result of this was HORCO did not receive progress reports and financial statements on time, delays continued to build up, and assurances that the work would be completed "soon" were not true. It was difficult to get a clear understanding of what had happened, and briefly, after many emails, phone calls and Botossa's voluntary involvement in the situation while he was in Ethiopia (attached report on file), EKHCDC admitted that they had mismanaged the project. (The work continued in 2018 and was finally completed and evaluated in early April, with the Community taking responsibility for the water system in early May.) All in all, this past year has strained our relationship with EKHCDC a bit. They understand that we need to speak truthfully and openly when problems arise in the future. However, HORCO also has to understand that there are cultural as well as political issues at work here which make it difficult for our partners to be totally transparent. It is best to keep communication lines open. In the end, HORCO did receive the necessary reports and the Community did receive its water system.
- The HORCO Board continued discussions about the future of HORCO, specifically with respect to leadership. By the end of the year, there were two individuals identified who may be candidates for establishing a HORCO Leadership Team. It was hoped that a plan could be put into action by the time of the AGM.

## Charitable Activities

HORCO's charitable activities in 2017 consisted of partnering with EKHDC and the Menjigso Gora Villages to complete the 2<sup>nd</sup> phase of the 2-year project which was begun in 2016, bringing clean water and sanitation to about 1,500 people. This was the largest project done to date, and probably the most difficult due to the hill and valley terrain. A previously existing well was fitted with a new pump (provided by the Villages and HORCO) and generator (provided by the Ethiopian Government) to pump clean water into a new 27,000 L reservoir, which was located >1 km away from the well on a high plateau above the valley. The reservoir feeds a number of new water points located as far away as 7 km, by regulated gravity flow. In 2017, an additional 3 km of pipe was laid and 3 more water points were constructed in the Villages. Two other water points were completed for the near-by elementary school and the healthcare clinic. Two pit latrines were constructed for the school. These were not in the original plan. Clothes washing tables and livestock troughs were also built as part of the clean water system. Sanitation and personal hygiene were taught in small groups. Families were taught how to make a sanitary pit latrine. A community sanitation team was established to continue training and monitoring of sanitary practices. HORCO provided approximately \$39,000 for the 2<sup>nd</sup> phase of the Menjigso Gora Project, however remedial construction of the work delayed the final hand-over to the community until May 1. This resulted in an additional \$6,000 for materials and labor being spent in 2018. (A full report from Bereket and a final evaluation report from the Government are on file.)

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

## Fund-raising

- **2018 Project.** Fund-raising for a 2018 Project was carried out through 2017. Discussions regarding a project and budget for 2018 began in October, 2017, and continued through December. The proposed project was with the Germama Villages. It is actually part of a 2-year project, but HORCO could only commit to 1 year, given the uncertainty of HORCO's future at that time. The project was again an extension of an existing well system, requiring a 27,000 L reservoir, pipeline, two water points and education in sanitation. The approved budget was \$63,500 (135,287 ET Birr).
- **Ethiopian Dinner.** We held our 10<sup>th</sup> Anniversary Fund-raising Dinner on October 14<sup>th</sup>, which was a catered Canadian Buffet with Ethiopian side-dishes. The event was held at the Greek Canadian Association of London. Special guests joined us from Ethiopia: Simon Haile, Bereket Gebretsion, and Yohannes Demisse, who represented our implementation partners for the last 6 years, the Ethiopian Kale Heywet Church Development Commission. They brought greetings and several gifts from their organization, the Government and the Gimbichu Villages to help celebrate our 10<sup>th</sup> anniversary. Entertainment was once again provided Denise Pelley and Steve Holowitz,
  - The event had 275 seated guests. London's Ethiopian Community donated injera for the meal. Ethiopian food was purchased from the ENAT Restaurant in London.

- Dinner expenses of \$15,791 were covered by gifts from individuals and local businesses, and event tickets that cost \$25 each. Net dinner proceeds were \$736.
- Donations totaled \$13,485, from 91 donors (33% were new).

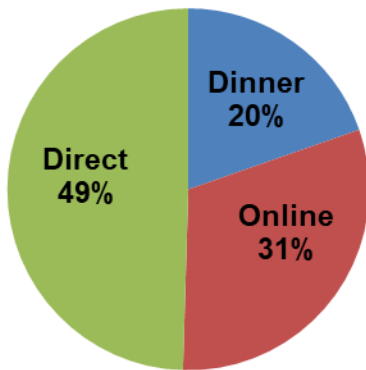
• **Summary of all donations.**

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 scheduled monthly donations (7 donors using CanadaHelps) provided > \$11,500 for the year. A detailed breakdown of donations is provided below.

	2017		2016	
	#	\$	#	\$
Received Donors	118	37,534.57	111	44,052.20
Qualified Donors - Charities	2	2,574.39	3	2,262.58
Qualified Donors - CanadaHelps	43	21,134.75	31	16,035.00
Anonymous/Non-receiptable	26	4,295.00	14	1,932.00
Sponsors/Non-receiptable	4	3,050.00	1	960.00
<b>Total</b>	<b>193</b>	<b>68,588.71</b>	<b>160</b>	<b>65,241.78</b>

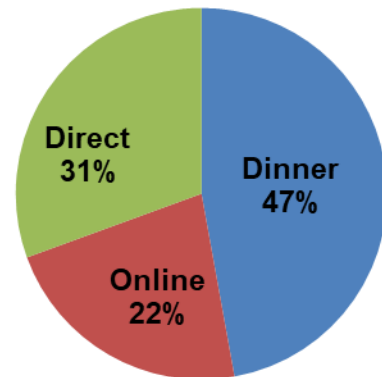
**2017 Donations**

Total = \$68,589



**2017 Donors**

Total No. = 193



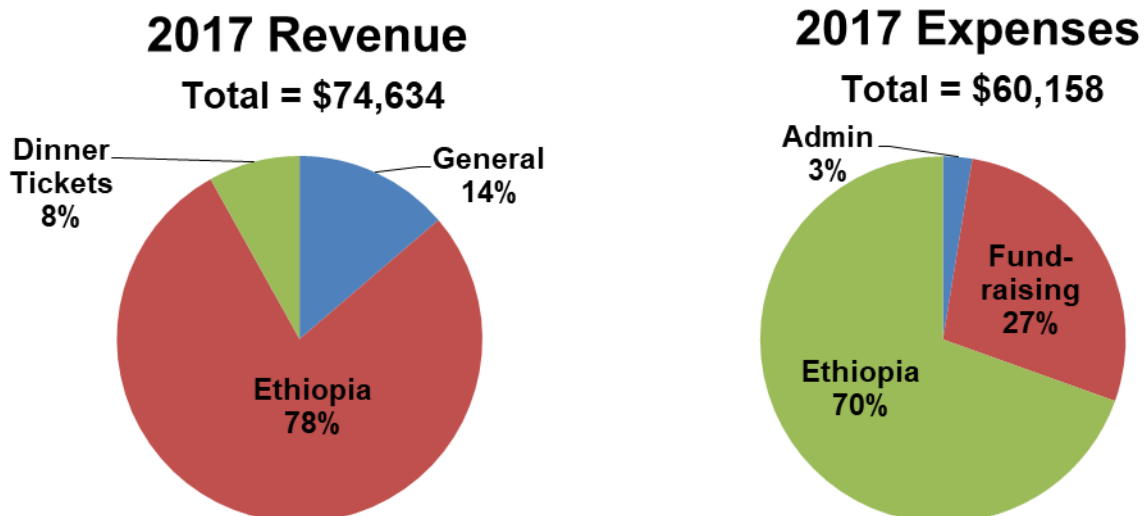
- The dinner fund-raiser continues to attract the greatest number of donors, but provided just 20% of the total donations (the amount donated at the dinner can be influenced by who attends the dinner, i.e. the presence or absence of one or two large donations makes a difference).
- Online donors and donations increased by 25% and 30%, respectively. This is a positive trend but it has fund-raising fees attached (~3.5%).

- Direct donations accounted for half of the revenue – this includes regular donors, corporate sponsors and qualified donors (e.g., churches).
- 37% (71) of the donors were new; 20% (38) of donors gave 76% of the total donations. These observations are similar to other years, i.e., we have a lot of turn-over of one-time donors, and 51% of the gifts are \$100 or less.
- Several events were held by HORCO donors to raise funds for HORCO. These “grass roots” efforts are encouraging; HORCO promotes these activities on Facebook. This is a fruitful approach to getting people involved.

## Financial Report

In 2017, 70% of HORCO’s disbursements were used to support charitable activities in Ethiopia. This was a lower percentage than in previous years (always over 80%) because less money was actually spent in year two of the 2016/2017 project in Ethiopia, and more money was spent in fund-raising (the 10<sup>th</sup> Anniversary Dinner). The 2017 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. He has been doing this, as well as supporting HORCO financially, from the early days of HORCO.

**Details of 2017 finances for EKHDC and HORCO are below and attached (*Appendices B and C*). A summary of HORCO finances 2011-2017 is attached (*Appendix D*).**



- Donations made-up 92% of total revenue.

- Donations to the Gimbichu Fund are used for project related expenses in the next fiscal year. 100% of donations to this fund go to Ethiopia.
- The General Fund supports admin and fund-raising activities: the former supports office expenses and corporation insurance; the latter include dinner expenses, publicity, communication, website and fees associated with online donations and ticket purchases.

## **HORCO Board Members 2017**

<b>Name</b>	<b>Position</b>	<b>Appointed</b>
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	EKHDC	\$106,710		\$500	Feb 2016 - Dagim, Bob Jun 2017/Mar 2018 - Botossa
2018	Germama Villages	12 month Integrated WaSH	Expansion proj est 1,400 people	EKHDC	\$63,500	est		
<b>Cumulative for 2009 through 2018</b>		<b>Total People</b>	<b>&gt;25,000 people (~4,000 families)</b>		<b>\$399,653</b>			<b>Per person cost ~ \$15; per family cost ~ \$90</b>

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

**Appendix B – Summary of EKH CDC Expenses for 2017 Project\***  
(waiting for their official audit report)

Expense Category	2017 Budget (Ethiopian Birr)	Actual Expenses (Ethiopian Birr)	
		2017	2018 (Jan-Apr)
Human resources	288,920	213,721	69,142
Material and Supplies	248,659	285,587	31,580
Transportation	38,000	50,874	23,943
Training, Education and Capacity Building	-	1,500	2,009
EKHC Admin (personnel, space, monitoring & evaluation, legal, etc)	71,201	101,248	7,327
<b>TOTAL Birr</b>	<b>646,780</b>	<b>652,930</b>	<b>134,000</b>
<b>GRAND TOTAL (2017/18) Birr</b>		<b>786,930</b>	
<b>TOTAL CAD</b>		<b>38,850</b>	<b>6,262</b>
<b>GRAND TOTAL (2017/18) CAD</b>		<b>45,112</b>	

\* The completion of the 2017 phase of the 2016/17 Project was delayed and carried over into 2018.

**The original Menjigso Gora Project was spread over two years, 2016 and 2017:**

	<b>ET Birr</b>	<b>CAD</b>
2016 Budget	935,675	
2016 Actual	851,523	61,598
2017 Budget	646,780	
2017/18 Actual	786,930	45,112
<b>TOTAL PROJECT BUDGET</b>	<b>1,582,455</b>	
<b>TOTAL PROJECT ACTUAL</b>	<b>1,638,468</b>	<b>106,710</b>

## Appendix C – HORCO 2017 Finances

### Financial Summary for 2017

<b>Balances 1Jan 17</b>	<b>59,753.41</b>	
General Fund	3,857.72	
Gimbichu Fund	55,895.69	
 <b>Revenue</b>		
<b>General</b>		
Donors	5,304.80	
Qualified Donors	3,047.75	
Sponsors	1,900.00	
Other	6,045.00	Ticket sales
<b>Sub-Total</b>	<b>16,297.55</b>	
 <b>Gimbichu</b>		
Donors	35,261.21	
Qualified Donors	21,924.95	
Sponsors	1,150.00	
Other	-	
<b>Sub-Total</b>	<b>58,336.16</b>	
 <b>TOTAL REVENUE</b>	<b>74,633.71</b>	
 <b>Expenses</b>		
<b>General</b>		
Admin	190.24	Bank Fees: monthly + wire charges
Office	1,362.68	See below*
Fund-raising	16,772.52	Dinner, publicity, CH+Eventbrite fees
<b>Sub-total</b>	<b>18,325.44</b>	
 <b>Gimbichu</b>		
EKHCDC Project	<b>38,850.00</b>	includes \$3,000 extra for pump
HORCO Management	2,982.19	EKHCDC visit
<b>Sub-total</b>	<b>41,832.19</b>	
 <b>TOTAL EXPENSES</b>	<b>60,157.63</b>	
 <b>Balances to date</b>	<b>74,229.49</b>	<b>Dec 31, 2017</b>
General Fund	1,829.83	
Gimbichu Fund	72,399.66	\$63,500 committed to 2018 Project; there are also carry-over expenses for the unfinished 2017 Project.

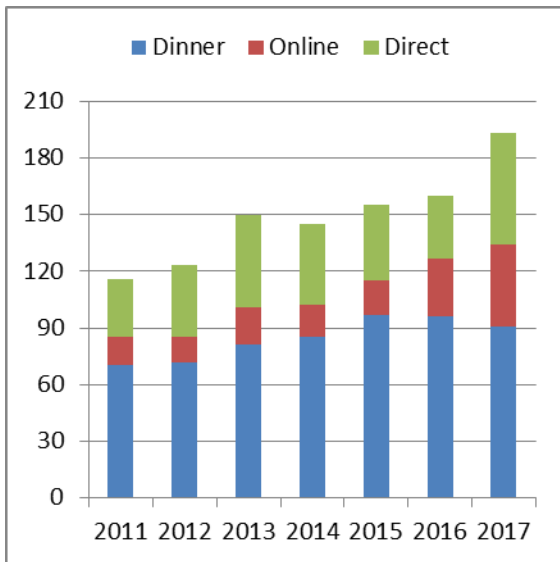
\* Office Expenses: mailing tax receipts, printing supplies, annual fee for accounting software, photocopies, insurance (\$1,128.60)

Summary of Donations from DONATION Software			Summary of Expenses	
	#	\$		
Received	118	37,534.57	Fund-raising	28%
Qualified Donors	2	2,574.39	Admin	2%
CanadaHelps Donors	43	21,134.75	Charitable Activities	70%
Anonymous/Non-receiptable	26	4,295.00	100% of designated gifts go to Ethiopia	
Sponsors	<u>4</u>	<u>3,050.00</u>		
<b>Total</b>	<b>193</b>	<b>68,588.71</b>		

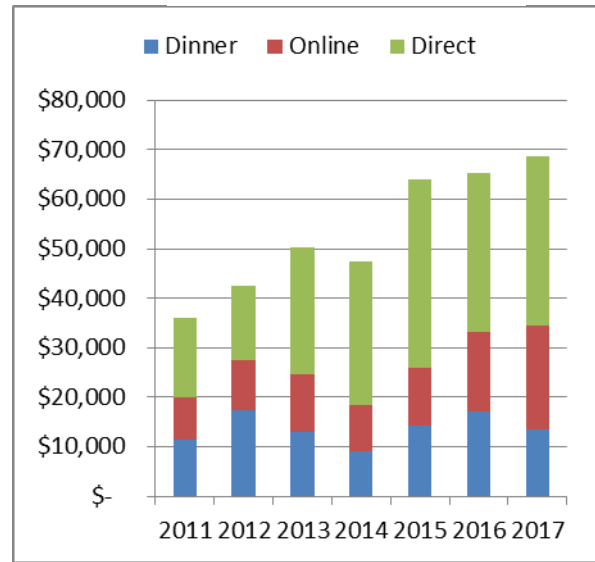


## Appendix D – HORCO Stats 2011-2017

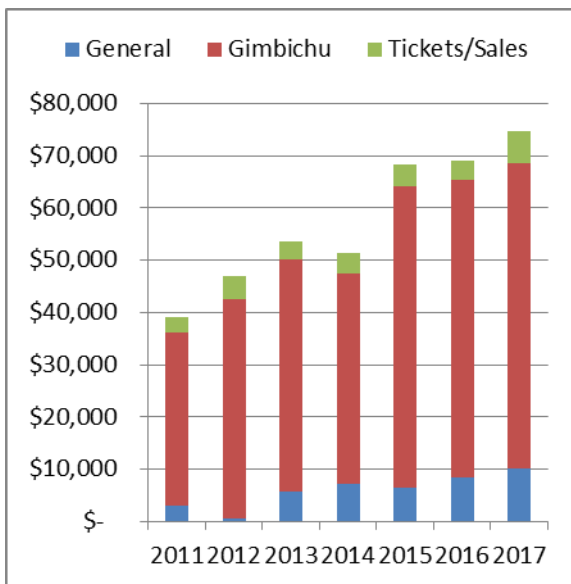
### Number of Donors



### Total Donations



### Total Revenue



### Total Expenses

