



## **Global Hope, Inc.**

PO Box 1052  
Broomfield, CO 80038

*A Section 501(c)(3) Non-Profit*

# **2010 Year-End Financial Report**

**Luke 12:48** (NLT)

*<sup>48</sup> ..... When someone has been given much, much will be required in return; and when someone has been entrusted with much, even more will be required.*



## Global Hope, Inc.

### About Financial Management and Trust

#### Our Commitment

Global Hope is committed to complete financial accountability and integrity in how our donor partners' money is handled. We take seriously our Biblical commitment of stewardship of God's money donated through you to Global Hope for the use to minister to the children we are called to serve. We constantly strive for optimum usage of resources and our goal is to maximize funding that makes it overseas to directly assist our children. Over 87% of expenditures were for the mission programs. This places Global Hope among the most efficiently operated non-profits of its kind.

#### Non-Profit Status

Global Hope Inc. is a non-profit organization and is recognized as such under section 501(c)(3) of the Internal Revenue Code. All gifts to Global Hope are tax deductible and are gratefully acknowledged.

#### Checks and Balances

Global Hope has implemented controls and safeguards to ensure that your donations are properly accounted for and are traceable. We use separate volunteers to process the deposits, to do the book keeping and to distribute funds. Monthly financial statements are produced and balanced to the bank account, showing the precise amounts of money collected and mission distributions made by classification. Finally, our overseas missions – Romania and Kenya – each provide monthly reporting on the use of the funds distributed for the benefit of the children of these countries.

#### How does Global Hope ensure that my support actually benefits the child I sponsor?

Global Hope works through Romanian and Kenyan staff as well as long-term missionaries to support the children. Because Global Hope homes tend to be quite small, the house-parents in each home come to know each child extremely well. Godparent funds for all of the children in a house are combined and managed to pay for all of the needs of the house, including food, clothing, utilities, repairs, books, clothes, tuition and developmental activities. We also work hard to make sure each child is developing normally, in terms of social, physical, and mental skills, and measure ourselves by our ability to provide the appropriate development for each child. Any time we see that a child is not developing as expected, we take immediate and appropriate action.



### **What percentage of expenditures are spent on program activities?**

Over 87% of all donations to Global Hope go directly to meet mission needs. There are very few hidden overhead or staff costs. Global Hope is operated by volunteers in the United States, none of whom accept compensation for what we do. Our missionaries in Romania and Kenya raise all of their own funds through gifts directed for their support. Eighty-seven cents of every dollar contributed to the Global Hope goes directly to meet the needs of the children in Romania and Kenya. 100% of donations specifically designated for Romania or Kenya go overseas for mission needs. During 2010 we began to collect donations from new donors for the Kathryn E. Larsen Orphanage in India.

### **Can I see a copy of Global Hope's most recent financial statements?**

Monthly financial reports are available and we can make them available to anyone at any time. If you have any questions about financial issues or to request a copy, please contact us at [info@globalhope.org](mailto:info@globalhope.org).



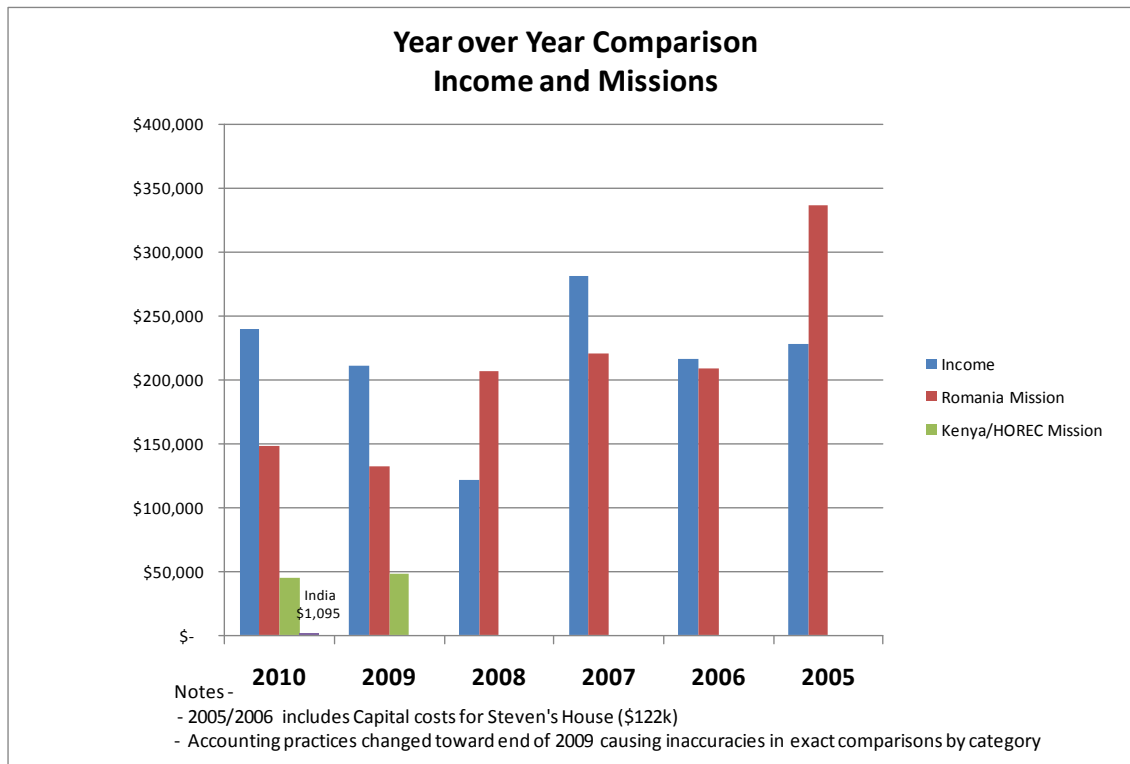
## 2010 Financial Summary

2010 was a solid year financially. All credit always goes to God for blessing His mission with successful fund raising and commitments from sponsors even during a poor economy.

- Income \$240,209
- Mission Operations (\$194,925)
  - Romania \$148,494
  - Kenya/HOREC \$45,336
  - India \$1,095
- Expenses (\$ 28,530)
- Net Operating Income \$ 16,754

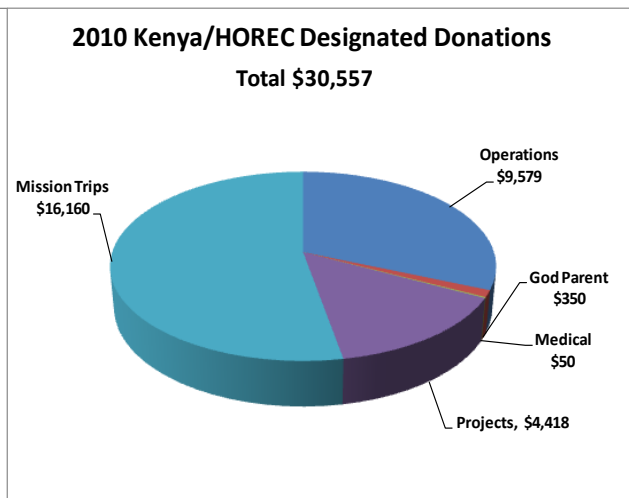
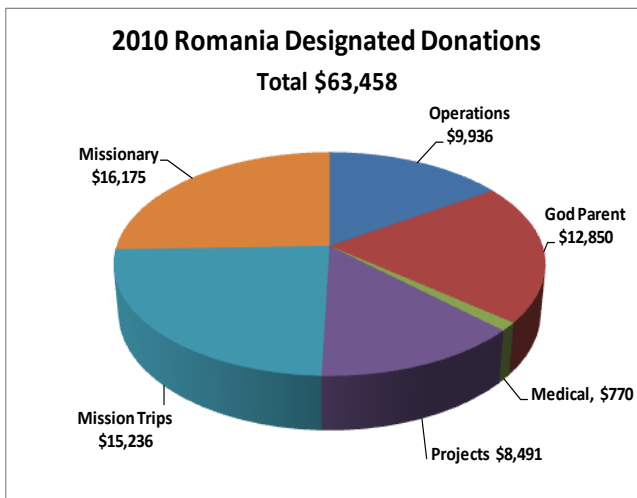
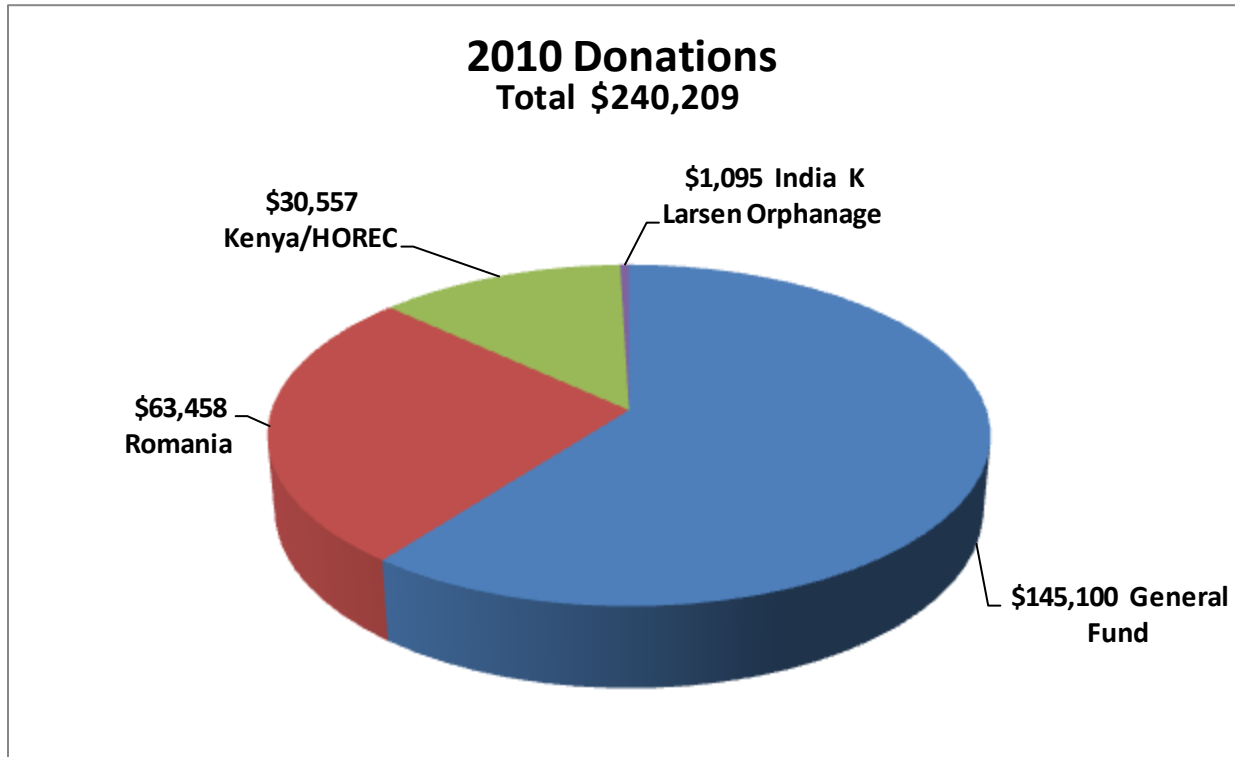
## **Year Over Year Comparison**

Following is a summary chart showing year over year comparison since 2005. Several key events such as the acquisition of Steven's house in 2005, the addition of the mission in Kenya in 2009 are key events to recognize.



### Donations Received (Money In)

In 2010, Global Hope received donations totaling \$240,209 compared with \$210,920 in 2009. General Fund Donations are unrestricted (not designated donations). Donations for Romania, Kenya/HOREC or India are designed solely for use in the those missions.



### Donation Processing Improvements

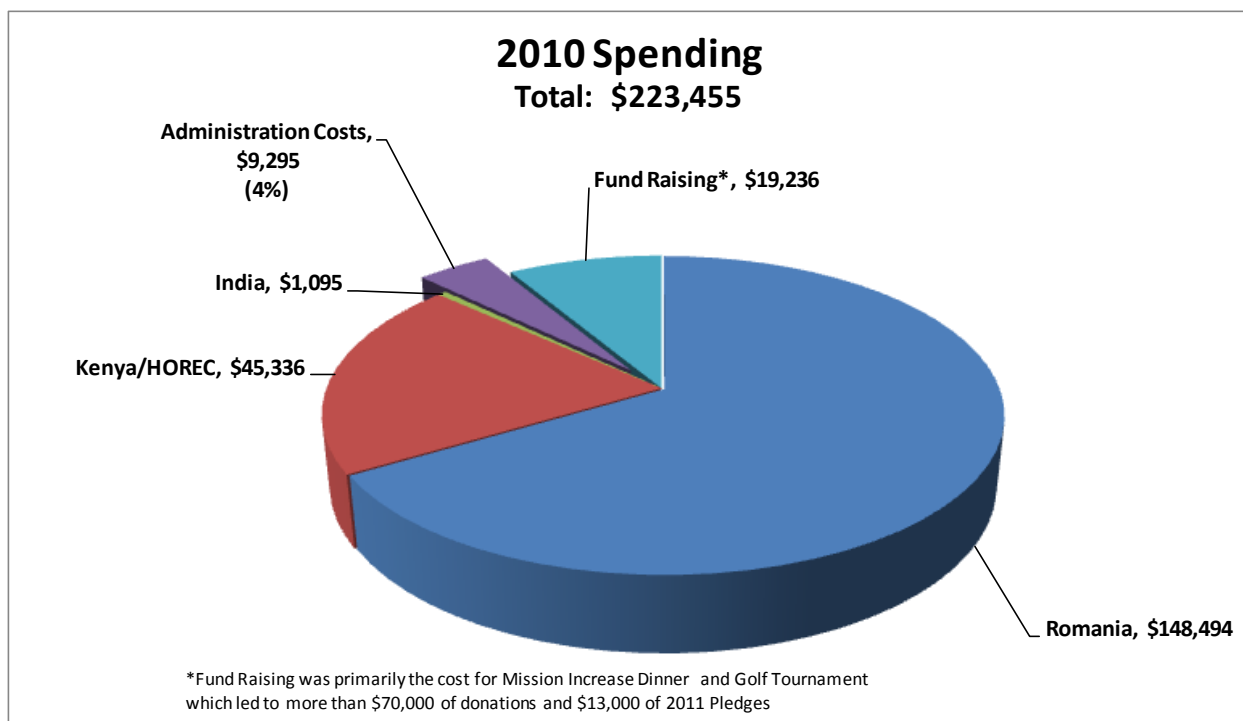
A couple of notable items were implemented in 2010:

- Pledge tracking** - With the Mission Increase dinner as the foundation from which to request pledges from our partners, we are now receiving approximately \$1,300 per month in Pledge revenue donations.

- **Credit Cards** – We implemented Credit Card processing through our bank. This includes credit card pledges which are processed each month.

### Spending (Money Out)

The following chart depicts the 2010 spending. 87% of spending was for the Missions. Only 4% was spent on administration including postage, web site maintenance, supplies, and accounting services. The spending for fund raising (9%) is primarily for the Mission Increase dinner and Golf Tournament which led to over \$70,000 of Income and over \$13,000 in 2011 pledged income. In prior years, we showed “net proceeds” for fund raising events.



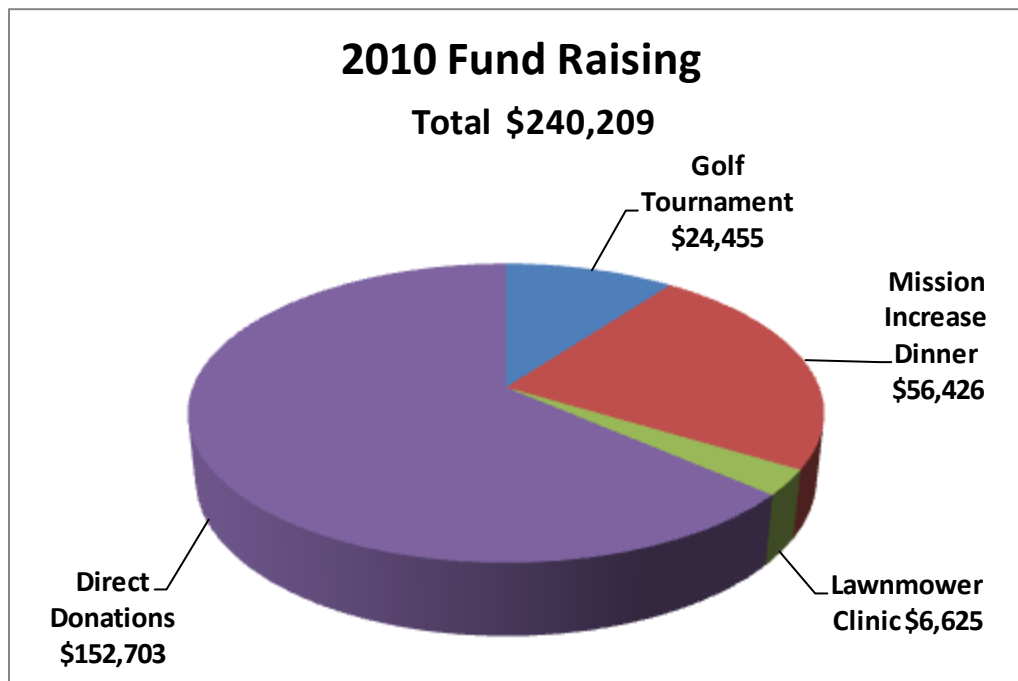
### Mission Commitments

Global Hope provides monthly operations funding for the missions in Romania and Kenya. Our commitments fluctuate from month to month and are impacted by currency exchange rates. Each month we provide approximately \$9,500 – \$10,000 to Romania and \$1,600 - \$1,800 to Kenya. The reasons for the large difference between Romania and Kenya is due to the spending power in each country and the fact that in Romania, Global Hope is the primary funding source that includes mission staff for Ana’s House, and support of foster families in Arad, Romania. Our commitment to Kenya has been lower to date because they receive donations from other non-profits similar in nature to Global Hope. That said, we are hoping to increase our monthly commitment to Kenya as additional needs for the children are determined.

## Fund Raising

Fund raising is first and foremost intended to honor God by expanding the awareness of His mission for Global Hope and to engage our supporters and partners of our mission. 2010 was a very successful year with key events that enabled supporters of Global Hope to engage in unprecedented ways.

The following chart shows how (the method) in which donations were derived by Global Hope.



## Direct Donations

Global Hope continues to be so blessed by the many partners in our mission to serve Abandoned Children. In 2010, we had 511 donors. The breakdown of donors is as follows.

Donation (total for year)	Number of Donors
\$0-\$499	413
\$500-\$999	49
\$1000-\$2499	35
\$2500-4999	8



\$5000-\$9999	3
\$10,000+	3

### **Golf Tournament**

The Golf Tournament once again exceeded expectations despite the poor economy in 2010. We are very thankful to the Omni Hotel and Resort in Broomfield for its leadership and service in support of Global Hope. The Golf Tournament involved:

- 113 Golfers
- 26 Corporate Sponsors
- 24 Child Sponsors

### **Mission Increase Dinner**

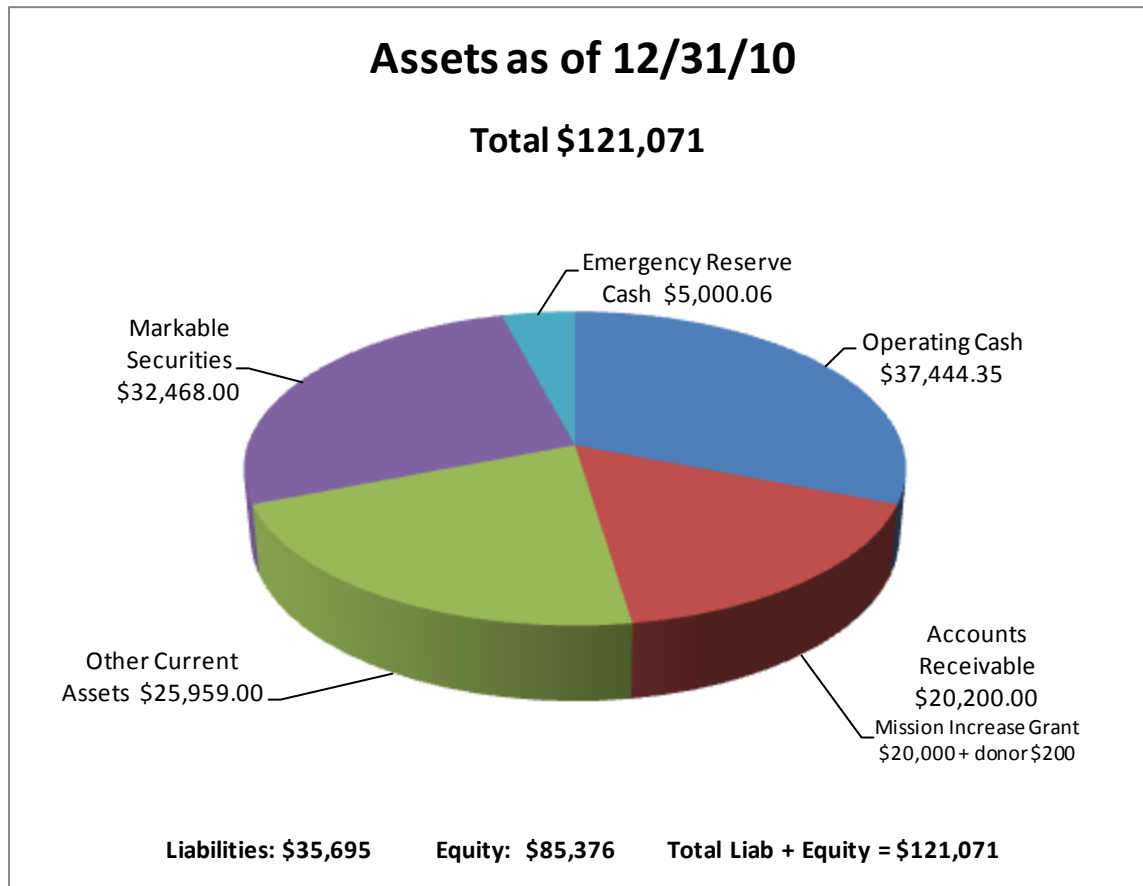
In December 2010, we held our first Mission Increase dinner banquet. The Banquet was the most successful fund raising event to date for Global Hope. More important than the money raised was the re-connection of long time supporters of Global Hope. The Banquet resulted in a \$20,000 matching grant from Mission Increase which was received in March 2011. The grant proceeds are required to be used to improve our sustainability through improved operations and development of our supporters and volunteers.

### **Lawn Mower Clinic**

2010 resulted in our best Lawn Mower clinic yet. Due to some minor advertisement, we doubled our intake from the clinic.

## Balance Sheet

At the end of 2010, Global Hope held \$121,071 in Total Assets as shown below. During 2010, Global Hope established an Emergency Reserve fund with a starting balance of \$5000. In December 2010, Global Hope received a donation of 100 Shares of Apple Stock (AAPL). Also, as of 12/31/10 the Mission Increase grant had been awarded but not received. It was subsequently received in March 2011.





## **2011 Outlook**

2011 has started out on a very positive note. Given the momentum from the Mission Increase Dinner in December 2010 which reconnected long time partners with Global Hope and established a Pledge Program, donations are higher than usual for the start of the year. In March 2011, we received the \$20,000 Mission Increase Matching Grant. As stipulated by Mission Increase this grant must be used to improve Global Hope's operations so that we better ensure sustainability and ability to grow God's mission.

In anticipation of the grant, the Board has decided that the Matching Grant will be used to hire a Development Director. The Director would be our first US-based employee. We anticipate an annualized cost for this position to be roughly \$45,000.

The Development Director focus will be to connect with Global Hope partners and supporters to help them determine if Global Hope can assist them in their calling to serve in God's Kingdom. The Development Director is to strengthen the partner/support ecosystem by enabling more involvement and service in the mission. It is first and foremost about God and His people. If this is achieved as planned, then donations will follow. Financially, the Development Director will be expected to increase Global Hope income by more than their cost in 2011 and then through additional growth of income in 2012 and beyond.

Hiring the Development Director is a major step for Global Hope and certainly presents significant risk/reward potential. The key factor in this decision and beyond is constant surrender to God's will and plan for Global Hope. Global Hope is God's mission and we lean on Him always. Hiring of the Development Director, God willing, will enable Global Hope to expand its service of more children around the world. As Ike Elliott, our Board Chairman said at a recent meeting, "as long as there are orphans we have work to do".

### ***Continued Process Improvements***

At Global Hope, we continue to strive to improve our processing and support so that the ultimate goal of being Christ's servant to the children is better provided. During 2010, we implemented the following process improvements:

- Improved consistency of Thank you letter acknowledgement.
- Established Pledge Program
- Established Credit Card receipting Process
- Established Kenya/HOREC God Parent Program
- Improved Mission Team Accounting and Reporting
- Improved Accounting Practices and Reporting
- Cleaned up Donor Records
- Published 2009 Financial Integrity Report
- Established relationship with India Kathryn E. Larsen Memorial Orphanage. Through this we established a process for identifying, qualifying and launching new missions.
- Launched Financial Transparency Initiative with Romania and Kenya Missions.



For 2011 and 2012, we are striving to make the following additional improvements:

- Improved communication between our donor partners and the children.
- Expansion of the God Parent Program
- Continued growth of pledge program.
- Improved ability to take on additional missions and missionaries.
- Improved communication technologies (New Donor Database)
- Establish payroll processes including software upgrade
- Acquire additional liability and D&O insurance to protect Global Hope

### ***Christ is Counting on Us***

Global Hope exists because Christ has called many including you to give your time, talents, resources and hearts to children in need. We at Global Hope thank God for you and your continued support. This ministry cannot continue without your help.