



Hearts of Gold

Registered Ecuadorian Foundation

Annual Donor Report



The Hearts of Gold Foundation has redoubled its commitment to move forward into 2015 as a stronger and more effective organization

To Our Global Givers,

This past year has been one of transformation and renewal for the Hearts of Gold Foundation. A year made possible by the support of generous people like you who believe in making a holistic, lasting impact in the lives of the children and families we serve.

In the face of many unique challenges and 1st-year growing pains as a legal Ecuadorian institution, the Hearts of Gold Foundation has redoubled its commitment to move forward into 2015 as a stronger and more effective organization. Our goal for this year is to tackle the complex problem of poverty in our home community of Cuenca with even greater bearing.

The unwavering support of our Cuenca community and global givers has brought promises of brighter futures to sponsored children, delivered emergency assistance to those in need like the Matailo Family and Cristian Chuque, and encouraged partnerships between community agencies so that real, sustainable change can occur in the communities we serve.

Hearts of Gold's unique benefit to the community is found in our collaboration with progressive grassroots organizations that believe in a

complete solution to poverty. Hearts of Gold strengthens these efforts by facilitating tailored support in program design, financial management, and fundraising.

By working together, programs are then created that provide tangibles like nutritious food, school supplies and donated goods, and essentials like education, family therapy and opportunities for economic stability. This universal approach allows aid recipients to become empowered in creating their own future and actively changing their realities for the better.

With your support we are committed to helping even more children and families in the Cuenca area. To see how you can get involved please explore the opportunities mentioned in this report. If you are already one of our supporters-thank you, from all us here at Hearts of Gold and from the children & families you have helped this past year.

From our hearts to yours,

Natasha Verkley
Executive Director



Hearts of Gold
Registered Ecuadorian Foundation



WHAT WE DO

WORKING WITH GRASSROOTS ORGANIZATIONS IN ECUADOR, LEVERAGING THE POWER OF COLLABORATION

Our Foundation offers a comprehensive list of free facilitation services through our Community Agency Program. Under this program we support grassroots agencies in areas of: program creation, fundraising, financial guardianship and advocacy awareness. We focus on helping other legal nonprofits in order to provide greater financial accountability and offer an enhance ability to measure program successes with formal government reporting. We also rely on the wisdom of our local partners to create culturally-sensitive, holistically designed programs that best address the roots of poverty. In turn, by supporting the advancement of our partner organizations' capacities and leadership, we can have a larger community impact and bring about lasting community change. Some examples of these collaborative organizational efforts are:

- ♥ Hearts of Gold helped the Antonio Valdivieso Orphanage restructure and complete their organizational bylaws so they could potentially apply for a \$70,000 government grant.
- ♥ The registration of CETAP-Lucy as an early stimulation center in the Ministry of Social and Economic Inclusion lead to them being qualified as an A+ institution for their program quality.
- ♥ Over \$5,000 was raised and executed for the distribution of needed medical, senior care supplies and the remodeling of handicap bathrooms at La Casa de Nuestros Mayores.
- ♥ Over 21,000 nutritional lunches and snacks were delivered in partnership with Municipality of Cuenca to the children of La Fundacion El Arenal, leading to a 40% reduction in malnutrition for the 75 children.



SPREADING LIVES OF HOPE, HEALTH & DIGNITY WITH ATTENTION TO INDIVIDUALS

Our programs are designed with the individual in mind, enabling them to live lives defined by freedom, knowledge and choice. Aid efforts are intended to be holistic in nature and respect the connection between education, health, domestic security and economic autonomy. We want to inspire in each of our aid recipients the courage to pursue change with all their heart and an unwavering belief in the possible. Some examples of our individually focused project efforts are:

♥ Thanks to a micro-loan they received to buy a dairy cow and install irrigation ditches, the Matalio Family has doubled potato production from 1 to 2 harvests a year and milk sales have increased the family income from \$5 a week to \$15 a week. They now can afford to send all five of their children to school.



♥ Martin, an autistic child, was able to receive specialized attention to help his independence and skills building. Thanks to the special sponsorship transfer of Martin from CETAP to NOVA Inclusion School, his family also received the educative counseling necessary to embrace Martin's condition.

♥ Thanks to the creation of a specialty medicine fund in honor of Anita, the mother of a sponsored CETAP-Lucy child who suffers from a rare autoimmune disease, Hearts of Gold and Helping Kids in Ecuador have helped drastically change Anita's life by giving her the autonomy to care for herself and her child.

♥ The stunning academic assistance that five children received under the Hearts of Gold Child Sponsorship at CETAP-Lucy helped qualify them for full scholarships to Silesianas, Las Marianas and Fe y Alegría, some of the best private schools in Cuenca.





WORKING WITH DIVERSE PARTNERS TO INCREASE COMMUNITY BELIEF IN ITS POWER TO CREATE CHANGE

Worldwide, people are recognizing the power of the community for the successful implementation of long-term change. We too recognize this power and are striving to revive and foster community connections between a variety of local and global stakeholders. By increasing the awareness of social issues happening locally, we can deepen collaborative relationships and the sharing of resources among individuals, universities, businesses, government agencies or international institutions for the benefit of marginalized, vulnerable communities and individuals here in Ecuador. Some examples of these collaborative community efforts are:

- ♥ The dairy provider Nutri Leche donated 24 liters of milk monthly to our partner organizations.
- ♥ Thanks to training lead by the Universidad de Cuenca's Nutritional Department, in a successful pilot micro-enterprise workshop 100 artisanal jams

were made and sold by the mothers of children attending CETAP-Lucy.

- ♥ Dental students from Universidad Católica de Cuenca made quarterly visits to talk about dental hygiene and to clean children's teeth at CETAP-Lucy.
- ♥ Local sport shop Cikla Tatoo donated 10 camping tents, 20 sleeping bags, 20 thermal blankets and 20 water bottles to La Fundación El Arenal and organized over five recreational outings for the children.





GET
INVOLVED

MAKE AN
IMPACT

CHANGE
A LIFE

Donate to Hearts of Gold

Empower local communities by supporting grass-roots aid efforts. Your donation to Hearts of Gold will help local non-profits become **sustainable** and more effective by developing their institutional **capacities** and program services through the **Community Agency Program**.

Sponsor a Child

Make the difference in the life of a child. Help one child reach their full potential and develop a brighter future. Your support will make a **life changing impact** in the **personal development** and domestic stability of a child by cultivating their education, health, security and their family's economic autonomy.

Make an In-Kind Donation

Give a new purpose to old treasures or idle items by donating them to the Hearts of Gold Foundation. Your **generous gifts** can go a long way to bringing **joy to a child** or helping a single parent. We **gratefully accept** a wide-variety of gifts; from clothes, toys and goods to furniture and appliances.

Share Your Talents

Join other community members and **connect compassion** with activism through **volunteering**. Work with the Hearts of Gold Foundation **behind the scenes** of events, or **help** our partner programs directly by assisting children, families and individuals.

Raise Awareness for Local Causes

Share stories about local causes and upcoming charitable **activities** with friends, and urge them to do the same! **Together**, our community can prioritize the needs of local, vulnerable children, youths, women and families.

Join Events

Become an active **part of the community** by participating in social outreach events where you can **interact** with children and youths in local **excursions**, or by attending fun Hearts of Gold **fundraisers** like the July BBQ or Christmas Gala.

WHO WE ARE

INSIDE HEARTS OF GOLD

VISION

Be a progressive and culturally- informed community Foundation connecting global and local citizens to foster an environment where everyone enjoys lives of hope, health and dignity.

MISSION

To partner with and strengthen the capacity of community-based nonprofit agencies to ensure at-risk children, woman and families achieve healthy, safe, educational and economically autonomous ways of life in Cuenca, Ecuador.

VALUES

Self-Determination

Empowering lives of freedom, knowledge and choice

Culturally Sensitive

Integrating wisdom from the Ecuadorian peoples and culture.

Holistic

Appreciating the interconnectedness of people, families and culture.

Integrity

Committing to being open, honest and accountable.

Collaboration

Engaging communities in all that we do.

Courage

Perusing change with heart and unwavering belief in the possible.

2014 BOARD MEMBERS

Chairman - Stephanie Slavin

President - Richard Verkley

Treasurer - Bard Gale

Member at Large - Melinda Gordon

Member at Large - Jamie Moreno

Member at Large - Sheryle Verkley



Hearts of Gold

Registered Ecuadorian Foundation

A REGISTERED ECUADORIAN FOUNDATION

Did you know
only 6% of all non-profits
organizations in
Ecuador achieve
Foundation status?

The journey to becoming a legal charitable entity in Ecuador has been an important step in formalizing our aid efforts in the community. While the registration and formation process as a foundation had its challenges, the ongoing required government reporting provides a necessary framework for recording program successes and ensuring financial accountability.

Registration Details

- Legal Name: Fundación Hearts of Gold
- Foundation Type: Level 1
- Registration #: 0000051266
- RUC #0190395251001
- Governing Body: Ministry of Economic and Social Inclusion (MIES)

*To search our official registration certificate click here :
<http://www.sociedadcivil.gob.ec/directorio>

A Foundation You Can Trust

Within its first year and a half of operation as a legal institution, the Hearts of Gold Foundation has been

recognized for its attention to timely and accurate reporting by our governing body, the Ministry of Economic and Social Inclusion (MIES). Along with this acknowledgement, MIES asked our Foundation to give a presentation to all Cuenca Foundations about the process and importance of regular reporting. We were also recognized by MIES for our financial transparency and were honored with a request to administer monies for two government centers devoted to the care of small children.

Required Reporting to MIES

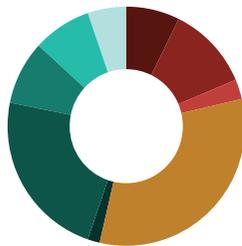
- Monthly financial statements audited by a third-party party accountant and sent to the Internal Revenue Service (SRI)
- Formal January report on the Foundation's Annual Operations Plan (POA) for the year
- Formal December follow-up report on completed programs and activities as per the January POA
- Ongoing legal, notarized documentation updates, as required

NATURE OF OUR PROGRAMS

Program Service Areas

Community Agency Program Service Areas

Emergencies	\$ 6.775	7.1%
Education	\$10.857	11.4%
Domestic Security	\$ 2.870	3%
Health & Nutrition	\$30.593	32%
Economic Autonomy	\$1.300	1.4%
Partner Capacity Building	\$22.201	23.3%
Fostering Community Partnerships	\$ 7.739	8.1%
Financial Guardianship	\$ 7.918	8.3%
Partner Advocacy	\$ 5.146	5.4%
TOTAL	\$95.398	



Education – teacher services, school supplies, uniforms, school shoes etc.

Domestic Security - individual therapy workshops, family therapy services, educational counseling, etc.

Health & Nutrition – medical evaluations, medical services, nutritional programs, etc.

Economic Autonomy - micro-enterprise workshops, micro-loans, economic skills development, etc.

Partner Capacity Building – new programmatic planning, government reporting, creation of benchmark matrixes, follow-up evaluations, infra-structural improvements, etc.

Fostering Community Partnerships - managing new & current donor relationships, pursuing partnerships with businesses, international organizations, universities, government agencies, etc.

Financial Guardianship - campaigning to fund programs, developing budgeting workshops for partners, managing the planning & distribution of all funds and in-kind contributions to partner organizations, etc.

Partner Advocacy - promotion of program successes, raising awareness for partner needs, distribution of updates, advancement of local and global activism in projects, managing social media presence of programs, etc.

The following programs are dedicated to:

Emergencies - situations that require immediate attention for the benefit of people involved at our partner organizations.

Hearts

Registered Social

FINANCIAL STEWARDSHIP

2014 Financial Summary

Financial Highlights 2014

Revenue Sources

Private Contributions	\$68.620	54%
Events*	\$19.484	15%
Founder Funding	\$39.990	31%
TOTAL	\$128.094	



Operating Expenses

Program Services	\$76.318	80%
Fundraising	\$11.448	12%
Management & General	\$ 7.632	8%
TOTAL	\$95.398	



The Hearts of Gold Foundation submitted itself to an institutional evaluation based on our 2014 Financials. Using the same formulas employed by Charity Watch, a non-profit Charity

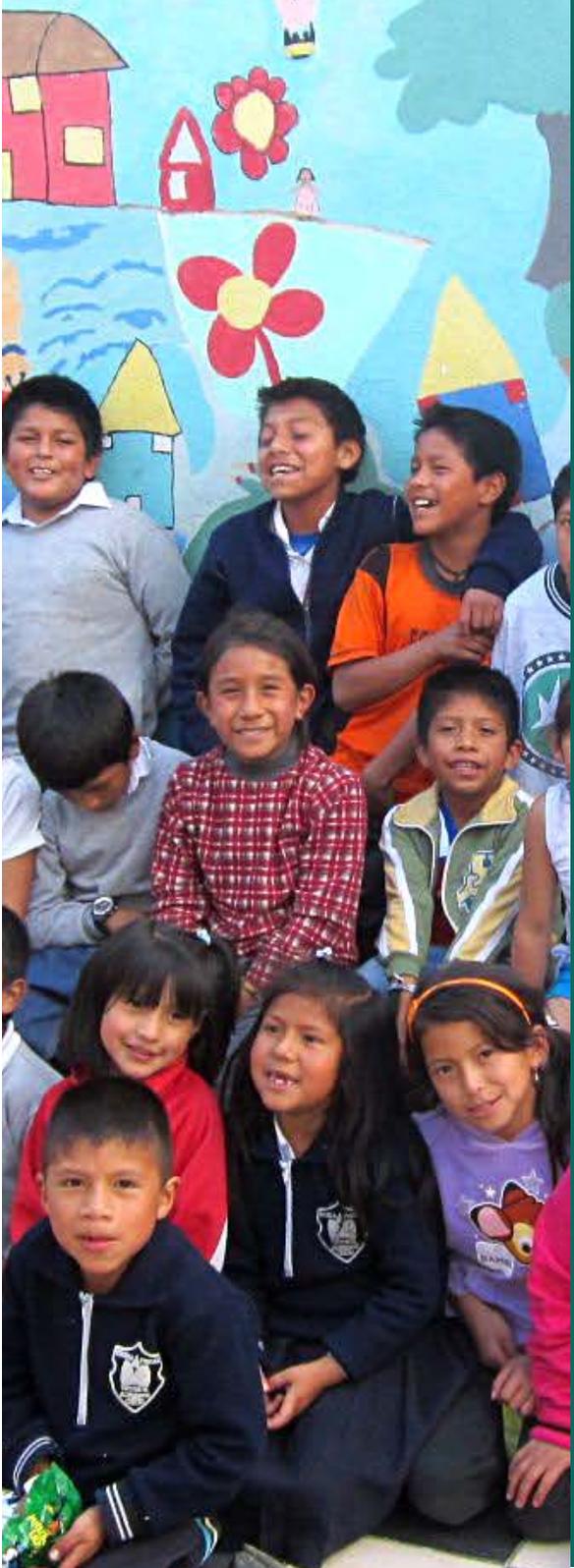
Our Partner Foundations / Programs

Cetap - Lucy	\$11.480	15.0%
Nova Educational Center	\$ 435	0.6%
El Arenal Foundation	\$18.790	24.6%
Antonio Valdiviezo Orphanage	\$ 960	1.3%
Casa de Nuestros Mayores	\$ 5.035	6.6%
Christmas Canastas	\$ 3.896	5.1%
Matailo Family	\$ 1.300	1.7%
Community Agency Program	\$31.819	41.7%
Anita Fund	\$ 2.603	3.4%
TOTAL	\$76.318	



watchdog organization, Hearts of Gold received the solid grade of a B/B+ charitable institution. We'd like to thank a retired insider in charitable institutions for evaluating the Hearts of Gold Foundation based on Charity Watch's stringent assessment model.

*The BBQ funds were originally reported in Private Contributions and not Events



“Thank you for believing in us. Your donations represented how you truly see us, as equals, not poor people deserving of only the left overs or unwanted products. I want to thank all the people from Hearts of Gold for thinking of the little details and finding products that truly help the families, it’s clear the foundation knows of our needs. Dios les bendiga a todas.”

Betty Balarezo, Director of the El Arenal Foundation

