



2015 Annual Report



Board of Directors

David Valle

CEO & Co-Founder,
Esperanza International

Alexandra Nunez

Executive Director,
Esperanza International

Rick Logsdon

Senior Counsel,
Texas Instruments Inc.

Stephen Brookshire

Principal, Pegasus Ablon
Chairman of Board

Cheryl Hunter

Emeritus Mentor, C-12

Tiger Dawson

Managing Director
& Co-Founder,
Edify

David Wasik

Vice President of Operations,
HOPE International

Dan Devine

Board Member

Smita Donthamsetty

Director of Monitoring
and Evaluation,
Chalmers Center

Peter Greer

President and CEO,
HOPE International



From the Founder

This year marks two decades of God's grace at work in Hispaniola through Esperanza's ministry of microfinance. We look back with thankfulness on the many ways the Lord has continued to sustain us, and recognize His graciousness in restoring dignity to over 1 million individuals through economic empowerment.

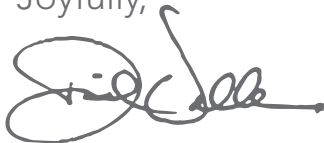
Together, we celebrate the following milestones from Esperanza's 20 years:

- 210,000 life-changing loans dispersed
- 1,000,000+ individuals impacted
- Growth from 1 branch office to 10
- Over \$65,000,000 in loan capital distributed

Addressing financial poverty is only part of the solution, and we remain committed to restoration spiritually, physically, and personally. As we look forward into the future, we seek to serve even more communities through transformative programs in healthcare, education, and discipleship. Our heart remains devoted to the most vulnerable among us, and we ask for your continued partnership as this work cannot be done alone.

We are grateful to be a part of the larger story of God's redeeming grace and have great hope for the future ahead. Thank you for sharing in this journey!

Joyfully,

A handwritten signature in black ink, appearing to read 'Dave', with a stylized flourish extending from the end.

Dave

“Many are the plans in the mind of a man, but it is the purpose of the LORD that will stand.”

Proverbs 19:21



Mission Statement

Esperanza International's Christ-centered mission is to free families from poverty through initiatives that generate income, education and health, restoring self-worth and dignity to those who have lost hope.





Ysis Guisada & Brijida Fortunato

Ysis Guisada and Brijida Fortunato have seen a lot in their time, living through many ups and downs over the past several decades. They've seen the assassination of their country's longtime dictator, the ensuing war, and many of their loved ones pass away or leave the country in search of a better life. They've become wives, mothers, and business owners while overcoming countless obstacles along the way. Brijida was taught to sew at the early age of four, and quickly developed a love for the trade. The grandfather that raised Brigida told her at a young age that she needed to stop trying to work for herself or she'd end up on the streets. Ysis had to teach herself to sew, and quickly realized she had a knack for it. Fate brought them together over 30 years ago, after Brijida's grandfather died and Ysis was just beginning to learn the challenges of starting her own business. The two worked together for a while, and fifteen years later they decided to open up their own storefront. Today, they sell a wide variety of the finest hand-sewn products Santo Domingo has to offer. As their business has grown, they continue to push forward with one dream in mind: to reunite with their children in the United States. Esperanza is working to help them realize this dream.



“I feel proud when I finish a job and the client calls me and says, ‘Wow this looks great. I love it.’ You know, it’s the pride of a job well done.”

-Ysis Guisada



“My dream is to be with my children! That’s why I’m working! I just want to be able to be with them. Even if we don’t all live together, that we could be close by each other.”

-Brijida Fortunato

Complementary Services

6,023

Business Training

Through the “Doing Business God’s Way” curriculum, associates learn how to manage their business with integrity.

1,945

Health Trainings

Associates learn about HIV/AIDS, Zika, proper hygiene, clean water management, and other valuable health topics.

1,685

Dental Treatments

Dental care and procedures are provided to associates and their families in partnership with Smiles for Life.

604

“God Provides” Video Showings

In partnership with Crown Financial and HOPE International, Esperanza shares impactful Bible story videos during Bank of Esperanza meetings.

314

Pastors Connected to Banks of Esperanza

Local pastors are powerful partners who share our vision to transform communities; they offer devotionals, prayer, and counsel to associates.

215

Cervical Cancer Screenings

Preventive education and wellness exams are offered to female associates and administered locally by medical professionals.

77

Vocational Courses

Technical and vocational workshops teach associates new skills to build their businesses.

24

Literacy Courses

In partnership with local churches, associates learn to read, write, and perform basic arithmetic.

Loan Products



Active loans

Active loans D.R.	9,084
Active loans Haiti	1,896
Female Associates	88%
Average Loan Size	\$271
Loan Portfolio	\$2.8M

10,980 Total



Group Loans

Average size D.R.	\$194
Average size Haiti	\$93

9,815 Total



Individual Loans

Average size D.R.	\$622
Average size Haiti	\$333

748 Total



Housing Loans

Average size	\$479
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251 Total



School Loans

Average size	\$2,665
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136 Total



Water Loans

Average size	\$10,738
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30 Total



Where We Serve

D.R. Active Loans

9,084

Haiti Active Loans

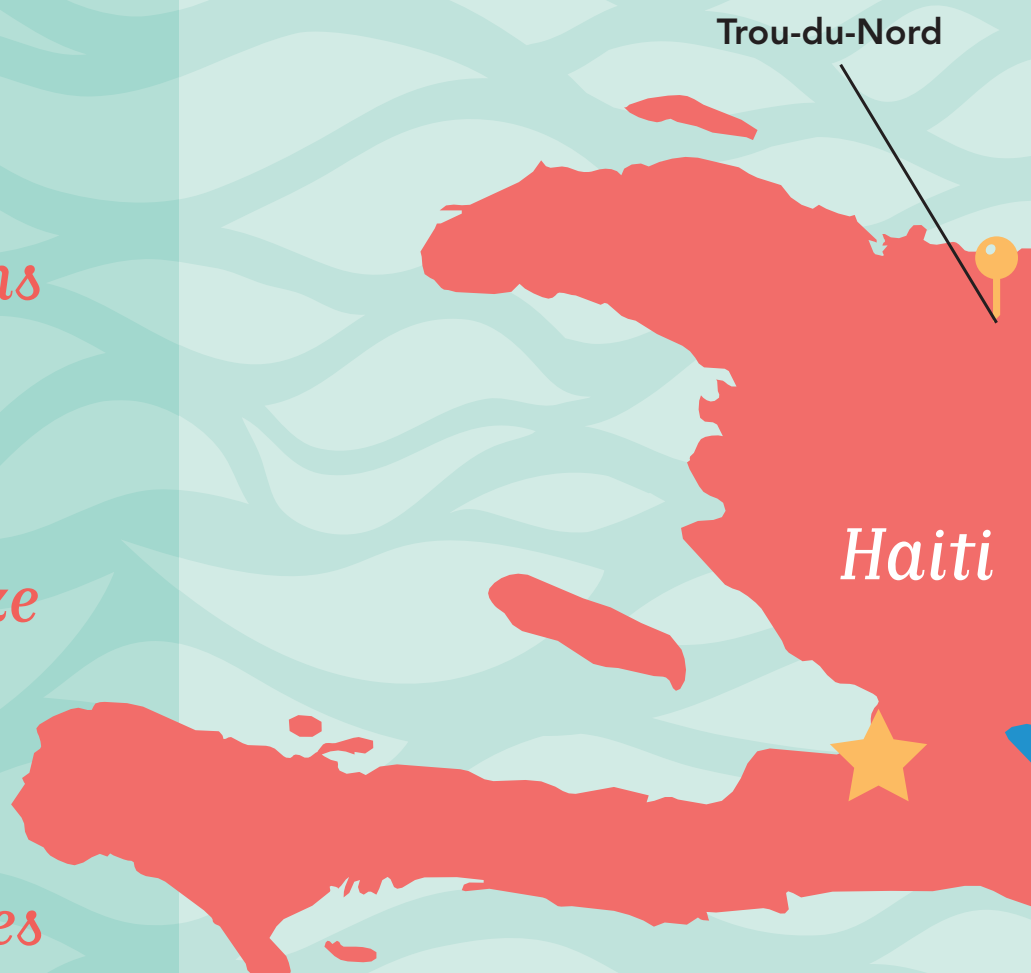
1,896

Average Loan Size

\$271

Female Associates

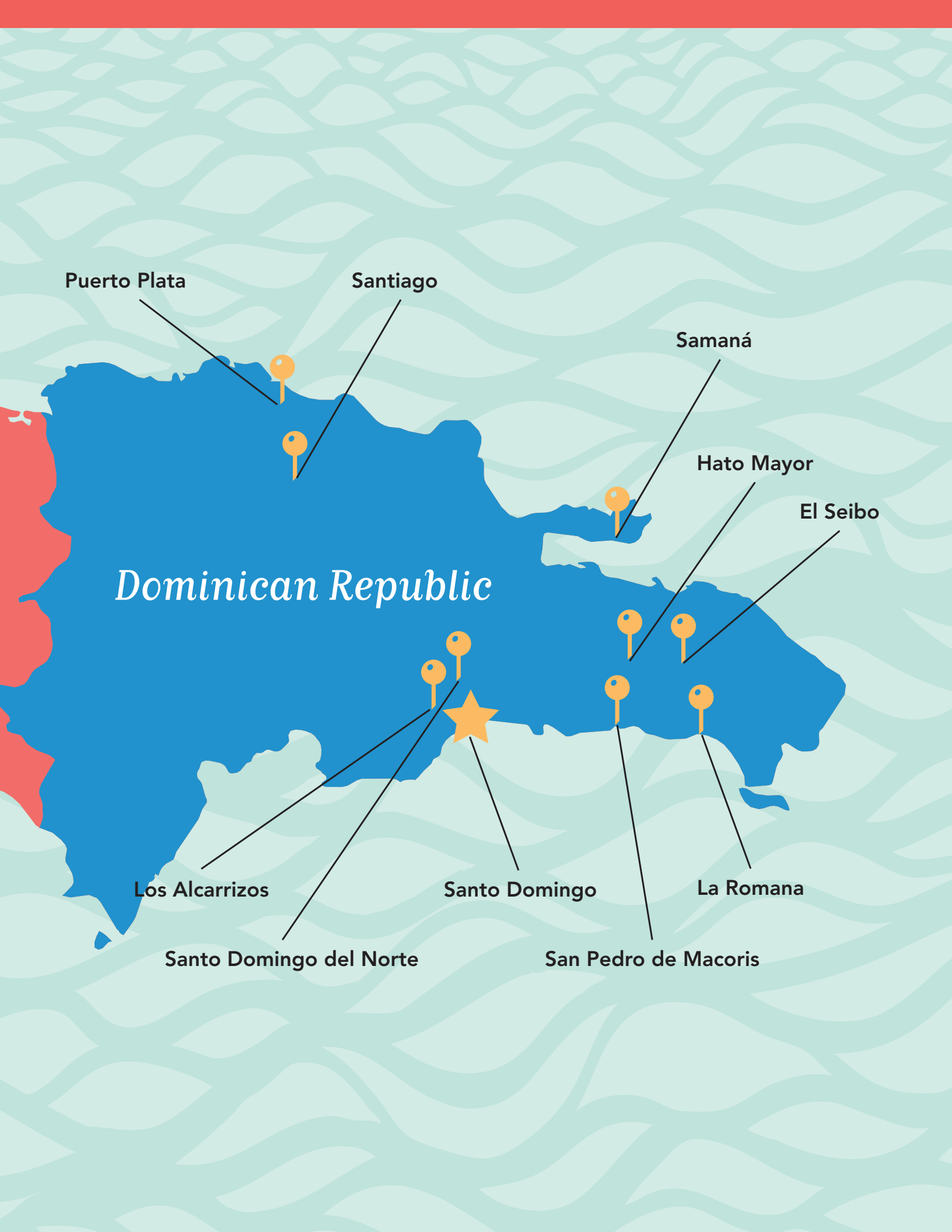
88%



Trou-du-Nord

Haiti





Puerto Plata

Santiago

Samaná

Hato Mayor

El Seibo

Dominican Republic

Los Alcarrizos

Santo Domingo

La Romana

Santo Domingo del Norte

San Pedro de Macoris

Financial Statement / D.R.

STATEMENTS OF INCOME AND EXPENSES

For fiscal year ended December 31,	2015	2014	2015	2014
		(in DOP)		(in USD) (a)
INCOME				
Interest and commissions	RD\$63,996,689	RD\$56,988,348	\$1,422,781	\$1,314,610
Value of loans recovered	1,853,728	2,030,563	\$41,212	\$46,841
Other income	2,937,459	1,557,579	\$65,306	\$35,930
TOTAL INCOME FROM OPERATIONS	RD\$68,787,876	RD\$60,576,490	\$1,529,299	\$1,397,382
EXPENSES				
Salaries and benefits	23,970,594	25,527,935	532,917	588,880
Fuel and vehicles	2,592,017	4,350,132	57,626	100,349
Rent and utilities	1,800,262	2,017,346	40,024	46,536
Telephone and communications	1,507,010	1,244,190	33,504	28,701
General and administrative	23,762,204	28,549,069	528,284	658,571
Interest and commissions	4,921,131	5,811,785	109,407	134,067
Depreciation	2,292,272	2,843,364	50,962	65,591
Provision for uncollectable loans	11,751,000	8,528,134	261,249	196,727
TOTAL EXPENSES	RD\$72,596,490	RD\$78,871,955	\$1,613,973	\$1,819,422
NET INCOME FROM OPERATIONS	(RD\$3,808,615)	(RD\$18,295,465)	(\$84,674)	(\$422,041)
Donations	19,499,734	44,771,682	433,520	1,032,795
NET INCOME	RD\$15,691,119	RD\$26,476,217	\$348,847	\$610,755

BALANCE SHEETS

As of December 31,	2015	2014	2015	2014
		(in DOP)		(in USD) (a)
ASSETS				
Cash	RD\$25,757,547	RD\$11,993,213	\$572,644	\$276,660
Loans receivable, net	117,411,741	148,392,930	\$2,610,310	\$3,423,136
Accounts receivable	3,813,046	3,539,227	\$84,772	\$81,643
Prepaid expenses	549,534	699,902	\$12,217	\$16,145
Furniture and equipment, net	20,853,174	9,388,323	\$463,610	\$216,570
Other assets	2,273,634	2,208,212	\$50,548	\$50,939
TOTAL ASSETS	RD\$170,658,676	RD\$176,221,807	\$3,794,101	\$4,065,094
LIABILITIES AND EQUITY				
LIABILITIES				
Accounts payable	3,812,680	9,891,501	84,764	228,178
Accounts payable - KIVA	5,987,227	9,616,142	133,109	221,826
Accrued expenses	0	946	0	22
Long-term debt	41,977,450	53,523,021	933,247	1,234,672
TOTAL LIABILITIES	RD\$51,777,358	RD\$73,031,608	\$1,151,120	\$1,684,697
EQUITY				
Retained earnings	118,881,318	103,190,199	2,642,982	2,380,397
TOTAL EQUITY	RD\$118,881,318	RD\$103,190,199	\$2,642,982	\$2,380,397
TOTAL LIABILITIES AND EQUITY	RD\$170,658,675	RD\$176,221,807	\$3,794,101	\$4,065,094

(a) Converted Dominican pesos into USD at a rate of 44.98 for 2015 and at a rate of 43.35 for 2014

Complementary Services

STATEMENTS OF INCOME AND EXPENSES

For fiscal year ended December 31,	2015	2014	2015	2014
		(in DOP)		(in USD) (a)
INCOME				
Health insurance premiums	RD\$2,962,558	RD\$2,691,535	\$65,864	\$62,088
Visitor program fees	1,508,603	2,616,325	\$33,539	\$60,354
Visitor intermediary funds (b)	3,318,338	7,574,418	\$73,774	\$174,727
Other revenue	556,474	219,434	\$12,372	\$5,062
TOTAL INCOME FROM OPERATIONS	RD\$8,345,973	RD\$13,101,711	\$185,549	\$302,231
EXPENSES				
Salaries and benefits	3,745,327	3,424,665	83,266	79,000
General and administrative (c)	3,401,409	4,335,538	75,620	100,012
Direct program expenses	10,900,834	11,313,242	242,348	260,974
Visitor expenses	3,318,337	8,442,012	73,774	194,741
TOTAL EXPENSES	RD\$21,365,908	RD\$27,515,457	\$475,009	\$634,728
NET INCOME FROM OPERATIONS	(RD\$13,019,935)	(RD\$14,413,747)	(\$289,461)	(\$332,497)
Donations	14,516,757	12,595,789	322,738	290,560
NET INCOME	RD\$1,496,822	(RD\$1,817,958)	\$33,278	(\$41,937)

BALANCE SHEETS

As of December 31,	2015	2014	2015	2014
		(in DOP)		(in USD) (a)
ASSETS				
Cash	RD\$5,664,920	RD\$1,310,239	\$125,943	\$30,225
Accounts receivable	2,519,080	3,281,654	\$56,004	\$75,701
Other assets	987,564	432,034	\$21,956	\$9,966
TOTAL ASSETS	RD\$9,171,563	RD\$5,023,927	\$203,903	\$115,892
LIABILITIES AND EQUITY				
LIABILITIES				
Payables and other liabilities	5,875,320	3,224,506	130,621	74,383
TOTAL LIABILITIES	RD\$5,875,320	RD\$3,224,506	\$130,621	\$74,383
EQUITY				
Retained earnings	3,296,244	1,799,421	73,282	41,509
TOTAL EQUITY	RD\$3,296,244	RD\$1,799,421	\$73,282	\$41,509
TOTAL LIABILITIES AND EQUITY	RD\$9,171,563	RD\$5,023,927	\$203,903	\$115,892

(a) Converted Dominican pesos into USD at a rate of 44.98 for 2015 and at a rate of 43.35 for 2014

(b) Payments received from visitors to cover their expenses while in country

(c) Includes Central Office expense allocation and G&A expenses of the Communications and Resources Department

Esperanza Milestones

1985

Dave and Vicky are moved by poverty in the Dominican and pledge to make a difference.



1995

Esperanza is officially founded in Seattle, Washington.



1998

Esperanza hires its first four employees at the inaugural San Pedro de Macoris office.



2002

Esperanza reaches a milestone, serving more than 1,000 families in the Dominican Republic!



2004

Hope International begins providing financial capital to Esperanza, marking the start of a fruitful partnership.

2006

Esperanza and Smiles for Life partner to host the first three dental clinics.



2008

Esperanza begins providing loans to water purification projects, with the first plant opening in Santo Domingo.

2010

Esperanza opens its current headquarters in Santo Domingo.



2011

Esperanza and Edify partner to create a loan program for private Christian schools, issuing the first loan to a school in La Romana.

2014

Executive Director, Alexandra Nunez, launches Esperanza into a new era with her creativity, passion and business acumen.

2015

Esperanza celebrates more than 10,000 associates in the DR and Haiti. Over the last 20 years of service, Esperanza distributed more than 200,000 life-changing small business loans, supported the improvement of over 200 schools, and provided access to clean water for tens of thousands of Dominicans through nearly 50 water projects.

Where We Are Headed...

As we reflect on Esperanza's 20 years of service in the D.R. and Haiti, we look ahead with anticipation that the best is yet to come. Rooted in the belief that economic empowerment is the most sustainable solution to poverty, we will continue to serve the most vulnerable by providing access to capital and the tools needed to build a stronger future. 2015 was our strongest year yet, illustrating how powerful each donated dollar becomes as Esperanza approaches operational sustainability. Because of this increased efficiency, it is our goal in 2016 to provide associates with access to even more complementary services. We recognize the need to serve the whole person and believe that healthcare and education are a fundamental part of holistic transformation. We remain grateful for your faithful partnership and trust that with God's power at work within us we can do immeasurably more than all we ask or imagine.





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