ESPERANZA
Leading the way to a future with hope

Consolidated Financial Statements

For the Years Ended
December 31, 2012 and 2011

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Certified Public
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Independent Auditors' Report

Board of Directors
Esperanza International Foundation and Affiliate
Bellevue, Washington

We have audited the accompanying consolidated financial statements of Esperanza International Foundation and affiliate, (collectively, the Organization) which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Asociacion Esperanza Internacional, Inc., (the Affiliate), which statements reflect total assets of $3,957,670 and $3,641,534, as of December 31, 2012 and 2011, respectively, and the total support and revenues of $2,915,130 and $3,425,392, for the years then ended, respectively. Those statements, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, were audited by other auditors whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the Affiliate, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for the Affiliate, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2012 and 2011, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 12 -15 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, which insofar as it relates to the Affiliate is based on the report of other auditors, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Clark Nuber P.S.

Certified Public Accountants
December 11, 2013

ESPERANZA INTERNATIONAL FOUNDATION AND AFFILIATE

Consolidated Statements of Financial Position
December 31, 2012 and 2011

	2012	*2011*
Assets		
Cash and cash equivalents	$ 597,945	$ 553,668
Accounts receivable	57,337	171,896
Pledges receivable	105,611	92,024
Notes receivable, net	2,670,365	2,142,328
Prepaid and other expenses	87,591	71,971
Property and equipment, net	274,828	217,696
Other assets	5,063	5,063
Total Assets	**$ 3,798,740**	**$ 3,254,646**
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 331,505	$ 482,965
Accrued expenses	16,769	29,378
Deferred and other liabilities		9,424
Notes payable	971,722	570,602
Total Liabilities	**1,319,996**	**1,092,369**
Net Assets:		
Unrestricted net assets	2,409,160	1,969,133
Temporarily restricted net assets	69,584	193,144
Total Net Assets	**2,478,744**	**2,162,277**
Total Liabilities and Unrestricted Net Assets	**$ 3,798,740**	**$ 3,254,646**

See accompanying notes.

ESPERANZA INTERNATIONAL FOUNDATION AND AFFILIATE

Consolidated Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2012 and 2011

	2012			*2011*		
	Unrestricted	*Temporarily Restricted*	*2012 Total*	*Unrestricted*	*Temporarily Restricted*	*2011 Total*
Revenues and Support:						
Contributed support and grants	$ 2,291,251	$ 70,786	$ 2,362,037	$ 2,786,144	$ 194,517	$ 2,980,661
Dividends, interest, and commissions	913,377		913,377	834,419		834,419
In-kind contributions	85,795		85,795	46,108		46,108
Special events	61,883		61,883	52,069		52,069
Program fees	170,600		170,600	244,632		244,632
Other	25,429		25,429	7,325		7,325
Releases of restriction	194,346	(194,346)		58,659	(58,659)	
Total Revenues and Support	**3,742,681**	**(123,560)**	**3,619,121**	**4,029,356**	**135,858**	**4,165,214**
Expenses:						
Program	2,282,985		2,282,985	2,669,757		2,669,757
Management and general	709,938		709,938	688,710		688,710
Fundraising	309,731		309,731	200,609		200,609
Total Expenses	**3,302,654**		**3,302,654**	**3,559,076**		**3,559,076**
Change in Net Assets	**440,027**	**(123,560)**	**316,467**	**470,280**	**135,858**	**606,138**
Net assets, beginning of year	1,969,133	193,144	2,162,277	1,498,853	57,286	1,556,139
Net Assets, End of Year	**$ 2,409,160**	**$ 69,584**	**$ 2,478,744**	**$ 1,969,133**	**$ 193,144**	**$ 2,162,277**

See accompanying notes.

ESPERANZA INTERNATIONAL FOUNDATION AND AFFILIATE

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities:		
Change in net assets	$ 316,467	$ 606,138
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities-		
Depreciation and amortization	59,768	60,525
Loss on disposal of fixed assets	70,622	172,671
Foreign currency translation gain	(79,217)	(182,877)
Changes in operating assets and liabilities:		
Accounts receivable	114,559	110,187
Pledges receivable	(13,587)	(83,928)
Notes receivable, net	(528,037)	(381,259)
Prepaid and other expenses	(15,620)	(17,762)
Other assets		(1,100)
Accounts payable	(151,460)	(30,875)
Accrued expenses	(12,609)	(7,573)
Deferred and other liabilities	(9,424)	9,424
Net Cash (Used) Provided by Operating Activities	**(248,538)**	**253,571**
Cash Flows from Investing Activities:		
Purchases of property and equipment	(146,292)	(52,668)
Net Cash Used in Investing Activities	**(146,292)**	**(52,668)**
Cash Flows from Financing Activities:		
Proceeds from notes payable	507,619	
Repayment of notes payable	(68,512)	(21,621)
Net Cash Provided (Used) by Financing Activities	**439,107**	**(21,621)**
Net Change in Cash and Cash Equivalents	**44,277**	**179,282**
Cash and cash equivalents, beginning of year	553,668	374,386
Cash and Cash Equivalents, End of Year	**$ 597,945**	**$ 553,668**
Supplemental Cash Flow Information:		
Cash paid for interest	$ 114,271	$ 98,294

See accompanying notes.

Note 1 - Nature of Operations and Significant Accounting Policies

Nature of Operations - Esperanza International Foundation (the Foundation) was formed in November 1992. The mission is to free children and their families from poverty through initiatives that generate income, education and health, restoring self-worth and dignity to those who have lost hope. The Foundation primarily provides support to individuals and individual business owners primarily located in Dominican Republic and Haiti.

The main objectives of the Foundation are:

- To liberate the children and their families of poverty through initiatives that generate income, education, and health. Restore the self-esteem and dignity to those who have lost it.

- The development of the micro-enterprise, assisting poor people, especially mothers, in the creation of income and employment generation to stabilize personal dignity.

- The community development through the establishment of schools that emphasize programs on literacy, primary health education, clinical nutrition education, recreation, leadership, sports programs to assist children and adolescents, religious education and spiritual development.

- Development of environmental health programs, such as improved health, development of improved access to safe water for their staff and food, water, latrine, recycling of plastic, glass and metals, and other matters of interest to developing environmental awareness.

Principles of Consolidation - The consolidated financial statements include the accounts of Esperanza International Foundation and Asociacion Esperanza Internacional, Inc. (collectively, the Organization). Asociacion Esperanza Internacional Inc. includes two programs, Microfinance and Health Services. Esperanza International Foundation is a Washington State nonprofit corporation with headquarters in Bellevue, Washington. It has branch offices in Dominican Republic and Haiti. Asociacion Esperanza Internacional, Inc. is a religious association with headquarters in Santo Domingo, Dominican Republic.

The two organizations are governed by the same board of directors with common members. Esperanza International Foundation provides a significant portion of the support of Asociacion Esperanza Internacional, Inc., and the organizations work collaboratively on program and governance matters. All significant accounts and transactions between the two organizations have been eliminated in these consolidated financial statements.

The Organization provided $141,079 and $180,049 for the years ended December 31, 2012 and 2011, respectively, to Esperanza International - Haiti (EI Haiti). While the Organization has an economic interest in the EI Haiti, it does not have control. Therefore, EI Haiti's operations are not consolidated in the financial statements of the Organization. The two organizations share a common focus to free children and their families from poverty through initiatives that generate income, education, and health, restoring self-worth and dignity to those who have lost hope.

Basis of Presentation - The Organization maintains its accounting records using the accrual method of accounting, whereby revenues are recorded when earned and expenses when incurred. The consolidated financial statement presentation follows accounting standards generally accepted in the United States of America (U.S. GAAP). Under U.S. GAAP, the Organization is required to report financial information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Note 1 - Continued

Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

> Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.
>
> Temporarily Restricted Net Assets - Net assets subject to donor imposed stipulations that will be met either by actions of the Organization or the passage of time. All temporarily restricted net assets as of December 31, 2012 and 2011 were restricted for purpose and time.
>
> Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. There were no permanently restricted net assets as of December 31, 2012 and 2011.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Time restrictions on pledges generally expire in the period that the pledges are due.

Cash and Cash Equivalents - The Organization considers temporary investments with an original maturity of three months or less to be cash equivalents.

Receivables - Accounts and notes receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance for accounts receivable have not been material to the financial statements. The allowance for doubtful accounts for notes receivable was $19,765 and $20,485 at December 31, 2012 and 2011, respectively.

Concentrations - The Organization invests its funds with financial institutions and has established guidelines relative to diversification and maturities that maintain safety and liquidity. Such amounts may be in excess of the FDIC insured amounts.

One donor’s contributions represent 11% of total revenue and support for the year ended December 31, 2012, there were no revenue concentrations for the year ended December 31, 2011.

Property and Equipment - The Organization capitalizes assets with a cost greater than $500 and an estimated useful life of one or more years. Depreciation is computed utilizing the straight-line method. Property and equipment are depreciated over an estimated useful life of three to five years. The cost of repairs and maintenance are expensed as incurred. The cost of renewals, replacements and betterments are capitalized.

In-Kind Contributions - Donated goods and use of facilities are recorded at fair market value at the date of receipt. Donated services are recorded only if specific professional expertise is provided or the services are for constructing a fixed asset, in accordance with U.S. GAAP. In-kind contributions represent donated use of facility and donated food, clothing, and drinks for the annual golf event.

Note 1 - Continued

Intangible Assets - The Organization capitalizes the cost of creating and registering trademarks. Since trademarks are considered to have indefinite lives, U.S. GAAP does not allow amortization. However, trademarks are subject to an annual impairment test. As of December 31, 2012 and 2011, there was no impairment of the trademark.

Foreign Operations - Approximately 81% and 94% of the Organization's expenses were incurred outside of the United States in Dominican Republic and Haiti for the years ended December 31, 2012 and 2011, respectively. Approximately $2 million and $1.7 million of the net assets reported in the accompanying consolidated statements of financial position relate to those activities as of December 31, 2012 and 2011, respectively.

Operations outside the United States are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

Foreign Currency Translation - The functional currency of some of the Organization's field offices is the local currency in which the office is located. Assets and liabilities of the offices have been translated into U.S. dollars at year-end exchange rates. Revenues and expenses have been translated at average monthly exchange rates. Any translation adjustments are included in the consolidated statements of activities and changes in net assets.

Income Tax Status - The Internal Revenue Service has determined that the Foundation is exempt from U.S. income tax under section 501(c)(3) of the U.S. Internal Revenue Code. Asociacion Esperanza Internacional, Inc. is a nonprofit civic association recognized as exempt from income tax under national tax laws of Dominican Republic. The Organization files income tax returns with the U.S. and foreign governments. The Organization is subject to income tax examinations by the tax authorities of these governments for the current year and certain prior years based on the applicable laws and regulations of each jurisdiction.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses - The costs of providing the various programs and other activities have been summarized in the consolidated statements of activities and changes in net assets on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications - Certain reclassifications were made to the December 31, 2011, financial statements to conform to the current period presentation. The reclassifications have no effect on previously reported change in net assets or net assets.

Subsequent Events - The Organization has evaluated subsequent events through December 11, 2013, the date on which the financial statements were available to be issued.

Note 2 - Notes Receivable

The Organization makes micro-enterprise loans to assist poor people, especially mothers, in the creation of income and employment generation to stabilize personal dignity. All loans are made to individuals in the Dominican Republic or Haiti.

At December 31, 2012 and 2011, the annual interest rates on notes receivable varied between 12% and 48%. The note receivable balances at December 31, 2012 and 2011, had maturity dates of twelve months or less.

Notes receivable at December 31 were as follows:

	2012	*2011*
Receivables from individuals	$ 2,691,565	$ 2,163,454
Less allowances for doubtful accounts-		
Balances, beginning of year	(21,126)	(21,313)
Provision for losses	(59,575)	(57,311)
Loans written off	59,501	57,498
Balances, end of year	(21,200)	(21,126)
Notes Receivable, Net	**$ 2,670,365**	**$ 2,142,328**

Amounts past due on notes receivable at December 31 were as follows:

	2012	*2011*
15 to 30 days	$ 36,430	$ 41,626
31 to 60 days	9,066	31,670
61 to 91 days	14,943	12,253
More than 91 days	600	8,587
Total past due loans	61,039	94,136
Current loans	2,630,526	2,069,317
	$ 2,691,565	**$ 2,163,454**

Note 3 - Property and Equipment

Property and equipment consisted of the following at December 31:

	2012	*2011*
Furniture and equipment	$ 242,021	$ 237,595
Transportation equipment	363,165	252,635
Other	38,258	52,197
	643,444	542,427
Less accumulated depreciation	(368,616)	(324,731)
	$ 274,828	**$ 217,696**

Virtually all property and equipment is located in the Dominican Republic.

Note 4 - Notes Payable

The following debt is held by Asociacion Esperanza Internacional, Inc. and consisted of the following on December 31:

	2012	*2011*
Note payable to Fundación Reservas del País Inc., the note is payable over an eight year period, and bears an annual interest of 12%. Payments on the note are due annually on December 31, 2009 through 2016.	$ 98,581	$ 153,834
Note payable to Grameen Foundation USA, with an annual interest rate of 6.39%, due December 31, 2012, without any guarantee.		110,953
Note payable to Asociación Dominicana de Mitigación de Desastre Inc. and bears an annual interest rate and fee of 18% without any guarantee.	83,080	92,880
Notes payable to individuals with variable annual interest rates ranging from 9% to 16%, without any guarantee.	131,266	96,827
Note payable to Banco BHD, S. A., at an interest rate of 14%, without guarantee.	86,800	90,300
Note payable to PROINFANCIA, payable monthly with an annual interest rate of 13%.	74,408	25,808

Note 4 - Continued

	2012	*2011*
Note payable to Banco Popular Dominicano S.A.'s loan, at an interest rate of 12%, without guarantee.	86,800	
Note payable to Global Partnerships Social Investment Fund 2012 loan, at an interest rate of 7%, without guarantee and set to mature in February 2015	310,595	
Note payable to HOPE International loan, at an interest rate of 5% without guarantee and set to mature in June 2013.	100,192	
	$ 971,722	**$ 570,602**

Future minimum principal payments are as follows:

For the Years Ending December 31,

2013	$ 315,245
2014	155,298
2015	38,824
2016	
2017	
Thereafter	462,355
	$ 971,722

Note 5 - Lease Commitments

The Organization leases office space in Dominican Republic, renewable annually. Rent expense for operating leases totaled $91,098 and $88,085 for the years ended December 31, 2012 and 2011, respectively.

Note 6 - Employee Benefit Plan

The Foundation has a 403(b) plan that covers substantially all full-time employees who have completed one year of service. There were no employer contributions for the years ended December 31, 2012 and 2011.

Note 7 - Subsequent Event

In September 2013, the Organization obtained $100,000 of debt financing through Edify with an interest rate of 0%. Payments are due beginning January 1, 2018, in 36 monthly payments. If payment on the note is late by more than 30 days on any two payments during the term of the loan or more than 60 days late on any one payment of the loan, the interest rate on the arrears as well as the outstanding balance for all loans derived from funding given under the agreement, will rise to 8% until the loan is fully repaid.

SUPPLEMENTARY INFORMATION

ESPERANZA INTERNATIONAL FOUNDATION AND AFFILIATE

Consolidating Schedule of Financial Position
December 31, 2012

	Esperanza International Foundation	Asociacion Esperanza Internacional, Inc. Microfinance	Asociacion Esperanza Internacional, Inc. Health Services	Eliminations	Consolidated Totals
Assets					
Cash and cash equivalents	$ 385,397	$ 179,348	$ 33,200	$ -	$ 597,945
Accounts receivable	2,000	646,547	72,713	(663,923)	57,337
Pledges receivable	105,611				105,611
Notes receivable, net		2,670,365			2,670,365
Prepaid and other expenses	5,856	74,158	7,577		87,591
Property and equipment, net	1,066	273,762			274,828
Other assets	5,063				5,063
Total Assets	**$ 504,993**	**$ 3,844,180**	**$ 113,490**	**$ (663,923)**	**$ 3,798,740**
Liabilities and Net Assets					
Liabilities:					
Accounts payable	$ 2,197	$ 346,684	$ 646,547	$ (663,923)	$ 331,505
Accrued expenses	482	16,287			16,769
Notes payable		971,722			971,722
Total Liabilities	**2,679**	**1,334,693**	**646,547**	**(663,923)**	**1,319,996**
Net Assets:					
Unrestricted net assets	492,314	2,509,487	(592,641)		2,409,160
Temporarily restricted net assets	10,000		59,584		69,584
Total Net Assets	**502,314**	**2,509,487**	**(533,057)**		**2,478,744**
Total Liabilities and Net Assets	**$ 504,993**	**$ 3,844,180**	**$ 113,490**	**$ (663,923)**	**$ 3,798,740**

See independent auditors' report.

ESPERANZA INTERNATIONAL FOUNDATION AND AFFILIATE

Consolidating Schedule of Financial Position
December 31, 2011

		Esperanza International Foundation		*Asociacion Esperanza Internacional, Inc. Microfinance*		*Asociacion Esperanza Internacional, Inc. Health Services*		*Eliminations*		*Consolidated Totals*
Assets										
Cash and cash equivalents	$	337,994	$	140,314	$	75,360	$	-	$	553,668
Accounts receivable		12,000		647,567		352,409		(840,080)		171,896
Pledges receivable		92,024								92,024
Notes receivable, net				2,139,294		3,034				2,142,328
Prepaid expenses		5,423		53,546		13,002				71,971
Property and equipment, net		688		217,008						217,696
Other assets		5,063								5,063
Total Assets	**$**	**453,192**	**$**	**3,197,729**	**$**	**443,805**	**$**	**(840,080)**	**$**	**3,254,646**
Liabilities and Net Assets										
Liabilities:										
Accounts payable	$	8,060	$	653,090	$	661,895	$	(840,080)	$	482,965
Accrued expenses		10,918		18,460						29,378
Deferred and other liabilities		1,500		7,924						9,424
Notes payable				563,119		7,483				570,602
Total Liabilities		**20,478**		**1,242,593**		**669,378**		**(840,080)**		**1,092,369**
Net Assets:										
Unrestricted net assets		357,714		1,955,136		(343,717)				1,969,133
Temporarily restricted net assets		75,000				118,144				193,144
Total Net Assets		**432,714**		**1,955,136**		**(225,573)**				**2,162,277**
Total Liabilities and Net Assets	**$**	**453,192**	**$**	**3,197,729**	**$**	**443,805**	**$**	**(840,080)**	**$**	**3,254,646**

See independent auditors' report.

ESPERANZA INTERNATIONAL FOUNDATION AND AFFILIATE

Consolidating Schedule of Activities and Changes in Net Assets
For the Year Ended December 31, 2012

	Esperanza International Foundation			*Asociacion Esperanza Internacional, Inc. Microfinance*	*Asociacion Esperanza Internacional, Inc. Health Services*				
	Unrestricted	*Temporarily Restricted*	*Total*	*Unrestricted*	*Unrestricted*	*Temporarily Restricted*	*Total*	*Eliminations*	*Consolidated Totals*
Revenues and Support:									
Contributed support and grants	$ 2,008,861	$ 10,000	$ 2,018,861	$ 1,195,373	$ 549,611	$ 60,786	$ 610,397	$ (1,462,594)	$ 2,362,037
Dividends, interest, and commissions	46		46	913,331					913,377
In-kind contributions	85,795		85,795						85,795
Special events	61,883		61,883						61,883
Program fees				47,403	123,197		123,197		170,600
Other				25,429					25,429
Releases of restriction	75,000	(75,000)			119,346	(119,346)			
Total Revenues and Support	**2,231,585**	**(65,000)**	**2,166,585**	**2,181,536**	**792,154**	**(58,560)**	**733,594**	**(1,462,594)**	**3,619,121**
Expenses:									
Program	1,721,927		1,721,927	1,191,576	832,076		832,076	(1,462,594)	2,282,985
Management and general	65,327		65,327	435,609	209,002		209,002		709,938
Fundraising	309,731		309,731						309,731
Total Expenses	**2,096,985**		**2,096,985**	**1,627,185**	**1,041,078**		**1,041,078**	**(1,462,594)**	**3,302,654**
Change in Net Assets	**134,600**	**(65,000)**	**69,600**	**554,351**	**(248,924)**	**(58,560)**	**(307,484)**		**316,467**
Net assets, beginning of year	357,714	75,000	432,714	1,955,136	(343,717)	118,144	(225,573)		2,162,277
Net Assets, End of Year	**$ 492,314**	**$ 10,000**	**$ 502,314**	**$ 2,509,487**	**$ (592,641)**	**$ 59,584**	**$ (533,057)**	**$ -**	**$ 2,478,744**

See independent auditors' report.

ESPERANZA INTERNATIONAL FOUNDATION AND AFFILIATE

Consolidating Schedule of Activities and Changes in Net Assets
For the Year Ended December 31, 2011

	Esperanza International Foundation			*Asociacion Esperanza Internacional, Inc. Microfinance*	*Asociacion Esperanza Internacional, Inc. Health Services*				
	Unrestricted	*Temporarily Restricted*	*Total*	*Unrestricted*	*Unrestricted*	*Temporarily Restricted*	*Total*	*Eliminations*	*Consolidated Totals*
Revenues and Support:									
Contributed support and grants	$1,748,450	$ 75,000	$1,823,450	$ 781,397	$1,438,237	$ 119,517	$1,557,754	$ (1,181,940)	$ 2,980,661
Dividends, interest, and commissions	135		135	834,284					834,419
In-kind contributions	46,108		46,108						46,108
Special events	52,069		52,069						52,069
Program fees				57,778	186,854		186,854		244,632
Other				7,325					7,325
Releases of restriction					58,659	(58,659)			
Total Revenues and Support	**1,846,762**	**75,000**	**1,921,762**	**1,680,784**	**1,683,750**	**60,858**	**1,744,608**	**(1,181,940)**	**4,165,214**
Expenses:									
Program	1,431,667		1,431,667	929,795	1,490,235		1,490,235	(1,181,940)	2,669,757
Management and general	26,309		26,309	592,656	69,745		69,745		688,710
Fundraising	200,609		200,609						200,609
Total Expenses	**1,658,585**		**1,658,585**	**1,522,451**	**1,559,980**		**1,559,980**	**(1,181,940)**	**3,559,076**
Change in Net Assets	**188,177**	**75,000**	**263,177**	**158,333**	**123,770**	**60,858**	**184,628**		**606,138**
Net assets, beginning of year	169,537		169,537	1,796,803	(467,487)	57,286	(410,201)		1,556,139
Net Assets, End of Year	**$ 357,714**	**$ 75,000**	**$ 432,714**	**$ 1,955,136**	**$ (343,717)**	**$ 118,144**	**$ (225,573)**	**$ -**	**$ 2,162,277**

See independent auditors' report.