

President's Message - A Couple of Threes

A milestone was marked in 2013 when seven of the original recipients of FUNDACCO Scholarships not only successfully finished their studies, they have also found jobs related to their education. This major achievement is both a sign of the "fruits of your charity" and a measure of the Roots of Change Foundation's ability to remain focused on its mission. How successful and sustainable our efforts can be in fulfilling the needs of the poor in Nicaragua basically depend on three factors. The first is your trust in the work of the Foundation. Having earned your trust, you faithfully continue to respond to Jesus' call to attend to the poor with a generous heart. Such generosity unites you with those who are recipients of your charity and brings them hope.

Secondly, since 2005, the Foundation has developed an indispensable and collaborative relationship with FUNDACCO, our partner in Nicaragua. This group of men and women, under the tutelage of our Project Administrator, has proven itself to be reliable and competent in managing human and financial resources. Over time, they have created processes and procedures that ensure that your money is used to support projects that have the greatest impact on individuals, families and communities in an efficient and transparent manner. If this was not the case, the Foundation's reputation would not be as solidly grounded as it is now.

Thirdly, developing and maintaining your trust and that of FUNDACCO is at the heart of the Board's duty and obligation. The Board is encouraged that the manner in which it was doing so was praised by the Canadian Revenue Agency during a 2013 audit. However, as the number of funded projects increases, so do the demands on the Board. This is especially true for the Project Administrator whose main task is to supervise and monitor FUNDACCO's activities. This position requires a special set of technical skills, considerable time, and the ability to effectively communicate with individuals whose language and mindset are considerably different from ours.

As the Board plans for future changes of personnel in this portfolio, several issues need to be considered. First, it is unrealistic to expect anyone who is in the workforce to undertake this responsibility. Second, it would be unjust for an eligible person to take on this critical role, one that demands unique skills and which involves substantial obligations, without fair compensation. Lastly, offering financial remuneration would increase the likelihood of finding a competent candidate for this position as the need arises in the future.

The Board is aware of the importance you place in minimizing administration costs. However, that expectation has to be balanced with the Board's capacity " ...to deliver programs that relieve poverty, provide educational opportunities and improve health and wellness..." to the poor in Nicaragua. With your prayers and continued support, that mission will continue to be accomplished in a spirit of mutual trust and respect.

Eugene Malo, President



Roots of Change Foundation is an active Alberta-registered charity that has been helping to reduce poverty in Nicaragua since 2005. We collaborate with our partner agent, FUNDACCO, a registered charity in Nicaragua which identifies, proposes, manages, and facilitates projects funded by Roots of Change. We raise funds in Western Canada by making informative presentations to groups and organizations, engaging the public at meetings and markets, selling artefacts at craft fairs, and hosting gala and family fundraising events. We also partner with schools and other groups who raise funds in support of Roots of Change projects in Nicaragua.



Roots of Change Foundation

PO Box 92

St. Albert, AB T8N 1N2

Email info@rootsofchange.ca

www.rootsofchange.ca



Roots of Change Foundation

2013

Annual Report



Donations Administrator's Report

The Foundation Board and our counterpart FUNDACCO are sincerely grateful for the generosity shown by our donors in 2013. Thanks to your support, we once again surpassed our fundraising objective of \$200,000 with total revenues close to \$334,000.

While the priority in Nicaragua is to ensure that our ongoing year-to-year programs are funded, the extra revenue last year allowed for expansion of existing programs and the creation of new unbudgeted projects of which there are never a shortage of in this country.

The Foundation's future continues to be strengthened by donors who have contributed to our Planned Giving program and who have discovered that it is an excellent way to maximise their donation dollar. These investments grow in perpetuity; for the donor, it is about leaving a legacy. Last year, a new fund was created bringing the total to six funds with a combined value of over \$150,000. Administered entirely by the Edmonton Community Foundation, these investments generate excellent returns which we use in our annual operating budget each year. Funds continue to grow indefinitely as a portion of the yearly return is re-invested back into the fund.

Accountability and transparency have and continue to be priorities for the Foundation. We welcome and are open to inquiries by contributors and would be happy to answer any questions you may have.

On behalf of Father Denis, the Foundation Board and the people of Nicaragua, I sincerely thank you for your generous support and for believing in what we do. It is your kindness that motivates us to work even harder at helping the people of Nicaragua become the "principal builders of a new and more human future for everyone".

We are truly blessed to live in a nation with abundance; it is our duty as Christians to help those who are less fortunate.

Rick LeBlanc, Donations Administrator

Treasurer's Report

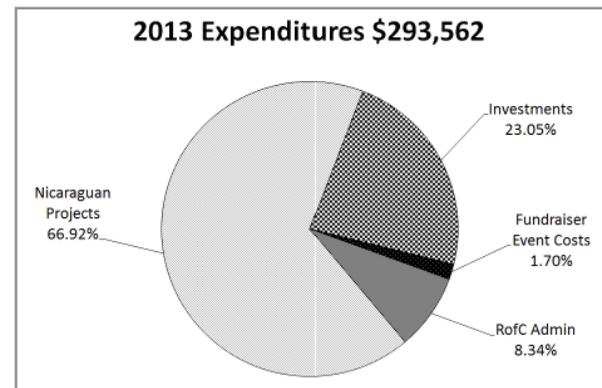
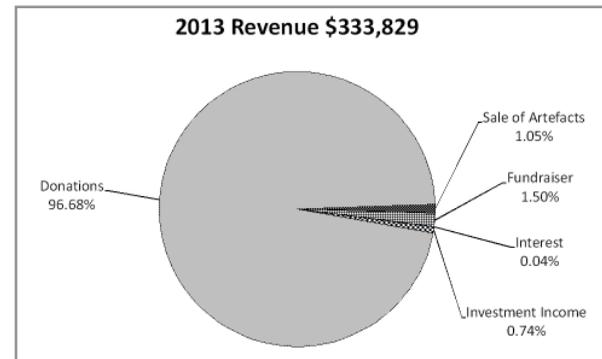
Once again, we are very grateful for the exceptional generosity of our donors this year, which resulted in the Roots of Change Foundation surpassing its fundraising goal. The Foundation continues to increase its donor base, resulting in a number of new projects in Nicaragua. These projects are again accomplished through our partnership with FUNDACCO.

We continue to pursue keeping administrative costs associated with the maintenance of the Foundation at the lowest possible level.

As in past years, the Foundation will ensure that the dollars donated make their way directly to the people and communities of Nicaragua who need our help.

Thank you for helping us share the abundance we have with our less fortunate brothers and sisters in Nicaragua.

Else Annich, Treasurer



Project Administrator's Report

2013 proved to be a year of growth and accomplishment from the perspective of the projects planned for this period. The number of funded projects increased from 60 to 73 (see chart below).

Project Objective	Funded Projects	
	2013	2012
Provide Food/Clothing/Shelter	9	11
Assisting Person/Economic Dev.	12	8
Schools/Supplies/Scholarships	38	30
Training-Farming/Conservation	2	1
Children & Youth Programs	2	2
Operating Medical Clinics	2	2
Incidentals & Ancillaries	8	6
Total Number of Projects	73	60

Counted among the major accomplishments for 2013 are the first seven graduates from the Scholarship program. The future is brighter for these graduates and their families, and their success provides encouragement for the many others following in their footsteps. The reforestation project in San Benito, which worked through the planning and preparation stages over the previous two years literally bore fruit in 2013. Orchards of papaya and mangoes are providing food, not only for the farmers' own families, but to sell and provide another source of income for the farming co-operatives in this community. Improvements to the health and well-being of a number of families in both San Benito and Cinco Pinos were made possible, not only by the fundraising efforts, but also the physical efforts of two school groups who travelled to Nicaragua in 2013. Two other delegations provided assistance in communities and gained insight and new friendships during their travels.

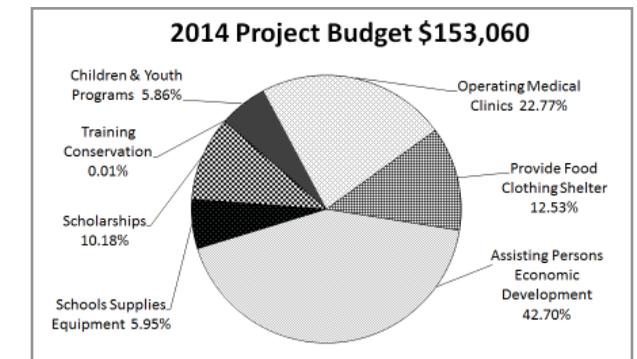
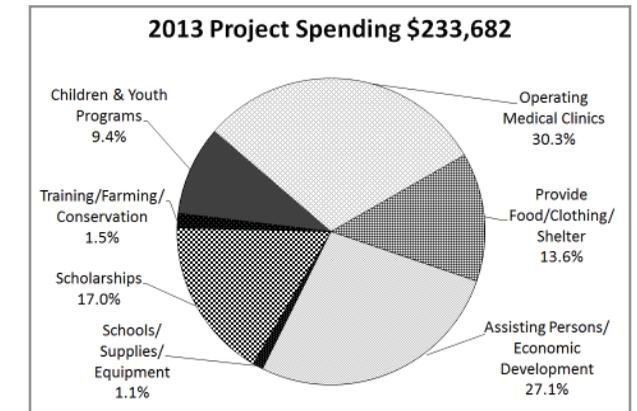
The top five projects by amounts funded were:

- San Raphael Archangel Clinic \$41,736
- San Benito Septic System \$19,106
- Youth & Childrens' Eduction & Devt. \$12,872
- San Benito Office Project \$9,442
- Institutional Strengthening-BIP-BC \$9,335

The budget for new funding for 2014 has been set at \$150,000. With the addition of the surplus from the 2013 budget, the working budget for 2014 is starting at \$153,060.

FUNDACCO has proposed some new projects for 2014, including support for the NICA Pre-School Project initiated by a donor group from Kelowna, and an agricultural project to support the growth and development of a San Benito pig farmer's operation. Scholarships continue to be an important part of the FUNDACCO agenda, as are the ongoing operation of the clinics and the children & youth programs.

Jocelyne Durocher, Project Administrator



"The poor should be seen, not as a problem, but as a people who can become the principal builders of a new and more human future for everyone."
(John Paul II)