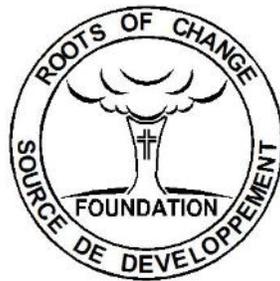




2011 Annual Report



Roots of Change Foundation
A Partnership for Hope in Nicaragua



Founder – Father Denis Hébert

Thoughts of retirement were strong in Father Denis' mind back in 2002, but his vision for the future of his mission was stronger. It was through his enduring faith and determination, together with the help of a number of trusted friends, that his vision has become reality.

Father is in good health, as you can see from this recent photo, although mobility is a challenge at times. At the young age of 81 he is at peace knowing his vision has become a reality and enjoys the day-to-day life with the Nicaraguan people who have become very dear to his heart — his extended family.

Our Mission

*"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." (JPII)(449)
Compendium of the Social Doctrine of the Church John Paul II,
Message for the World Day of Peace 2000, 14:AAS 92 (2000)*

The mission of the Roots of Change Foundation to help the marginalized in Nicaragua is today a reality through the many programs we deliver. Thanks to the generous support of donors like you, the vision of our founder has been made possible and his humanitarian legacy is continuing.

Our organization delivers programs and provides support to the less fortunate in areas of health, education and the relief of poverty. While our approach of helping people to help themselves is proving to be successful, a more important element is that it allows people to maintain their dignity.

It is the improvements in their lives, although small at times, that allow them to become *'builders of a new and more human future for everyone.'*



Vision

"It is development that will guarantee a people's transition from less than human conditions to truly human ones." - Paul VI

A Word From The President

Greetings to all.

2011 was both a successful and a challenging year for our Foundation.

Children and their mothers have received critical medical help. An increasing number of post-secondary students have developed the skills and knowledge that will benefit their communities. Farming cooperatives were mentored on how to grow into sustainable endeavors. Families under stress were offered much needed help. Flood victims received essential emergency supplies.

Your loyal support has directly and meaningfully touched the lives of many people. Knowing that you have not forgotten them gives them the hope and encouragement they require in their attempts to improve their lives in spite of numerous challenges. The successful efforts made by a number of schools and families to raise funds are especially gratifying. Thank you, *merci beaucoup*.

Maintaining and increasing funding for current and new projects is the key focus of Board members.

The establishment of the Planned Giving Program was a major accomplishment – it is meant to stabilize long-term funding. Our major annual fundraiser, on June 1st of this year would not be possible without the initiative and commitment of Board members.

With the intent of keeping you well informed, the Board has given special attention to the design and content of the Newsletters, reports and brochures. In the latter part of this year, the focus will be on redesigning our website so that it is more user friendly and the content remains up to date.

Maintaining your confidence in the Board's effectiveness in monitoring and accounting for the money spent on projects in Nicaragua is an ongoing priority. The Foundation's credibility on this issue has been ensured because of the innumerable hours devoted to this task by our Project Administrator, Rick LeBlanc. On behalf of the Board, I wish to extend a sincere "thank you" to Rick. His unwavering dedication and faithfulness to the mission of the Roots of Change Foundation is an inspiration for us all.

***May God, who with Christ has raised us to new life,
Send his Spirit upon you and your families,
And also sustain the poor in Nicaragua with hope
Through your continued generous support and prayers***

Happy Easter!
Eugene Malo
President, Roots of Change Foundation

Our Priorities

Health & Wellness

Access to basic healthcare is challenging for some but mostly non-existent for people in the marginalized areas of Managua where we work.

Our main clinic in the barrio of Edgard Lang has a full-time doctor, lab technician, pharmacist and receptionist. The clinic serves not only the residents of the barrio, but the neighboring barrios as well.

Six satellite stations in other parts of the city operate as extensions of the main clinic. Located in the poorest areas of Managua, these stations are attended by individuals trained in basic first aid who are in regular communications with the main clinic.

Although a nominal fee of \$1 per visit is requested from those who can afford it, most consultations and medications are free of charge.

In a period of six months last year our clinics provided 2153 consultations; of these, over 45% were respiratory in nature and mostly in children.

Thanks to the generous support of our donors, people in these communities are living a better and healthier life and this is one important aspect of breaking the cycle of poverty.

Education

A second and equally important part of our work is in education. If people are to break the poverty cycle, education is the key to opening doors for a better life.

Today our programs fund students in full and part-time courses, including economics, business, medicine, tourism and engineering. Support for university and college education ranges from short continuing education programs to full four and five-year degree programs. Presently we have 39 students from all parts of the country who are benefitting from these programs.

Another area of focus is training in organic and environmentally sound farming practices. These include the manufacture of organic pesticides using locally grown low-cost ingredients, and the production and use of compost.

Other education programs include the building and operation of libraries and the provision of supplies and materials to schools, which for the most part, are underfunded by the government.

This year Roots of Change will build a high school on the Pacific coast in conjunction with an Ontario group of supporters. The \$200,000 project will be completed over three years at which time it will be turned over to the Ministry of Education.

Relief of Poverty

Nicaragua is one of the poorest nations in the Western Hemisphere. Despite improvements in the nation's economy and the implementation of progressive government programs, almost half the population lives at or below the poverty level.

The impacts of poverty become even more evident outside the metropolitan areas, in the farming communities scattered throughout the country.

In Nicaragua large farming conglomerates have the upper hand, leaving the individual farmers with little or no opportunity to support their families.

Our programs are aimed at helping groups of farmers to organize themselves into co-operatives so they can help each other and build the economies of their communities.

We assist these groups by providing organizational training and financial assistance that enables them to sow crops that would otherwise be outside their financial reach.

Our programs help them take advantage of the hottest and best growing seasons by providing irrigation equipment and power generators to water their crops.

The most important aspect of our work with these people is providing them with encouragement, moral support and hope for a better future.



Year In Review and a Look Ahead

Message from the Project Administrator

Thanks to the generous support of our donors, we surpassed our fundraising objective of \$179,800 last year, with a total revenue of just over \$248,000.

While our priority in Nicaragua is to ensure that our ongoing year-to-year programs are funded, the extra revenue last year allowed for one-time projects and disaster relief that was not included in our initial budget. It also allowed us to invest in our future by creating a Planned Giving Program with the goal of providing sustained funding.

Of the 53 projects last year, all but seven were on budget, with overall expenditures coming in 15% below budget.

The Foundation was successful in achieving four of the five goals set for 2011.

We increased our mailout from two to three per year in an effort to keep our donors better informed of the work being done with their donations.

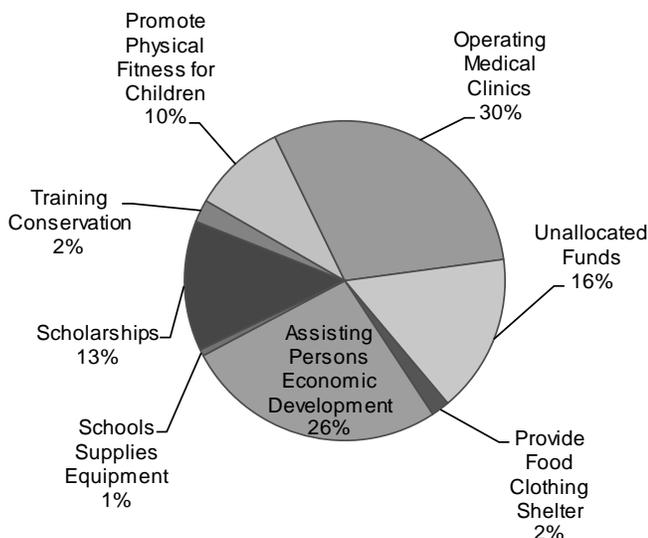
A communications coordinator has come on board to help us promote our programs and activities in Nicaragua and to standardize our communications.

Presentations to groups and schools on our work in Nicaragua are now being offered regularly. Two Father Denis Awards were given to youth volunteers who spent a total of 5 months in Nicaragua.

Looking ahead, our 2012 projects budget has been set at \$200,000 and we anticipate that your continued support will allow us to fulfill this commitment.

Note: The three-year Venecia High School project worth \$200,000 is not included in our budget. This project will be funded in its entirety by an Ontario group of supporters and will have a separate budget.

2012 Projects Budget \$200,000

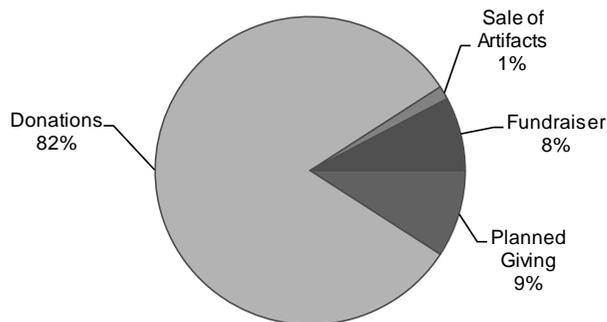


Roots of Change continues to pride itself in providing its donors with low overhead administration costs, thereby allowing more of your dollar to get where it's needed.

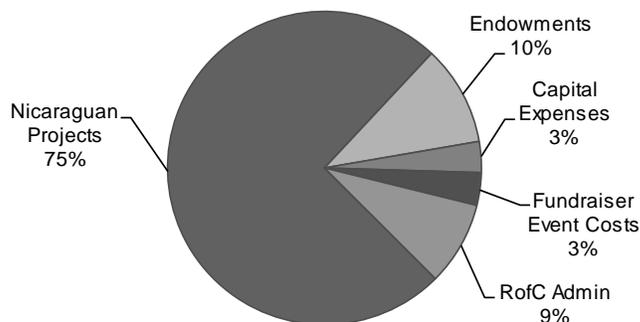
Financial Information

January 1, 2011 to December 31, 2011

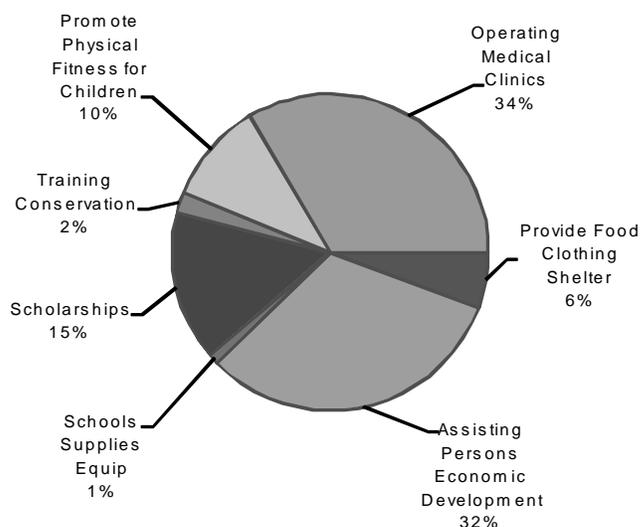
2011 Revenue \$248,062



2011 Expenses \$193,811



2011 Nicaraguan Projects \$142,321 US



These amounts were taken from audited financial statements, copies of which are available by request from the Roots of Change Foundation.



We Have Come a Long Way

Reflections on the beginning — By Rick LeBlanc

It was always a challenge to get some of Father's time during his brief trips to Canada, but we managed to have him for supper one evening in July of 2005. Little did we know that this would be the start of what today is an organization that helps hundreds of marginalized people in Nicaragua.

There were 12 people at that gathering seven years ago, including a few of Father's friends, my family and some relatives. What turned out to be a surprise to our guests — and a miscommunication between my daughter, Father and me — was a meeting after the meal that included a full (written) agenda neatly folded in Father's pocket. This was, in effect, the inaugural meeting for the formation of a charitable organization, and the 12 people at the table would become the Board of Directors.

Father's vision in planning for retirement was to find a way that would allow his missionary work to continue — work he had been doing for a good part of his life. Those we refer to as Father's extended family, the people of Nicaragua, are very dear to his heart. After 20 years of helping people in the barrio where he lives and in other parts of the country, he was troubled by the thought of the impact on the children and communities when he is called to sit at the Lord's Table. There would be a tremendous void for those who have come to appreciate his help. Father's approach in allowing people to help themselves has made a huge difference in the lives of his Nicaraguan family; it is this philosophy that is deeply entrenched and that guides the Roots of Change Foundation and FUNDACCO, our counterpart in Nicaragua.

Following the inaugural supper meeting, the time commitment for the newly-formed volunteer Board was minimal as there was little activity in the first few years. The challenge in starting a charitable organization became more interesting as we worked towards our goal; little did we know that this would lead to life-changing experiences for some of us. As volunteers, it was rewarding to see Father's vision become a reality as we progressed through the steps of registering a charitable society. The closer we got to our goal, however, the more time commitment it required. Thanks to the help of our Board we created an organization that today puts us in the same league and with similar qualifications as larger charities that perform work directly in developing countries.

People may not be aware that few charities in Canada have the same certification as the Roots of Change Foundation. Although not necessarily made public, many organizations that raise funds for programs in developing countries use the services of a different charitable organization to deliver those programs; this is not the case for Roots of Change. As a consequence, maintaining our license comes with strict guidelines established by the Canada Revenue Agency. These guidelines stipulate a responsibility and commitment that is unique in a volunteer organization.

We are proud as volunteers to be where we are today and it has been through hard work and countless hours of commitment by our Board members that Father Denis' vision has become a reality.

Milestones 2005—2012

- November 2005 – Registered provincially as a charitable society – Introduced the Roots of Change Foundation and Father Denis' vision to people who had been supporting his work for a number of years.
- October 2007 – FUNDACCO is formed and registered with the Nicaraguan government as a charitable society. The formation of FUNDACCO was necessary to obtain certification permitting us to work in developing countries.
- In the following years, we struggled through the costly and lengthy process of obtaining federal status. Thanks to the financial help of two individuals and the determination of the Board we reached our goal in March of 2009.
- In August of 2009, the added responsibilities and commitment that came with certification required that changes be made in the structure of the Board. The administration and tracking of projects in Nicaragua, including the reporting requirements of CRA, would prove to be a time-consuming task that required a new level of volunteer commitment. Open to the challenge, I took on the role of Project Administrator and stepped down as President.
- In 2010 our donor base had grown to over 1500 from around 600 in the beginning. The Board decided to create the new role of Donations Administrator for the organization, a task that up to this point I had retained.
- In November 2011, thanks to the efforts of Eugene Malo, our current President, and others, we established a Planned Giving Program in association with the Edmonton Community Foundation. The goal of this program is to provide sustained funding for our operational budget each year.
- A significant milestone was reached just before Christmas 2011 when donations surpassed the \$1,000,000 mark since our inception in 2005 — an achievement of which we are very proud.
- January 2012 – As a volunteer organization, maintaining the requirements of the Canada Revenue Agency was becoming a challenge. There was need to consolidate information in a central location and develop a means whereby continuity could be maintained as volunteer members of the Board served their term and moved on.

Significantly, the Board decided to invest in infrastructure that would serve the Foundation well into the future. This new system provides one secure location for all information and serves as an invaluable reference for the Board and administrators.



Today all Foundation-related information resides on a secure server network accessible by all Board members and by our counterparts in Nicaragua. The Internet-based Virtual Private Network will reduce costs in the long term, and this infrastructure enables good business practice for the Foundation and future Boards. More importantly, because the system uses the Internet as a medium, it is portable and can be moved from location to location — an important feature for a volunteer organization.

- February 2012 – In addition to our ongoing yearly programs in Nicaragua, Roots of Change has completed a number of smaller projects over the years that were initiated and funded by individuals, groups and other charitable organizations in Canada. Recently we were approached by an Ontario-based group who wish to build a high school in the isolated community of Venecia on the Pacific coast in the northern part of Nicaragua.

The \$200,000, three-year project will be constructed and administered by FUNDACCO and Roots of Change. It will start this year with the purchase and clearing of land. The project is an example of the service that can be provided by the infrastructure we have in place in Nicaragua and here in Canada.

Thank you

There are many volunteers who have contributed to the success of the Foundation over the years and I would like to express a heartfelt thank you to all of them. In particular, I would like to acknowledge the volunteers who have been with us since the start, as well as the current and past members of our Board who have donated countless hours of their time.

As mentioned earlier, the process of obtaining charitable status was a costly venture and if it wasn't for the two individuals who took it upon themselves to jointly fund these costs (without receiving tax deductible incentives) we would not be here today.

A special thank you to Jocelyne Durocher for accepting the Project Administrator/ Business Coordinator role, a position she will officially take up after our AGM in May. Jocelyne brings with her extensive business and accounting experience that will be a great asset to the Foundation.

A Parting Note

Changes being made at this year's AGM will provide me with the opportunity to step back from the day-to-day operation of the Foundation and allow me to pursue my retirement goal of building custom furniture — a hobby I've had for over 30 years while working in the electrical industry.

I am comforted and proud in knowing that the Foundation has been built on sound business practices with the policies, guidelines and procedures we've established. With this infrastructure and with the Foundation's adopting of the moral and ethical principles of our founder, I am confident that current and future Boards will lead the organization to greater accomplishments in the years to come.

Of course we would not be where we are today without the support of our donors, and to them I express a sincere thank you.

It has been your belief in us that has made Father's vision a reality, and that is helping the marginalized in Nicaragua "...become the principal builders of a new and more human future for everyone." (JP11)

Best Regards,

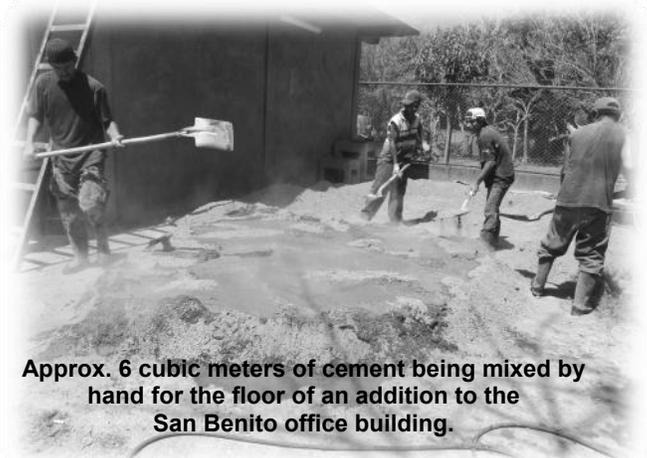


Rick LeBlanc
Project Administrator

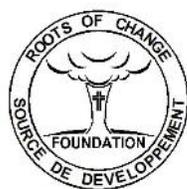


Father Denis greeting members of the Collective at the San Benito sewing factory

BOARD OF DIRECTORS 2011/12	
Eugene Malo	President
Gary Hutnan	Vice-President
Suzanne Foisy-Moquin	Second Vice-President
Charla LeBlanc	Secretary
Else Annich	Treasurer
Richard LeBlanc	Project Administrator
Andréa Fréchette	Donation Administrator
Michel Lapointe	Nicaragua Delegations
John Schile	FUNDACCO Scholarship Fund
Raymonde Schile	Group/School Liaison
Ann Stainthorp	Events
Lauriane Collins-Blais	Volunteer Coordinator



Approx. 6 cubic meters of cement being mixed by hand for the floor of an addition to the San Benito office building.



Roots of Change Foundation
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