



2012 ANNUAL REPORT

Embodying difference



Kanpe is only three years old! During these years, we have made small steps that contributed considerably to the improvement of Baille Tourible inhabitants' quality of life. Progress is amazing, tangible, and measurable.

Kanpe truly transforms lives, as a unique foundation working in the field. Kanpe ended 2012 with significant achievements that adequately responded to the expectations and pressing needs of the Baille Tourible population.

The Kanpe difference is distinguished by our family support program (FSP) and the establishment of safe housing, in collaboration with our partner Fonkoze. Approximately three months before the FSP wrap-up, which has been running for nearly 15 months to improve the quality of life of those most poor, the families received livestock and seeds to start a small business; their houses were rebuilt with proper roofs, cement, and other sustainable materials; solar streetlights were installed; water filters were distributed; and latrines were installed to improve hygiene and prevent disease.

The Kanpe difference was also observed through the continuous delivery of healthcare provided by our partner, Partners in Health / Zanmi Lasante. Families have access to a health clinic seven days a week. A focus was put on the prevention of infectious diseases, thanks to an educational program on water filtration and classes on hygiene. It is thanks to these health and prevention programs that Baille Tourible kept the number of cholera cases at zero in 2012.


The Kanpe difference arose through our education program, run in partnership with principals and teachers from several schools in Baille Tourible and its neighbours. Kanpe, always concerned for the well being of families and children, financed the renovation of two schools with the support of employees from Air Canada.

The Kanpe difference is also about being transparent in our actions. Kanpe decided to take a step back in 2012 and evaluate our programs: family support and safe housing; healthcare, nutrition and prevention of infectious diseases; education; and recreational programs made possible by solar streetlights.

The Kanpe difference happens mostly thanks to our partnerships developed with the families, local organizations, our service providers Fonkoze and Zanmi Lasante, and the schools.

All of these developments are the result of the hard work and dedication of our staff, our team of volunteers, and members of the Board of Directors. I want to thank each one of them for their efforts and generosity.

While we await the completion of our agricultural programs, the Board of Directors and staff join me in saluting and individually applauding the 6,000 inhabitants of Baille Tourible. We are very proud of their progress made since 2010. We are confident that our partnership with them will lead to sustainable financial independence.



Madeleine Féquière
President



Standing With Confidence

2012 was a pivotal year for the Kanpe Foundation. It was the first time Kanpe was actively engaged in the field every month to support families in fighting the cycle of poverty. Throughout the year, the 331 families in the program were met by one of our seven social workers; they received materials to build or enhance their homes; they were given access to safe drinking water. Most of the families used the health clinic that was established by Kanpe and our partner, Partners in Health / Zanmi Lasante. With our partner Fonkoze, we also enabled the families to develop one or two revenue sources by starting a small business. But more importantly, we allowed 331 family heads, the majority being women, to stand up, heads held high, and have confidence in themselves and their future. And there is no doubt that here lies Kanpe's greatest contribution of 2012.

Régine Chassagne

Dominique Anglade
Co-founders



News from the Field

Important progress in 2012 allowed tangible improvements to the living conditions of Baille Tourible residents. Together with its local partners, Fonkoze and Zanmi Lasante, Kanpe was able to take action on many levels to fight the cycle of poverty.

Heading towards financial autonomy

The family support activities helped 331 of the most vulnerable families to manage their savings and strengthen their financial autonomy. A team of seven coaches made nearly 22,600 visits since the beginning of the program. These activities include courses on literacy training, revenue planning, and management of family resources. They also include tangible resources. Therefore assets, along with nearly 1,500 livestock (goats, chickens, pigs, and turkeys) were provided to families so they could create their own microbusiness. Some 6,000 bags of cement and other materials were distributed for the construction of 315 homes and 315 latrines. In the process, these investments helped create approximately 950 temporary jobs in construction!

Significant advances in health

In the presence of its partners, representatives of local associations, and elected officials, Kanpe conducted the official opening of the Baille Tourible clinic on May 24, 2012. Among the officials who attended the ceremony were the heads of local associations from Baille Tourible, Fonkoze, Partners In Health / Zanmi Lasante, and both the deputy and the mayor of Thomonde. In total, about a hundred people have emphasized what this clinic represents: the completion of a collaborative effort for healthcare for the entire community of Baille Tourible.



Before Kanpe's arrival in Baille Tourible, a local organization owned a small building that was built in 2007. This organization hoped to transform the little place into a functional community clinic for 6,000 inhabitants. The organization offered Kanpe and Partners In Health / Zanmi Lasante the small building and a portion of land, where the staff residence and cholera treatment unit are now located. Operated in conjunction with Partners In Health / Zanmi Lasante, it is the only healthcare infrastructure in Baille Tourible that includes a small medical laboratory, a small pharmacy, and rooms for patient consultations. The clinic has made the following progress:

- No confirmed cases of cholera in 2012, compared to more than 900 cases in 2011, thanks to public awareness on how to prevent the epidemic.
- A medical evaluation of 222 Kanpe program members and a psychological assessment of 315 of them.
- 8,473 visits to the clinic in 2012, including 20 baby deliveries.
- The support of 248 women, who have adopted a method of family planning.

In addition, water filters were distributed to families to make the water drinkable.

Education and community activities

During 2011-2012, Kanpe provided financial allocations to 12 small schools in Baille Tourible. The allocations will be renewed in 2012-2013 for 13 schools, so that roughly 900 children from 331 families in the program will be enrolled. Funding by the Kanpe Foundation also allowed the construction of two small school buildings, capable of accommodating about 100 students each. Air Canada employees went to the field to help build one of these schools.

Kanpe also organized recreational activities to give members of the community some healthy entertainment. Small soccer competitions for girls and boys were set up, and several dozen footballs were distributed to youths and the majority of small schools. A projector and films have also been made available to residents.

Another achievement worth highlighting: The partnership between Air Canada and the Kanpe Foundation allowed the installation of nine solar streetlights in Baille Tourible. Adults and children benefit equally, with some enjoying evening board games, and others studying.



In Baille Tourible

The school enrollment rate increased from 31 to 87%.

The housing quality rate increased from 34 to 100%.

The food insecurity rate, measured at 81% prior to the deployment of the Kanpe program, dropped down to 33%.



The story of Elienne and Odak

Elienne and Odak quickly grew their microbusiness in 2012. Having received two goats and a pig at the beginning of the program, they now have about a dozen cattle and a new home. Odak, a carpenter, earned money building housing, which he then invested in growing beans, corn, and millet, and also in buying a horse, with which the family carries livestock and produce for sale.



Evaluation of Kanpe's Integrated Program

The evaluation of Kanpe's integrated program was conducted during a seven-day visit to Baille Tourible in November 2012 – 15 months after the program began. The evaluation aimed to verify whether the poorest families in the village are headed in the direction of financial autonomy by means of the program. The evaluation found that 331 families have access to:

- Quality healthcare: Program members have benefited from 1,075 consultations, or 4.8 visits per member.
- Water filters;
- Cement and other materials to build their housing and latrines;
- Assets to start a small business;
- A distribution of livestock: 716 goats, 480 chickens, 180 pigs, and 96 turkeys.

The support provided was identified as the program's key element.

Each family received a weekly visit from a coach. This support, in addition to several training sessions, allowed the families in the program to receive logistical and psychological support critical to their development. The evaluation of the program found that its strengths are, amongst other elements, the presence of sustained and rigorous support, as well as efficient coordination between Kanpe and its partners in the field.

Finally, 15 months into the program, remarkable progress could be seen in Baille Tourible for Kanpe program members. The vast majority of the 331 families had a significant improvement in their quality of life. It should be noted that significant efforts were required to achieve these results. The program has enabled many families to develop the ability to continue their progress independently. Obviously, rigorous and sustained efforts will be needed to solidify these gains in the mid and long term.



The Kanpe Community in Action

Committed partners

In 2012, two major partners – BMO Financial Group and Power Corporation – continued their commitment to support KANPE's mission. BMO contributed \$50,000 to KANPE, and Power Corporation gave \$25,000. Thanks to Kanpe Tea lovers, David'sTea has provided over \$25,000 to the foundation.

Air Canada Foundation and employees

In 2012, the Air Canada Foundation continued to support KANPE by offering tickets to help organization representatives travel to Port-au-Prince to raise money for a fundraising event to be held in 2013, or by offering cargo space. Furthermore, the Air Canada Foundation funded the purchase of solar streetlamps for the well being of the children and villagers of Baille Tourible.

Air Canada employees stayed in Baille Tourible from November 27 to December 11, 2012, to carry out several tasks. Over the course of these two weeks, they helped the inhabitants build and repair roads. They also cast a concrete foundation for one of the two new schools, erected walls – painted black to serve as chalkboards – built 15 wooden benches, and added some extra touches so that the building would be ready to hold 100 students from four different levels. These employees also participated in the installation of eight streetlamps powered by solar energy, with the help of technicians from Port-au-Prince, as well as many residents.

Air Canada employees also witnessed the achievements made by the support coaches of Kanpe's program during their daily visits to the valley to meet with a few dozen families. These visits provided an opportunity to observe the methods used to develop the capabilities of family heads – most being women – in writing, and in mathematics with a bank account. The visits also gave a better understanding of monitoring the progress of the family business, which could be agriculture by means of beans, corn, and pearl millet seeds, or the breeding of pigs, chickens, and goats – with Kanpe providing the seeds or animals.

Kanpe's ambassadors

2012 proved to be an exceptional year in all respects for the Kanpe Foundation's Ambassador Program. Together, eight ambassadors were able to raise a total of \$12,220, which was used to finance activities in Baille Tourible.

Through various fundraising activities, these ambassadors were able to spread the word about KANPE within their social circles and increase awareness of the foundation.

Nicole Desrosiers Carré, for example, organized for her birthday on August 18, 2012, an auction and information session about Kanpe at her home in Trois-Rivières. The goal? To raise funds for Kanpe, but above all, to raise awareness about the foundation with her family, friends, and colleagues.

For her part, Mélissa Calixte, an ambassador living in Toronto, took the initiative to communicate with the Toronto Creole Film Festival. This approach gave rise to the first collaboration with the festival. From October 5 -7, 2012, for each ticket sold, one dollar was given to Kanpe, and awareness for the cause was raised among cinephiles, thanks to volunteers at an information booth located at the entrance of the festival.

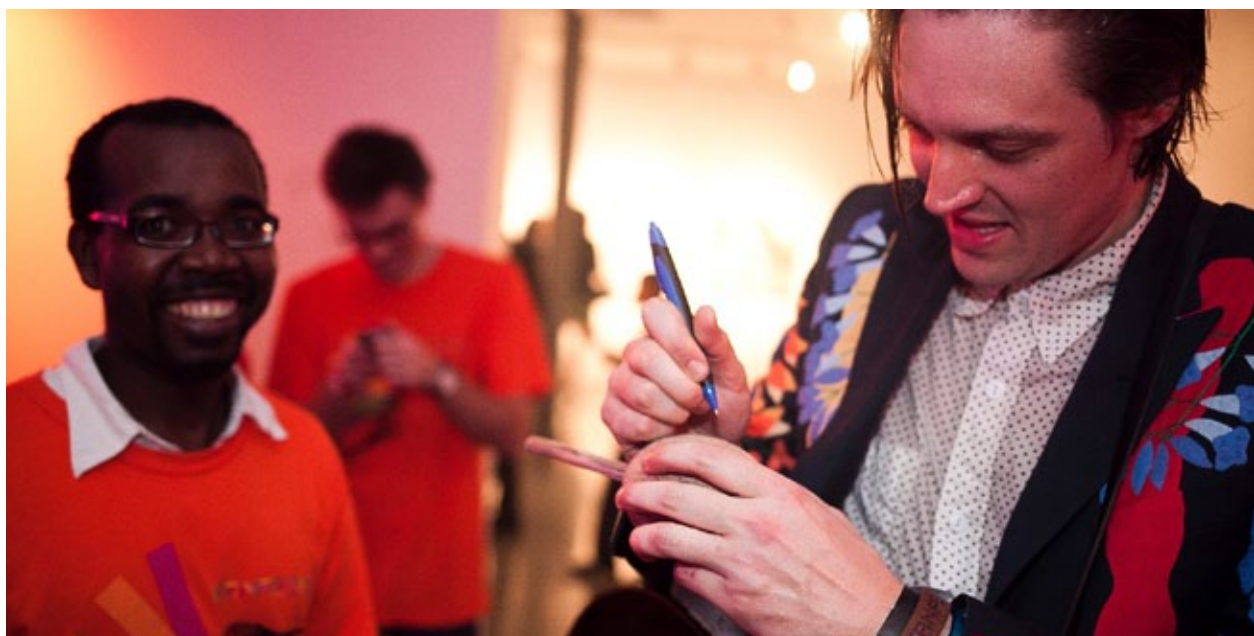
In the spirit of Halloween, Patricia Fourcand decided to do her part for the Kanpe Foundation by organizing a fundraiser at her home on October 20, 2012. A DJ, prizes, makeup sessions and courses – all of these could be found at the bash. Patricia provided her guests with an unforgettable evening, and most importantly, shone an incredible light on KANPE.

For his part, Nicolas Mazelier decided to ask for donations from friends and family attending his son's baptism.

There is every reason to believe that the Kanpe Foundation Ambassador Program will continue its momentum through a host of new initiatives.

Arcade Fire: major donor

Since 2010, Arcade Fire group members have shown their commitment to Kanpe's mission in an incredible fashion. In 2012, they continued encouraging KANPE's efforts to improve the lives of Haitians, and Grand Ambassador Régine Chassagne is accompanying the foundation through its journey.





Message from the Treasurer

After three years of existence, the Kanpe Foundation has truly accomplished important work. However, there is still much to achieve before the Baille Tourible community as a whole is able to enjoy complete autonomy.

For the 2012 fiscal year, KANPE reported an excess of expenditures over revenue of \$288,754. This deficit can be explained by the fact that program spending increased by 32%; still, the impact of our work in the field was also magnified, as witnessed by our coordinator. In Montreal, our administration costs, which represent 9.06% of our expenses, have significantly increased compared to those in 2011. This increase is due in part to the payment of liability insurance, an increase in office expenses, and the hiring of a General Manager responsible for designing and implementing KANPE's strategy to ensure its sustainability. While some costs are unavoidable, we will continue to focus on expense management in order to accumulate funds to finance our programs.

As for income, we have raised \$305,932 CAD, and the distribution of contributions is as follows:

Arcade Fire	\$150,000
BMO	\$50,000
Power Corporation	\$25,000
Air Canada's	
Action Haiti Committee	\$16,000
David's Tea	\$25,798
Ambassadors and public donations	\$39,134

This represents a 67% decrease compared to the year prior. This significant decline in contributions is due to the fact that there were no significant financing activities in 2012. All the same, we were still able to fund our programs, as we had the necessary funds accumulated from previous years. The guideline requires that we support programs for which funds are guaranteed in advance.

Program expenditures, totalling \$427,898 CAD, were as follows:

Family support	\$223,697
Healthcare	\$145,407
Education and construction of schools	\$42,974
Installation of solar streetlamps	\$15,820

The deployment of the program resulted in increased costs of operations in the field, through expenses related to transportation, wages, vehicle maintenance, and coordination in both Montreal and Baille Tourible.

Budget Outlook Summary for 2013

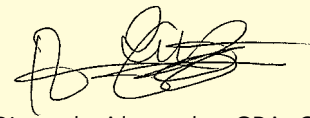
For 2013, here is a summary of the planned spending for programs and administrative costs. Note that spending programs are functions of available liquidity in real time - that is to say, KANPE has a policy to not engage in spending if the funds are not fully available. This caution allows the foundation to meet its commitments.

Integrated Program Expenses

Financial autonomy	\$15,000
Healthcare in Baille Tourible	\$100,000
Education	\$20,000
School construction	\$10,000
Coordination fees	\$45,000
Total	\$190,000
Administrative costs	\$100,000

Since the beginning of Kanpe, we've been aware that our determination to break the cycle of poverty in Haiti cannot be achieved without significant challenges. It is for this reason that we have developed relationships with well-established partners in the field to achieve our goals. We will continue in this manner and join forces with other suitable partners in order to transform the Baille Tourible community.

Finally, to all our donors, we wish to express our deepest gratitude and our sincere wish that they remain committed to us so that Kanpe can continue fulfilling its mission.



Riccardo Alexandre, CPA, CMA

The Kanpe Foundation

Financial statements

For the year ended December 31, 2012

The Kanpe Foundation

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
The Kanpe Foundation

We have audited the accompanying financial statements of **The Kanpe Foundation**, which comprise the balance sheet as at December 31, 2012, and the statements of earnings, changes in unrestricted net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and 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 auditor's 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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, the financial statements present fairly, in all material respects, the financial position of **The Kanpe Foundation** as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Demers Beaulne, LLP ⁽¹⁾

Partnership of Chartered Professional Accountants

Montreal, May 23, 2013

⁽¹⁾ CPA auditor, CA, public accountancy permit N° A121525

The Kanpe Foundation

Statement of earnings

For the year ended December 31, 2012

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	2012	2011
	\$	\$
Revenues		
Donations	304,354	910,779
Other revenues	1,578	2,720
	305,932	913,499
Expenses		
Operating expenses (Exhibit A)	517,484	378,093
Administrative expenses (Exhibit B)	53,896	27,094
Depreciation of fixed assets	11,848	3,312
Amortization of intangible asset	1,644	1,644
Bank charges	717	2,772
Foreign currency loss (gain)	9,097	(5,460)
	594,686	407,455
Excess (deficiency) of revenues over expenses	(288,754)	506,044

The accompanying notes are an integral part of these financial statements.

The Kanpe Foundation

**Statement of changes in unrestricted net assets
For the year ended December 31, 2012**

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	2012	2011
	\$	\$
Balance at the beginning	846,660	340,616
Excess (deficiency) of revenues over expenses	(288,754)	506,044
Balance at the end	557,906	846,660

The accompanying notes are an integral part of these financial statements.

The Kanpe Foundation

Balance sheet

As at December 31, 2012

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	2012	2011
	\$	\$
Current assets		
Cash	322,813	326,691
Short-term investments (note 3)	115,000	465,225
Accounts receivable (note 4)	9,626	32,417
Advances to partners, non-interest-bearing	90,565	55,737
Prepaid expenses	1,968	3,114
	539,972	883,184
Fixed assets (note 5)	25,339	35,733
Intangible asset (note 6)	3,836	5,480
	569,147	924,397
Current liabilities		
Accounts payable (note 7)	11,241	14,934
Advances from a partner, non-interest-bearing	-	62,803
	11,241	77,737
Unrestricted net assets	557,906	846,660
	569,147	924,397

The accompanying notes are an integral part of these financial statements.

On behalf of the board

_____, President

_____, Treasurer

The Kanpe Foundation

Statement of cash flows

For the year ended December 31, 2012

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	2012	2011
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses	(288,754)	506,044
Items not affecting cash:		
Depreciation of fixed assets	11,848	3,312
Amortization of intangible asset	1,644	1,644
	(275,262)	511,000
Net change in non-cash working capital items	(77,387)	(18,534)
	(352,649)	492,466
Investing activities		
Acquisition of short-term investment	-	(465,225)
Disposal of short-term investments	350,225	-
Acquisition of fixed assets	(1,454)	(33,141)
	348,771	(498,366)
Decrease in cash and cash equivalents	(3,878)	(5,900)
Cash and cash equivalents, beginning of year	326,691	332,591
Cash and cash equivalents, end of year	322,813	326,691

Cash and cash equivalents consist of cash.

The accompanying notes are an integral part of these financial statements.

1. Incorporation and nature of business activities

The Foundation is a not-for-profit organization incorporated under the Canada Corporations Acts on November 9, 2009. The Foundation began its operations in April 2010 and its mission is to put an end to the cycle of poverty by encouraging financial independence. The Foundation pools its efforts with its partners to create a comprehensive program to assist and support the Haitians. The Foundation is exempt from income taxes.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Under this method, contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Fixed assets

Fixed assets are depreciated using the declining balance method at a rate of 30%.

Intangible asset

The Website is amortized using the declining balance method at a rate of 20%.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Subsequently, assets and liabilities are measured at amortized cost, except for investments in equity instruments quoted in an active market and derivatives that are measured at fair value.

Allocation of expenses

The Foundation allocates the salaries and fringes benefits of general administration to salaries and fringes benefits included in operating expenses in proportion to the number of hours related directly to the programs of the Foundation. For the year ended December 31, 2012, an amount of \$27,109 was allocated to the operating expenses.

2. Significant accounting policies (continued)*Use of estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses for the period. Actual results could differ from those estimates.

3. Short-term investments

	2012	2011
	\$	\$
Term deposits, bearing interest at prime rate less 2.05% and maturing in October 2013	115,000	-
Investments cashed in during the year	-	465,225
	115,000	465,225

4. Accounts receivable

	2012	2011
	\$	\$
Donations receivable	2,150	29,829
Other	7,476	2,588
	9,626	32,417

5. Fixed assets

	2012		2011	
	Cost	Accumulated depreciation	Net value	Net value
	\$	\$	\$	\$
Computer and audiovisual equipment	3,646	1,461	2,185	1,465
Automotive equipment	37,046	13,892	23,154	34,268
	40,692	15,353	25,339	35,733

The Kanpe Foundation

Notes to financial statements

For the year ended December 31, 2012

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6. Intangible asset

	2012		2011	
	Cost	Accumulated amortization	Net value	Net value
	\$	\$	\$	\$
Website	8,220	4,384	3,836	5,480

7. Accounts payable

	2012	2011
	\$	\$
Accounts payable and accrued liabilities	7,908	14,934
Advances from directors, non-interest-bearing	3,333	-
	11,241	14,934

8. Economic dependence

During the year, 49% of the Foundation's donations came from one donor (55% in 2011).

9. Financial instruments

Financial instruments expose the Company to various financial risks. The significant financial risks arising from financial instruments are summarized below:

Foreign currency risk

Foreign exchange risk is the risk that the fair value or the future cash flows of a financial instrument fluctuate because of its exposure to different foreign exchange rates.

As at December 31, 2012, assets and liabilities included foreign currency amounts as follow:

	2012		2011	
	Canadian dollars	American dollars	Canadian dollars	American dollars
	\$	\$	\$	\$
Cash	128,522	129,181	81,418	80,057
Short-term investments	-	-	50,225	50,000
Advances to partners	90,565	91,029	-	-
Advances from a partner	-	-	62,803	61,752

The Kanpe Foundation

**Additional information to financial statements
For the year ended December 31, 2012**

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	2012	2011
	\$	\$
Exhibit A - Operating expenses		
Program expenses	427,898	323,381
Salaries and fringe benefits	69,195	48,403
Transportation costs	16,819	1,427
Service charges	3,572	4,781
Office expenses	-	101
	517,484	378,093

Exhibit B - Administrative expenses

Salaries and fringe benefits	16,685	7,698
Office	18,375	4,591
Professional fees	10,782	6,957
Travelling	5,669	5,780
Website maintenance	2,385	2,068
	53,896	27,094

9. Financial instruments (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk mainly to its financial assets. As at December 31, 2012, the Foundation does not have a significant exposure to any individual donor. As at December 31, 2011, 75% of the accounts receivable were due by one donor in particular.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly to its financial liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments with fixed rates expose the Foundation to fair value risk, while those at variable rates expose the Foundation to cash flows risk.

Mesi anpil

**Kanpe wishes to sincerely
thank the following
people and organizations
that, through their work
and generosity, contributed
to achieving our mission:**

All the members of Arcade Fire

Our individual donors

Our corporate partners:
Air Canada employees and
the Air Canada Foundation
BMO Financial Group
David'sTea
Power Corporation

Our volunteers and ambassadors

Our service providers
Ping Pong Ping (Simon et Catherine)
pingpongping.ca
Cohn & Wolfe *cohnwolfe.ca*
AFI *afiexpertise.com*
Gentialux *gentialux.ca*
Centre TYPO *centretypo.com*
Festival Pop Montréal *popmontreal.com*

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