

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL**

FINANCIAL STATEMENTS

MARCH 31, 2013



**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
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MARCH 31, 2013**

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INDEPENDENT AUDITORS' REPORT

To the Members of
Rooftops Canada Foundation Inc. / Foundation Abri International

We have audited the accompanying financial statements of Rooftops Canada Foundation Inc., which comprise the statement of financial position as at March 31, 2013, and the statements of operations, changes in 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.

Auditors' 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 organization'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 organization'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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Rooftops Canada Foundation Inc. derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations, revenue from fundraising activities and excess of revenue over expenses, and cash flow from operations for the year ended March 31, 2013, current assets as at March 31, 2013, and net assets as at March 31, 2013 and March 31, 2012.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Rooftops Canada Foundation Inc. as at March 31, 2013, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes that Rooftops Canada Foundation Inc. adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011 and the statements of operations and changes in net assets for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Kanish & Partners LLP

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Toronto, Canada
August 29, 2013

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2013**

REVENUE	2013	2012
Project income		
Partnerships with Canadian Branch - Schedule "A"	\$ 983,489	\$ 996,842
Youth Internship Program - Schedule "B"	205,446	236,672
Tanzania FSDT Project - Schedule "C"	82,816	84,676
Kenya Challenge Fund - Schedule "D"	<u>40,840</u>	<u>-</u>
	1,312,591	1,318,190
Fundraising and donations - Schedule "E"	235,773	166,246
Interest and other	<u>50,483</u>	<u>38,031</u>
	<u>1,598,847</u>	<u>1,522,467</u>
EXPENSES		
Project expenses		
Partnerships with Canadians Branch - Schedule "A"	1,126,334	1,121,818
Youth Internship Program - Schedule "B"	245,224	247,760
Tanzania FSDT Project - Schedule "C"	81,088	84,676
Kenya Challenge Fund - Schedule "D"	<u>40,840</u>	<u>-</u>
	<u>1,493,486</u>	<u>1,454,254</u>
Salaries and benefits	443,336	519,505
Fundraising expenses - Schedule "E"	62,610	52,055
Occupancy cost	39,696	36,435
Office and general	36,746	39,539
Directors' meeting expenses	8,126	7,990
Foreign exchange loss (gain)	(2,381)	(3,512)
Amortization	<u>912</u>	<u>198</u>
	589,045	652,210
Less: Project management and overhead allocation to projects	<u>(495,468)</u>	<u>(530,059)</u>
	<u>93,577</u>	<u>122,151</u>
	1,587,063	1,576,405
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 11,784	\$(53,938)



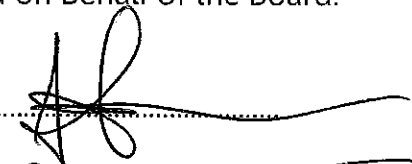
**ROOFTOPS CANADA FOUNDATION INC./
 FOUNDATION ABRI INTERNATIONAL
 STATEMENT OF FINANCIAL POSITION
 MARCH 31, 2013**


ASSETS	2013	2012	April 1, 2011
Current			
Cash	\$ 666,841	\$ 493,431	\$ 167,823
Accounts and grant receivable	58,351	45,076	182,838
Prepaid expenses	18,434	43,145	7,180
Loan receivable - current portion (note 6)	<u>64,800</u>	<u>64,818</u>	<u>16,062</u>
	<u>808,426</u>	<u>646,470</u>	<u>373,903</u>
Long-term			
Deposit (note 7)	81,367	80,045	83,474
Loan receivable (note 6)	<u>105,686</u>	<u>170,478</u>	<u>235,296</u>
	<u>187,053</u>	<u>250,523</u>	<u>318,770</u>
Capital Assets			
	Cost	Accumulated Amortization	
Computer equipment	<u>\$ 4,064</u>	<u>\$ 1,315</u>	
	2,749	2,830	1,440
	<u>\$ 998,228</u>	<u>\$ 899,823</u>	<u>\$ 694,113</u>

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013**

LIABILITIES	2013	2012	April 1, 2011
Current			
Accounts payable and accrued liabilities	\$ 40,020	\$ 60,812	\$ 16,288
Deferred revenue (note 4)	385,408	279,707	61,173
Loan payable - current portion (note 10)	<u>36,949</u>	<u>20,230</u>	<u>-</u>
	<u>462,377</u>	<u>360,749</u>	<u>77,461</u>
Long-term			
Grant payable (note 8)	249,660	247,948	251,358
Loan payable (note 10)	<u>46,837</u>	<u>63,556</u>	<u>83,786</u>
	<u>296,497</u>	<u>311,504</u>	<u>335,144</u>
	<u>758,874</u>	<u>672,253</u>	<u>412,605</u>
NET ASSETS			
Invested in capital assets	2,749	2,830	1,440
Restricted for gift and donations	100	100	100
Unrestricted	<u>236,505</u>	<u>224,640</u>	<u>279,968</u>
	<u>239,354</u>	<u>227,570</u>	<u>281,508</u>
	<u>\$ 998,228</u>	<u>\$ 899,823</u>	<u>\$ 694,113</u>

Approved on Behalf of the Board:

Director 

Director 

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2013**

	Invested in capital assets	Restricted	Unrestricted	2013	2012
BALANCE - beginning of year	\$ 2,830	\$ 100	\$ 224,640	\$ 227,570	\$ 281,508
Deficiency of revenue over expenses	-	-	11,784	11,784	(53,938)
Amortization	(912)	-	912	-	-
Investment in capital assets	831	-	(831)	-	-
BALANCE - end of year	\$ 2,749	\$ 100	\$ 236,505	\$ 239,354	\$ 227,570



**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2013**

	2013	2012
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 11,784	\$(53,938)
Item not requiring an outlay of cash:		
Amortization	912	198
Net changes in non-cash working capital:		
Accounts and grant receivable	(13,275)	137,762
Prepaid expenses	24,711	(35,965)
Deferred revenue	105,701	218,534
Grant payable	1,712	(3,410)
Accounts payable and accrued liabilities	<u>(20,792)</u>	<u>44,523</u>
	<u>110,753</u>	<u>307,704</u>
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
Deposit	(1,322)	3,430
Loan receivable	64,810	16,062
Acquisition of capital assets	<u>(831)</u>	<u>(1,588)</u>
	<u>62,657</u>	<u>17,904</u>
INCREASE IN CASH	173,410	325,608
CASH - beginning of year	493,431	167,823
CASH - end of year	\$ 666,841	\$ 493,431



**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

1. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective April 1, 2012, the Rooftops Canada Foundation Inc. ("the Organization") adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO). These are the Organization's first financial statements prepared in accordance with ASNFPPO and the transitional provisions of Section 1501 First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012 and the opening ASNFPPO statement of financial position at April 1, 2011.

The Organization issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by CICA Handbook - Accounting - Part V - Pre-changeover accounting standards. The adoption of ASNFPPO had no impact on the previously reported assets, liabilities and net assets of the organization, and accordingly; no adjustments have been recorded in the comparative statement of financial position, statement of operations and statement of changes in net assets. Certain of the organization's disclosures included in these financial statements reflect the new disclosure requirements of ASNFPPO.

2. PURPOSE OF THE ORGANIZATION

The Organization is incorporated under the Canada Corporations Act as a not-for-profit organization and participates in international housing related programs.

The Organization is a registered charitable organization and is exempt from income tax under the Canadian Income Tax Act.

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

3. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted 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 to be received can be reasonably estimated and collection is reasonably assured.

b) Computer Equipment

Computer equipment is recorded at cost and amortized on a straight-line basis over its estimated useful life of four years.

c) Donated Services

The Organization derives benefits from the voluntary services of its members. Since these services are not normally purchased by the Organization and because it is not possible to determine their fair value, donated services are not recognized in these financial statements.

(d) Financial Instruments

The Company initially measures its financial assets and financial liabilities at fair value. The Company subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable, and loan receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and loan payable.

The Company does not hold any equity instruments that are quoted in an active market.

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

4. DEFERRED REVENUE

Deferred revenue represents funds restricted for specific projects. Changes in the deferred revenue balance are as follows:

	Balance - beginning of the year	Amounts received	Amount recognized as revenue	Balance - end of the year
Canadian International Development Agency (CIDA)				
- Partnerships with Canadians Branch	\$ 269,020	\$ 1,033,849	\$ 983,489	\$ 319,380
- Youth Internship Program	10,687	194,759	205,446	-
Children and Violence Evaluation Challenge Fund	-	106,868	40,840	66,028
	<u>\$ 279,707</u>	<u>\$ 1,335,476</u>	<u>\$ 1,229,775</u>	<u>\$ 385,408</u>

5. LEASE COMMITMENT

The Organization has entered into a sub-lease agreement which expires on August 31, 2016 with respect to premises leased from the Co-operative Housing Federation of Canada. The minimum payments over the remainder of the sub-lease are as follows:

Year ended	Amount
March 31, 2014	\$ 40,608
March 31, 2015	40,608
March 31, 2016	40,608
March 31, 2017	20,304
	<u>\$ 142,128</u>

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

6. LOAN RECEIVABLE (note 9)

	2013	2012
Amount is due from the National Cooperative Housing Union Limited of Kenya (NACHU), bears interest at 1.0% per annum, compounded semi-annually, and is repayable in approximate quarterly principal payments of \$16,200, and matures in 2015.	\$ 170,486	\$ 235,296
Less: Current portion	<u>(64,800)</u>	<u>(64,818)</u>
	<u>\$ 105,686</u>	<u>\$ 170,478</u>

7. DEPOSIT (note 8)

The deposit represents collateral funds paid to the Co-operative Bank of Kenya Limited as security for a credit facility made available to NACHU for the purpose of financing a housing program in Kenya.

8. GRANT PAYABLE

The grant from CIDA which is unconditional, unsecured and does not have any specific repayment terms. Management believes the grant may become repayable, since CIDA has the right to demand repayment, if the loan from NACHU (note 6) is repaid. Given the uncertainty with respect to repayment, the amount is reported as an obligation. Any losses related to the NACHU loan, will reduce the grant payable. During the year, the foreign exchange loss associated with the security deposit (note 7), was applied to the grant payable.

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

9. LINE OF CREDIT

The Organization has a line of credit facility with a Canadian banking institution for \$75,000, bearing interest at 7.75%. As of March 31, 2013, the Organization had not utilized this facility.

10. LOAN PAYABLE

	2013	2012
Loan from the Cooperative Housing Federation of Canada (CHF CANADA) bears interest at 2% compounded semi-annually and is repayable to the extent, the loan amount from NACHU and the bank security deposit is collected. Interest on this loan in 2013 was \$1,676 (2012 - \$1,543)	\$ 83,786	\$ 83,786
Less: Current portion	<u>(36,949)</u>	<u>(20,230)</u>
	<u>\$ 46,837</u>	<u>\$ 63,556</u>

11. CONTINGENT LIABILITY

The Organization is contingently liable for the amount of the deposit disclosed in note 7. The deposit will be retained by the Co-operative Bank of Kenya Limited in the event NACHU defaults on its obligations with respect to the credit facility.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013**

13. FINANCIAL INSTRUMENTS

The financial risks to which the Organization is exposed to are interest rate risk and currency risk.

(a) 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. For the loan receivable and payable, interest rate risk is minimized through a fixed interest rate. A fixed interest rate reduces fluctuations in interest payments and cash flows. The Organization does not use derivative instruments to reduce its exposure to interest rate risk.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization has assets denominated in foreign currencies and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates.

The Organization has the following amounts in foreign currencies:

		2013	2012
Cash	USD	161,428	123,986
Cash	ZAR	34,857	40,379
Cash	KES	9,472	10,017
Deposit	USD	80,117	80,117

The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
PARTNERSHIPS WITH CANADIAN BRANCH
FOR THE YEAR ENDED MARCH 31, 2013**

PROJECT REVENUE	2013	2012
Canadian International Development Agency (CIDA)	\$ 983,489	\$ 996,842
Interest and other	<u>44,365</u>	<u>25,867</u>
	<u>1,027,854</u>	<u>1,022,709</u>
 PROJECT EXPENSES		
Kenya	261,875	258,270
South Africa	170,632	139,889
Tanzania	125,374	135,700
Zimbabwe	99,039	75,577
Canada	67,597	50,444
Cameroon	46,647	77,798
Project management	248,806	277,102
Overhead	<u>106,364</u>	<u>107,038</u>
	1,126,334	1,121,818
 ROOFTOPS CANADA CONTRIBUTION		
	\$ 98,480	\$ 99,109

SCHEDULE "A"

**ROOFTOPS CANADA FOUNDATION INC./
 FOUNDATION ABRI INTERNATIONAL
 YOUTH INTERNSHIP PROGRAM
 FOR THE YEAR ENDED MARCH 31, 2013**

PROJECT REVENUE	2013	2012
Canadian International Development Agency (CIDA)	\$ 205,446	\$ 236,672
Interest and other	<u>-</u>	<u>594</u>
	<u>205,446</u>	<u>237,266</u>
PROJECT EXPENSES		
Travel, orientation and allowances	48,267	47,045
Project management	43,353	42,625
Overhead	19,807	21,312
Youth intern overseas allowances	<u>133,797</u>	<u>136,778</u>
	245,224	247,760
ROOFTOPS CANADA CONTRIBUTION	\$ 39,778	\$ 10,494

SCHEDULE "B"



**ROOFTOPS CANADA FOUNDATION INC./
 FOUNDATION ABRI INTERNATIONAL
 TANZANIA - FSDT PROJECT
 FOR THE YEAR ENDED MARCH 31, 2013**

REVENUE	2013	2012
WAT Human Settlements Trust	\$ 82,816	\$ 84,676
PROJECT EXPENSES		
Travel, allowances, and other	\$ 54,315	\$ 42,906
Program management	15,849	24,495
Overhead	<u>10,924</u>	<u>17,275</u>
	<u>81,088</u>	<u>84,676</u>
PROJECT SURPLUS	1,728	-
Surplus retained by Rooftops	1,728	-
ROOFTOPS CANADA CONTRIBUTION	\$ -	\$ -

SCHEDULE "C"



**ROOFTOPS CANADA FOUNDATION INC./
 FOUNDATION ABRI INTERNATIONAL
 KENYA CHALLENGE FUND
 FOR THE YEAR ENDED MARCH 31, 2013**

REVENUE	2013	2012
Children and Violence Evaluation Challenge Fund	\$ <u>40,840</u>	\$ <u>-</u>
PROJECT EXPENSES		
Researchers / Assistants	\$ 26,615	\$ -
Training, meeting and other	10,246	-
Project management	<u>3,979</u>	<u>-</u>
	40,840	-
<hr/>		
ROOFTOPS CANADA CONTRIBUTION	\$ -	\$ -

SCHEDULE "D"

**ROOFTOPS CANADA FOUNDATION INC./
 FOUNDATION ABRI INTERNATIONAL
 FUNDRAISING AND DONATIONS
 FOR THE YEAR ENDED MARCH 31, 2013**

REVENUE	2013	2012
Co-operative Housing Federation of Canada (CHF Canada)	\$ 77,300	\$ 73,850
Canadian Housing and Renewal Association (CHRA)	2,284	2,010
Ontario Non-Profit Housing Association (ONPHA)	10,000	10,000
Housing groups and Individuals	143,354	79,017
Other	<u>2,835</u>	<u>1,369</u>
	<u>235,773</u>	<u>166,246</u>
EXPENSES	62,610	52,055
TRANSFER TO PROJECTS	<u>138,258</u>	<u>109,603</u>
	200,868	161,658
	<u>\$ 34,905</u>	<u>\$ 4,588</u>

SCHEDULE "E"