

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

FINANCIAL STATEMENTS

MARCH 31, 2015



Kanish & Partners^{LLP}
Chartered Accountants and Business Advisors

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
FINANCIAL STATEMENTS
MARCH 31, 2015**

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INDEPENDENT AUDITORS' REPORT

To the Members of
Rooftops Canada Foundation Inc. / Fondation 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, 2015, 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, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue from fundraising and donations, deficiency of revenue over expenses, and cash flow from operations for the year ended March 31, 2015, current assets and net assets as at April 1, 2014 and March 31, 2015.

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, 2015, 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.

Kanish & Partners LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Toronto, Canada
July 30, 2015

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
REVENUE		
Project income		
Partnership for Development Innovation Branch - Schedule "A" (note 3)	\$ 1,015,719	\$ 1,108,262
Other project income (note 6)	20,000	-
Kenya Challenge Fund - Schedule "B" (note 3)	<u>10,988</u>	<u>55,040</u>
	1,046,707	1,163,302
Fundraising and donations - Schedule "C"	198,965	190,926
Interest and other	<u>19,968</u>	<u>33,846</u>
	<u>1,265,640</u>	<u>1,388,074</u>
EXPENSES		
Project expenses		
Partnership for Development Innovation Branch - Schedule "A"	1,134,472	1,240,842
Other project expenses (note 6)	20,000	-
Kenya Challenge Fund - Schedule "B"	<u>10,988</u>	<u>55,040</u>
	<u>1,165,460</u>	<u>1,295,882</u>
Salaries, benefits and consultants	429,686	388,014
Fundraising expenses - Schedule "C"	136,112	77,562
Occupancy cost	45,234	42,726
Office and general	35,919	33,554
Directors' meeting expenses	11,651	10,601
Foreign exchange gain	(6,096)	(6,772)
Amortization	<u>1,016</u>	<u>1,016</u>
	653,522	546,701
Less: Project management and overhead allocation to projects	<u>(493,219)</u>	<u>(446,321)</u>
	<u>160,303</u>	<u>100,380</u>
	1,325,763	1,396,262
DEFICIENCY OF REVENUE OVER EXPENSES	\$(60,123)	\$(8,188)


**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015**

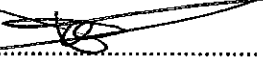
	2015	2014	
ASSETS			
Current			
Cash	\$ 435,359	\$ 651,364	
Grants and other receivables	15,341	33,616	
Prepaid expenses	3,006	624	
Loan receivable - current portion (note 4)	<u>38,930</u>	<u>66,127</u>	
	<u>492,636</u>	<u>751,731</u>	
Long-term			
Deposit (note 5)	111,576	97,237	
Loan receivable (note 4)	<u>-</u>	<u>38,930</u>	
	<u>111,576</u>	<u>136,167</u>	
Capital Assets			
	Cost	Accumulated Amortization	
Computer equipment	<u>\$ 4,064</u>	<u>\$ 3,347</u>	717
			1,733
			<u>\$ 604,929</u>
			<u>\$ 889,631</u>

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015**

LIABILITIES	2015	2014
Current		
Accounts payable and accrued liabilities	\$ 47,527	\$ 46,122
Deferred revenue (note 3)	<u>43,441</u>	<u>264,703</u>
	<u>90,968</u>	<u>310,825</u>
Long-term		
Grant payable (note 6)	259,132	263,854
Loan payable (note 8)	<u>83,786</u>	<u>83,786</u>
	<u>342,918</u>	<u>347,640</u>
	<u>433,886</u>	<u>658,465</u>
NET ASSETS		
Invested in capital assets	717	1,733
Restricted for gift and donations	100	100
Unrestricted	<u>170,226</u>	<u>229,333</u>
	<u>171,043</u>	<u>231,166</u>
	<u>\$ 604,929</u>	<u>\$ 889,631</u>

Approved on Behalf of the Board:

Director 

Director 

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2015**

	Invested in capital assets	Restricted	Unrestricted	2015	2014
BALANCE - beginning of year	\$ 1,733	\$ 100	\$ 229,333	\$ 231,166	\$ 239,354
Deficiency of revenue over expenses	-	-	(60,123)	(60,123)	(8,188)
Amortization	(1,016)	-	1,016	-	-
BALANCE - end of year	\$ 717	\$ 100	\$ 170,226	\$ 171,043	\$ 231,166

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$(60,123)	\$(8,188)
Item not requiring an outlay of cash:		
Amortization	1,016	1,016
Net changes in non-cash working capital:		
Grants and other receivables	18,275	24,735
Prepaid expenses	(2,382)	17,810
Deferred revenue	(221,262)	(120,705)
Grant payable	(4,722)	14,194
Accounts payable and accrued liabilities	<u>1,405</u>	<u>6,102</u>
	<u>(267,793)</u>	<u>(65,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit	(14,339)	(15,870)
Repayment of loan receivable	<u>66,127</u>	<u>65,429</u>
	<u>51,788</u>	<u>49,559</u>
DECREASE IN CASH	(216,005)	(15,477)
CASH - beginning of year	651,364	666,841
CASH - end of year	\$ 435,359	\$ 651,364

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

1. PURPOSE OF THE ORGANIZATION

Rooftops Canada Foundation Inc./Fondation Abri International (the "Organization") is incorporated under the Canada Not-for-profit Corporations Act as a not-for-profit organization and participates in international housing related programs in developing nations for low income families.

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

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following 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.

**ftROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Financial Instruments

The Organization measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

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

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

e) Impairment of Long-lived Assets

Long-lived assets are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable when it exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition. In such cases, an impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

f) 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 based on currently available information. Such estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amounts of revenue and expenses during the current period. Actual results could differ from the estimates and assumptions used. The significant estimates relate to the impairment of long-lived assets and determining the useful life of capital assets.

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

3. DEFERRED REVENUE

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

	Balance - beginning of the year	Funding received during the year	Amount recognized as revenue	Balance - end of the year
Department of Foreign Affairs, Trade and Development (DFATD)				
- Partnership for Development Innovation Branch	\$ 253,715	\$ 805,445	\$ 1,015,719	\$ 43,441
Children and Violence Evaluation Challenge Fund				
- Kenya Challenge Fund	<u>10,988</u>	<u>-</u>	<u>10,988</u>	<u>-</u>
	<u>\$ 264,703</u>	<u>\$ 805,445</u>	<u>\$ 1,026,707</u>	<u>\$ 43,441</u>

4. LOAN RECEIVABLE (note 8)

	2015	2014
Amount is due from the National Cooperative Housing Union Limited of Kenya (NACHU), bears interest at 1.00% per annum, compounded semi-annually, is repayable in approximate quarterly principal payments of \$16,200, and matures in October 2015.	\$ 38,930	\$ 105,057
Less: Current portion	<u>(38,930)</u>	<u>(66,127)</u>
	<u>\$ -</u>	<u>\$ 38,930</u>

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

5. DEPOSIT (note 6)

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 loans for housing programs to its members in Kenya.

6. GRANT PAYABLE

The grant payable represents funds received from the Department of Foreign Affairs, Trade and Development (DFATD) to partially finance both a direct loan to NACHU (note 4) and collateral funds for a credit facility to NACHU (note 5). The grant is repayable to the extent the advance to NACHU is collected by the organization and any income (loss) from the investment of the funds.

During the year, DFATD provisionally granted the Organization the rights to utilize the funds collected from NACHU on development activities that complement its existing programs and activities. Accordingly, the Organization allocated \$20,000 during the year to the NACHU Youth Green Enterprise Fund ("NYGEF"), an initiative to provide small loans to youth to establish green enterprises.

As the Organization has not decided the future use of the balance of the funds, the remaining grant is classified as a payable.

Changes in the grant payable balance are as follows:

Balance - beginning of the year	\$ 263,854
Add: Interest earned on deposit (net)	191
Add: Interest earned on NACHU Loan	746
Add: Foreign exchange impact on deposit	14,340
Less: funds allocated to NYGEF	<u>(20,000)</u>
Balance - end of the year	<u>\$ 259,131</u>

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

7. LINE OF CREDIT

The Organization has a line of credit facility with a Canadian banking institution for \$75,000, bearing interest at 7.75% per annum. As of March 31, 2015 and March 31, 2014, the Organization had not utilized this facility.

8. LOAN PAYABLE

The loan from the Co-operative Housing Federation of Canada ("CHF Canada") bears interest at 2.00% per annum, compounded semi-annually, and is repayable to the extent that the loan amount from NACHU and the bank security deposit is collected. CHF Canada has not requested the Organization make any repayments, until the DFATD grant becomes repayable. Interest paid on the loan in 2015 was \$1,760 (2014 - \$2,808).

9. CONTINGENT LIABILITY

The Organization is contingently liable for the amount of the deposit disclosed in note 5. 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.

10. 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.

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015**

10. FINANCIAL INSTRUMENTS - continued

(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 denominated in foreign currencies:

		2015	2014
Cash	USD (US Dollars)	36,369	39,300
Cash	ZAR (South African Rand)	9,338	9,338
Cash	KES (Kenyan Shillings)	92,971	399,835
Deposit	USD (US Dollars)	88,164	88,136

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

11. LEASE COMMITMENT

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

Year	Amount
2015-16	\$ 40,760
2016-17	<u>16,983</u>
	<u>\$ 57,743</u>

12. COMPARATIVE FIGURES

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

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
PARTNERSHIP FOR DEVELOPMENT INNOVATION BRANCH
SCHEDULE OF PROJECT OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
PROJECT REVENUE		
Department of Foreign Affairs, Trade and Development (DFATD)	\$ 1,015,719	\$ 1,108,262
Interest and other	<u>18,016</u>	<u>22,359</u>
	<u>1,033,735</u>	<u>1,130,621</u>
PROJECT EXPENSES		
Kenya	288,727	267,306
South Africa	218,823	204,946
Tanzania	143,668	272,739
Zimbabwe	26,930	55,933
Canada	89,271	46,694
Cameroon	-	5,000
Project management	257,965	269,179
Overhead	<u>109,087</u>	<u>119,045</u>
	1,134,471	1,240,842
ROOFTOPS CANADA CONTRIBUTION	\$ 100,736	\$ 110,221

SCHEDULE "A"

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
KENYA CHALLENGE FUND
SCHEDULE OF PROJECT OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
REVENUE		
Children and Violence Evaluation Challenge Fund	\$ 10,988	\$ 55,040
PROJECT EXPENSES		
Researchers / assistants	\$ 9,916	\$ 49,590
Training, meeting and other	9	5,450
Project management	1,063	-
	<u>10,988</u>	<u>55,040</u>
ROOFTOPS CANADA CONTRIBUTION	\$ -	\$ -

SCHEDULE "B"

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
FUNDRAISING AND DONATIONS
SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
REVENUE		
Co-operative Housing Federation of Canada (CHF Canada)	\$ 77,750	\$ 77,592
Canadian Housing and Renewal Association (CHRA)	2,414	2,342
Ontario Non-Profit Housing Association (ONPHA)	7,500	10,000
Housing groups and Individuals	107,955	98,829
Other	<u>3,346</u>	<u>2,163</u>
	<u>198,965</u>	<u>190,926</u>
EXPENSES		
Project management	77,332	38,710
Overhead	37,233	19,515
Other fundraising expenses	<u>21,547</u>	<u>19,337</u>
	<u>136,112</u>	<u>77,562</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE TRANSFERS	<u>62,853</u>	<u>113,364</u>
Transfer to Partnership for Development Innovation Branch project - Schedule "A"	<u>(100,736)</u>	<u>(110,221)</u>
(DEFICIENCY) / EXCESS OF REVENUE OVER EXPENSES AND TRANSFERS	\$(37,883)	\$ 3,143

SCHEDULE "C"

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
ANNEX: PARTNERSHIP FOR DEVELOPMENT INNOVATION BRANCH
ANALYSIS OF AUDITED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
INCOME		
Advances Received	\$ 805,445	\$ 1,042,597
Deferred revenue at the beginning of the year	\$ 253,715	\$ 319,380
Less: Deferred revenue at the end of the year	<u>43,441</u>	<u>253,715</u>
Variance on deferred revenue	<u>210,274</u>	<u>65,665</u>
Income from DFATD	<u>1,015,719</u>	<u>1,108,262</u>
INCOME FROM OTHER SOURCES		
Rooftops contribution	100,736	110,221
Interest and other income	<u>18,016</u>	<u>22,359</u>
	<u>118,752</u>	<u>132,580</u>
TOTAL INCOME	<u>1,134,471</u>	<u>1,240,842</u>
EXPENSES		
Remuneration - Rooftops	268,503	269,051
Personnel on long-term mission	80,091	27,325
Fees - subcontractors	112,820	137,646
Travel costs	189,895	268,182
Other training costs	32,264	42,891
Communication, mail and courier	774	1,613
Translation, printing and production	1,160	3,093
Meeting/conference costs	5,626	6,553
Seminars and workshops	49,262	23,887
Local partner program expense	284,989	339,256
Other	-	2,300
Overhead	<u>109,087</u>	<u>119,045</u>
	<u>1,134,471</u>	<u>1,240,842</u>
SURPLUS INCOME OVER EXPENSES	\$ -	\$ -

**ROOFTOPS CANADA FOUNDATION INC./
FONDATION ABRI INTERNATIONAL
ANNEX: PARTNERSHIP FOR DEVELOPMENT INNOVATION BRANCH
ANALYSIS OF AUDITED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015**

List of Advances Received

Date	Amount
Q1 - February 14, 2014 (received in prior fiscal year)	\$ 232,710
Q2 - June 13, 2014	\$ 268,539
Q3 - September 10, 2014	312,254
Q4 - November 21, 2014	<u>224,652</u>
	<u>\$ 805,445</u>

PURPOSE OF THE ANNEX

The Financial Compliance Unit of the Department of Foreign Affairs, Trade and Development (DFATD) introduced a new financial oversight mechanism, Analysis of Audited Statement of Operations of DFATD projects, in 2014 in response to an initiative of the Treasury Board of Canada Secretariat. The objective of the Treasury Board initiative is the reduction of administrative burdens on recipients in the management of grant and contribution programs. This analysis is a limited-scope examination of the financial information related to Schedule "A", Partnership for Development Innovation Branch.