

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

FINANCIAL STATEMENTS

MARCH 31, 2014

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
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MARCH 31, 2014**

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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, 2014, 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, 2014, current assets and net assets as at April 1, 2013 and March 31, 2014.

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, 2014, 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 25, 2014

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2014**

REVENUE	2014	2013
Project income		
Partnership for Development Innovation Branch - Schedule "A" (note 3)	\$ 1,108,262	\$ 983,489
Youth Internship Program - Schedule "B"	-	205,446
Tanzania FSDT Project - Schedule "C"	-	82,816
Kenya Challenge Fund - Schedule "D" (note 3)	<u>55,040</u>	<u>40,840</u>
	1,163,302	1,312,591
Fundraising and donations - Schedule "E"	190,926	235,773
Interest and other	<u>33,846</u>	<u>50,483</u>
	<u>1,388,074</u>	<u>1,598,847</u>
EXPENSES		
Project expenses		
Partnership for Development Innovation Branch - Schedule "A"	1,240,842	1,126,334
Youth Internship Program - Schedule "B"	-	245,224
Tanzania FSDT Project - Schedule "C"	-	81,088
Kenya Challenge Fund - Schedule "D"	<u>55,040</u>	<u>40,840</u>
	<u>1,295,882</u>	<u>1,493,486</u>
Salaries and benefits	388,014	443,336
Fundraising expenses - Schedule "E"	77,562	62,610
Occupancy cost	42,726	39,696
Office and general	33,554	36,746
Directors' meeting expenses	10,601	8,126
Foreign exchange gain	(6,772)	(2,381)
Amortization	<u>1,016</u>	<u>912</u>
	546,701	589,045
Less: Project management and overhead allocation to projects	<u>(446,321)</u>	<u>(495,468)</u>
	<u>100,380</u>	<u>93,577</u>
	1,396,262	1,587,063
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$(8,188)	\$ 11,784

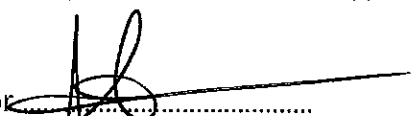
**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014**

	2014	2013	
ASSETS			
Current			
Cash	\$ 651,364	\$ 666,841	
Grants and other receivables	33,616	58,351	
Prepaid expenses	624	18,434	
Loan receivable - current portion (note 5)	<u>66,127</u>	<u>64,800</u>	
	<u>751,731</u>	<u>808,426</u>	
Long-term			
Deposit (note 6)	97,237	81,367	
Loan receivable (note 5)	<u>38,930</u>	<u>105,686</u>	
	<u>136,167</u>	<u>187,053</u>	
Capital Assets			
	Cost	Accumulated Amortization	
Computer equipment	<u>\$ 4,064</u>	<u>\$ 2,331</u>	1,733
			2,749
			<u>\$ 889,631</u>
			<u>\$ 998,228</u>

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014**

	2014	2013
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 46,122	\$ 40,020
Deferred revenue (note 3)	<u>264,703</u>	<u>385,408</u>
	<u>310,825</u>	<u>425,428</u>
Long-term		
Grant payable (note 7)	263,854	249,660
Loan payable (note 9)	<u>83,786</u>	<u>83,786</u>
	<u>347,640</u>	<u>333,446</u>
	<u>658,465</u>	<u>758,874</u>
NET ASSETS		
Invested in capital assets	1,733	2,749
Restricted for gift and donations	100	100
Unrestricted	<u>229,333</u>	<u>236,505</u>
	<u>231,166</u>	<u>239,354</u>
	<u>\$ 889,631</u>	<u>\$ 998,228</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, 2014**

	Invested in capital assets	Restricted	Unrestricted	2014	2013
BALANCE - beginning of year	\$ 2,749	\$ 100	\$ 236,505	\$ 239,354	\$ 227,570
Excess (deficiency) of revenue over expenses	-	-	(8,188)	(8,188)	11,784
Amortization	(1,016)	-	1,016	-	-
BALANCE - end of year	\$ 1,733	\$ 100	\$ 229,333	\$ 231,166	\$ 239,354

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$(8,188)	\$ 11,784
Item not requiring an outlay of cash:		
Amortization	1,016	912
Net changes in non-cash working capital:		
Grants and other receivables	24,735	(13,275)
Prepaid expenses	17,810	24,711
Deferred revenue	(120,705)	105,701
Grant payable	14,194	1,712
Accounts payable and accrued liabilities	<u>6,102</u>	<u>(20,792)</u>
	<u>(65,036)</u>	<u>110,753</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit	(15,870)	(1,322)
Loan receivable	65,429	64,810
Acquisition of capital assets	<u>-</u>	<u>(831)</u>
	<u>49,559</u>	<u>62,657</u>
INCREASE (DECREASE) IN CASH	(15,477)	173,410
CASH - beginning of year	666,841	493,431
CASH - end of year	\$ 651,364	\$ 666,841

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

1. PURPOSE OF THE ORGANIZATION

Rooftops Canada Foundation Inc./Foundation Abri International (the "Organization") is incorporated under the Canada 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 accounting standards for Not-for-Profit Organizations 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.

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

2. SIGNIFICANT ACCOUNTING POLICIES

(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.

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	\$ 319,380	\$ 1,042,597	\$ 1,108,262	\$ 253,715
Children and Violence Evaluation Challenge Fund				
- Kenyan Challenge Fund	<u>66,028</u>	<u>-</u>	<u>55,040</u>	<u>10,988</u>
	<u>\$ 385,408</u>	<u>\$ 1,042,597</u>	<u>\$ 1,163,302</u>	<u>\$ 264,703</u>

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

4. 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, 2015	\$ 40,608
March 31, 2016	40,608
March 31, 2017	<u>20,304</u>
	<u>\$ 101,520</u>

5. LOAN RECEIVABLE (note 9)

	2014	2013
Amount is due from the National Cooperative Housing Union Limited of Kenya (NACHU), bears interest at 1.00% per annum, compounded semi-annually, and is repayable in approximate quarterly principal payments of \$16,200, and matures in 2015.	\$ 105,057	\$ 170,486
Less: Current portion	<u>(66,127)</u>	<u>(64,800)</u>
	<u>\$ 38,930</u>	<u>\$ 105,686</u>

6. DEPOSIT (note 7)

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.

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

7. GRANT PAYABLE

Grant received from the Department of Foreign Affairs, Trade and Development (DFATD) is to partially finance both a direct loan to NACHU (note 5) and collateral funds for a credit facility to NACHU (note 6). 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. As the organization has not decided the future use of the funds, the grant is classified as a payable.

Changes in the grant payable balance are as follows:

Balance - beginning of the year	\$ 249,660
Add: Interest earned on deposit (net)	5,037
Add: Interest earned on NACHU Loan	1,404
Add: Foreign exchange impact on deposit	<u>7,753</u>
Balance - end of the year	<u>\$ 263,854</u>

8. 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, 2014 and March 31, 2013, the Organization had not utilized this facility.

9. LOAN PAYABLE

Loan from the CHF CANADA bears interest at 2.00% per annum, compounded semi-annually and is repayable to the extent, the loan amount from NACHU and the bank security deposit is collected. CHF CANADA has not requested the Organization make any repayments, until the DFTAD grant becomes repayable. Interest paid on the loan in 2014 was \$2,808 (2013 - \$1,676).

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

10. CONTINGENT LIABILITY

The Organization is contingently liable for the amount of the deposit disclosed in note 6. 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.

11. 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:

		2014	2013
Cash	USD	39,300	161,428
Cash	ZAR	9,338	34,857
Cash	KES	399,835	9,472
Deposit	USD	88,136	80,117

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

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014**

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
PARTNERSHIP FOR DEVELOPMENT INNOVATION BRANCH
FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
PROJECT REVENUE		
Department of Foreign Affairs, Trade and Development (DFATD)	\$ 1,108,262	\$ 983,489
Interest and other	<u>22,359</u>	<u>44,365</u>
	<u>1,130,621</u>	<u>1,027,854</u>
PROJECT EXPENSES		
Kenya	267,306	261,875
South Africa	272,739	170,632
Tanzania	204,946	125,374
Zimbabwe	55,933	99,039
Canada	81,571	67,597
Cameroon	5,000	46,647
Project management	234,302	248,806
Overhead	<u>119,045</u>	<u>106,364</u>
	1,240,842	1,126,334
ROOFTOPS CANADA CONTRIBUTION	\$ 110,221	\$ 98,480

SCHEDULE "A"

**ROOFTOPS CANADA FOUNDATION INC./
 FOUNDATION ABRI INTERNATIONAL
 YOUTH INTERNSHIP PROGRAM
 FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
PROJECT REVENUE		
Department of Foreign Affairs, Trade and Development (DFATD)	\$ -	\$ 205,446
PROJECT EXPENSES		
Travel, orientation and allowances	-	48,267
Project management	-	43,353
Overhead	-	19,807
Youth intern overseas allowances	-	133,797
	-	245,224
ROOFTOPS CANADA CONTRIBUTION	\$ -	\$ 39,778

SCHEDULE "B"

**ROOFTOPS CANADA FOUNDATION INC./
 FOUNDATION ABRI INTERNATIONAL
 TANZANIA - FSDT PROJECT
 FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
REVENUE		
WAT Human Settlements Trust	\$ -	\$ 82,816
PROJECT EXPENSES		
Travel, allowances, and other	\$ -	\$ 54,315
Program management	-	15,849
Overhead	-	10,924
	<u>-</u>	<u>81,088</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, 2014**

	2014	2013
REVENUE		
Children and Violence Evaluation Challenge Fund	\$ <u>55,040</u>	\$ <u>40,840</u>
PROJECT EXPENSES		
Researchers / Assistants	\$ 49,590	\$ 26,615
Training, meeting and other	5,450	10,246
Project management	<u>-</u>	<u>3,979</u>
	55,040	40,840
ROOFTOPS CANADA CONTRIBUTION	\$ -	\$ -

SCHEDULE "D"

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
FUNDRAISING AND DONATIONS
FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
REVENUE		
Co-operative Housing Federation of Canada (CHF Canada)	\$ 77,592	\$ 77,300
Canadian Housing and Renewal Association (CHRA)	2,342	2,284
Ontario Non-Profit Housing Association (ONPHA)	10,000	10,000
Housing groups and Individuals	98,829	143,354
Other	<u>2,163</u>	<u>2,835</u>
	<u>190,926</u>	<u>235,773</u>
EXPENSES	77,562	62,610
TRANSFER TO PROJECTS	<u>110,221</u>	<u>138,258</u>
	187,783	200,868
EXCESS OF REVENUE OVER EXPENSES AND TRANSFERS	\$ 3,143	\$ 34,905

SCHEDULE "E"

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
ANNEX: PARTNERSHIP FOR DEVELOPMENT INNOVATION BRANCH
FOR THE YEAR ENDED MARCH 31, 2014**

		2014
INCOME		
Advances Received		\$ 1,042,597
Deferred revenue at the beginning of the year	\$ 319,380	
Less: Deferred revenue at the end of the year	<u>253,715</u>	
Variance on Deferred revenue		<u>65,665</u>
Income from DFATD		<u>1,108,262</u>
INCOME FROM OTHER SOURCES		
Rooftops contribution	110,221	
Interest and other income	<u>22,359</u>	
		<u>132,580</u>
TOTAL INCOME		<u>1,240,842</u>
EXPENSES		
Remuneration - Rooftops		269,051
Fees - Subcontractors		164,971
Travel costs		268,182
Other training costs		42,891
Communication, mail and courier		1,613
Translation, printing and production		3,093
Meeting/Conference costs		6,553
Seminars and workshops		23,887
Local partner program expense		339,256
Other		2,300
Overhead		<u>119,045</u>
		1,240,842
SURPLUS INCOME OVER EXPENSES		\$ -

List of Advances Received

Date	Amount
June 18, 2013	\$ 306,829
September 4, 2013	294,028
November 27, 2013	209,029
February 18, 2014	<u>232,711</u>
	<u>\$ 1,042,597</u>

**ROOFTOPS CANADA FOUNDATION INC./
FOUNDATION ABRI INTERNATIONAL
ANNEX: PARTNERSHIP FOR DEVELOPMENT INNOVATION BRANCH
MARCH 31, 2014**

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 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.