

Financial Statements

**Rooftops Canada Foundation Inc. -
Fondation Abri International**

Toronto, Ontario

March 31, 2021

Contents

Independent Auditors' Report.....	3 - 5
Statement of Financial Position.....	6 - 7
Statement of Changes in Net Assets.....	8
Statement of Operations.....	9
Statement of Cash Flows.....	10
Notes to Financial Statements.....	11 - 17

Independent Auditors' Report

To the Members of Rooftops Canada Foundation Inc. - Fondation Abri International:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Rooftops Canada Foundation Inc. - Fondation Abri International, which comprise the statement of financial position as at March 31, 2021 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Rooftops Canada Foundation Inc. - Fondation Abri International as at March 31, 2021, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we are not able to determine whether any adjustments might be necessary to donations and fundraising revenue, surplus and cash flows from operations for the years ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020, and net assets as at March 31, 2021 and March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Rooftops Canada Foundation Inc. - Fondation Abri International in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Independent Auditors' Report - continued

In preparing the financial statements, management is responsible for assessing Rooftops Canada Foundation Inc. - Fondation Abri International's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Rooftops Canada Foundation Inc. - Fondation Abri International's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Rooftops Canada Foundation Inc. - Fondation Abri International's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report - continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Rooftops Canada Foundation Inc. - Fondation Abri International's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario
July 15, 2021



Chartered Professional Accountants, Licensed Public Accountants

Rooftops Canada Foundation Inc. - Fondation Abri International

March 31, 2021

Statement of Financial Position	2021	2020
Current Assets		
Cash	\$ 382,798	\$ 384,538
Accounts receivable		
Grants and other	30,479	29,131
HST	7,257	8,628
Due from Global Affairs Canada - Equal Spaces Project	0	91,689
Prepaid expenses	3,652	4,235
Total Current	424,186	518,221
Capital Assets, Note 3	1,497	725
	425,683	518,946

Approved by The Board

Director: Jamie Evers

Director: Paul Hastie

Rooftops Canada Foundation Inc. - Fondation Abri International

March 31, 2021

Statement of Financial Position	2021	2020
Current Liabilities		
Accounts payable and accrued liabilities	\$ 41,267	\$ 32,189
Payable to National Association of Social Housing Organization (NASHO)	0	11,349
Total Current	41,267	43,538
Grant Payable , Note 5	103,864	134,729
Loan Payable , Note 6	83,786	83,786
Total Liabilities	228,917	262,053
Net Assets , per statement		
Restricted for gift and donations	100	100
Unrestricted	196,666	256,793
	196,766	256,893
	425,683	518,946

The notes on pages 11 through 17 form an integral part of these financial statements.

Rooftops Canada Foundation Inc. - Fondation Abri International

Year ended March 31, 2021

Statement of Changes in Net Assets			2021	2020
	Restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 100	\$ 256,793	\$ 256,893	\$ 240,660
Add (deduct)				
Surplus (deficit)	0	(60,127)	(60,127)	16,233
<i>Balance End of Year</i>	100	196,666	196,766	256,893

Rooftops Canada Foundation Inc. - Fondation Abri International

Year ended March 31, 2021

Statement of Operations	2021	2020
Revenues		
Project income		
Global Affairs Canada - Equal Spaces Project, Note 10	\$ 35,881	\$ 487,967
Other project income	31,484	2,472
Operating interest	1,234	2,458
10% wage subsidy	3,572	0
Donations and fundraising, Note 11	144,327	142,752
Total Revenues	216,498	635,649
Expenses		
Project expenses		
Global Affairs Canada - Equal Spaces Project, Note 10	32,037	446,856
Other project expenses	31,484	2,472
Fundraising expenses, Note 11	16,603	16,295
Education in Canada	7,227	4,550
Salaries and benefits, Note 9	103,213	63,133
Occupancy cost	41,896	41,485
Office and general	34,348	39,190
Directors' meeting expenses	0	9,597
Foreign exchange loss (gain)	9,156	(4,673)
Amortization	661	511
Total Expenses	276,625	619,416
Surplus (Deficit)	(60,127)	16,233

Rooftops Canada Foundation Inc. - Fondation Abri International

Year ended March 31, 2021

Statement of Cash Flows	2021	2020
Operating Activities		
Surplus (deficit)	\$ (60,127)	\$ 16,233
Non-cash items		
Amortization	661	511
	(59,466)	16,744
Net change in non-cash working capital	90,024	(401,833)
<i>Cash Provided By (Used In) Operating Activities</i>	30,558	(385,089)
Investing Activities		
Capital expenditures	(1,433)	0
<i>Cash Used In Investing Activities</i>	(1,433)	0
Financing Activities		
Decrease in grant payable	(30,865)	(1,136)
<i>Cash Used In Financing Activities</i>	(30,865)	(1,136)
Net cash decrease during the year	(1,740)	(386,225)
Cash position beginning of year	384,538	770,763
<i>Cash Position End of Year</i>	382,798	384,538

Rooftops Canada Foundation Inc. - Fondation Abri International

March 31, 2021

Notes to Financial Statements

Status and Nature of Activities

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 charitable organization within the meaning of the Income Tax Act.

Note 1

Significant Accounting Policies

Basis of Accounting

The financial statements were prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations and include the following significant accounting policies:

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.

Investment income includes interest from cash. Interest is recognized on an accrual basis.

Donated Services

The Organization derives benefits from the services of volunteers. 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.

Computer Equipment

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

Financial Instruments

(a) Measurement of Financial Instruments

The Organization initially 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, accounts and advances receivable.

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

Note 1 Significant Accounting Policies - continued

(b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. A previously recognized impairment loss may be reversed to the extent of improvement. The amount of the reversal is recognized in operations.

(c) Transaction Costs

The Organization recognizes its transaction costs in income in the period incurred. However, the carrying amount of financial instruments that will not be subsequently measured at fair value reflect transaction costs that are directly attributable to their origination, issuance or assumption.

Use of Estimates

The preparation of financial statements requires management to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 2 Financial Instruments

Risk Management Policy

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2021:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Organization is subject to concentrations of credit risk through its cash accounts. The Organization maintains all of its cash at a single Canadian financial institution. There is some credit risk associated with cash balances in excess of \$100,000.

The Organization is also subject to concentrations of credit risk through its advances and accounts receivable. The Organization assesses on a continuous basis the amount of which ultimate collection is reasonably assured based on their estimated realizable value.

Rooftops Canada Foundation Inc. - Fondation Abri International

March 31, 2021

Note 2 Financial Instruments - continued

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized below:

(i) 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.

The Organization does not have any interest bearing investments.

For the loan payable to the Co-operative Housing Federation of Canada (CHF Canada), 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.

(ii) Foreign 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 Canadian equivalent amounts denominated in foreign currencies:

	Canadian Equivalent	Foreign Currency
Cash	\$ 71,719	U.S. Dollar
	893	Kenyan Shilling

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

Rooftops Canada Foundation Inc. - Fondation Abri International

March 31, 2021

Note 2 Financial Instruments - continued

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its grant payable and loan payable to CHF Canada. This risk is reduced because of considerable sums invested in operating current accounts.

Note 3 Capital Assets

At cost	2021	2020
Computer equipment	\$ 7,542	\$ 6,109
Accumulated amortization	(6,045)	(5,384)
	<u>1,497</u>	<u>725</u>

Note 4 Deferred Revenue

Deferred revenue represents funds for specific projects. Deferred revenue remaining at year-end:

	2021	2020
Deferred revenue, opening balance	\$ 0	\$ 341,626
Funding received	0	53,263
Amount recognized as revenue	0	(487,967)
Amount reallocated to grant receivable	0	91,689
Interest allocated to advance on funds	0	1,389
Deferred revenue, ending balance	<u>0</u>	<u>0</u>

The opening balance and all transactions since 2017 are related to the Global Affairs Canada - Equal Spaces Project.

Rooftops Canada Foundation Inc. - Fondation Abri International

March 31, 2021

Note 5 Grant Payable

This grant payable represents funds received from the Department of Foreign Affairs, Trade and Development (DFATD) that were used to finance a direct loan to National Co-operative Housing Union (NACHU) and to provide collateral for a credit facility to NACHU. These funds were collected in full by the Organization in April 2016. As a result of the collection of the funds, the grant is repayable.

DFATD has granted the Organization the right to utilize the grant funds on development activities that complement its existing programs and activities. Accordingly, the Organization allocated \$31,484 (2020 - \$2,472) during the year to spend on authorized program related expenses.

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

Changes in the grant payable are as follows:

	2021	2020
Balance beginning	\$ 134,729	\$ 135,865
Add: interest earned on deposit	619	1,336
Less: funds allocated to program related expenses	(31,484)	(2,472)
	<u>103,864</u>	<u>134,729</u>

Note 6 Loan Payable

This loan from CHF Canada bears interest at 2.00% per annum, compounded semi-annually, and is repayable since the loan amount from NACHU and the bank security deposit has been fully collected. CHF Canada has not requested the Organization to make any repayments. Interest paid on the loan was \$1,684 (2020 - \$1,684).

Note 7 Line of Credit

The Organization has a line of credit facility with a Canadian banking institution for \$75,000, bearing interest at 7.7% per annum. As of March 31, 2021 and March 30, 2020, the Organization had not utilized this facility.

Note 8 Lease Commitment

The Organization has entered into a sub-lease agreement which expires on August 31, 2021 with respect to leased premises. The minimum payments over the remainder of the sub-lease are as follows:

2022	\$	16,121
------	----	--------

Rooftops Canada Foundation Inc. - Fondation Abri International

March 31, 2021

Note 9 Salary and Benefits Allocation

	2021	2020
Global Affairs Canada - Equal Spaces Project	\$ 29,774	\$ 249,374
Other project expenses	25,747	0
Donations and fundraising	9,990	7,075
Education in Canada	5,057	3,166
Operating salary	103,213	63,133
	173,781	322,748

Note 10 Global Affairs Canada - Equal Spaces Project

	2021	2020
Project Revenue		
Global Affairs Canada (GAC)	\$ 35,881	\$ 487,967
Project Expenses		
Employees based in Canada	29,774	145,377
Canadian personnel on long term assignment overseas	0	77,963
Canadian or international subcontractors	0	15,600
Local subcontractors	0	37,995
Travel costs	0	94,863
Benefits and allowable expense for long term assignment overseas	0	48,943
Other training costs	2,263	25,234
Administration costs, direct	0	881
Total direct costs	32,037	446,856
Overhead allocation (12% of GAC eligible direct costs)	3,844	52,282
Total costs	35,881	499,138
Excess Revenue Over Expenses Before Transfers	0	(11,171)
Transfer from donations and fundraising	0	11,171
Excess Revenue Over Expenses and Transfers	0	0

Rooftops Canada Foundation Inc. - Fondation Abri International

March 31, 2021

Note 11 Donations and Fundraising - Operations

	2021	2020
Revenue		
CHF Canada	\$ 91,526	\$ 88,400
Canadian Housing and Renewal Association	3,000	3,000
Ontario Non-Profit Housing Association	2,000	5,000
Confédération québécoise des coopératives d'habitation	0	1,500
Homestarts	500	3,500
Housing groups and individuals	47,301	40,465
Other	0	887
	144,327	142,752
Expenses		
Project management	9,990	7,075
Other fundraising expenses	6,613	9,220
	16,603	16,295
Overhead allocation (50% of project management)	4,995	3,536
	21,598	19,831
Excess Revenue Over Expenses Before Transfers	122,729	122,921
Transfer to Education in Canada	(9,755)	(6,133)
Transfer to Global Affairs Canada - Equal Spaces Project	0	(11,171)
Excess Revenue Over Expenses and Transfers	112,974	105,617