Raising the Roof/Chez Toit

Financial Statements

June 30, 2016

Clarkson Rouble LLP
Chartered Professional Accountants

Independent Auditor's Report

To the Members of

Raising the Roof/Chez Toit

We have audited the accompanying financial statements of **Raising the Roof/Chez Toit**, which comprise the statement of financial position as at **June 30, 2016** 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

50th ANNIVERSARY 1965–2015

2576 Matheson Blvd. E., Suite 102, Mississauga, Ontario L4W 5H1 Tel: 905.629.4047 Fax: 905.629.3070
e-mail: office@crllp.ca www.crllp.ca

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization 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 organization's records. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended June 30, 2016 and 2015, current assets as at June 30, 2016 and 2015, and net assets as at July 1 and June 30 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended June 30, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donation revenue, referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at **June 30, 2016** and the results of its operations and the changes in its financial position for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Clarkson Rouble LLP

Mississauga, Ontario
September 29, 2016

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Raising the Roof/Chez Toit

Statement of Financial Position
As at June 30

	2016	2015
Assets		
Current		
Cash	$ 445,001	$ 499,788
Accounts receivable	9,626	916
Sales taxes receivable	19,010	11,546
Inventory	55,713	32,436
Prepaid expenses	3,218	3,218
	532,568	547,904
Equipment		
Computer and office equipment	14,591	14,591
Less: accumulated depreciation	14,591	13,895
	-	696
	$ 532,568	**$ 548,600**
Liabilities		
Current		
Accounts payable and accrued charges	$ 235,521	$ 233,739
Net Assets		
Unrestricted net assets	(2,953)	14,861
Continuation Fund (Note 2)	300,000	300,000
	297,047	314,861
	$ 532,568	**$ 548,600**

See accompanying notes to the financial statements

On behalf of the Board:

_______________ **Director** _______________ **Director**

Raising the Roof/Chez Toit

Statement of Changes in Net Assets
Year Ended June 30

	Unrestricted	Continuation Fund	2016 Total	2015 Total
Balance, beginning of year	$ 14,861	$ 300,000	$ 314,861	$ 325,289
Deficiency of revenue over expenses	(17,814)	-	(17,814)	(10,428)
Balance, end of year	**$ (2,953)**	**$ 300,000**	**$ 297,047**	**$ 314,861**

See accompanying notes to the financial statements

Raising the Roof/Chez Toit

Statement of Operations
Year Ended June 30

	2016	2015
Revenues		
Donations from foundations, corporations and individuals	$ 419,449	$ 397,616
Donations from toque campaign	458,613	455,481
Special events	101,259	67,604
Government funding	3,706	6,632
Interest and other	3,043	2,536
	986,070	929,869
National Program and Development expenses		
Grants to community groups	247,305	292,740
The Upstream project	185,511	56,716
Child & Family Homelessness Initiative program	138,706	202,254
Public education	95,638	55,435
Toque purchases	99,636	78,414
Venues, food and events	6,273	18,317
Marketing	10,018	6,066
Purchased services	4,085	1,647
Salaries and benefits (Note 3)	52,516	55,410
	839,688	766,999
Administrative expenses		
Rent	42,364	42,887
Office and general	42,590	34,137
Postage and courier	6,510	7,214
Insurance	3,644	3,537
Bank charges	5,676	5,281
Telephone	7,404	11,911
Printing	10,959	7,230
Board teleconferencing and meeting	4,135	5,013
Audit and bookkeeping	6,029	6,029
Salaries and benefits (Note 3)	34,189	49,363
Amortization	696	696
	164,196	173,298
Total expenses	1,003,884	940,297
Deficiency of revenue over expenses for the year	**$ (17,814)**	**$ (10,428)**

See accompanying notes to the financial statements

Raising the Roof/Chez Toit

Statement of Cash Flows
Year Ended June 30

	2016	2015
Operating activities		
Deficiency of revenue over expenses for the year	$ (17,814)	$ (10,428)
Items not requiring an outlay of cash		
Amortization	696	696
	(17,118)	(9,732)
Cash generated from (used for)		
Operating working capital		
Accounts receivable	(8,710)	-
Sales tax receivable	(7,464)	2,326
Inventory	(23,277)	4,850
Accounts payable	1,782	42,194
(Decrease) increase in cash	**(54,787)**	**39,638**
Cash, beginning of year	499,788	460,150
Cash, end of year	**$ 445,001**	**$ 499,788**

See accompanying notes to the financial statements

Raising the Roof/Chef Toit's mission is to provide national leadership on long-term solutions to homelessness through partnership and collaboration with diverse stakeholders, investment in local communities, and public education. The organization provides opportunities for corporations, organizations, governments and individuals to invest in local solutions for men, women and children who are homeless or at risk of being homeless. The organization achieves this goal by providing financial support to community based charities, by educating the general public about the issues of homelessness and the solutions, and by building partnerships so Canadians can work together on long-term solutions to homelessness.

1. Significant accounting policies

These financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations and include only the assets, liabilities, revenues and expenses relating to the organization. The significant accounting policies are summarized as follows:

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) Inventory

Inventory is valued at the lower of cost and replacement cost.

c) Equipment

Equipment is recorded at cost. Amortization of computer equipment is provided for on the straight line basis over its useful life estimated to be five years.

d) Donated services

The organization derives a significant benefit from volunteer services from its members. Since these services are not normally purchased by the organization and because it is not possible to determine their precise fair market value, the value of these services is not recognized in these financial statements. The organization also receives substantial in-kind donations from their media, web development, printing and creative development partners. The value of these donations is also not reflected in the financial statements.

1. Summary of significant accounting policies (continued)

e) Measurement of financial instruments

The College initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The College subsequently measures all its financial assets and liabilities at amortized cost, except for investments which are measured at fair value without adjustment for transaction costs that would be incurred on the disposal and changes in fair value are recognized in income in the period. Transaction costs associated with the acquisition of these investments is recognized in net income in the period incurred.

Financial assets measured at cost include cash and accounts receivable. Financial liabilities measured at cost include accounts payable, accrued liabilities and loan payable.

f) Impairment of long-lived assets

A long lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

g) Allocation of expenses

Raising the Roof engages in various programs such as The Upstream Project, Child & Family Homelessness Initiative and Public Education. The costs for these programs include the costs of personnel and other expenses that are directly related to providing the program. Raising the Roof also incurs payroll expenses that are common to the administration of the organization and each of its programs. The organization allocates certain of its payroll expenses on the basis of estimated time spent on each function. This basis is applied consistently each year.

1. Summary of significant accounting policies (continued)

g) Measurement uncertainty

The preparation of Raising the Roof's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures 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 those estimates. Significant estimates included in the financial statements relate to certain accrued liabilities and the estimated useful lives of capital assets.

2. Continuation Fund

The organization has designated an internally restricted fund to ensure that it could operate in case of unforeseen financial difficulties, emergencies or temporary cash flow needs. The funds can also be utilized for special projects or grants to community groups.

3. Salaries and benefits

The organization has paid salaries and benefits which are recorded in the programs on the statement of operations. These are the salaries and benefits portion of the program costs.

	2016	2015
The Upstream Project	$ 131,435	$ 56,155
Child & Family Homelessness Initiative program	74,500	189,651
Public Education	62,055	50,993
National Program	52,516	55,410
Administrative	34,189	49,363
	$ 354,695	**$ 401,572**

4. Income taxes

The organization is a registered charitable organization and as such is exempt from income tax.

5. Financial assets and liabilities

It is in management's opinion that the organization is not subject to any significant credit, interest or liquidity risks.