

FINANCIAL STATEMENTS
PROJECT ABRAHAM
AS AT DECEMBER 31, 2020

PROJECT ABRAHAM

DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Members of:

Project Abraham

We have audited the accompanying financial statements of **Project Abraham** (the Organization), which comprise the statement of financial position as at December 31, 2020 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the records of the Organization and we were unable to determine whether any adjustments for unrecorded revenue might be necessary to donations, statement of changes in net assets, operations and cash flows.

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 revenue as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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.

In preparing the financial statements, management is responsible for assessing **Project Abraham'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 **Project Abraham** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over seeing **Project Abraham's** financial reporting process.

Auditors' Responsibility

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 auditor's 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 **Project Abraham's** internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 **Project Abraham's** ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause **Project Abraham** 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Yale PGC LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
May 7, 2021

PROJECT ABRAHAM

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(With corresponding figures as at December 31, 2019)

	2020	2019
A S S E T S		
CURRENT		
Cash	\$ 85,204	\$ 10,752
Harmonized Sales Tax receivable	7,925	3,584
Funds held in trust (note 2)	-	23,370
Prepaid expenses	-	3,895
	<u>93,129</u>	<u>37,706</u>
PROPERTY AND EQUIPMENT (note 3)	<u>13,449</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 106,578</u>	<u>\$ 41,601</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Account payable and accrued liabilities	\$ 12,233	\$ 12,421
Payroll liabilities	4,997	-
Deferred contribution (note 4)	2,000	36,055
	<u>19,230</u>	<u>48,476</u>
NET ASSETS (DEFICIT)		
Net assets at the beginning of year	(6,875)	8,132
Income (loss) for the year	<u>94,223</u>	<u>(15,007)</u>
Balance, end of the year	<u>87,348</u>	<u>(6,875)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 106,578</u>	<u>\$ 41,601</u>

APPROVED BY THE DIRECTORS:

_____ Director

_____ Director

See accompanying notes

PROJECT ABRAHAM
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With corresponding figures as at December 31, 2019)

	2020	2019
REVENUE		
Donation received	\$ 89,914	\$ 20,756
Sponsorship income	-	11,685
Funding received	56,930	-
IRCC income (note 5)	252,315	-
Interest income	56	-
	<u>399,215</u>	<u>32,441</u>
EXPENSES		
Advertising and promotion	240	3,518
Insurance	2,202	2,325
Office and general	3,652	1,412
Bank charge and fees	614	263
Professional fee	4,016	3,537
Subcontractor (note 6)	20,325	21,870
Sponsor and Supports	13,364	14,523
IRCC expenses (note 5)	155,213	-
Payroll expenses	100,264	-
Amortization expense	5,102	-
	<u>304,992</u>	<u>47,448</u>
INCOME (LOSS) FOR THE YEAR	<u>\$ 94,223</u>	<u>\$ (15,007)</u>

See accompanying notes

PROJECT ABRAHAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With corresponding figures for the year ended December 31, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the year	\$ 94,223	\$ (15,007)
Items not affecting cash:		
Amortization of property, plant and equipment	5,102	-
Changes in non-cash working capital components:		
- HST receivable	(4,341)	(3,584)
- Contribution receivable	23,370	23,370
- Prepaid expenses and deposits	3,895	(3,895)
- Accounts payable and accrued liabilities	4,809	8,890
- Deferred contributions	1,000	1,000
- Deferred sponsorship income	(35,055)	(11,685)
	<u>93,003</u>	<u>(911)</u>
INVESTING ACTIVITIES		
Purchase of computer equipment	<u>(18,551)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	74,452	(911)
CASH AT BEGINNING OF THE YEAR	<u>10,752</u>	<u>11,663</u>
CASH AT END OF THE YEAR	<u>\$ 85,204</u>	<u>\$ 10,752</u>

See accompanying notes

PROJECT ABRAHAM
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

Project Abraham (formerly "Mozuud Resettlement and Support for Victims of Persecution Corporation") ("the Organization") is a non-for-profit organization without share capital that was incorporated on November 14, 2017 under the laws of Canada. The Organization operates in Toronto, Ontario to provide support and aid to victims of war, persecution, unfair discrimination, and natural disasters, including refugee claimants and their families. The Organization is registered as a charity organization by Canada Revenue Agency. The accompanying financial statements reflect the assets, liabilities and results of operations for the Organization. The Organization is exempt from income tax under the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit organizations ("ASFNPO") and include the following significant accounting policies:

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. When a restricted contribution had been received and a portion of it relates to a future period or is provided for a specific use, it is deferred as deferred contribution and recognized in the subsequent period or when the related expenses are incurred.

Unrestricted contributions are recognized when payment is received, donation is recognized as income when cash is received and donation receipts are issued.

Property and Equipment

Property and equipment are stated at cost. Amortization, unless stated otherwise, is provided on the declining balance basis at the following annual rates based on management's best estimate of their useful lives:

Computer equipment	-	55%
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Amortization on additions is provided at half the above rate.

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their 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.

Contributed services

The organization benefits greatly from donated services in the form of volunteer work for various activities. The value of donated services is not recognized in the financial statements because of the difficulty of measurement.

PROJECT ABRAHAM
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Use of estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates are accruals. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known. Actual results could differ from these estimates.

Financial Instruments

The Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, the carrying amount incorporates the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations immediately when issued or acquired.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indicators of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it immediately recognizes an impairment loss in the Statement of Operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Financial assets measured at cost include cash and loans receivable. Financial liabilities measured at cost include the accounts payable and accrued liabilities.

2. FUNDS HELD IN TRUST

In year 2018, the Organization set to raise funds for private sponsorship refugees by worked with the Office of Refugees Archdiocese of Toronto ("ORAT") who is acted as the Sponsorship Agreement Holder ("SAH"). All funds received from donors designated to the organization's sponsorship program were withhold by ORAT. Once the designated refugee family arrived Canada, the organization would request funds from ORAT on a quarterly basis, and then distribute the funds to the refugees family accordingly.

Total of \$46,740 was raised for the refugees sponsorship program in year 2018, and to be distributed equally within 12 months period to the designated refugees family once they arrived Canada.

PROJECT ABRAHAM
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

2. FUNDS HELD IN TRUST - continued

As the designated refugees family arrived Canada since October, 2019, the Organization had sent requisitions and received funds from ORAT; all funds held in trust by ORAT has been received by the organization as of December 31, 2020. The change in the sponsorship contribution balance withhold by ORAT are as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of year	\$ 23,370	\$ 46,740
Less: Amount received during the year	<u>(23,370)</u>	<u>(23,370)</u>
Balance at the end of year	<u>\$ -</u>	<u>\$ 23,370</u>

3. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2020</u>	<u>2019</u>
Computer equipment	<u>\$ 18,551</u>	<u>\$ 5,102</u>	<u>\$ 13,449</u>	<u>\$ -</u>

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent as contribution or funding received for which the related costs have not yet been incurred. It consists of the following:

	<u>2020</u>	<u>2019</u>
Refugees sponsorship contribution	\$ 2,000	\$ 1,000
Refugees sponsorship contribution in trust (by ORAT)	<u>-</u>	<u>35,055</u>
	<u>\$ 2,000</u>	<u>\$ 36,055</u>

5. IRCC INCOME

The Organization and the Minister of Immigration, Refugees and Citizenship ("IRCC") entered into a 3 year agreement from April 1, 2020 to March 31, 2023, and the IRCC is providing total funding of \$1,011,535 over 3 years to support the Yezidi Education Support (YES) project. The funding is recognized as income when payments are received, the organization have received \$252,315 during the 2020 fiscal year ending December 31, 2020. The IRCC expense are project related expenses incurred by the organization during the year.

6. RELATED PARTY TRANSACTION

During the year, the organization has paid fees for services in the amount of \$12,838.54 to the Executive director of the organization.

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7. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following summary describes the significant risks as at December 31, 2020

(a) Credit Risk

Credit risk is the risk that a borrower may not repay a loan and the lender will lose the principal and interest of the loan. The organization has determined that the primary financial asset with credit risk exposure would be HST receivable and funds held in trust, since failure of any of these parties to fulfil their obligations could result in financial losses for the organization, however, due to the nature of those items, the organization is subject to minimum credit risk.

(b) Liquidity Risk

The organization's liquidity risk represents the risk that the organization could encounter difficulty in meeting obligations associated with its financial liabilities. The organization is, therefore, exposed to liquidity risk with respect to its accounts payable. The organization meets its liquidity requirements by preparing and monitoring forecasts of cash flows from operations, anticipating the financing activities and holding assets that can be readily converted into cash, and having facilities available should it be required to meet temporary fluctuations in cash requirements.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Organization is not exposed to any market risk related to financial instruments.