

PROJECT ABRAHAM
FINANCIAL STATEMENTS
DECEMBER 31, 2023

PROJECT ABRAHAM

DECEMBER 31, 2023

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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, 2023 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, 2023 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 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 **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 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 **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.

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

Richmond Hill, Ontario
March 19, 2024

PROJECT ABRAHAM
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 130,872 | \$ 83,346 |
| Grants receivable | - | 39,666 |
| Harmonized Sales Tax receivable | <u>5,178</u> | <u>4,854</u> |
| | 136,050 | 127,866 |
| | | |
| PROPERTY AND EQUIPMENT (note 2) | <u>7,787</u> | <u>9,140</u> |
| | | |
| TOTAL ASSETS | <u>\$ 143,837</u> | <u>\$ 137,006</u> |

LIABILITIES AND NET ASSETS

| | | |
|---|-------------------|-------------------|
| CURRENT LIABILITIES | | |
| Account payable and accrued liabilities | \$ 25,405 | \$ 30,226 |
| Payroll liabilities | 1,241 | 1,241 |
| Deferred contributions (note 3) | <u>119,640</u> | <u>93,016</u> |
| | <u>146,286</u> | <u>124,483</u> |
| | | |
| NET ASSETS | | |
| Net assets at the beginning of year | 12,522 | 18,187 |
| Deficit of revenue over expenditures for the year | <u>(14,971)</u> | <u>(5,664)</u> |
| Balance, end of the year | <u>(2,449)</u> | <u>12,523</u> |
| | | |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 143,837</u> | <u>\$ 137,006</u> |

APPROVED BY THE DIRECTORS:

_____ Director

PROJECT ABRAHAM
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|---|--------------------|-------------------|
| REVENUE | | |
| Administrative income | \$ 69,279 | \$ 29,376 |
| Donations | 44,638 | 47,430 |
| Grants - IRCC contribution (note 4) | 402,701 | 422,908 |
| Grants - other | 16,980 | 33,188 |
| Sponsorships - Homework Club Program (note 5) | <u>193,320</u> | <u>139,133</u> |
| | <u>726,918</u> | <u>672,035</u> |
| EXPENSES | | |
| Advertising and promotion | 1,778 | 334 |
| Bank charge and fees | 837 | 705 |
| Insurance | 2,926 | 2,530 |
| IRCC expenses (note 4) | 402,701 | 422,908 |
| Office and general | 10,155 | 8,233 |
| Payroll expenses | 72,396 | 31,567 |
| Professional fee | 11,144 | 9,230 |
| Sponsor and Supports | 0 | 141 |
| Homework Club Program expenses | 186,214 | 146,188 |
| Subcontractors | 47,319 | 48,291 |
| Amortization expense | <u>6,419</u> | <u>7,572</u> |
| | <u>741,889</u> | <u>677,699</u> |
| DEFICIT OF REVENUE OVER EXPENDITURES | <u>\$ (14,971)</u> | <u>\$ (5,664)</u> |

See accompanying notes

PROJECT ABRAHAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|--|-------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Excess (deficit) of revenue over expenditures for the year | \$ (14,971) | \$ (5,664) |
| Items not affecting cash: | | |
| Amortization of property, plant and equipment | 6,419 | 7,572 |
| Changes in non-cash working capital components: | | |
| - HST receivable | (324) | 3,690 |
| - Contribution receivable | 39,666 | (38,266) |
| - Accounts payable and accrued liabilities | (4,822) | (9,505) |
| - Deferred contributions | 26,624 | (15,396) |
| | <u>52,592</u> | <u>(57,569)</u> |
| INVESTING ACTIVITIES | | |
| Purchase of computer equipment | <u>(5,066)</u> | <u>(5,888)</u> |
| INCREASE (DECREASE) IN CASH | 47,526 | (63,457) |
| CASH AT BEGINNING OF THE YEAR | <u>83,346</u> | <u>146,804</u> |
| CASH AT END OF THE YEAR | <u>\$ 130,872</u> | <u>\$ 83,347</u> |

See accompanying notes

PROJECT ABRAHAM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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 ("ASNPO") and include the following significant accounting policies:

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions in the form of grants and sponsorships are recognized as revenue in the year in which 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.

Donations are recognized as revenue when received or receivable and collection is reasonably assured.

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% |
|--------------------|---|-----|

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
DECEMBER 31, 2023

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. Financial liabilities measured at cost include the accounts payable and accrued liabilities and payroll liabilities.

2. PROPERTY AND EQUIPMENT

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | |
|--------------------|-------------|-------------------------------------|-----------------------|-------------|
| | | | <u>2023</u> | <u>2022</u> |
| Computer equipment | \$ 36,087 | \$ 28,300 | \$ 7,787 | \$ 9,140 |

3. 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>2023</u> | <u>2022</u> |
|-------------------------------------|-------------------|------------------|
| Restricted government contributions | \$ 71,611 | \$ - |
| Deferred other grants contributions | 48,029 | 93,016 |
| | <u>\$ 119,640</u> | <u>\$ 93,016</u> |

PROJECT ABRAHAM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. DEFERRED CONTRIBUTIONS - continued

- The Organization received total of \$497,684 restricted government funds from the Minister of Immigration, Refugees and Citizenship ("IRCC") during the year, \$56,897 out of the total amount was recognized as Administrative income according to the agreement and \$402,701 related expenses was incurred in the year, the remaining balance of \$38,086 was deferred to be used in the subsequent year;
- During the year, the Organization enter into agreement with Regional Municipality of York for Community Investment Fund Program. This agreement is for 12 months term commencing on November 15, 2023 and terminating on November 15, 2024. The Organization received the first installment funding \$38,218 near year end date, \$4,693 out of the total amount was recognized as Administrative income according to the agreement and the remaining balance of \$33,525 was deferred to be used in the subsequent year.
- For deferred other grants, the Organization has total of \$313,549 grants for various projects, \$19,148 was recognized as Administrative income and total of \$279,890 related expenses was incurring during the year, the remain balance of \$14,511 was deferred and to be used in subsequent year.

4. IRCC CONTRIBUTION

The Organization and the Minister of Immigration, Refugees and Citizenship ("IRCC") initially entered into a 5 year agreement from April 1, 2020 to March 31, 2025, and the IRCC is providing total funding of \$1,867,623 over 5 years to support the Yezidi Education Support ("YES") program. During the year, the agreement was amended, the funding was increased to total of \$2,020,660 over 5 years. The Organization received total of \$497,684 funds from IRCC during the year ended December 31, 2023 (2022 - \$401,308). The IRCC expenses are for project related expenses incurred by the Organization during the year, and as at December 31, 2023, \$402,701 related expenses was incurred in the year, the remaining balance of \$38,086 was deferred to be used in the subsequent year.

5. HOMEWORK CLUB PROGRAM

The Organization received grants or funding from various Community partners for the Homework Club program. The program is to tutor refugee children in area of reading and math, to bring them up to their appropriate grade level.

The Organization and the Toronto-Dominion Bank ("TD") entered into a 3 year agreement from September 1, 2021 to June 30, 2024, and the TD is providing total grant fund of \$185,535 over 3 years to support the Homework Club program. The Organization also received funding from both York Region District School Board (YRDSB) and York Catholic District School Board (YCDSB) during the year for the Homework Club program.

As at December 31, 2023, the Organization has total of \$219,732 grants for the Homework Club program, \$186,214 related expenses was incurred during the year, the remaining balance of \$33,518 was deferred and to be used in the subsequent year.

PROJECT ABRAHAM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following summary describes the significant risks as at December 31, 2023:

(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 Accounts receivable and HST receivable 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.