

MISHKA SOCIAL SERVICES

Financial Statements

December 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

INDEPENDENT AUDITOR'S REPORT

To the Board Members of Mishka Social Services

Opinion

We have audited the financial statements of Mishka Social Services (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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with 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 opinion.

Emphasis of Matter

In common with many similar organizations, the Organization derives revenues from fund-raising events and donations, 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.

Other Matter

The financial statements of the Organization for the year ended December 31, 2022 was reviewed by our firm.

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 ASNPO, 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 the organization'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.

(Continues)

Independent Auditor's Report to the Board Members of Mishka Social Services (*continued*)

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's 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 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 my 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 the organization'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 the organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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.



Abu-Farah Professional Corporation
Chartered Accountants
CPA CA LPA

Abufarah Professional Corporation

Chartered Professional Accountant, Licensed Public Accountant

Authorized to practice public accounting by the Institute of Chartered Professional Accountants of Ontario


Mississauga, Ontario

June 24, 2024

MISHKA SOCIAL SERVICES
Statement of Financial Position
As at December 31, 2023

	2023	2022
	\$	\$
Assets		
Current		
Cash (Note 4)	121,825	50,669
Total current assets	121,825	50,669
Total assets	121,825	50,669
Liabilities		
Current		
Federal taxes	1,981	2,215
Total current liabilities	1,981	2,215
Total liabilities	1,981	2,215
Net assets	119,844	48,454
	121,825	50,669

Approved on behalf of the Board of Directors


 _____ Director

MISHKA SOCIAL SERVICES
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2023

	2023 \$	2022 \$
Revenues		
Government grants and partnership projects <i>(Note 5)</i>	183,566	136,005
General unrestricted donations <i>(Note 5)</i>	68,982	9,885
Other income <i>(Note 5)</i>	8,182	-
	260,730	145,890
Expenses		
Food purchases	82,987	133,499
Salaries and wages	78,976	41,142
Bookkeeping services	4,758	3,043
Office	4,696	2,811
Legal fees	4,520	1,520
Insurance	3,728	1,322
Rent	2,250	-
Other expenses	5,649	1,455
Advertising	708	-
Utilities	687	782
Bank charges	381	131
Supplies	-	1,077
	189,340	186,782
Excess (deficiency) of revenue over expenses	71,390	(40,892)
Net assets, beginning of year	48,454	89,346
Net assets, end of year	119,844	48,454

MISHKA SOCIAL SERVICES
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
	\$	\$
<hr/>		
Cash provided by the following activities:		
Operating activities		
Excess (deficiency) of revenues over expenses	<u>71,390</u>	(40,892)
Changes in working capital accounts:		
Accounts payable	-	(3,000)
Federal taxes	<u>(234)</u>	2,215
	<u>(234)</u>	(785)
Increase (decrease) in cash flow	71,156	(41,677)
Cash - beginning of year	<u>50,669</u>	92,346
Cash - end of year	<u>121,825</u>	<u>50,669</u>

1. Incorporation and nature of the organization

Mishka Social Services. (The "Organization") was incorporated without share capital in the province of Ontario under the Canada Not-for-Profit Corporations Act, S 290 on November 18, 2015. The Organization was registered as a charity on February 24, 2021, and is qualified for tax exempt status under the Income Tax Act Section 149(1) (l). The Organization is administrated by elected board of directors. Its primary objective is to provide financial support to individuals and families in need in the community of Hamilton. It also provide counseling support to people who were affected by Covid-19.

2. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, 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 assured. Donations and other income are recognized on cash basis.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers several criteria in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

(Continues)

2. Summary of significant accounting policies (continued)

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known. Actual results could differ from these estimates.

3. Economic Dependence

The Organization is economically dependent upon the receipts of donations from the public and the grants from governmental and charitable organizations which mainly include City of Hamilton, Ministry of Employment and Social Development, and Hamilton Community Foundation. These financial statements are prepared in accordance with Canadian accounting standards for charitable organizations applicable to a going concern. The appropriateness of using the going concern assumption is dependent upon the receipts of donations and such grants.

4. Cash

	2023 \$	2022 \$
Current account	121,825	50,669
Total	121,825	50,669

5. The organization's fund

The Organization has one unrestricted fund. This fund receives donations from the public with no restrictions on the use of these donations. In addition, the organization operates other three restricted funds as follows:

1. Baraka box restricted fund

This fund was established by the board of directors to receive donations to support individuals and families who face financial difficulties. The fund support needy families mainly with food. The organization received Baraka box restricted fund from Hamilton Food Share, Islamic Relief Canada, and Muslim Association of Hamilton in the amount of \$115,000 (2022 - \$92,500)

2. Sanad restricted fund

This fund was established to provide counselling for the residents of Hamilton for all related Covid-19 issues. The fund provides social support to individuals and families through professional social workers and are used for staffing costs. The organization received Sanad restricted fund from Muslim Association of Hamilton (MAH) and Hamilton Community Foundation in the amount of \$53,400 (2022 - \$32,500).

3. Summer jobs restricted fund

This fund was established to provide support to young individuals through summer jobs with the organization. Hired young individuals perform several duties in the organization that support its charitable activities. The organization main provider for this fund is the Ministry of Employment and social Development. The Organization received donation from Ministry in the amount of \$Nil (2022 - \$11,005).

4. Seniors community grant

This fund was established in 2023 to provide computer literacy course, elderly abuse education for seniors and friendly visiting program. The organization received seniors' community grant from Ministry of Seniors and Accessibility in the amount of \$15,166.

5. Non-Restricted donations fund

The organization used this fund for all charitable activities. The main resource for this fund comes from general public donation. The organization received donations from the general public and in in- person fundraising events in the amount of \$77,164 (2022 - \$9,885)

6. The organization's fund chart

	Ending Balance 2022	Donations 2023	Contributions and Expenses 2023	Ending Balance 2023
	\$	\$	\$	\$
Unrestricted fund	22,542	77,164	(59,367)	40,339
Baraka box restricted fund	-	115,000	(92,298)	22,702
Sanad restricted fund	25,912	53,400	(25,047)	54,265
Summer jobs restricted fund	-	-	-	-
Seniors community grant	-	15,166	(12,628)	2,538
	<u>48,454</u>	<u>260,730</u>	<u>(189,340)</u>	<u>119,844</u>

7. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.