Mishka Social Services

Financial Statements

Year Ended December 31, 2025

(Audited)

Mishka Social Services
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Year Ended December 31, 2025

(Audited)

Salha CPA
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INDEPENDENT AUDITOR'S REPORT

To the Members of Mishka Social Services

Opinion

I have audited the financial statements of Mishka Social Services (the "organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenditures, 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 (the "financial statements").

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2025, 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 3, 2025.

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.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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.

I 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 I identify during my audit.

Salha CPA Professional Corporation

Mississauga, Ontario
August 6, 2026

Chartered Professional Accountant
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

Mishka Social Services

Statement of Financial Position

December 31, 2025

(Audited)

		2025		2024
ASSETS				
CURRENT				
Cash	**$**	**176,078**	$	166,120
Prepaid expenses		**-**		500
TOTAL ASSETS	**$**	**176,078**	$	166,620
LIABILITIES AND NET ASSETS				
CURRENT				
Wages payable	**$**	**7,196**	$	5,162
NET ASSETS				
Net assets *(Note 3)*		**168,884**		161,458
TOTAL LIABILITIES AND NET ASSETS	**$**	**176,080**	$	166,620

ON BEHALF OF THE BOARD

___________________________________ *Director*

___________________________________ *Director*

Mishka Social Services

Statement of Revenues and Expenditures

Year Ended December 31, 2025

(Audited)

	2025	2024
REVENUES		
Government grants and partnership projects *(Note 3)*	**$ 255,716**	$ 183,467
General unrestricted donations *(Note 3)*	**240,440**	160,661
Other income	**-**	660
	496,156	344,788
EXPENSES		
Salaries and wages	**256,762**	194,125
Food purchases	**134,245**	61,526
Events expenses	**46,278**	-
Professional fees	**21,261**	17,651
Rental	**11,818**	4,052
General and administrative expenses	**8,501**	10,885
Insurance	**4,132**	3,845
Memberships	**2,294**	629
Advertising and promotion	**1,645**	1,568
Utilities	**872**	717
Other expenses	**716**	8,051
Bank charges	**206**	125
	488,730	303,174
EXCESS OF REVENUES OVER EXPENSES	**$ 7,426**	$ 41,614

Mishka Social Services

Statement of Changes in Net Assets

Year Ended December 31, 2025

(Audited)

	2025	2024
NET ASSETS - BEGINNING OF YEAR	**$ 161,458**	$ 119,844
EXCESS OF REVENUES OVER EXPENSES	**7,426**	41,614
NET ASSETS - END OF YEAR	**$ 168,884**	$ 161,458

Mishka Social Services

Statement of Cash Flows

Year Ended December 31, 2025

(Audited)

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 7,426**	$ 41,614
Changes in non-cash working capital:		
Prepaid expenses	**500**	(500)
Wages payable	**2,034**	3,181
	2,534	2,681
INCREASE IN CASH FLOW	**9,960**	44,295
Cash - beginning of year	**166,120**	121,825
CASH - END OF YEAR	**$ 176,080**	$ 166,120
CASH CONSISTS OF:		
Cash	**$ 176,078**	$ 166,120

1. PURPOSE OF THE ORGANIZATION

Mishka Social Services (the "organization") is a not-for-profit organization of Province.As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization provides financial assistance to individuals and families in need within the Hamilton community. It also offers counseling and emotional support services to individuals who have been affected by COVID-19.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Revenue recognition

Mishka Social Services 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.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Financial instruments

Measurement of financial instruments

The company initially measures its financial assets and liabilities originated or exchanged in arm’s length transactions at fair value.The company subsequently measures all its financial assets and financial liabilities at cost or amortized cost unless otherwise noted.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm’s length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there are, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. 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 Muslim Hands, Hamilton FoodShare, Islamic Relief Canada, RBC Foundation, Humaniti Foundation (Humaniti), Maple Leaf Centre for Food Security and Muslim Association of Hamilton in the amount of $147,333 (2024 - $51,500).

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), United Way Halton & Hamilton, City of Hamilton, Traqair Family Foundation and Hamilton Community Foundation in the amount of $78,846 (2024 - $100,802).

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 did not receive any donation this year (2024 - $27,491).

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 did not receive this year any seniors' community grant from Ministry of Seniors and Accessibility (2024 - $3,674).

5. Respite restricted fund

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3. THE ORGANIZATION'S FUND *(continued)*

This fund was established in 2024 to provide services to adults and youth with developmental disabilities, their families, unpaid caregivers who need temporary relief from caregiving responsibilities. The organization received grant from Hamilton Community Foundation, SickKids Foundation and Canada Red Cross in the amount of $29,537 (2024- nil).

6. 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 $240,440 (2024 - $160,661).

4. THE ORGANIZATION'S FUND CHART

	Ending Balance 2024	Donations 2025	Contributions and Expenses 2025	**Ending Balance 2025**
Unrestricted fund	$ 94,017	$ 240,440	$ (182,086)	**$ 152,371**
Baraka box restricted fund	2,816	147,333	(150,149)	**-**
Sanad restricted fund	60,229	78,846	(139,075)	**-**
Summer jobs restricted fund	642	-	(642)	**-**
Respite restricted fund	-	29,537	(13,025)	**16,512**
Seniors community grant	3,754	-	(3,754)	**-**
	$ 161,458	$ 496,156	$ (488,731)	**$ 168,883**

5. 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 dependents upon the receipts of donations and such grants.

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is not exposed to credit risk as it maintains its cash at reputable banks and financial institutions.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is not exposed to this risk.

Unless otherwise noted, it is management’s opinion that the organization is not exposed to significant other price risks arising from these financial instruments.