

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Financial Statements
Year Ended December 31, 2023

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Index to Financial Statements
Year Ended December 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12

INDEPENDENT AUDITOR'S REPORT

To the Members of Hope 4 Humanity Islamic Charity operating as Third Pillar

Qualified Opinion

We have audited the financial statements of Hope 4 Humanity Islamic Charity, operating as Third Pillar, (the organization), which comprise the statement of financial position as at December 31, 2023, 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.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from 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 records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at December 31, 2023.

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 qualified audit opinion.

Other Matter

The financial statements for the year ended December 31, 2022 are neither audited nor reviewed. These financial statements are compiled by the management and are presented for comparison purposes only.

Emphasis of Matter - Comparative Information

We draw attention to Note 2 to the financial statements which describes that Hope 4 Humanity Islamic Charity, operating as Third Pillar, , adopted ASNPO on January 1, 2023 with a transition date of January 1, 2022. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2022 and January 1, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended December 31, 2022 and related disclosures. Our opinion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is unaudited.

(continues)

Independent Auditor's Report To the Members of Hope 4 Humanity Islamic Charity operating as Third Pillar *(continued)*

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.

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 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 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 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 the organization to cease to continue as a going concern.

(continues)



 mkureshi@mkacpa.ca
 905-738-4300
 905-738-0882
 www.mkacpa.ca

Independent Auditor's Report To the Members of Hope 4 Humanity Islamic Charity operating as Third Pillar (*continued*)

- 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.

Brampton, Ontario
June 24, 2024

MK & Associates Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Statement of Financial Position
December 31, 2023

	2023	2022 <i>(Unaudited)</i>
ASSETS		
CURRENT		
Cash (Note 5)	\$ 407,013	\$ 14,381
Accounts receivable, no allowance	27,706	-
HST rebate receivable	1,628	4,450
Inventory	1,585	-
	437,932	18,831
CAPITAL ASSETS (Note 6)	305	381
	\$ 438,237	\$ 19,212
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 7,599	\$ 4,508
Undistributed restricted funds (Note 7)	135,155	-
	142,754	4,508
NET ASSETS	295,483	14,704
	\$ 438,237	\$ 19,212

MEMORANDUM OF UNDERSTANDING (Note 8)

RELATED PARTY TRANSACTIONS (Note 9)

APPROVED BY THE DIRECTOR


 _____ Director

See notes to financial statements

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022 <i>(Unaudited)</i>
REVENUES		
Donations	\$ 808,866	\$ 63,711
Sale of goods	14,015	-
Other income	52	-
Government grant and subsidies	-	9,724
	822,933	73,435
EXPENSES		
Food and supplies - Turkiye	409,531	-
Food and supplies - local	46,447	60,332
Donations - registered charities	27,000	6,880
Office expenses <i>(Note 10)</i>	25,268	-
Food and supplies - Jamaica	20,265	-
Bank charges	9,087	955
Food and supplies - Palestine	480	-
Amortization of capital assets	76	95
Professional fees	4,000	-
	542,154	68,262
EXCESS OF REVENUES OVER EXPENSES	\$ 280,779	\$ 5,173

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Statement of Changes in Net Assets
Year Ended December 31, 2023

	2023	2022 <i>(Unaudited)</i>
NET ASSETS - BEGINNING OF YEAR	\$ 14,704	\$ 9,531
EXCESS OF REVENUES OVER EXPENSES	280,779	5,173
NET ASSETS - END OF YEAR	\$ 295,483	\$ 14,704

See notes to financial statements

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022 <i>(Unaudited)</i>
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 280,779	\$ 5,173
Item not affecting cash:		
Amortization of capital assets	76	95
	280,855	5,268
Changes in non-cash working capital:		
HST rebate receivable	2,822	(2,136)
Accounts receivable, net of allowances	(27,706)	-
Undistributed restricted funds	135,155	-
Accounts payable and accrued liabilities	3,091	4,078
Inventory	(1,585)	-
	111,777	1,942
INCREASE IN CASH FLOW	392,632	7,210
Cash - beginning of year	14,381	7,171
CASH - END OF YEAR	\$ 407,013	\$ 14,381
CASH CONSISTS OF:		
Cash	\$ 407,013	\$ 14,381

See notes to financial statements

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Notes to Financial Statements
Year Ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

Hope 4 Humanity Islamic Charity (the "organization") is a not-for-profit organization of Ontario incorporated on November 19, 2019. The organization is a registered charity effective March 31, 2021 and is exempt from the payment of income taxes under the Income Tax Act.

The organization operates to relieve poverty by providing food and other basic supplies to persons of low income, by supporting shelters for homeless, and by providing counselling and other similar programs to relieve poverty.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the organization adopted Canadian accounting standards for not-for-profit organizations (ASNPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNPO had no impact on net assets as at January 1, 2022 or revenues and expenditures or cash flows for the year ended December 31, 2022 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

3. 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) and include the following significant accounting policies.

Revenue recognition

Hope 4 Humanity Islamic Charity follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Government assistance received toward current expenses, including salaries and rent, is recognized as other income at the time the respective expenses are incurred, provided there is reasonable assurance that the Organization has complied and will continue to comply with all the conditions of the government assistance.

Because of the uncertainty surrounding the collectability of pledges, the Organization recognizes only those pledges for which amounts have been received at the date of completion of the financial statements.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted revenue includes numerous unrestricted contributions from individual donors and other organizations, sale of goods and other income.

Unrestricted contributions, revenue from fundraising activities, donations, membership fees and other income are recognized as revenue of the unrestricted fund in the year received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Other income is recognized as revenue when it is earned. Sale of good is recognized as revenue when the goods are transferred and the collection of funds is reasonably assured.

Grants

(continues)

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Notes to Financial Statements
Year Ended December 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Contributed services

The work of the Organization is dependent on the voluntary services of the members of the Organization. Since these services are not normally purchased by the Organization and due to the difficulty of determining the fair value, contributed services have not been recognized in these financial statements.

Cash and cash equivalents

The Organization's policy is to disclose cash and bank balances under cash and cash equivalents including bank overdraft with balances that fluctuate frequently from being positive to over drawn and temporary investments with a maturity period of three months or less from the date of acquisition.

Capital assets

Capital assets are accounted for at cost less accumulated depreciation and are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	20%	declining balance method
--------------------	-----	--------------------------

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use. All additions made during the year are amortized at 50% of the above rate.

Impairment of capital assets

The Organization reviews capital assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When indicators of impairment of the carrying value of the assets exist, and the carrying value is greater than the net recoverable value, an impairment loss is recognized to the extent that the fair value is below the carrying value. As at December 31, 2023, management have determined that the capital assets are not impaired.

Measurement uncertainty

The preparation of 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 and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are useful lives of capital assets, impairment of financial assets and accruals. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

(continues)

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Notes to Financial Statements
Year Ended December 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments policy

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate. It subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include other payables.

Impairment of financial instruments

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year, a number of donors donated some artifacts to the organization. These artifacts were auctioned by the organization for the total of \$21,863. This amount is recorded as the donation under statement of revenue and expenditure.

4. 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, 2023.

(a) Credit risk

Credit risk is the risk that a counter party will fail to perform its obligations. The Organization main credit risks relate to its cash and cash equivalents balances. The Organization manages the credit risk from its cash and cash equivalents balances by maintaining its accounts with credit worthy and highly reputable financial institutions and investing in short term low risk investment.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its other payables. The company manages liquidity risk by maintaining sufficient cash on hand to settle obligations as they arise.

(continues)

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Notes to Financial Statements
Year Ended December 31, 2023

4. FINANCIAL INSTRUMENTS (continued)

(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 comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is not exposed to any of these risks.

5. CASH AND CASH EQUIVALENTS

	2023	2022
Bank account - main	\$ 402,511	\$ 14,381
Bank account - savings	4,502	-
	\$ 407,013	\$ 14,381

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 529	\$ 224	\$ 305	\$ 381

7. UNDISTRIBUTED RESTRICTED FUNDS

	2023	2022
Funds received during the year	\$ 305,232	\$ -
Less: Funds distributed during the year	(170,077)	-
Balance at the end of the year	\$ 135,155	\$ -

8. MEMORANDUM OF UNDERSTANDING

A memorandum of understanding is signed between Islamic Relief Canada (IRC) and the organization for the management and execution of Third Pillar Thorncliffe Park Food & Clothing Bank in Thorncliffe Park, Toronto. IRC has agreed to provide co-funding of \$25,000 for the project and review and approve any requested adjustments to the program. Subsequent to balance sheet date \$12,500 has been received by the organization. No donation is recorded related to this under statement of revenue and expenditure.

HOPE 4 HUMANITY ISLAMIC CHARITY
(Operating as Third Pillar)
Notes to Financial Statements
Year Ended December 31, 2023

9. RELATED PARTY TRANSACTIONS

Transactions are considered to be related party transactions if management has the ability to exercise significant influence through its ownership and presence of the board of directors. Due from related parties represent balances due from members.

The following have been identified as parties related to the Organization:

- Members of Executive Council (equivalent to Board of Directors) and immediate family members; and
- Members of management

There have been no transactions with related parties during the years ended December 31, 2023 and 2022.

10. OFFICE EXPENSES

The office expenses mainly include the costs of travel to different locations for distribution of foods and supplies.

11. COMPARATIVE FIGURES

The comparative figures have been reclassified wherever necessary for presentation purposes.
