

SAKEENAH HOMES
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Sakeenah Homes

Qualified Opinion

We have audited the financial statements of Sakeenah Homes, which comprise the statement of financial position as at December 31, 2021, and the statements of operations and 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 effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Sakeenah Homes as at December 31, 2021 and the results of its operations and its 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 donations and 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 donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021, current assets as at December 31, 2021, and net assets as at January 1 and December 31 for both the 2021 and 2020 years.

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 the 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 opinion.

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 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 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.
- ◆ 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.

Woodbridge, Ontario
September 14, 2022

AGT Partners LLP

AGT Partners LLP
Licensed Public Accountants

SAKEENAH HOMES

Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
Current		
Cash	\$ 1,769,281	\$ 1,090,140
Donations receivable	10,754	5,104
Prepaid expenses	21,585	25,397
Government remittances receivable	19,121	-
	1,820,741	1,120,641
Furniture and equipment (Note 4)	10,684	8,407
	\$ 1,831,425	\$ 1,129,048
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 26,229	\$ 24,376
Deferred grant (Note 5)	285,501	108,557
Deferred contributions (Note 6)	551,613	518,237
	863,343	651,170
Deferred revenue related to capital assets (Note 7)	3,990	5,898
	867,333	657,068
NET ASSETS		
General Fund	964,092	471,980
	\$ 1,831,425	\$ 1,129,048

ON BEHALF OF THE BOARD

Rabia Dii

Director

Salwan Khalid

Director

SAKEENAH HOMES

Statement of Operations and Net Assets
Year ended December 31, 2021

	2021	2020
Revenues		
Donations - unrestricted funds	\$ 726,445	\$ 264,622
Private grants	290,631	300,078
Donations - restricted funds	322,400	184,384
	1,339,476	749,084
Expenditures		
Advertising and promotion	21,263	7,441
Amortization	1,417	358
Amortization of deferred charges	1,908	1,343
Repairs and maintenance	6,306	3,520
Insurance	4,840	2,304
Interest and bank charges	6,043	7,252
Management fees	77,009	51,313
Program and event costs	-	1,212
Restricted funds distributed (Note 8)	618,856	188,528
Office and general	8,217	2,286
Office salaries	13,801	10,064
Professional fees	19,407	11,312
Office rent	51,971	23,963
Subcontract	7,945	18,065
Subscriptions, permits and licenses	4,053	-
Telephone and internet	2,093	622
Travel and automotive	1,449	2,633
Utilities	786	-
	847,364	332,216
Excess revenues for the year	492,112	416,868
Net Assets - beginning of year	471,980	55,112
Net Assets - end of year	\$ 964,092	\$ 471,980

(The accompanying notes are an integral part of these financial statements)

SAKEENAH HOMES

Statement of Cash Flows

December 31, 2021

	2021	2020
Cash flows from operating activities		
Excess revenues	\$ 492,112	\$ 416,868
Adjustments for		
Amortization	1,417	358
Amortization of deferred charges	1,908	1,343
Restricted contributions	(1,908)	(1,343)
	493,529	417,226
Change in non-cash working capital items		
Donations receivable	(5,650)	(5,104)
Prepaid expenses	3,812	(21,075)
Government remittances receivable	(19,121)	-
Accounts payable and accrued liabilities	1,853	4,045
Deferred grant	176,944	108,557
Deferred contributions	33,376	288,745
Net Cash provided by operating activities	684,743	792,394
Cash flows from investing activity		
Purchase of furniture and equipment	(5,602)	(7,383)
Cash flows from financing activity		
Deferred revenue related to capital assets	-	4,515
Increase in cash	679,141	789,526
Cash - beginning of year	1,090,140	300,614
Cash - end of year	\$ 1,769,281	\$ 1,090,140

(The accompanying notes are an integral part of these financial statements)

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SAKEENAH HOMES

Notes to the Financial Statements
December 31, 2021

1. Nature of Operations

Sakeenah Homes was incorporated under the Business Corporations Act of Canada without share capital on January 9, 2018. The Organization's purpose is to assist those affected by spousal abuse through counselling and treatment programs. It also provides affordable and secure housing for women who have been emotionally, and physically abused and their children.

Sakeenah Homes is a registered Canadian Charitable Organization under the Income Tax Act and exempt from income taxes. Sakeenah Homes obtained its charitable status on January 1, 2019.

2. Summary Of Significant Accounting Policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

(a) *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 estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of furniture and equipment that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired furniture and equipment. Externally restricted contributions for the purchase of furniture and equipment that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Grants revenue are accounted for using the deferral method. They are accrued when reasonable assurance exists regarding the amount to be received. Based upon the nature of the grants they are accounted for as revenue or capital.

Fundraising revenue is recognized when the events are complete and when cash is received.

(b) *Contributed services*

Directors and volunteers contribute a significant amount of time each year in carrying out the Organization's activities, however, the value of volunteer time is not recognized in these financial statements as fair market value cannot be reasonably determined.

SAKEENAH HOMES

Notes to the Financial Statements
December 31, 2021

2. Summary Of Significant Accounting Policies, continued

(c) *Furniture and equipment*

Furniture and equipment are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the furniture and equipment over their estimated useful lives. The annual amortization rate is as follows:

Furniture and equipment	4 years
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(d) *Financial instruments*

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost includes cash. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

(e) *Financial asset impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write-down reflects the difference between the carrying amount and the higher of:

- i) The present value of the future cash flows expected to be generated by the asset or group of assets, discounted using a current market rate of interest;
- ii) The amount that could be realized by selling the asset or group of assets;
- iii) The net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

(f) *Accounting estimates*

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

SAKEENAH HOMES

Notes to the Financial Statements
December 31, 2021

2. Summary Of Significant Accounting Policies, continued

(g) Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Organization are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

3. Restricted Cash

Cash consists of restricted and unrestricted cash collected on an ongoing basis. Restricted funds received for specified expenditures which have not been fully incurred. These funds are not used for general operations other than certain defined directly related expenses as mandated by the Board.

4. Furniture and Equipment

	2021		2020	
	Cost	Accumulated amortization	Net	Net
Furniture and equipment	\$ 14,325	\$ 3,641	\$ 10,684	\$ 8,407

5. Deferred Grant

	Balance, beginning of year	Received	Recognized	Balance, end of year
Community Foundations of Canada	\$ 108,557	\$ -	\$ (108,557)	\$ -
Women's Shelters Canada	-	400,000	(114,499)	285,501
YWCA Canada	-	31,500	(31,500)	-
Region of Peel	-	36,075	(36,075)	-
	\$ 108,557	\$ 467,575	\$ (290,631)	\$ 285,501

SAKEENAH HOMES

Notes to the Financial Statements
December 31, 2021

6. Deferred Contributions

	Balance, beginning of year	Received	Recognized	Balance, end of year
Zakat Fund	\$ 490,690	\$ 353,868	\$ (320,492)	\$ 524,066
Youth Project	27,547	-	-	27,547
	\$ 518,237	\$ 353,868	\$ (320,492)	\$ 551,613

7. Deferred Revenue Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized amount of donations received and used for the purchase of capital assets. The changes in the deferred contributions balance for the year are as follows:

	Balance, beginning of year	Recognized	Balance, end of year
Deferred Capital Contributions	\$ 5,898	\$ (1,908)	\$ 3,990
	\$ 5,898	\$ (1,908)	\$ 3,990

8. Restricted Funds Expenditure

The Organization received restricted donations and grants which are used for operating the facilities related to the women and children the Organization helps. The following is the breakdown of these restricted funds disbursed during the year.

	2021	2020
Salaries and wages	\$ 359,321	\$ -
Rent	153,800	67,542
Food and household supplies	33,088	9,525
Utilities	17,351	5,515
Repairs and maintenance	17,081	5,120
Subcontract	15,349	86,209
Travel	5,693	1,447
Telephone and internet	4,321	2,021
Advertising and promotion	3,726	-
Insurance	1,393	1,054
Merchant fees	7,733	4,608
	\$ 618,856	\$ 183,041

SAKEENAH HOMES

Notes to the Financial Statements
December 31, 2021

9. Lease Commitments

The Organization's total commitments, under various lease agreements for rental properties are as follows:

2022	\$ 153,134
2023	90,647
2024	35,200
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	\$ 278,981
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