

Nisa Foundation
Financial Statements
December 31, 2024

Nisa Foundation

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For the year ended December 31, 2024

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To the Members of Nisa Foundation:

Qualified Opinion

We have audited the financial statements of Nisa Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, 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 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 Foundation as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2024; current assets and net assets as at December 31, 2024.

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 Foundation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

Mississauga, Ontario

June 27, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Nisa Foundation
Statement of Financial Position
As at December 31, 2024

	2024	2023
Assets		
Current		
Cash resources	1,202,182	763,571
Accounts receivable (<i>Note 3</i>)	161,502	27,333
Prepaid expenses and deposits	102,555	24,643
	1,466,239	815,547
Liabilities		
Current		
Accounts payable and accrued liabilities	125,244	197,391
Deferred contributions (<i>Note 4</i>)	948,691	126,181
	1,073,935	323,572
Net Assets	392,304	491,975
	1,466,239	815,547

Approved on behalf of the Board

e-Signed by Faaria Khan
 2025-06-27 13:52:31:31 MDT
 Director

e-Signed by Sameer Ansary
 2025-06-27 23:23:01:01 MDT
 Director

Nisa Foundation
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2024

	2024	2023
Revenue (Schedule 1)	6,072,983	1,479,763
Expenses		
Programs (Schedule 2)	4,937,377	1,007,553
Fundraising (Schedule 3)	884,614	183,189
Administration (Schedule 3)	138,703	49,399
Donations	211,960	-
	6,172,654	1,240,141
(Deficiency) excess of revenue over expenses	(99,671)	239,622
Net assets, beginning of year	491,975	252,353
Net assets, end of year	392,304	491,975

Nisa Foundation
Statement of Cash Flows
For the year ended December 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
(Deficiency) excess of revenue over expenses	(99,671)	239,622
Changes in working capital accounts		
Accounts receivable	(134,170)	80,492
Prepaid expenses and deposits	(77,912)	(20,704)
Accounts payable and accrued liabilities	(72,146)	169,056
Deferred contributions	822,510	(14,043)
	438,611	454,423
Financing		
Loan repayment	-	(40,000)
Increase in cash	438,611	414,423
Cash resources, beginning of year	763,571	349,148
Cash resources, end of year	1,202,182	763,571

Nisa Foundation
Notes to the Financial Statements
For the year ended December 31, 2024

1. Incorporation and nature of the organization

Nisa Foundation (the "Foundation") was incorporated on August 15, 2017 under the Province of British Columbia as a corporation without share capital. On January 24, 2019, the Foundation was registered as a charity by the Canada Revenue Agency (CRA) and, as such, is not subject to income tax.

The Foundation's mission is to transform communities by engaging, equipping, and enriching the lives of women and children, enabling them to realize their full potential.

2. Significant accounting policies

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 Foundation follows the deferral method of accounting for contributions which includes grants and donations. 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.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased.

In some cases, the Foundation receives services provided by volunteers. Due to the difficulty in determining a fair value for these services, the contributions are not recognized in the financial statements.

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation 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 (Deficiency) excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Nisa Foundation
Notes to the Financial Statements
For the year ended December 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; and no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation 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 Foundation 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 (Deficiency) excess of revenue over expenses.

The Foundation 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 (Deficiency) excess of revenue over expenses in the year the reversal occurs.

Cash resources

Cash resources consist of funds deposited with financial institutions and held with payment processing services. These funds are accessible on demand.

Allocation of expenses

In some cases traditional support functions contribute to the direct delivery of programs. In these cases costs are allocated to the programs based on the estimated staff time spent.

The most appropriate basis for allocating general support expenses to programs is identified and applied consistently each year. General support expenses are allocated on the following bases:

<u>Expenses</u>	<u>Method</u>
Finance, human resources and information technology	Based on the estimated staff time supporting each function

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known

3. Accounts receivable

	2024	2023
Sales taxes recoverable	82,252	16,699
Grants receivable	78,668	-
Accounts receivable	582	10,634
	<hr/>	<hr/>
	161,502	27,333
	<hr/>	<hr/>

Nisa Foundation
Notes to the Financial Statements
For the year ended December 31, 2024

4. Deferred contributions

Deferred contributions consist of unspent grant contributions externally restricted for Nisa programs and Helpline or expenditures that are to be provided in future years. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2024	2023
Balance, beginning of year	126,181	140,224
Amount received during the year	2,041,192	269,764
Amount receivable at year end	78,668	-
Less: Amount recognized as revenue during the year	<u>(1,297,350)</u>	<u>(283,807)</u>
	948,691	126,181

5. Allocation of expenses

The costs incurred by support departments are allocated to the Organization's charitable functions when they are deemed to contribute to delivery of programs. The nature of the costs include staff, supplies, financial processing and other general costs. The administrative costs attributed to NISA Homes and Nisa Helpline are as follows:

	2024	2023
Wages and contractors	193,052	68,516
Other costs	352,257	62,859
	545,309	131,375

6. Commitments

The Foundation has entered into various lease agreements for Nisa Homes location with estimated minimum annual payments as follows:

2025	121,200
2026	47,050
2027	18,300
2028	18,900
2029	19,500
Thereafter,	<u>20,100</u>
	245,050

7. Nisa Homes

On June 30, 2023, the Foundation and National Zakat Foundation ("NZF") signed a Memorandum of Understanding ("MOU") regarding the transfer of the Nisa homes project (the "Project"), along with its assets, liabilities, and related resources. The transition period for this transfer was from January 1, 2023, to September 1, 2024. NZF supported the Foundation in managing project operations during the transition. As of December 31, 2024, the Foundation has operational responsibilities for all homes.

Nisa Foundation
Notes to the Financial Statements
For the year ended December 31, 2024

8. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and deferred contributions.

The Foundation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Foundation monitors and reviews current and future working capital requirements to manage its financial assets in order to settle financial liabilities. As at December 31, 2024, the Foundation had current assets of \$1,466,239 (2023- \$815,547) to settle current liabilities of \$1,073,935 (2023- \$323,572)

9. Comparative figures

Certain comparative figures within the supporting schedules have been reclassified to conform with current year presentation.

Nisa Foundation
Schedule 1 - Schedule of Revenue
For the year ended December 31, 2024

	2024	2023
Nisa Foundation		
Zakat	1,230,381	51
Sadaqah	801,237	18,601
Grants	1,297,350	-
Other income	129,586	3,663
	3,458,554	22,315
Nisa Homes		
Zakat revenue	1,694,118	138,172
Sadaqah	727,391	750,000
In-Kind donations	35,981	-
	2,457,490	888,172
Nisa Helpline		
Zakat	32,621	2,425
Sadaqah	120,248	283,044
Grants	-	283,807
	152,869	569,276
Nisa Learning		
Sadaqah	4,070	-
Total revenue	6,072,983	1,479,763

Nisa Foundation
Schedule 2 - Schedule of Program Expenses
For the year ended December 31, 2024

	2024	2023
Programs		
Nisa homes	4,266,962	454,748
Nisa helpline	526,654	552,805
Nisa learning	143,761	-
	4,937,377	1,007,553

Nisa Foundation
Schedule 3 - Schedule of Administration and Fundraising Costs
For the year ended December 31, 2024

	2024	2023
Fundraising		
Fund development	673,461	147,311
Campaigns	116,227	31,100
Transaction costs	94,926	4,778
	884,614	183,189
Administration		
Support services cost	98,042	48,504
Legal & professional fees	27,176	-
Bank charges	13,485	895
	138,703	49,399