

MOEZ & MARISSA KASSAM FOUNDATION

Financial Statements
July 31, 2024

MOEZ & MARISSA KASSAM FOUNDATION

Financial Statements
For the year ended July 31, 2024

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Independent Auditors' Report

To the Directors of Moez & Marissa Kassam Foundation

Qualified Opinion

We have audited the financial statements of **Moez & Marissa Kassam Foundation** (the "Foundation"), which comprise the statement of financial position as at July 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.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at July 31, 2024 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.

Basis for Qualified Opinion

Moez & Marissa Kassam Foundation, in common with many not-for-profit organizations, derives revenue from charitable donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues was limited to the amounts recorded in the records of Moez & Marissa Kassam Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets, and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Toronto, Canada
September 30, 2024

Fruitman Kates LLP
Chartered Professional Accountants
Licensed Public Accountants

MOEZ & MARISSA KASSAM FOUNDATION

Statement of Financial Position As at July 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 885,721	\$ 1,558,992
Investments (note 2)	66,785,987	37,338,269
	\$ 67,671,708	\$ 38,897,261
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 24,501	\$ 32,762
Net assets	67,647,207	38,864,499
	\$ 67,671,708	\$ 38,897,261

Approved on behalf of the board

MOEZ & MARISSA KASSAM FOUNDATION

Statement of Operations For the year ended July 31, 2024

	2024	2023
Revenue		
Donations	\$ 12,576,310	\$ 7,020,801
Expenditures		
Charitable contributions	2,563,497	1,584,200
Professional fees	29,573	30,341
Advertising and promotion	3,800	-
Office and administration	202	356
	2,597,072	1,614,897
Excess of revenue over expenditures before the following items	9,979,238	5,405,904
Unrealized gain on investments	18,765,567	5,852,708
Investment income	37,131	4,830
Gain (loss) on foreign exchange	772	(452)
	18,803,470	5,857,086
Excess of revenue over expenditures	\$ 28,782,708	\$ 11,262,990

MOEZ & MARISSA KASSAM FOUNDATION

Statement of Changes in Net Assets For the year ended July 31, 2024

	2024	2023
Balance, beginning of year	\$ 38,864,499	\$ 27,601,509
Excess of revenue over expenditures	28,782,708	11,262,990
Balance, end of year	\$ 67,647,207	\$ 38,864,499

MOEZ & MARISSA KASSAM FOUNDATION

Statement of Cash Flows For the year ended July 31, 2024

	2024	2023
Cash flows from (used in):		
Operating activities		
Excess of revenue over expenditures	\$ 28,782,708	\$ 11,262,990
Adjustment for		
Unrealized gain on investments	(18,765,567)	(5,852,708)
	10,017,141	5,410,282
Change in non-cash working capital item		
Accounts payable and accrued liabilities	(8,261)	27,262
	10,008,880	5,437,544
Investing activity		
Investments	(10,682,151)	(4,892,381)
Increase (decrease) in cash	(673,271)	545,163
Cash, beginning of year	1,558,992	1,013,829
Cash, end of year	\$ 885,721	\$ 1,558,992

MOEZ & MARISSA KASSAM FOUNDATION

Notes to Financial Statements
For the year ended July 31, 2024

General

Moez & Marissa Kassam Foundation (the "Foundation") (the "Foundation") was incorporated in Canada as a not-for-profit organization and is a registered charity under the Income Tax Act.

The Foundation was established to maintain an investment fund that will be utilized to provide gifts to qualified donees as defined in subsection 149.1(1) of the Income Tax Act (Canada). The Foundation intends to provide funding to organization that support the following initiatives:

- the Greater Toronto Area;
- education and health;
- famine and food shortages in developing nations;
- poverty, both nationally and internationally;
- disaster relief;
- initiatives related to women.

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Foundation follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year when they are received or become receivable, are measurable and collectibility is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred and collectibility is reasonably assured.

The Foundation recognizes investment income as earned.

(b) Foreign exchange

Monetary assets and liabilities of the Foundation which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenditures are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

(c) Contributed services

Directors and committee members volunteer their time to assist in the Foundation's activities. While these services benefit the Foundation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

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Notes to Financial Statements
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1. Significant accounting policies (continued)

(d) Financial instruments

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value and subsequently at amortized cost, except for investments, which are at fair market value.

Financial assets recorded at amortized cost include cash.

Financial liabilities recorded at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, 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 not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(e) 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 statement of financial position date and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

2. Investments

Investments include units in investment funds that are managed by one of the Foundation's directors with a total carrying value of \$59,764,723 (2023 - \$33,410,539).

3. Related party transactions

During the year, the Foundation received contributions of \$12,576,310 (2023 - \$7,020,801) from one of the Foundation's directors and a company controlled by them.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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Notes to Financial Statements
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4. Financial instruments

It is management's opinion that the Foundation is not exposed to significant liquidity, credit or interest rate risk.

(a) 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. The Foundation is exposed to certain market risk related to its investments, the carrying value of which will fluctuate with market conditions.

(b) Currency risk

Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation does not use derivative instruments to reduce its exposure to foreign currency risk.

As at year end, the Foundation had a net asset balance of approximately \$46,590,000 (2023 - \$26,665,000) in monetary accounts denominated in US dollars.