

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
**Financial Statements**  
**Year Ended December 31, 2024**

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
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**Year Ended December 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of Canadian Aid and Relief Foundation (CARF)

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of Canadian Aid and Relief Foundation (CARF) (the "charitable organization"), which comprise the statement of financial position as at December 31, 2024, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the charitable organization as at December 31, 2024, 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*

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 charitable 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 opinion.

*Emphasis of Matter*

During the fiscal year ended Dec 31, 2024, CARF received 68.6% of its total funding from a single donor. This contribution was a one-time donation and represented a substantial portion of the Foundation's revenue during the year.

While CARF values this significant support, reliance on a single, one-time donor exposes it to funding concentration risk.

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Independent Auditor's Report to the Board of Directors of Canadian Aid and Relief Foundation (CARF)  
(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 charitable 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 charitable organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the charitable 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 charitable 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 charitable 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 charitable organization to cease to continue as a going concern.

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Independent Auditor's Report to the Board of Directors of Canadian Aid and Relief Foundation (CARF)  
(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.

Langley, British Columbia  
June 18, 2025

*Aterna Advisors Inc.*

Chartered Professional Accountants

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
**Statement of Financial Position**  
**December 31, 2024**

	<b>2024</b>	<i>2023</i> <i>Unaudited</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 209,226	\$ 32,471
Goods and services tax recoverable	1,682	1,132
Term deposits	414,959	-
	<b>\$ 625,867</b>	<b>\$ 33,603</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ -	\$ 274
Accounts payable and accrued liabilities	10,000	1,679
Salaries and wages payable	17	-
Employee deductions payable	58	41
	<b>10,075</b>	<b>1,994</b>
<b>NET ASSETS</b>	<b>615,792</b>	<b>31,609</b>
	<b>\$ 625,867</b>	<b>\$ 33,603</b>

**APPROVED BY THE DIRECTORS**

*Seyed Ali Ghazvini* Director  
*Saleh Diaaldeen* Director

See notes to financial statements

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2024**

	2024	2023 <i>(Unaudited)</i>
<b>REVENUES</b>	<b>\$ 1,952,513</b>	<b>\$ 189,159</b>
<b>DIRECT COSTS</b>		
Grants - Orphans & Widows	463,512	170,000
Grants - Education	228,912	-
Grants - Refugee	162,674	-
Grants - Poor	151,474	-
Grants - Food	100,094	-
Grants - Healthcare Services	98,713	-
Grants - Administration	63,844	-
Grants - Student Loan	59,736	-
Grants - In-kind Support	7,788	-
	<u>1,336,747</u>	<u>170,000</u>
	<u>615,766</u>	<u>19,159</u>
<b>OPERATING EXPENSES</b>		
Interest and bank charges	29,106	249
Advertising and promotion	12,398	14,320
Accounting fees	11,150	2,121
Consulting fees	4,385	340
Office	2,533	6,409
Fundraising expenses	2,483	-
Telephone	859	215
Legal fees	491	2,073
Salaries and wages	488	382
Postage and freight	463	-
Business taxes, licenses and memberships	-	155
	<u>64,356</u>	<u>26,264</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER OPERATING EXPENSES BEFORE OTHER INCOME</b>	<b>551,410</b>	<b>(7,105)</b>
<b>OTHER INCOME</b>		
Interest income	32,773	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER OPERATING EXPENSES</b>	<b>\$ 584,183</b>	<b>\$ (7,105)</b>

See notes to financial statements

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2024**

	<b>2024</b>	2023 <i>(Unaudited)</i>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 31,609</b>	\$ 38,714
EXCESS OF REVENUES OVER OPERATING EXPENSES	<b>584,183</b>	<i>(7,105)</i>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 615,792</b>	\$ 31,609

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
**Statement of Cash Flows**  
**Year Ended December 31, 2024**

	2024	2023 <i>Unaudited</i>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over operating expenses	\$ 584,183	\$ (7,105)
Changes in non-cash working capital:		
Accounts payable	8,320	1,680
Goods and services tax payable	(550)	(1,132)
Wages payable	17	-
Employee deductions payable	17	(119)
	<u>7,804</u>	<u>429</u>
Cash flow from (used by) operating activities	<u>591,987</u>	<u>(6,676)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of term deposits	<u>(414,959)</u>	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>177,027</b>	<b>(6,678)</b>
Cash - beginning of year	<u>32,471</u>	<u>38,714</u>
<b>CASH - END OF YEAR</b>	<b>\$ 209,226</b>	<b>\$ 32,471</b>

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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1. PURPOSE OF THE CHARITABLE ORGANIZATION

Canadian Aid and Relief Foundation (CARF) (the "charitable organization") is a not-for-profit organization of British Columbia. As a registered charity the charitable organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The foundation operates to provide funding to assist those who are less fortunate in Canada, Iraq, and elsewhere. CARF provides grants alongside training and consultation to the partnered registered organization in the area worked with. CARF achieves its mission through programs that include education, healthcare and support services to children, widows and underserved families.

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

During the year the charitable 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, 2023 or revenues and expenditures or cash flows for the year ended December 31, 2023 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

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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 (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Revenue recognition

*Donations/Contributions*

CARF follows the deferral method of accounting for contributions in accordance with the Canadian accounting standards for not-for-profit organizations.

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.

Unrestricted investment income is recognized as revenue when earned.

*Interest income*

Interest income is recognised as interest accrued on a time basis by reference to the principal outstanding and to the effective interest rate applicable. The effective interest rate applicable is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Foreign currency translation

CARF conducts all of its financial transactions and maintains its accounting records in Canadian dollars. For certain international aid activities, the Foundation transfers funds in Canadian dollars to a licensed money service business, (Orbit Money) which is responsible for converting the funds into U.S. dollars and distributing them to intended recipients abroad, including beneficiaries in Iraq.

As the Foundation does not engage in the foreign exchange transactions directly and does not hold or manage foreign currency balances, no foreign currency gains or losses are recognized in its financial statements.

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

**CANADIAN AID AND RELIEF FOUNDATION (CARF)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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4. ECONOMIC DEPENDENCE

The charitable organization received 68.6% of its total donation revenue from a single donor, and is economically dependent on this funding to support current level of operations.

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5. FINANCIAL INSTRUMENTS

The charitable 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 charitable organization's risk exposure and concentration as of December 31, 2024.

Currency risk

Currency risk is the risk to the charitable organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The charitable organization is exposed to foreign currency exchange risk on project direct costs spent outside of Canada.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the charitable organization manages exposure through its normal operating and financing activities. The charitable organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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

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