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Form **990-EZ**

Department of the Treasury
Internal Revenue Service

# Short Form
# Return of Organization Exempt From Income Tax

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

▶ Sponsoring organizations of donor advised funds, organizations that operate one or more hospital facilities, and certain controlling organizations as defined in section 512(b)(13) must file Form 990 (see instructions). All other organizations with gross receipts less than $200,000 and total assets less than $500,000 at the end of the year may use this form.

▶ *The organization may have to use a copy of this return to satisfy state reporting requirements.*

OMB No 1545-1150

**2011**

**Open to Public Inspection**

ENVELOPE POSTMARK MAR 0 8 2012

A For the 2011 calendar year, or tax year beginning APR 1 2009 , 2011, and ending MAR 31 2010 , 20 10

B Check if applicable.
- ☑ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
HUMAN CONCERN INTERNATIONAL

Number and street (or P O box, if mail is not delivered to street address) | Room/suite
877 SHEFFORD RD | 4

City or town, state or country, and ZIP + 4
OTTAWA, ONTARIO K1J 8H9 CANADA

D Employer identification number
31 1719723

E Telephone number
613 742 5948

F Group Exemption Number ▶

G Accounting Method: ☐ Cash ☑ Accrual Other (specify) ▶

I **Website:** ▶

J **Tax-exempt status** (check only one) – ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

H Check ▶ ☑ if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

K Check ▶ ☑ if the organization is not a section 509(a)(3) supporting organization or a section 527 organization **and** its gross receipts are normally **not** more than $50,000. A Form 990-EZ or Form 990 return is not required though Form 990-N (e-postcard) may be required (see instructions). But if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are $200,000 or more, or if total assets (Part II, line 25, column (B) below) are $500,000 or more, file Form 990 instead of Form 990-EZ . . . . . ▶ $

**Part I** **Revenue, Expenses, and Changes in Net Assets or Fund Balances** (see the instructions for Part I.)
Check if the organization used Schedule O to respond to any question in this Part I . . . . . ☐

| | | | | | |
|---|---|---|---|---|---|
| Revenue | 1 | Contributions, gifts, grants, and similar amounts received | | 1 | 3,370.00 |
| | 2 | Program service revenue including government fees and contracts | | 2 | |
| | 3 | Membership dues and assessments | | 3 | |
| | 4 | Investment income | | 4 | |
| | 5a | Gross amount from sale of assets other than inventory | 5a | | |
| | b | Less: cost or other basis and sales expenses | 5b | | |
| | c | Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) | | 5c | |
| | 6 | Gaming and fundraising events | | | |
| | a | Gross income from gaming (attach Schedule G if greater than $15,000) | 6a | | |
| | b | Gross income from fundraising events (not including $ ____ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds $15,000) | 6b | | |
| | c | Less: direct expenses from gaming and fundraising events | 6c | | |
| | d | Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c) | | 6d | |
| | 7a | Gross sales of inventory, less returns and allowances | 7a | | |
| | b | Less: cost of goods sold | 7b | | |
| | c | Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a) | | 7c | |
| | 8 | Other revenue (describe in Schedule O) | | 8 | |
| | 9 | **Total revenue.** Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 ▶ | | 9 | 3,370.00 |
| Expenses | 10 | Grants and similar amounts paid (list in Schedule O) | | 10 | |
| | 11 | Benefits paid to or for members | | 11 | |
| | 12 | Salaries, other compensation, and employee benefits | | 12 | |
| | 13 | Professional fees and other payments to independent contractors | | 13 | |
| | 14 | Occupancy, rent, utilities, and maintenance | | 14 | |
| | 15 | Printing, publications, postage, and shipping | | 15 | |
| | 16 | Other expenses (describe in Schedule O) | | 16 | |
| | 17 | **Total expenses.** Add lines 10 through 16 ▶ | | 17 | |
| Net Assets | 18 | Excess or (deficit) for the year (Subtract line 17 from line 9) | | 18 | |
| | 19 | Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) | | 19 | |
| | 20 | Other changes in net assets or fund balances (explain in Schedule O) | | 20 | |
| | 21 | Net assets or fund balances at end of year. Combine lines 18 through 20 ▶ | | 21 | |

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P.S. Audited Financial Statements of Canada attached! GG

**Part II Balance Sheets.** (see the instructions for Part II.)
Check if the organization used Schedule O to respond to any question in this Part II . . . . . ☐

| | | (A) Beginning of year | | (B) End of year |
|---|---|---|---|---|
| 22 | Cash, savings, and investments | | 22 | |
| 23 | Land and buildings | | 23 | |
| 24 | Other assets (describe in Schedule O) | | 24 | |
| 25 | **Total assets** | | 25 | |
| 26 | **Total liabilities** (describe in Schedule O) | | 26 | |
| 27 | **Net assets or fund balances** (line 27 of column (B) **must** agree with line 21) | | 27 | |

**Part III Statement of Program Service Accomplishments** (see the instructions for Part III.)
Check if the organization used Schedule O to respond to any question in this Part III . . ☐

What is the organization's primary exempt purpose? _____

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

**Expenses** (Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts, optional for others.)

28 _____

(Grants $ ) If this amount includes foreign grants, check here . . . . ▶ ☐ 28a

29 _____

(Grants $ ) If this amount includes foreign grants, check here . . . . ▶ ☐ 29a

30 _____

(Grants $ ) If this amount includes foreign grants, check here . . . . ▶ ☐ 30a

31 Other program services (describe in Schedule O) . . . . . .

(Grants $ ) If this amount includes foreign grants, check here . . . . ▶ ☐ 31a

32 **Total program service expenses** (add lines 28a through 31a) . . . . . ▶ 32

**Part IV List of Officers, Directors, Trustees, and Key Employees.** List each one even if not compensated. (see the instructions for Part IV.)
Check if the organization used Schedule O to respond to any question in this Part IV . . . . . ☐

| (a) Name and address | (b) Title and average hours per week devoted to position | (c) Reportable compensation (Forms W-2/1099-MISC) (if not paid, enter -0-) | (d) Health benefits, contributions to employee benefit plans, and deferred compensation | (e) Estimated amount of other compensation |
|---|---|---|---|---|
| KALEEM AKHTAR<br>41 RUE MULLIGAN, GATINEAU, QC J9H 5W2 CANADA | EXEC DIRECTOR<br>50 | NONE | NONE | NONE |
| FAROOQUI BAKSH<br>35 PRINCESS TERR. BRAMPTON, ON L6S3S4 | CHAIRPERSON<br>5 | NONE | NONE | NON |
| M AZHAR ALI KHAN<br>9 GLENDENNING DR NEPEAN ON K2H 7Z1 | VICE CHAIR<br>5 | NONE | NONE | NONE |
| HEYAM QIRBI<br>22 JARLAN TERRACE KANATA ON K2L 3L6 | TREASURER<br>10 | NONE | NONE | NONE |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |
| | | | | |
| | | | | |

**Part V** **Other Information** (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V.) Check if the organization used Schedule O to respond to any question in this Part V ☐

| | | | Yes | No |
|---|---|---|---|---|
| 33 | Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O | 33 | | ✓ |
| 34 | Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions) | 34 | | ✓ |
| 35a | Did the organization have unrelated business gross income of $1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)? | 35a | | ✓ |
| b | If "Yes," to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O | 35b | | |
| c | Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III | 35c | | ✓ |
| 36 | Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N | 36 | | ✓ |
| 37a | Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0 | | | |
| b | Did the organization file **Form 1120-POL** for this year? | 37b | | ✓ |
| 38a | Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee **or** were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return? | 38a | | ✓ |
| b | If "Yes," complete Schedule L, Part II and enter the total amount involved 38b 0 | | | |
| 39 | Section 501(c)(7) organizations. Enter: | | | |
| a | Initiation fees and capital contributions included on line 9 39a 0 | | | |
| b | Gross receipts, included on line 9, for public use of club facilities 39b 0 | | | |
| 40a | Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0 | | | |
| b | Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | 40b | | ✓ |
| c | Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0 | | | |
| d | Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶ 0 | | | |
| e | All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T. | 40e | | |
| 41 | List the states with which a copy of this return is filed. ▶ **UTAH AND CANADA** | | | |
| 42a | The organization's books are in care of ▶ **HUMAN CONCERN INTERNATIOANAL** Telephone no. ▶ **613 742 5948** Located at ▶ **877 SHEFFORD RD. OTTAWA ONTARIO K1J 8H9** ZIP + 4 ▶ **CANADA** | | | |
| b | At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 42b | | ✓ |
| | If "Yes," enter the name of the foreign country: ▶ **CANADA** See the instructions for exceptions and filing requirements for **Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.** | | | |
| c | At any time during the calendar year, did the organization maintain an office outside the U.S.? | 42c | | |
| | If "Yes," enter the name of the foreign country: ▶ **CANADA** | | | |
| 43 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041**—Check here ▶ ☑ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43 0 | | | |
| | | | Yes | No |
| 44a | Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ | 44a | | ✓ |
| b | Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ | 44b | | ✓ |
| c | Did the organization receive any payments for indoor tanning services during the year? | 44c | | ✓ |
| d | If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* | 44d | | |
| 45a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 45a | | ✓ |
| 45b | Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions) | 45b | | ✓ |

| | | | Yes | No |
|---|---|---|---|---|
| 46 | Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | 46 | | ✓ |

**Part VI** **Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only.** All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 47–49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

| | | | Yes | No |
|---|---|---|---|---|
| 47 | Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II | 47 | | |
| 48 | Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 48 | | |
| 49a | Did the organization make any transfers to an exempt non-charitable related organization? | 49a | | |
| b | If "Yes," was the related organization a section 527 organization? | 49b | | |

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization If there is none, enter "None."

| (a) Name and address of each employee paid more than $100,000 | (b) Title and average hours per week devoted to position | (c) Reportable compensation (Forms W-2/1099-MISC) | (d) Health benefits, contributions to employee benefit plans, and deferred compensation | (e) Estimated amount of other compensation |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

f Total number of other employees paid over $100,000 . . . . ▶ 0

51 Complete this table for the organization's five highest compensated independent contractors who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

| (a) Name and address of each independent contractor paid more than $100,000 | (b) Type of service | (c) Compensation |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

d Total number of other independent contractors each receiving over $100,000 . . ▶ 0

52 Did the organization complete Schedule A? **Note:** All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A . . . . . ▶ ☐ Yes ☑ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer — Date

KALEEM AKHTAR, EXECUTIVE DIRECTOR — MAR 7 2012

Type or print name and title

**Paid Preparer Use Only**

| Print/Type preparer's name | Preparer's signature | Date | Check ☑ if self-employed | PTIN |
|---|---|---|---|---|
| MAQBOOL KIDWAI | | Mar 7, 2012 | | |

Firm's name ▶ M A KIDWAI

Firm's address ▶ 21E BANNER RD OTTAWA ON K2H 8I3 CANADA

Firm's EIN ▶

Phone no 613-726-2021

May the IRS discuss this return with the instructions . . . . . ▶ ☐ Yes ☐ No

# Human Concern International
# Financial Statements
**For the year ended March 31, 2010**

## Contents


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Collins Barrow
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# Auditors' Report

**To the Members of**
**Human Concern International**

We have audited the statement of financial position of Human Concern International as at March 31, 2010 and the statements of changes in net assets and operations for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and undistributed net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations revenue, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

July 9, 2010

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an independent member of
BAKER TILLY
INTERNATIONAL

# Human Concern International
# Statement of Financial Position

| March 31 | 2010 | 2009 |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash (Note 1) | $ 1,066,644 | $ 1,387,814 |
| Accounts receivable (Note 2) | 12,058 | 12,683 |
| Prepaid expenses | 8,992 | 8,505 |
| | 1,087,694 | 1,409,002 |
| **Investments** (Note 3) | 293,938 | 192,727 |
| **Capital assets** (Note 4) | 345,243 | 351,083 |
| | $ 1,726,875 | $ 1,952,812 |
| **Liabilities and Net Assets** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | $ 23,980 | $ 31,285 |
| Deferred contributions (Note 5) | 856,789 | 1,067,240 |
| | 880,769 | 1,098,525 |
| **Net assets** | | |
| Net assets internally restricted for capital assets (Note 4) | 345,243 | 351,083 |
| Undistributed net assets | 500,863 | 503,204 |
| | 846,106 | 854,287 |
| | $ 1,726,875 | $ 1,952,812 |

On behalf of the Board:

_____ Director

_____ Director

# Human Concern International
## Statement of Changes in Net Assets

| For the year ended March 31 | | | 2010 | 2009 |
|---|---|---|---|---|
| | Internally Restricted for Capital Assets | Undistributed | Total | Total |
| **Balance**, beginning of year | $ 351,083 | $ 503,204 | $ 854,287 | $ 820,062 |
| **Excess (deficiency) of revenue over expenses for the year** | (17,941) | 9,760 | (8,181) | 34,225 |
| **Investment in capital assets** | 12,101 | (12,101) | - | - |
| **Balance**, end of year | $ 345,243 | $ 500,863 | $ 846,106 | $ 854,287 |

The accompanying summary of significant accounting policies, notes and schedule are an integral part of these financial statements.

# Human Concern International
## Statement of Operations

| For the year ended March 31 | 2010 | 2009 |
|---|---|---|
| **Revenue** | | |
| Donations (Note 6) | **$ 5,253,378** | $ 8,489,352 |
| Rental Income | **26,765** | 21,298 |
| Gain (loss) on foreign exchange | **(27,303)** | 4,576 |
| Investment Income | **4,758** | 7,133 |
| Other (Note 7) | **43,124** | - |
| Loss on disposal of investments | **-** | (7,567) |
| Unrealized investment gain | **46,511** | - |
| | **5,347,233** | 8,514,792 |
| **Donations disbursed** (Schedule and Note 6) | **4,755,230** | 7,931,193 |
| | **592,003** | 583,599 |
| **Expenses** | | |
| Amortization | **17,941** | 15,910 |
| Audit fees | **7,400** | 6,048 |
| Bank charges | **24,402** | 23,711 |
| Dues and subscriptions | **130** | 330 |
| Equipment leases | **10,136** | 11,657 |
| Fundraising and promotion | **343,672** | 268,133 |
| Insurance | **8,739** | 7,358 |
| Legal and consulting fees | **1,582** | 4,675 |
| Meetings and workshops | **8,685** | 10,195 |
| Office administration | **118,436** | 104,689 |
| Property taxes | **3,612** | 4,225 |
| Repairs and maintenance | **18,894** | 16,714 |
| Telephone and communications | **11,881** | 12,417 |
| Travel | **4,776** | 5,657 |
| Utilities | **19,898** | 20,802 |
| Unrealized investment loss | **-** | 36,853 |
| | **600,184** | 549,374 |
| **Excess (deficiency) of revenue over expenses for the year** | **$ (8,181)** | $ 34,225 |

# Human Concern International
# Summary of Significant Accounting Policies

**March 31, 2010**

**Nature of Business**

Human Concern International is an international humanitarian organization raising and distributing funds to help relief victims in third-world countries. The organization is incorporated under the Canada Corporations Act as a not-for-profit organization, is a registered charity and is exempt from income taxes under the Income Tax Act.

There are separately incorporated not-for-profit entities in Pakistan and Lebanon that operate under the name "Human Concern International". The corporation uses these entities as agents and project managers for donations disbursed. These financial statements do not include the assets, liabilities, net assets, revenue and expenses of these foreign entities.

**Changes in Accounting Standards**

The Canadian Institute of Chartered Accountants (CICA) has revised certain Canadian generally accepted accounting principles for not-for-profit organizations as set out in CICA Handbook Section 4400, Financial Statement Presentation by Not-For-Profit Organizations. These revisions relate to presentation and disclosure standards and hence have no impact on the organization's net financial position or its results of operations. In addition, the CICA has issued a new standard, CICA Handbook Section 4470, Disclosure of Allocated Expenses by Not-For-Profit Organizations.

These sections are effective for fiscal periods commencing on or after January 1, 2009, and, accordingly, the organization has adopted these changes for the March 31, 2010 fiscal year's financial statements. The effects on the organization's financial statement presentation and disclosure of adopting these changes are set out below. These changes in disclosure and presentation standards are required on a retrospective basis and comparative amounts have been reclassified on a similar basis where practicable.

The changes impacted the following:

Presentation of Gross Revenues and Expenses

The potential impact on the organization's Statement of Operations is the requirement to present and recognize revenues and expenses on a gross basis when an organization is acting as a principal in transactions and on a net basis when an organization is acting in an agency capacity. There was no impact of adopting this change since the organization's presentation was consistent with these new standards in the current and prior fiscal year.

**Changes in Account Standards** (continued)

Net Assets Invested in Capital Assets

The impact on the organization's financial statements relate to the presentation of the organization's Statement of Financial Position and Statement of Changes in Fund Balances whereby the requirement to treat net assets invested in capital assets as a separate component of net assets is no longer required but rather can be presented as a category of internally restricted net assets when the organization chooses to do so.

Since the organization has chosen to do so, amounts previously presented as net assets invested in capital assets are unchanged but are now categorized as internally restricted net assets.

Presentation of Allocated Expenses

This change establishes disclosure standards for an organization that chooses to classify some or all of its expenses by functional category and allocates a function's expenses to a number of functions to which the expenses relate. These disclosures include the organization's policy for the allocation of general support and fundraising expenses to other functions including the nature of the expenses being allocated, the basis on which such allocations have been made and the amounts allocated. However, since the organization has not made any significant allocations among functional categories in the current or prior fiscal year, there was no impact of adopting this change. Should the organization adopt such a policy of allocating function expenses among functional categories in the future, the above noted disclosures would be required.

**Financial Instruments**

The accounting standards for financial instruments require that all financial assets and financial liabilities be classified according to their characteristics, management's intentions, or the choice of category in certain circumstances. When initially recognized, all financial assets and financial liabilities are recorded at fair value. In subsequent periods, financial assets and financial liabilities will be measured at fair value, except for those financial instruments with long-term maturities and for which the organization has the intent and ability to hold these financial instruments to maturity which will be measured at amortized cost using the effective interest rate method. Gains or losses arising from a change in the fair value of a financial asset or financial liability are recognized in operations as they occur.

CICA Handbook Section 3862, Financial Instruments - Disclosures and CICA Handbook Section 3863 Financial Instruments - Presentation replaced CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation for certain entities. Sections 3862 and 3863 revised and enhanced the disclosure requirements, and carried forward unchanged the presentation requirements. These new Sections would provide additional information to enable users of the financial statements to evaluate the significance of financial instruments for an entity's

**Financial Instruments** (continued)

financial position and performance, the nature and extent of risks arising from financial instruments to which the entity is exposed, and how the entity manages those risks. The adoption of Sections 3862 and 3863 is optional for not-for-profit organizations. As a result, the organization has opted to continue to disclose and present financial instruments under the CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation in these financial statements instead of the more onerous CICA Handbook Sections 3862 and 3863.

The organization's financial instruments consist of cash, accounts receivable, investments and accounts payable and accrued liabilities. The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values, unless otherwise noted. Investments are recorded at fair value based on brokers' statements.

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

**Financial Risk Management**

The organization manages its investment portfolio to earn dividend income and invests only in low risk investments. The organization is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

**Capital Assets**

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

| | |
|---|---|
| Building | 30 years straight-line basis |
| Building improvements | 5 years straight-line basis |
| Computer equipment | 3 years straight-line basis |
| Furniture and equipment | 5 years straight-line basis |

**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.

Unrestricted investment income is recognized as revenue when earned. Fair value changes for investments are recorded as investment income or loss and recognized as revenue or expense in the statement of operations.

# Human Concern International
## Summary of Significant Accounting Policies

**March 31, 2010**

| | |
|---|---|
| **Foreign Currency** | Transactions during the year in U.S. dollars have been converted in the accounts to Canadian dollars at the exchange rate effective on the transaction date. All monetary assets in U.S. dollars have been converted to Canadian dollars at the exchange rates in effect at March 31, 2010. Losses resulting therefrom are included in the determination of excess of revenue over expenses for the year. |
| **Donated Services** | The work of the organization is dependent on the voluntary service of many individuals. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements. |
| **Donations in Kind** | Donations received in kind are recorded at fair market value, as agreed upon by donors and management. When the supplies donated are distributed, they are recorded as donations disbursed at equivalent value. |
| **Internally Restricted for Capital Assets** | Net assets internally restricted for capital assets represents net assets that have been used to purchase capital assets. |
| **Undistributed Net Assets** | Undistributed net assets represent unspent non-designated contributions accumulated over the life of the organization. |
| **Statement of Cash Flows** | A statement of cash flows is not presented since the cash flow information is readily apparent from the other financial statements or is adequately disclosed in the notes to the financial statements. |

**March 31, 2010**

## 1. Cash

The organization's bank accounts are held at one chartered bank. Bank balances include $668,481 (2009 - $8,216) denominated in U.S. dollars.

## 2. Accounts Receivable

| | 2010 | 2009 |
|---|---|---|
| GST receivable | $ 5,979 | $ 5,134 |
| Other | 6,079 | 7,549 |
| | $ 12,058 | $ 12,683 |

## 3. Investments

| | 2010 | 2009 |
|---|---|---|
| Islamic Co-operative Housing Corporation Ltd. | $ 84,280 | $ 79,580 |
| Investia Financial | 46,402 | 41,499 |
| Investors Group | 111,911 | 71,648 |
| BMO Nesbitt Burns | 51,345 | - |
| | $ 293,938 | $ 192,727 |

The organization's investments with Investia Financial, Investors Group and BMO Nesbitt Burns consists of units in various mutual funds. During the year, there were additions of $50,000 with no disposals.

There is no quoted market value for the shares in the Islamic Co-operative Housing Corporation Ltd. therefore this investment is recorded at cost.

## 4. Capital Assets

| | 2010 | | | 2009 | | |
|---|---|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net Book Value | Cost | Accumulated Amortization | Net Book Value |
| Land | $ 200,000 | $ - | $ 200,000 | $ 200,000 | $ - | $ 200,000 |
| Building | 306,117 | 173,080 | 133,037 | 306,117 | 162,876 | 143,241 |
| Building improvements | 11,935 | 6,435 | 5,500 | 5,059 | 4,048 | 1,011 |
| Computer equipment | 67,564 | 63,551 | 4,013 | 63,487 | 59,634 | 3,853 |
| Furniture and equipment | 41,540 | 38,847 | 2,693 | 40,392 | 37,414 | 2,978 |
| | $ 627,156 | $ 281,913 | $ 345,243 | $ 615,055 | $ 263,972 | $ 351,083 |

## 5. Deferred Contributions

Deferred contributions represent amounts received during the year restricted for specific projects that will be spent in the subsequent year.

| | 2010 | 2009 |
|---|---|---|
| Haiti - Projects and Relief Assistance | $ 214,303 | $ - |
| Kashmir - Projects and Relief Assistance | 375,413 | 420,870 |
| Palestine - Projects and Relief Assistance | 264,293 | 587,370 |
| Other projects | 2,780 | 59,000 |
| | $ 856,789 | $ 1,067,240 |

## 6. Non-Cash Donations

Donation receipts and donations disbursed include $1,838,993 of donations received in kind. The goods received were valued at amounts agreed upon between the donors and management as being the fair market value of the goods, and the subsequent disbursement of the goods was recorded at the same value.

## 7. Other Revenue

During the year, the organization determined that the cash balance at March 31, 2009 was understated by approximately $43,000 resulting from accrued expenses from the year ended March 31, 2008 not being properly accounted for as a reduction of expenses in the March 31, 2009 fiscal year. Because the amount is not considered material, the correction has been accounted for prospectively as other revenue in the current year's statement of operations.

## 8. Commitments

The organization has leased office equipment at an annual rental of $6,052 expiring between October 2010 and April 2013.

The minimum annual lease payments for the next three years are as follows:

| | |
|---|---|
| 2011 | $ 5,570 |
| 2012 | 5,088 |
| 2013 | 3,060 |

## 9. Capital Disclosures

The organization defines capital as its undistributed net assets and the organization's objectives when managing capital are to maintain flexibility between:

a) enabling it to operate efficiently;
b) providing liquidity and access to net assets for contribution opportunities; and
c) generating predictable cash flows for the continuing operations of the organization.

The organization manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria; but rather promotes year over year sustainable surpluses in order to maintain operations. The organization is not subject to any externally imposed capital requirements.

## 10. Comparative Amounts

In certain instances, 2009 amounts presented for comparative purposes have been restated to conform to the financial statement presentation adopted for the current year.

# Human Concern International
## Schedule of Donations Disbursed

| For the year ended March 31 | 2010 | 2009 |
|---|---|---|
| Azerbaijan - Projects and Relief Assistance | $ 12,139 | $ - |
| Afghanistan - Projects and Relief Assistance | 38,358 | 37,283 |
| Bangladesh - Projects and Relief Assistance | 193,020 | 48,256 |
| Chechnya - Projects and Relief Assistance | - | 7,986 |
| Djibouti - Projects and Relief Assistance | - | 903,164 |
| Ethiopia - Projects and Relief Assistance | 31,476 | 5,438 |
| Egypt - Projects and Relief Assistance | 37,993 | 6,250 |
| Guyana & Caribbean - Projects and Relief Assistance | 1,120,801 | 122,570 |
| Haiti - Projects and Relief Assistance | 81,642 | - |
| India - Projects and Relief Assistance | 355,890 | 202,691 |
| Indonesia - Projects and Relief Assistance | 85,356 | 22,391 |
| Iraq - Projects and Relief Assistance | 18,941 | 64,113 |
| Kashmir - Projects and Relief Assistance | 55,051 | 106,554 |
| Kenya - Projects and Relief Assistance | 31,029 | 68,273 |
| Lebanon - Projects and Relief Assistance | 73,328 | 302,545 |
| Liberia - Projects and Relief Assistance | - | 2,500 |
| Myanmar - Projects and Relief Assistance | 3,783 | 29,385 |
| Morocco - Projects and Relief Assistance | 104,474 | - |
| Pakistan - Projects and Relief Assistance | 1,368,440 | 1,023,438 |
| Palestine - Projects and Relief Assistance | 384,728 | 2,370,263 |
| Somalia - Projects and Relief Assistance | 120,343 | 1,932,340 |
| Sri-Lanka - Projects and Relief Assistance | 28,396 | 6,054 |
| Sudan - Projects and Relief Assistance | 66,614 | 87,019 |
| South Africa - Projects and Relief Assistance | 3,027 | - |
| Yemen - Projects and Relief Assistance | - | 14,555 |
| Higher Education Literacy Program | 18,784 | 16,435 |
| Public Education Program | 8,450 | 12,920 |
| Child Sponsorship Program | 431,438 | 500,512 |
| Canada Relief Fund and Local Education Projects | 47,546 | 14,100 |
| Social Assistance - Canada | 15,050 | 19,222 |
| Social Assistance - USA | 19,133 | 4,936 |
| | $ 4,755,230 | $ 7,931,193 |