

WORLD ISLAMIC MISSION CANADA INC.

Financial Statements

Year Ended September 30, 2021

(Unaudited)

WORLD ISLAMIC MISSION CANADA INC.
Index to Financial Statements
Year Ended September 30, 2021
(Unaudited)

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10

S.A. Sami Professional Corporation

Chartered Professional Accountant

Tel: (905) 273 5888 ext:233 • Fax: 905 273 5999 • Email: samisyedca@gmail.com

www.samicpa.ca

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of WORLD ISLAMIC MISSION CANADA INC.

I have reviewed the accompanying financial statements of WORLD ISLAMIC MISSION CANADA INC. (the organization) that comprise the statement of financial position as at September 30, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities, the completeness of which is not susceptible to me obtaining evidence I considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended September 30, 2021, current assets and net assets as at September 30, 2021. My review conclusion on the financial statements for the year ended September 30, 2020 was modified accordingly because of the possible effects of this limitation of scope.

Qualified Conclusion

Based on my review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of WORLD ISLAMIC MISSION CANADA INC. as at September 30, 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).

S.A. Sami Professional Corporation

Mississauga, Ontario
December 15, 2021


CHARTERED PROFESSIONAL ACCOUNTANT
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario


WORLD ISLAMIC MISSION CANADA INC.
Statement of Financial Position
As at September 30, 2021
(Unaudited)

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 447,595	\$ 258,138
HST receivable	14,844	19,541
	462,439	277,679
PROPERTY AND EQUIPMENT (Note 5)	7,950,375	7,639,587
DEPOSITS (Note 4)	1,259,500	1,259,500
OTHER ASSETS	3,001	3,001
	\$ 9,675,315	\$ 9,179,767
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 97,213	\$ 180,956
Current portion of long term debt (Note 6)	21,500	83,000
	118,713	263,956
LONG TERM DEBT (Note 6)	2,524,000	2,568,000
	2,642,713	2,831,956
NET ASSETS	7,032,602	6,347,811
	\$ 9,675,315	\$ 9,179,767

COMMITMENTS (Note 8)

Approved on behalf of the Board

 _____ Director

 _____ Director

WORLD ISLAMIC MISSION CANADA INC.
Statement of Operations
For the Year Ended September 30, 2021
(Unaudited)

	2021	2020
REVENUES		
Donations	\$ 967,911	\$ 799,649
Federal government COVID-19 support	1,724	57,231
Other income	411	650
	970,046	857,530
EXPENSES		
Salaries and wages	145,204	143,706
Repairs and maintenance	30,100	29,696
Office and general	25,968	27,683
Financial Assistance (Sadaqa/Zakaat)	20,227	7,731
Bank charges and credit card charges	17,640	18,247
Programmes	11,600	17,365
Fundraising	9,997	13,671
Utilities	5,309	5,559
Finance charges	4,838	4,008
Professional fees	5,600	13,748
Advertising	-	15,279
Printing and supplies	-	2,191
Amortization	8,772	7,240
	285,255	306,124
EXCESS OF REVENUES OVER EXPENSES	\$ 684,791	\$ 551,406

WORLD ISLAMIC MISSION CANADA INC.
Statement of Changes in Net Assets
For the Year Ended September 30, 2021
(Unaudited)

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 6,347,811	\$ 5,796,405
EXCESS OF REVENUES OVER EXPENSES	684,791	551,406
NET ASSETS - END OF YEAR	\$ 7,032,602	\$ 6,347,811

WORLD ISLAMIC MISSION CANADA INC.

Statement of Cash Flows

Year Ended September 30, 2021

(Unaudited)

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 684,791	\$ 551,406
Item not affecting cash:		
Amortization of property and equipment	8,772	7,240
	693,563	558,646
Changes in non-cash working capital:		
Accounts payable	(83,743)	2,750
HST receivable	4,697	(11,872)
	(79,046)	(9,122)
Cash flow from operating activities	614,517	549,524
INVESTING ACTIVITIES		
Building (in development)	(298,194)	(413,516)
Equipment	(21,366)	-
Cash flow used by investing activities	(319,560)	(413,516)
FINANCING ACTIVITY		
Repayment of long term debt	(105,500)	(42,000)
INCREASE IN CASH FLOW	189,457	94,008
Cash - beginning of year	258,138	164,130
CASH - END OF YEAR	\$ 447,595	\$ 258,138

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2021

(Unaudited)

1. PURPOSE OF THE ORGANIZATION

WORLD ISLAMIC MISSION CANADA INC. (the "organization") is a not-for-profit organization incorporated without share capital on September 29, 1995 in Ontario. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The organization operates to provide religious support and education to the local community.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement uncertainty

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

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

Revenue recognition

The organization follows the deferral method of accounting. 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 recoverable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated services are not recognized as these are not capable of reasonable estimation.

Donated materials and goods are recorded at fair value.

Government subsidy

The government subsidy, specifically the Canada Emergency Wage Subsidy (CEWS) is recorded when there is a reasonable assurance that the organization has complied with and will continue to comply with, all the necessary conditions to obtain the subsidy.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

(continues)

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2021

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Buildings	5% declining balance method
Computer equipment	30% declining balance method
Equipment	20% declining balance method

The organization regularly reviews its property and equipment to eliminate obsolete items.

There was no amortization taken on the building (in development) as the asset is not ready for use.

Impairment of long lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Capitalized costs

Capitalized costs include development costs and interest on general borrowing, incurred in the connection with the development and construction of the building.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. Subsequently all financial assets and liabilities are measured at cost or amortized cost except for investment in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

The Organization's financial assets consist of cash. The Organization's financial liabilities consist of accounts payable, accrued liabilities and loans payable. The Organization has elected to measure all financial instruments at cost or amortized cost.

Transaction costs for financial instruments that will be subsequently measured at fair value are expensed as incurred. Transaction costs that are directly attributable to the acquisition of financial instruments that will not be measured subsequently at fair market value are capitalized. No transaction costs were incurred during the year.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement provided that 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 net income.

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2021

(Unaudited)

4. DEPOSITS

The deposit of \$ 1,081,042 was paid to the Town of Oakville for the construction of the new building in 2015 which will be refunded after the satisfactory completion of the construction project less any additional charges subject to the inspection by the Town of Oakville.

The deposit of \$ 178,458 was paid to the builder which will be offset against the cost of land servicing at completion.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 461,101	\$ -	\$ 461,101	\$ 461,101
Buildings	329,731	224,754	104,977	110,502
Computer equipment	6,708	6,238	470	671
Equipment	68,415	45,548	22,867	4,547
Building (in development)	7,360,960	-	7,360,960	7,062,766
	\$ 8,226,915	\$ 276,540	\$ 7,950,375	\$ 7,639,587

6. LONG TERM DEBT

	2021	2020
The loan was renewed on November 5, 2021 and matures on December 1st, 2023. No principal payments are required up to December 1st, 2023. The interest rate is 9% per annum and the loan is secured with the land having a carrying value of \$461,101 and guaranteed by ten committee members with a liability of 10% each.	\$ 2,200,000	\$ 2,200,000
The loan amount of \$345,500 is payable to individuals who have funded the security deposit for the construction of the building. These loans are unsecured. Any interest cost is reimbursed to the individuals who have borrowed and funded to the organization. Loans in the amount of \$265,500 are interest free and on the loans for \$80,000 interest will be paid at various rates upon demand. These loans will be repaid to the individuals with varying terms ranging from three to five years from the year end.	345,500	451,000
	2,545,500	2,651,000
Amounts payable within one year	(21,500)	(83,000)
	\$ 2,524,000	\$ 2,568,000

Principal repayment terms are approximately:

Thereafter \$ 2,524,000

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2021

(Unaudited)

7. FINANCIAL INSTRUMENTS

The 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 organization's risk exposure and concentration as of September 30, 2021.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. The Organization minimizes the credit risk of cash by keeping cash with credit worthy financial institutions. There is no significant change in credit risk from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and manage day to day operations. The Organization considers that it has sufficient funds from its operations to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost. There is no significant change in liquidity risk from the prior year.

(c) Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Organization is not exposed to any significant foreign currency risk. There is no significant change in currency risk from the prior year.

(d) Interest rate risk

Interest rate risk is the risk that future cash flows associated with its financial instruments, will fluctuate with the changes in the market rate of interest. The Organisation is exposed to interest rate risk on its variable interest (loans) financial instruments. Fixed-interest instruments subject the organisation to a fair value interest rate risk, while the variable-interest instruments subject it to a cash flow interest rate risk. There are no derivative financial instruments to mitigate the risk. There is no significant change in interest rate risk from the prior year.

(e) Other price risk

Equity and other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk). The Organization is not subject to significant equity and other price risk. There is no significant change in other price risk from the prior year.

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2021

(Unaudited)

8. COMMITMENTS

The Organization has entered into a construction contract. The commitment for Phase 1 is for \$ 13.5 million plus applicable taxes over a period of two years which began on May 1, 2015. Payments are disbursed to the contractor based on progressive billings and on the work being certified. However, no construction was performed for the periods from December 2015 to September 2016. Construction resumed in May 2017 and concrete work was completed in November 2017. Due to COVID-19 work has been delayed until it is safe to resume work and fundraising. The contract will be extended to exclude the months where no work was performed and will reflect current pricing. The construction project will now be done in phases based on funds available as the environment is challenging and does not allow the organization to set a firm completion date. As of the year end, construction costs for standby charge and the cost of borrowing for the year is an amount of \$331,040.

The architectural fees for Phase 2 will be \$ 38,000 plus applicable taxes and paid on monthly basis over the term depending on the contractual term to be finalized.

9. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

10. COMPARATIVE FIGURES

Comparative amounts have been reclassified to conform to the current year's presentation.
