

WORLD ISLAMIC MISSION CANADA INC.

Financial Statements

Year Ended September 30, 2023

(Unaudited)

WORLD ISLAMIC MISSION CANADA INC.

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Year Ended September 30, 2023

(Unaudited)

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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, 2023, 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.

Conclusion

Based on my review, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

S.A. Sami Professional Corporation

Mississauga, Ontario
January 29, 2024

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, 2023***(Unaudited)*

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 740,627	\$ 1,392,399
HST receivable	115,974	152,333
	856,601	1,544,732
PROPERTY AND EQUIPMENT (Note 5)	11,653,002	9,936,970
DEPOSITS (Note 4)	1,259,500	1,259,500
OTHER ASSETS	3,001	3,001
	\$ 13,772,104	\$ 12,744,203
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 27,045	\$ 28,411
Current portion of long term debt (Note 6)	45,000	4,500
	72,045	32,911
LONG TERM DEBT (Note 6)	5,087,841	4,962,500
	5,159,886	4,995,411
NET ASSETS	8,612,218	7,748,792
	\$ 13,772,104	\$ 12,744,203

COMMITMENTS (Note 8)

ON BEHALF OF THE BOARD



Director

Director

See notes to financial statements

WORLD ISLAMIC MISSION CANADA INC.
Statement of Operations
For the Year Ended September 30, 2023
(Unaudited)

	2023	2022
REVENUES	\$ 1,210,652	\$ 1,023,467
EXPENSES		
Salaries and wages	135,312	119,407
Programmes	61,567	38,067
Financial Assistance (Sadaqa/Zakaat)	25,150	22,850
Fundraising	22,520	13,884
Bank charges and credit card charges	21,783	21,108
Repairs and maintenance	21,499	4,325
Advertising	16,326	19,331
Office and general	15,294	11,665
Utilities	8,043	6,006
Finance charges	4,466	4,094
Professional fees	6,522	36,577
Amortization	8,744	9,963
	347,226	307,277
EXCESS OF REVENUES OVER EXPENSES	\$ 863,426	\$ 716,190

WORLD ISLAMIC MISSION CANADA INC.

**Statement of Changes in Net Assets
For the Year Ended September 30, 2023**

(Unaudited)

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 7,748,792	\$ 7,032,602
EXCESS OF REVENUES OVER EXPENSES	863,426	716,190
NET ASSETS - END OF YEAR	\$ 8,612,218	\$ 7,748,792

WORLD ISLAMIC MISSION CANADA INC.**Statement of Cash Flows****For the Year Ended September 30, 2023***(Unaudited)*

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 863,426	\$ 716,190
Item not affecting cash:		
Amortization of property and equipment	8,744	9,963
	872,170	726,153
Changes in non-cash working capital:		
Accounts payable	(1,366)	(68,801)
HST receivable	36,359	(137,489)
	34,993	(206,290)
Cash flow from operating activities	907,163	519,863
INVESTING ACTIVITY		
Building (in development)	(1,724,776)	(1,996,559)
FINANCING ACTIVITIES		
Proceeds from long term debt	256,841	2,463,000
Repayment of long term debt	(91,000)	(41,500)
Cash flow from financing activities	165,841	2,421,500
INCREASE (DECREASE) IN CASH FLOW	(651,772)	944,804
Cash - beginning of year	1,392,399	447,595
CASH - END OF YEAR	\$ 740,627	\$ 1,392,399

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2023

(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 Subsection 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.

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WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2023

(Unaudited)

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

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:

Building	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.

Building (in development)

Building (in development) includes construction costs and interest on general borrowing.

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, 2023

(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	2023 Net book value	2022 Net book value
Land	\$ 461,101	\$ -	\$ 461,101	\$ 461,101
Building	329,731	234,990	94,741	99,728
Computer equipment	6,708	6,478	230	329
Equipment	68,415	53,780	14,635	18,293
Building (in development)	11,082,295	-	11,082,295	9,357,519
	\$ 11,948,250	\$ 295,248	\$ 11,653,002	\$ 9,936,970

6. LONG TERM DEBT

The loan is from a private mortgage lender which was renewed on November 16, 2023 for \$4.5M and matures on December 1st, 2024. No principal payments are required up to December 1st, 2024. The interest rate is 12% 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. .

	2023	2022
	\$ 4,500,000	\$ 4,500,000

The loan amount of \$632,841 is payable to individuals who have funded the security deposit for the construction of the building and the funding of current work done. 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 \$552,841 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.

	632,841	467,000
	5,132,841	4,967,000
Amounts payable within one year	(45,000)	(4,500)
	\$ 5,087,841	\$ 4,962,500

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WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2023

(Unaudited)

6. LONG TERM DEBT *(continued)*

Principal repayment terms are approximately:

2024	\$ 4,545,000
2025	5,000
2026	5,000
2027	5,000
Thereafter	572,841
	<hr/>
	\$ 5,132,841

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, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. 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.

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.

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.

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

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

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(Unaudited)

8. COMMITMENTS

The Organization has entered into a construction contract. The commitment for Phase 1 was 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.

An amendment agreement was made in January 2022 for the installation of the steel structure for a total of \$3,716,777 and a deposit was made in February 2022 in the amount of \$303,157 plus HST. Preparation work of the site started in June 2022 and due to production delays steel installation did not start until November 2022 and was expected to be completed in February 2023. Due to weather and production delays work paused from March to August, 2023 and was completed in October 2023.

As of the year end, the cost of borrowing which was capitalized for the year is in the amount of \$405,000.

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. COMPARATIVE FIGURES

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