

WORLD ISLAMIC MISSION CANADA INC.

Financial Statements

Year Ended September 30, 2024

(Unaudited)

WORLD ISLAMIC MISSION CANADA INC.
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Year Ended September 30, 2024
(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, 2024, and the statements of revenues and expenditures, 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, 2024, 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 31, 2025

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

WORLD ISLAMIC MISSION CANADA INC.

Statement of Financial Position

September 30, 2024

(Unaudited)

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 154,796	\$ 740,627
HST receivable	38,516	115,974
	193,312	856,601
PROPERTY AND EQUIPMENT <i>(Note 5)</i>	13,468,053	11,653,002
DEPOSITS <i>(Note 4)</i>	1,259,500	1,259,500
OTHER ASSETS	3,001	3,001
	\$ 14,923,866	\$ 13,772,104
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 17,573	\$ 27,045
Current portion of long term debt <i>(Note 6)</i>	45,000	45,000
	62,573	72,045
LONG TERM DEBT <i>(Note 6)</i>	5,473,335	5,087,841
	5,535,908	5,159,886
NET ASSETS	9,387,958	8,612,218
	\$ 14,923,866	\$ 13,772,104

COMMITMENTS *(Note 8)*

ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

See notes to financial statements

WORLD ISLAMIC MISSION CANADA INC.
Statement of Revenues and Expenditures
Year Ended September 30, 2024
(Unaudited)

	2024	2023
REVENUES	\$ 1,113,618	\$ 1,210,652
EXPENSES		
Salaries and wages	143,665	135,312
Financial Assistance (Sadaqa/Zakaat)	42,696	25,150
Programmes	38,975	61,567
Advertising	23,879	16,326
Bank charges and credit card charges	19,088	21,783
Repairs and maintenance	17,180	21,499
Office and general	14,917	15,294
Fundraising	11,189	22,520
Professional fees	7,397	6,522
Utilities	6,973	8,043
Finance charges	4,094	4,466
Unrealized gains on foreign exchange	(675)	-
Amortization	8,500	8,744
	337,878	347,226
EXCESS OF REVENUES OVER EXPENSES	\$ 775,740	\$ 863,426

WORLD ISLAMIC MISSION CANADA INC.
Statement of Changes in Net Assets
Year Ended September 30, 2024
(Unaudited)

	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 8,612,218	\$ 7,748,792
EXCESS OF REVENUES OVER EXPENSES	775,740	863,426
NET ASSETS - END OF YEAR	\$ 9,387,958	\$ 8,612,218

WORLD ISLAMIC MISSION CANADA INC.**Statement of Cash Flows****Year Ended September 30, 2024***(Unaudited)*

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 775,740	\$ 863,426
Item not affecting cash:		
Amortization of property and equipment	8,500	8,744
	784,240	872,170
Changes in non-cash working capital:		
Accounts payable	(9,472)	(1,366)
HST receivable	77,458	36,359
	67,986	34,993
Cash flow from operating activities	852,226	907,163
INVESTING ACTIVITY		
Building (in development)	(1,823,551)	(1,724,776)
FINANCING ACTIVITIES		
Proceeds from long term financing	597,494	256,841
Repayment of long term debt	(212,000)	(91,000)
Cash flow from financing activities	385,494	165,841
DECREASE IN CASH FLOW	(585,831)	(651,772)
Cash - beginning of year	740,627	1,392,399
CASH - END OF YEAR	\$ 154,796	\$ 740,627
CASH CONSISTS OF:		
Cash	\$ 154,796	\$ 740,627

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2024

(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

Services

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.

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.

(continues)

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2024

(Unaudited)

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

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.

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.

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.

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2024

(Unaudited)

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 461,101	\$ -	\$ 461,101	\$ 461,101
Building	329,731	240,494	89,237	94,741
Computer equipment	6,708	6,547	161	230
Equipment	68,415	56,707	11,708	14,635
Building (in development)	12,905,846	-	12,905,846	11,082,295
	\$ 13,771,801	\$ 303,748	\$ 13,468,053	\$ 11,653,002

6. LONG TERM DEBT

	2024	2023
The loan is from a private mortgage lender which was renewed on October 28, 2024 for \$4.5M and matures on December 1st, 2025. No principal payments are required up to December 1st, 2025. The interest rate is 11.5% 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.	\$ 4,500,000	\$ 4,500,000
The loan amount of \$1,018,335 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 \$938,335 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.	1,018,335	632,841
	5,518,335	5,132,841
Amounts payable within one year	(45,000)	(45,000)
	\$ 5,473,335	\$ 5,087,841

Principal repayment terms are approximately:

2025	\$ 4,545,000
2026	5,000
2027	5,000
Thereafter	963,335
	\$ 5,518,335

WORLD ISLAMIC MISSION CANADA INC.

Notes to Financial Statements

Year Ended September 30, 2024

(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, 2024.

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 to the organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash held in U.S. dollars. The organization does not use derivative instruments to reduce its exposure to foreign currency risk.

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

Year Ended September 30, 2024

(Unaudited)

8. COMMITMENTS

The Organization has entered into a construction contract. The commitment for Phase 1 was for \$13.5 million plus applicable taxes. Payments are disbursed to the contractor based on progressive billings and on the work being certified. The contract will be extended to exclude the months where no work was performed and will reflect current pricing. The construction project is being 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, the cost of borrowing which was capitalized for the year is in the amount of \$560,250.

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. The next stage of work will be the roof deck and main floor slab estimated at \$611,541 subject to any price increase at the time work will be started. There is currently no start date as it will depend upon when the funds are available from donations and other sources.

9. COMPARATIVE FIGURES

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