

**BRAMPTON AND REGIONAL
ISLAMIC CENTRE (BARIC)**

FINANCIAL STATEMENTS
(Audited - See Audit Report dated June 04, 2024)

DECEMBER 31, 2023

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Brampton And Regional Islamic Centre (BARIC)

Qualified Opinion

We have audited the accompanying financial statements of Brampton And Regional Islamic Centre (BARIC) which comprise the statement of financial position as at December 31, 2023 and the statements of operations and changes in fund balances, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Brampton And Regional Islamic Centre (BARIC) as at December 31, 2023, and the statements of operations and changes in fund balances, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Brampton And Regional Islamic Centre (BARIC) derives cash revenues from fundraising, various fees and donations, the completeness of which is not susceptible to 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 those revenues, excess of receipts over expenditures, and net assets for the year ended December 31, 2023. Our audit opinion on the prior fiscal year financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 Organization in accordance with the 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 qualified audit opinion.

Emphasis of Matter

We draw attention to Note 12 to the financial statements which describes the basis for prior year's numbers included on the financial statements and the opinion expressed on those numbers in the report.

Responsibility of Management and those Charged with Governance 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, 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 these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibility for the Audit of the 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 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 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 Organization to cease to continue as a going concern.
- 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.

Brampton, Ontario
June 04, 2024

VSCPA Prof. Corp.

Chartered Professional Accountants
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

(Audited - See Audited Report dated June 04, 2024)

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 758,613	\$ 457,439
Accounts receivable	900	-
	759,513	457,439
Property, plant and equipment <i>(Note 6)</i>	2,552,635	2,597,420
	\$ 3,312,148	\$ 3,054,859
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 12,845	\$ 9,800
Due to government agencies	1,597	1,325
	14,442	11,125
Long-term debt <i>(Note 11)</i>	126,400	129,000
	140,842	140,125
FUND BALANCES		
NET RESTRICTED FUNDS <i>(Note 4) (Note 10)</i>	41,456	21,170
GENERAL FUNDS	3,129,850	2,893,564
	3,171,306	2,914,734
	\$ 3,312,148	\$ 3,054,859

Other Notes: Capital Management *(Note 5)*, Contingency *(Note 13)*, Subsequent Events *(Note 14)*.

Approved on behalf of the Board:

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Abdul Gafur

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Director

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[Signature]

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Director

The accompanying notes are an integral part of these financial statements

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

(Audited - See Audited Report dated June 04, 2024)

	2023	2022
REVENUE	\$ 468,659	\$ 424,577
EXPENSES		
Amortization of property, plant and equipment	50,866	53,347
Bank charges and interest	6,930	4,034
Religious services expense	11,672	3,048
General repairs and maintenance	6,689	11,897
Office and general	12,635	13,334
Professional fees	6,130	5,085
Property taxes, management fees and insurance	35,880	37,899
Telecommunications	366	1,150
Utilities and waste management	13,968	11,953
Wages, salaries and benefits - staff	87,237	70,582
	232,373	212,329
EXCESS OF REVENUE OVER EXPENSES	236,286	212,248
BALANCE, BEGINNING OF THE YEAR	2,893,564	2,681,316
BALANCE, END OF YEAR	\$ 3,129,850	\$ 2,893,564

The accompanying notes are an integral part of these financial statements

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Audited - See Audited Report dated June 04, 2024)

	2023	2022
OPERATING ACTIVITIES		
Net Surplus over Cost and Expenses	\$ 236,286	\$ 212,248
Items not requiring an outlay of funds		
Amortization of tangible capital assets	50,866	53,347
	287,152	265,595
Changes in non-cash working capital		
Accounts receivable	(900)	-
Government agency balances	272	(31)
Accounts payable and accrued liabilities	3,045	4,413
Net cash provided by operations	289,569	269,977
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(6,081)	(115,206)
Net cash (used in) investing activities	(6,081)	(115,206)
FINANCING ACTIVITIES		
Change in restricted funds	20,286	9,525
(Repayment of) proceeds from long term loan payable	(2,600)	366
Net cash provided by financing activities	17,686	9,891
Net increase in cash and cash equivalents	301,174	164,662
Cash and cash equivalents, beginning the year	457,439	292,777
Cash and cash equivalents, end the year	\$ 758,613	\$ 457,439
Cash and cash equivalents consists of the following:		
Bank and cash	\$ 758,613	\$ 457,439

The accompanying notes are an integral part of these financial statements

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Audited - See Audited Report dated June 04, 2024)

1 INTRODUCTORY NOTES

Brampton And Regional Islamic Centre (BARIC) ("the Organization") was incorporated, without share capital, on August 29, 2012 under the Canada Corporations Act as a not-for-profit organization. The Organization located at in the city of Brampton, Ontario is a volunteer based community group that provides social and religious services to the Muslim community of the Greater Toronto Area.

The Organization is exempt from income taxes under Section 149 of the Income Tax Act. Accordingly, no provision for income taxes payable or receivable has been made in the accompanying financial statements. The Organization is designated as a Charitable Organization with effect from May 20, 2014. In order to maintain its status as a registered charity, the Organization must meet certain requirements within the meaning of the Income Tax Act (Canada). In the opinion of management these requirements are met.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organization (ASNPO) set out in the Part III of the Chartered Professional Accountants of Canada Handbook - Accounting, and are in accordance with Canadian generally accepted accounting principles which include the following significant accounting policies:

Use of Estimates

When preparing financial statements in conformity with ASNPO, the management is required to make certain estimates and assumptions relating to the:

- Reported amounts of revenue and expenses for the year;
- Reported amounts of bad debts and allowance for doubtful accounts;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities at the report date.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the Organization may undertake in future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used for accounting of certain items, such as the useful lives of capital assets and impairment of long-lived assets and prepaid and accrued expenses.

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(Audited - See Audited Report dated June 04, 2024)

Fund Accounting and Revenue Recognition

The Organization follows the restricted fund method of accounting for contributions. The financial statements separately disclose the activities of the following funds maintained by the Organization:

- The Unrestricted Fund reflects the general fundraising activities, fees collection and administrative activities, and reports on unrestricted resources available for immediate use. The Unrestricted Fund is used to support the operations of the Organization. Where a portion of funds or grants is related to a future period, this is deferred and recognized in that subsequent period.
- The Restricted Fund reflects the funds that have been externally or internally restricted by the objectives specified by the donors or in accordance with directives issued by the Board of Directors. Funds designated to a particular service as directed by the donors are expensed on related programs and services.

Unrestricted contributions are recognized as revenue when received or receivable, and when amounts to be received can reasonably be determined and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year received.

Revenues from fees collection are recorded when services have been performed.

All other sources of revenue including donations-in-kind are recorded when donated materials have been received and evaluated.

Donations-in-kind are recorded at their appraised or fair value.

Proceeds from fundraising and special events are recognized in the year in which the event occurred, based on the reasonable assurance of collection.

All other revenues and expenditures are recorded on an accrual basis.

Tangible Capital Assets

The tangible capital assets include property, plant and equipment, and are recorded at cost. Amortization is provided annually at the following rates and methods over the estimated useful lives of the assets as follows, except in the year of acquisition when one half of the rate is used.

Land and development		
Building - Condominium Units	4%	declining balance
Computer and Office equipment	45%	declining balance
Sign board and Fixtures	20%	declining balance
Sound and Security system	20%	declining balance

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(Audited - See Audited Report dated June 04, 2024)

Financial Instruments

Financial instruments are recorded at fair value when acquired, and in the subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income.

Contributed Services

Volunteers contribute an indeterminable numbers of hours every year to assist the Organization in carrying out its mission. However, due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3 FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and cash equivalents, long term loans, and accounts payable and accruals. The fair values of the instruments approximate their carrying values, unless otherwise noted.

The Organization uses comprehensive risk management procedures to limit the risks inherent in the use of financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2023. The principal risks assumed by the Organization are credit risk, liquidity risk and market risk.

Credit Risk

The Organization's exposure to credit risk is principally derived from cash and cash equivalents, and accounts receivable. The Organization maintains cash and cash equivalents with major financial institutions, and no particular concentration of credit risk exists. There are no accounts receivable for the fiscal years included in the financial statements, and therefore, there is no particular concentration of credit risk.

The Organization sells the donated tangibles assets such as vehicles, equipment and machinery, precious metal jewellery, etc. to the interested persons at fair market value, which are in general of no use to the Organization. These sales are generally the cash sales.

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization is exposed to liquidity risk arising primarily from the long term debt, and accounts payable and accrued liabilities.

The Organization's ability to meet obligations depends on the receipt of funds from its community contributors, fund raising events, and other related sources, whether in the form of revenues or advances. In the opinion of management the liquidity risk exposure to the Organization is low and immaterial.

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Audited - See Audited Report dated June 04, 2024)

Market Risk

The Organization is exposed to market risk through the fluctuation of financial instrument fair values due to changes in economic set-up, and market prices and other related aspects. The significant market risks to which the Organization is exposed is price risk and other risk.

Price Risk

Price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

Other Risk

Other risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments fluctuate because of changes in a situation which could have an impact on the overall economy, and ultimately on the Organization such as inability to obtain debts, or potential future decreases in service revenues and donations.

4 RESTRICTED FUND ACCOUNT

The portion of religious obligation received as of fiscal year end in the form of Fitra, Zakat and Sadaka distributions have been accounted for directly as restricted funds in the fiscal year they are received. The Board of Directors bears responsibility to make the relevant decision for the disbursements and utilization of the funds per Islamic belief and guidelines.

Islamic practice advocates that Fitra, Zakat and Sadaqa funds collectively and or individually constitute(s) a method of equitable redistribution of wealth and thereby help preserving a social harmony between the wealthy and the poor, however, according to current school of islamic scholars these funds can be spent on the social welfare and economic development projects, or science and technology education.

Management confirms that they follow Organization's policies and guidelines to help people having financial crises including severe medical issues, hospital emergencies, and being victim of natural disasters.

5 CAPITAL MANAGEMENT

The Organization manages its capital structure and makes adjustments to it based on the funds available in order to support its activities and meet its salary, occupancy cost, food and other expenses, and fund its working capital and overall capital expenditures.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of its management to sustain and develop the activities of the Organization.

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(Audited - See Audited Report dated June 04, 2024)

In order to carry out its business plan, the Organization intends to spend its working capital on ongoing operations. Management reviews its capital management approach on the ongoing basis and believes that this approach, given the relative size and the mission of the Organization, is optional.

There were no changes in the Organization's approach to capital management during the fiscal year ended December 31, 2023. The Organization is not subject to externally imposed capital requirements, except as disclosed in the notes to the accompanying financial statements.

6 PROPERTY, PLANT AND EQUIPMENT

	2023			2022
	Cost	Accumulated Amortization	Net	Net
Land and development	\$ 1,366,470	\$ -	\$ 1,366,470	\$ 1,360,389
Building - Condominium Units	1,649,589	470,326	1,179,263	1,228,399
Computer and Office equipment	903	898	5	10
Sign board and Fixtures	11,254	8,703	2,551	3,189
Sound and Security system	22,209	17,863	4,346	5,433
	\$ 3,050,425	\$ 497,790	\$ 2,552,635	\$ 2,597,420

7 ECONOMIC DEPENDENCE

The Organization receives most of its funding from its membership fees, members' contribution, fees from religious teachings, fundraising activities, and general collections from muslim devoties during the period of obervance of Ramadan (the month of Ramadan per Islamic Calender) to support its full as well as part-time employees, and ongoing operations. No funding comes from any government institution, and other non-government sources.

To safegaurd the Organization's ability to continue as a going concern, the founder, life and primary members collectively, beside donating funds to the Organization, have structured an annual membership fees collection plan, and also the management organizes various fund raising events from time-to-time.

The fees received during the year from these members of \$20,180 (2022: \$23,030) represents approximately 4% (2022: 5%) of the Organization's total unrestricted revenues. The revenue collected at the organized events for the year 2023 of worth \$244,412 (2022: \$185,614) represents approximately 52% (2022: 44%) of the Organization's total unrestricted revenues.

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(Audited - See Audited Report dated June 04, 2024)

8 DONATIONS AND CHARITABLE RECEIPTS

The Organization takes all relevant measures for the issuance of the genuine charitable donation receipts to the original contributors for their tax credits purposes.

The Organization issued charitable receipts for the year 2023 in the amount of worth \$198,737 (2022: \$271,725) which constitutes approximately 43% (2022: 64%) of the Organization's total revenues.

9 REVENUE

	2023	2022
General everyday collections	\$ 168,714	\$ 160,829
Fund raising revenue - events	244,412	185,614
Fund raising revenue - pledges	924	37,250
Membership fees	20,180	23,030
Other funds - Halaqa food surplus and Iftar dinner	9,914	-
Government grant - Province of Ontario	7,500	-
Service revenue - Madarasa and facility fees	17,015	17,854
TOTAL REVENUE	\$ 468,659	\$ 424,577

10 NET RESTRICTED FUNDS

	2023	2022
Jakat account collection	44	168
Sadaqa account collection	41,412	21,002
Total Restricted Funds	\$ 41,456	\$ 21,170

11 LONG TERM DEBT

	2023	2022
Unsecured loan amount from some members with zero borrowing cost; unscheduled and undetermined repayments, and with undetermined current portion of loan, and no fixed period of the loan-settlement	\$ 126,400	\$ 129,000

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(Audited - See Audited Report dated June 04, 2024)

12 COMPARATIVE NUMBERS

The financial statements for 2022, included for comparative purposes, are based on financial statements audited by the licensed public accountants from our Brampton office, who expressed qualified opinion in the report dated June 30, 2023.

Certain prior year's numbers have been reclassified for comparative purposes to conform with current year presentation. Our opinion is not modified in respect of this matter.

13 CONTINGENCY

Management concluded that no lawsuit instituted against the Organization that would require recognition in the financial statements or disclosure in the notes to financial statements.

14 SUBSEQUENT EVENTS

Management evaluated all activities of the Organization as at December 31, 2023 through the issuance date of the financial statements, and concluded that no subsequent events have been occurred that would require recognition in the financial statements or disclosure in the notes to financial statements except for the aspects which are as follows.

Board of Directors of the Organization is working with the authorities of the city of Brampton on the plans and designs related to the land developments and building a Mosque at a parcel of land specifically acquired for the purpose.