



AHMADIYYA  
MUSLIM JAMA'AT  

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Canada

Financial Statements of

# **Ahmadiyya Muslim Jama'at Canada Inc.**

And Independent Auditor's Report thereon

Year ended June 30, 2019



## INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of Ahmadiyya Muslim Jama'at Canada Inc.

### *Report on the Audit of the Financial Statements*

#### *Qualified Opinion*

We have audited the accompanying financial statements of Ahmadiyya Muslim Jama'at Canada Inc., which comprise the statement of financial position, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as the financial statements).

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ahmadiyya Muslim Jama'at Canada Inc. as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis of Qualified Opinion*

In common with many not-for-profit organizations, Ahmadiyya Muslim Jama'at Canada Inc. derives revenues from fundraising activities, 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 revenue from fundraising. Our audit opinion was modified accordingly because of the possible effects of this scope limitation.

#### *Emphasis of Matter - Restated Comparative Information*

We draw attention to Note 13 to the financial statements which explains that certain comparative information presented for the year ended June 30, 2018 has been restated. The financial statements of Ahmadiyya Muslim Jama'at Canada Inc. for the year ended June 30, 2018 (prior to the restatement described in Note 2 to the financial statements) were audited by another auditor who expressed a qualified opinion on those financial statements on December 18, 2018. Our opinion is not modified in respect of this matter.

As part of our audit of the financial statements of Ahmadiyya Muslim Jama'at Canada Inc. for the year ended June 30, 2019, we also audited the adjustments described in Note 13 that were applied to restate the comparative information for the year ended June 30, 2018. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review, or apply any procedures to the financial statements of Ahmadiyya Muslim Jama'at Canada Inc. for the year ended June 30, 2018. Accordingly, we do not express an opinion or any other form of assurance on the financial statements for the year ended June 30, 2018 taken as a whole.

#### *Responsibilities 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

***Auditor's Responsibility for the Audit of 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 Entity'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 Entity 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.

*Sloan Partners LLP*

December 18, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**Ahmadiyya Muslim Jama'at Canada Inc.***(a charitable organization)***STATEMENT OF FINANCIAL POSITION**

June 30, 2019, with comparative information for 2018

	2019	2018
<b>Assets</b>		Restated (note 13)
<b>Current</b>		
Cash	\$ 3,338,667	\$ 2,400,081
Loans receivable	139,962	147,992
Books inventory	628,769	540,321
Receivable from AMJ Inc. (note 10)	2,486,809	2,678,960
Loan receivable - Markaz	486,131	380,286
HST receivable	668,442	917,300
Expenditure advances	1,101,737	1,859,980
Prepaid expenses	1,726,924	968,633
	10,577,441	9,893,553
<b>Capital Assets</b>		
Mosques (note 2)	67,999,066	65,088,079
Mission houses (note 3)	11,223,893	11,624,998
Residences (note 4)	3,648,599	3,729,682
Undeveloped land	2,315,450	2,315,450
Properties held in trust (note 5)	1,452,290	1,531,010
Other capital assets (note 6)	1,196,194	912,412
	87,835,492	85,201,630
	<b>\$ 98,412,933</b>	<b>\$ 95,095,183</b>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,341,575	\$ 4,040,353
Government remittances payable	131,854	-
Current portion of long-term debt (note 7)	99,189	-
	1,572,618	4,040,353
<b>Long-term</b>		
Long-term debt (note 7)	336,964	-
Deferred capital contributions (note 8)	62,744,401	60,867,265
Deferred capital contributions on undeveloped land (note 8)	3,619,670	3,619,970
	66,701,035	64,487,235
	68,273,653	68,527,588
<b>Net assets</b>		
National restricted funds	1,139,196	1,139,196
Auxiliaries	5,358,664	3,911,759
Unrestricted	23,641,420	21,516,640
	30,139,280	26,567,595
	<b>\$ 98,412,933</b>	<b>\$ 95,095,183</b>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

**Ahmadiyya Muslim Jama'at Canada Inc.***(a charitable organization)***STATEMENT OF CHANGES IN NET ASSETS**

June 30, 2019, with comparative information for 2018

	National Restricted Funds	Auxiliaries	Unrestricted	Total 2019	Total 2018 Restated (note 13)
Net assets, beginning of year					
- As previously stated	\$ 1,139,196	\$ 3,911,759	\$ 21,516,640	\$ 26,567,595	\$ 24,720,488
- Correction of error related to capital assets (note 13)	-	-	-	-	1,100,887
- Restated	\$ 1,139,196	\$ 3,911,759	\$ 21,516,640	\$ 26,567,595	\$ 25,821,375
- Excess of revenues over expenses	-	1,446,905	2,124,780	3,571,685	746,220
<b>Net assets, end of year</b>	<b>\$ 1,139,196</b>	<b>\$ 5,358,664</b>	<b>\$ 23,641,420</b>	<b>\$ 30,139,280</b>	<b>\$ 26,567,595</b>

See accompanying notes to financial statements.

**Ahmadiyya Muslim Jama'at Canada Inc.***(a charitable organization)***STATEMENT OF OPERATIONS**

Year ended June 30, 2019, with comparative information for 2018

	2019	2018
		Restated (note 13)
<b>Revenues</b>		
Operations (note 9)	\$ 18,039,796	\$ 15,795,434
Auxiliaries	3,050,232	2,377,142
Amortization of deferred capital contributions	1,934,856	1,490,226
	<u>23,024,884</u>	<u>19,662,802</u>
<b>Expenses</b>		
Management and professional fees (note 10)	1,338,600	3,099,225
Wages and benefits	3,100,512	2,064,243
Auxiliary organization expenses	1,603,327	1,857,616
Rent, rates and taxes	1,944,612	1,754,498
Jalsa Salana	1,371,010	1,312,568
Property expenses	1,988,034	1,113,228
Utilities	960,311	934,497
Hospitality	803,162	823,862
Literature	507,915	777,115
Miscellaneous	498,665	684,415
Travelling and meetings	680,410	603,914
Vehicle repair and maintenance	436,766	335,775
Postage, telephone and faxes	326,087	280,043
Donation expenses	204,438	239,163
Printing and stationary	151,176	191,771
Medical and educational aid	202,437	117,847
Computer and audio/video	118,887	113,506
Sadaqaats	119,551	85,040
Bank charges	39,167	33,177
	<u>16,395,067</u>	<u>16,421,503</u>
<b>Operating Income before Amortization</b>	<b>6,629,817</b>	<b>3,241,299</b>
Amortization	3,058,132	2,495,079
<b>Excess of Revenues over Expenses</b>	<b>\$ 3,571,685</b>	<b>\$ 746,220</b>

See accompanying notes to financial statements.

**Ahmadiyya Muslim Jama'at Canada Inc.***(a charitable organization)***STATEMENT OF CASH FLOWS**

Year ended June 30, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		Restated (note 13)
Operating activities:		
Excess of revenues over expenses	\$ 3,571,685	\$ 746,220
Amortization of capital assets	3,058,132	2,495,079
Amortization of deferred capital	(1,934,856)	(1,490,227)
	4,694,961	1,751,072
Changes in non-cash working capital		
Decrease (increase) in expenditure advances	758,243	(909,889)
(Increase) decrease in book inventory	(88,448)	5,185
Decrease (increase) in HST receivable	248,858	(211,941)
Increase in prepaid expenses	(758,291)	(206,228)
(Decrease) increase in accounts payable & accrued liabilities	(2,698,778)	2,155,944
Increase (decrease) in government remittances payable	131,854	(21,140)
	(2,406,562)	811,931
	2,288,399	2,563,003
Investing activities:		
Purchase of mosques	(4,730,605)	(11,087,940)
Purchase of mission houses	(9,801)	(324,416)
Purchase of residences	(202,338)	(76,178)
Purchase of other capital assets	(750,426)	(457,528)
	(5,693,170)	(11,946,062)
Financing activities:		
Decrease in loans receivable	8,030	92
Decrease in donations recoverable from AMJ Inc.	192,151	1,569,612
Increase in loan receivable - Markaz	(105,845)	(380,286)
Proceeds from long-term debt	535,362	-
Repayment of long-term debt	(99,209)	(928,583)
Increase in loan payable - Markaz	-	(86,750)
Increase in deferred capital contributions	3,812,868	8,290,776
	4,343,357	8,464,861
Increase (decrease) in cash	938,586	(918,198)
Cash, beginning of year	2,400,081	3,318,279
Cash, end of year	\$ 3,338,667	\$ 2,400,081

See accompanying notes to financial statements.

## **Ahmadiyya Muslim Jama'at Canada Inc.**

*(a charitable organization)*

### **NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2019

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Ahmadiyya Muslim Jama'at Canada Inc. is registered federally as a not-for-profit charitable organization without share capital and is exempt from income taxes under Section 149 of the Income Tax Act of Canada.

The objectives of the charity are:

- I. Advancement of Islamic faith, for greater certainty, the Islamic faith as expounded by Hadrat Mirza Ghulam Ahmad of Qadian, the Promised Messiah, Mahdi and founder of Ahmadiyya Muslim Jama'at, and interpreted by his successors known as "Khalifatul Masih". (presently Hadrat Mirza Masroor Ahmad, Khalifatul Masih V);
- II. Training and engagement of Muslim Missionaries to preach Holy Quran and the fundamental principle that Islam is religion of peace and that no compulsion is permissible in its acceptance or propagation;
- III. Advancement of religious and secular education and research; and
- IV. Relief of those in financial need, hardship or distress, sick or poor in health, including but not limited to relief and assistance of people in any part of the world who are the victims of war or other conflicts, natural disaster, trouble or catastrophe.

## **1. Significant accounting policies**

### **Basis of presentation**

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations.

### **Revenue recognition**

- I. The organization uses the deferred method in accounting for contributions. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recognized as revenue in the period in which the related expenses are incurred.
- II. Donated goods and services are not recorded in accounts of the organizations except when a fair value of such goods and services can be reasonably estimated and when the goods and services are normally purchased by the organization and would be paid for if not donated. Volunteer contribute significant amounts of time to assist the organization in carrying out in service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these statements.
- III. Charitable donations in kind are recorded in the financial statements if donation receipts are issued and fair value of the donations can be reasonably determined.



# Ahmadiyya Muslim Jama'at Canada Inc.

(a charitable organization)

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

### 1. Significant accounting policies (continued)

- IV. Deferred capital contributions are being amortized into income using the same basis as underlying capital assets:

Constructed buildings	Straight -line basis over 40 years
Purchased buildings	Straight line basis over 25 years
Land	No amortization

### Financial instruments

AMJC Inc.'s financial instruments consist of cash and cash equivalents, accounts receivables, contributions receivable from donors, restricted investments, loans receivable, accounts payable and accrued liabilities, government remittances payable and long-term debt. AMJC Inc. initially measures its financial assets and liabilities at fair value. AMJC Inc. subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and cash equivalents and restricted investments which are measured at fair value.

Transaction costs related to financial assets measured a fair value are expensed as incurred.

Transaction costs related to other financial assets and financial liabilities are included or deducted in the initial measurement of the assets or liabilities.

### Cash and Cash Equivalents

Cash and cash equivalents include internally restricted and unrestricted cash and cash equivalents. In accordance with the investments policy approved by the board of directors, Cash and cash equivalents are held in highly liquid investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Capital Assets

Capital assets are recorded at cost when purchased and are subsequently measured at cost less accumulated amortization. They are amortized over their estimated useful lives at the following rates and basis:

Constructed buildings	Straight-line basis over 40 years
Purchased buildings	Straight-line basis over 25 years
Land	No amortization
Portables and greenhouses	Straight-line basis over 10 years
Vehicles	Declining balance at 30%
Building equipment	Declining balance at 30%
Office equipment	Declining balance at 30%
Furniture and fixtures	Declining balance at 20%

## **Ahmadiyya Muslim Jama'at Canada Inc.**

*(a charitable organization)*

### **NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2019

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#### **1. Significant accounting policies (continued)**

##### **Impairment of long-lived assets**

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the asset no longer has long-term service potential. The amount of the impairment loss is determined as the excess of the net carrying value of the asset over its residual value.

##### **Use of estimates**

The preparation of financial statement in accordance with the Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Significant estimates include assumptions used in estimating the recoverability of project expenditures and the determination of the allowances for doubtful contributions receivable from donors, allowances for doubtful amounts receivables, the useful life of capital assets, the fair value of investments, the amount of certain accrued liabilities and the fair value of contributions in kind. Actual results could differ from management's best estimates as additional information becomes available in the future.

##### **Receivable from AMJ Inc.**

AMJ Inc. collects donations on behalf of Ahmadiyya Muslim Jama'at Canada Inc. These donations are expected to be collected within 90 days. AMJ Inc. is an independent entity that is the agent for donations made to Ahmadiyya Muslim Jama'at Canada Inc. The amount receivable at June 30, 2019 was received within 90 days of the year end.

##### **Loans receivable**

Loans receivable include amounts loaned to community members for various purposes. The organization provides a bad debt provision for 75% of loans receivable over 5 years and 50% of loans receivable between 1 and 4 years old.

##### **Books inventory**

Books inventory is valued at the lower of cost and net realizable value. The organization estimates net realizable value as the amount inventory is expected to be sold less costs to make the sale. As the organization is not in the business of profiting from book sales, many books are sold for less than market value to improve the cultural awareness in the community.

##### **Prepaid expenses**

Prepaid expenses include administrative costs paid in advance of the fiscal year to which the costs relate, such as prepaid property and liability insurance.

**Ahmadiyya Muslim Jama'at Canada Inc.***(a charitable organization)***NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2019

**1. Significant accounting policies (continued)****Expenditure advances**

Expenditure advances include amounts given to the local chapters for meeting day-to-day expenses. These advances are settled and replenished regularly upon submission of expense claims.

**Cemetery property**

The organization facilitates purchase of burial plots for its members on not-for-profit basis. Such purchases of burial plots is expensed when acquired.

**2. Capital Assets - Mosques**

	Cost	Accumulated amortization	2019 Net	2018 Net restated (note 13)
Land	\$ 9,120,726	-	\$ 9,120,726	\$ 9,120,726
Buildings	71,794,461	12,916,121	58,878,340	55,967,353
	<b>\$ 80,915,187</b>	<b>\$ 12,916,121</b>	<b>\$ 67,999,066</b>	<b>\$ 65,088,079</b>

**3. Capital Assets - Mission Houses**

	Cost	Accumulated amortization	2019 Net	2018 Net
Land	\$ 873,824	-	\$ 873,824	\$ 873,824
Buildings	13,443,488	3,093,419	10,350,069	10,751,174
	<b>\$ 14,317,312</b>	<b>\$ 3,093,419</b>	<b>\$ 11,223,893</b>	<b>\$ 11,624,998</b>

**4. Capital Assets - Residences**

	Cost	Accumulated amortization	2019 Net	2018 Net restated (note 13)
Land	\$ 1,402,540	-	\$ 1,402,540	\$ 1,402,540
Buildings	3,574,060	1,328,001	2,246,059	2,327,142
	<b>\$ 4,976,600</b>	<b>\$ 1,328,001</b>	<b>\$ 3,648,599</b>	<b>\$ 3,729,682</b>

**Ahmadiyya Muslim Jama'at Canada Inc.***(a charitable organization)***NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2019

**5. Capital Assets - Properties held in Trust**

	Cost	Accumulated amortization	2019 Net	2018 Net
Land	\$ 421,473	-	\$ 421,473	\$ 421,473
Buildings	1,967,992	937,175	1,030,817	1,109,537
	<b>\$ 2,389,465</b>	<b>\$ 937,175</b>	<b>\$ 1,452,290</b>	<b>\$ 1,531,010</b>

**6. Capital Assets - Other Capital Assets**

	Cost	Accumulated amortization	2019 Net	2018 Net
Vehicles	\$ 1,228,745	\$ 596,130	\$ 632,615	\$ 297,755
Building equipment	473,922	334,677	139,245	198,919
Office equipment	384,452	217,759	166,693	118,681
Furniture	66,505	25,404	41,101	50,202
Fixtures	394,949	178,409	216,540	246,855
	<b>\$ 2,548,573</b>	<b>\$ 1,352,379</b>	<b>\$ 1,196,194</b>	<b>\$ 912,412</b>

**7. Long-term Debt**

Long-term debt obtained to finance purchases of vehicles, bears interest from 0.00%-5.49%, payable monthly \$8,960 on account of interest and principal. The debt is secured by vehicles having carrying value of \$362,711 as of June 30, 2019. Maturity dates range from October 2021 to July 2025.

	2019	2018
Long-term debt	\$ 436,153	-
Less: current portion of long-term debt	99,189	-
	<b>\$ 336,964</b>	

The expected principal repayments of long-term debt for each of the years subsequent to June 30, 2019 are as follows:

Years	Amount
2019-20	\$ 99,189
2020-21	99,189
2021-22	97,858
2022-23	85,031
2023-24	28,838
2024-25	21,571
2025-26	4,477
Long-term debt	<b>\$ 436,153</b>

## Ahmadiyya Muslim Jama'at Canada Inc.

(a charitable organization)

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

#### 8. Deferred Capital Contributions

	2019	2018 Restated (note 13)
Balance - Beginning of year	\$ 64,487,234	\$ 57,686,686
Contributions received during the year	3,811,693	8,290,775
Amortization of deferred capital contributions	(1,934,856)	(1,490,226)
Balance - End of year	\$ 66,364,071	\$ 64,487,235
Represented by:		
Deferred capital contributions	62,744,401	60,867,265
Deferred capital contributions on undeveloped land	3,619,670	3,619,970
	\$ 66,364,071	\$ 64,487,235

Deferred capital contributions represent the unamortized amount of contributions made by members of AMJC for the purchase of capital assets.

#### 9. Government grants

Revenue from operations include wage subsidies from Employment and Social Development Canada (ESDC) under the Student Work Placement Program to provide post-secondary students paid work experience related to their field of study. The amount received in the current year is \$322,297 (2018: \$152,829).

#### 10. Related Party Transactions with AMJ Inc.

AMJ Inc. is an independent not-for-profit organization incorporated without share capital under Federal Corporation Act on April 17, 2008. AMJ Inc. and Ahmadiyya Muslim Jama'at Canada Inc. are both responsible to Ahmadiyya Muslim Community International, Headquartered in Tilford, United Kingdom. Ahmadiyya Muslim Jama'at Canada Inc. entered into a service agreement with AMJ Inc. dated July 1, 2008 to provide fundraising and collection services to Ahmadiyya Muslim Jama'at Canada Inc. for a management fee. These transactions are in the normal course of operations. Included in the management and professional fees expense is an amount of \$1,220,566 (2018: \$ 3,024,663) for services rendered by AMJ Inc. At the fiscal year end, an amount of \$ 395,500 (2018: \$ 395,500) is included in the accounts payable and accrued liabilities.

As at June 30, 2019, a balance of \$2,486,809 (2018: \$ 2,678,960) is receivable from AMJ Inc. for donations collected by AMJ Inc. on behalf of Ahmadiyya Muslim Jama'at Canada Inc.

## Ahmadiyya Muslim Jama'at Canada Inc.

(a charitable organization)

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

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#### 11. Letters of Guarantee

The organization has guaranteed the following letters of guarantee:

Corporation of the City of Delta, BC	\$ 11,173
Corporation of the City of Vaughan, ON	\$ 194,926
Corporation of the City of Brampton, ON	\$ 305,000

#### 12. Financial Instruments:

##### a) Liquidity Risk

Liquidity risk is a risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization is exposed to liquidity risk arising primarily from the requirement to pay its payables and withholding taxes. The organization's ability to meet these obligations depends on the receipt of funds from its operations, which it monitors closely.

##### b) Other Risks

The organization believes that it is not exposed to significant interest, currency, credit, market or other price risks arising from holding financial instruments.

#### 13. Correction of errors

During the year ended June 30, 2019, AMJC determined that, in the financial statements for the year ended June 30, 2018:

- a) It had not presented expenditure advances of funds received by the local chapters, in accordance with the requirements of Canadian accounting standards for not-for-profit organizations. To correct the error, AMJC has restated the statement of financial position to reflect expenditures advances appropriately.
- b) It had incorrectly classified one of the Mosques in Capital Assets as Residence. To correct the error, AMJC has restated the Capital Assets – Mosques and Capital Assets – Residences to correctly record the acquisition and construction of the land and building at 10610 Jane Street, Maple, Ontario.
- c) The above incorrect classification of a mosque as stated in note 13(b), accumulated amortization taken on the Capital Asset – Mosques, specifically, the Mosque at 10610 Jane Street, Maple was applied on a straight-line basis over 25 years. As this property was constructed, the amortization from inception should be on a straight-line basis over 40 years as per the policy note described above. To correct this error, the comparative information included in the statement of financial position and statement of operations was adjusted. See the adjustments below.
- d) It had not presented additional advances to various member mosques, in accordance with the requirements of Canadian accounting standards for not-for-profit organizations. To correct the error, AMJC has restated the statement of financial position to reflect advances appropriately in prepaid expenses and out of cash.

**Ahmadiyya Muslim Jama'at Canada Inc.***(a charitable organization)***NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2019

**13. Correction of errors (continued)**

The following table outlines the impact of the changes in paragraphs a) to d) on the financial statements as at and for the year ended June 30, 2018:

	As previously reported	Increase (decrease)	Restated
Advances receivable	\$ 1,859,980	\$ (1,859,980)	\$ -
Expenditure advances	-	1,859,980	1,859,980
Mosques - Buildings (cost)	62,422,066	4,502,511	66,924,577
Residences - Buildings (cost)	8,557,089	(5,044,908)	3,512,181
Current portion of deferred capital contributions	1,490,227	(1,490,227)	-
Deferred capital contributions	59,377,038	1,490,227	60,867,265
Unrestricted net assets, beginning of year	20,415,753	1,100,887	21,516,640
Amortization	2,570,753	(75,674)	2,495,079
Excess of revenues over expenses	670,546	75,674	746,220