
Financial statements of
Islamic Society of North America -
Canada (ISNA - Canada)

December 31, 2025

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Independent Auditor's Report

To the Members of
Islamic Society of North America - Canada (ISNA – Canada)

Qualified Opinion

We have audited the financial statements of Islamic Society of North America – Canada (the “Organization”), which comprise the statement of financial position as at December 31, 2025, and the statements of revenue and expenses, 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 (collectively referred to as the “financial statements”).

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from 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 recorded donations revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and the net assets as at January 1 and December 31 for both the 2025 and 2024 years. The prior year audit opinion on the financial statements for the year ended December 31, 2024, was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 7, 2026

Islamic Society of North America - Canada (ISNA - Canada)**Statement of financial position**

As at December 31, 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash		1,844,746	1,190,671
Accounts receivable	9	249,243	141,027
Harmonized Sales Tax receivable		334,471	291,656
Security deposit		35,500	35,500
		2,463,960	1,658,854
Long-term loan receivable	7	50,000	—
Cemetery properties	8	873,783	234,291
Property and equipment	3	19,580,968	18,552,072
		22,968,711	20,445,217
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		1,209,523	869,338
Property loan payable	4	962,000	1,000,000
		2,171,523	1,869,338
Property loan payable	4	—	887,447
Long-term loan payable	5	821,590	821,590
Deferred capital contributions	6	931,451	932,766
		3,924,564	4,511,141
Net assets			
General Fund		282,075	(797,783)
Capital Fund		17,762,072	15,731,859
Emergency Operating Fund		1,000,000	1,000,000
		19,044,147	15,934,076
		22,968,711	20,445,217

The accompanying notes are an integral part of the financial statements.

Islamic Society of North America - Canada (ISNA - Canada)**Statement of revenue and expenses**

Year ended December 31, 2025

	Notes	2025 \$	2024 \$
Revenue			
Donations		6,797,172	6,029,391
Programs and services		1,828,075	1,630,314
Gain on sale of property	3	2,007,280	—
Grave sales		478,800	430,600
Rental income		494,594	500,242
Amortization of deferred capital contributions	6	21,315	17,208
		11,627,236	8,607,755
Expenses			
Salaries and wages		3,167,887	2,934,619
Programs and services		2,530,152	1,896,284
Grave costs		93,008	722,757
Amortization		781,730	730,129
Repairs and maintenance		547,570	362,902
Office and general		546,243	331,604
Bank charges and other fees		223,808	251,559
Insurance		131,549	179,715
Utilities		191,630	141,016
Professional fees		50,911	69,286
Outreach expenses		128,200	125,967
Communications		118,583	107,396
Property taxes		5,894	12,691
		8,517,165	7,865,925
Excess of revenue over expenses		3,110,071	741,830

The accompanying notes are an integral part of the financial statements.

Islamic Society of North America - Canada (ISNA - Canada)

Statement of changes in net assets

Year ended December 31, 2025

	General Fund \$	Capital Fund \$	Emergency Operating Fund \$	Total 2025 \$	Total 2024 \$
Net assets, beginning of year	(797,783)	15,731,859	1,000,000	15,934,076	15,192,246
Excess (deficiency) of revenue over expenses	3,870,486	(760,415)	—	3,110,071	741,830
Repayment of property loan payable	(1,000,000)	1,000,000	—	—	—
Funding received for property and equipment	20,000	(20,000)	—	—	—
Purchase of property and equipment	(1,810,628)	1,810,628	—	—	—
Net assets, end of year	282,075	17,762,072	1,000,000	19,044,147	15,934,076

The accompanying notes are an integral part of the financial statements.

Islamic Society of North America - Canada (ISNA - Canada)**Statement of cash flows**

Year ended December 31, 2025

	2025	2024
	\$	\$
Operating activities		
Excess of revenue over expenses	3,110,071	741,830
Items not involving cash		
Amortization	781,730	730,129
Amortization of deferred capital contributions	(21,315)	(17,208)
Gain on sale of property	(2,007,280)	—
Imputed interest on property loan payable	74,554	109,720
	1,937,760	1,564,471
Change in non-cash working capital items		
Accounts receivable	(108,216)	102,855
Long-term loan receivable	(50,000)	—
Harmonized Sales Tax receivable	(42,815)	(43,504)
Cemetery properties	(639,492)	168,032
Accounts payable and accrued liabilities	340,185	394,391
	1,437,422	2,186,245
Investing activities		
Purchase of property and equipment	(1,810,628)	(3,121,637)
Proceeds from sale of property	2,007,280	—
Deferred capital contributions received	20,000	92,491
	216,652	(3,029,146)
Financing activities		
Repayments of proceeds from property loan	(1,000,000)	(1,000,000)
(Repayments of) proceeds from long-term loan	—	821,590
	(1,000,000)	(178,410)
Increase (decrease) in cash	654,074	(1,021,311)
Cash, beginning of year	1,190,671	2,211,982
Cash, end of year	1,844,745	1,190,671

The accompanying notes are an integral part of the financial statements.

Islamic Society of North America - Canada (ISNA – Canada)

Notes to the financial statements

December 31, 2025

1. Purpose of the organization

Islamic Society of North America - Canada (ISNA - Canada) (the "Organization") is a not-for-profit organization incorporated on September 13, 1982 through letters of patent under the Minister of Consumer and Corporate Affairs, and continued federally under the Canada Not-for-Profit Corporations Act since October 16, 2014. The Organization is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

The Organization's principal purpose is to build Islamic centers, mosques, and Islamic schools, facilitate daily prayers, hold annual conventions and conferences, seminars and workshops propagating Islam for better understanding between Muslims and non-Muslims in Canada, provide Muslim burial services, provide Islamic programming, Halal certification and provide community social assistance to relieve poverty.

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The significant accounting policies selected by the Organization and applied in these financial statements are summarized below. Note that all accounting policies applied are consistent in nature with prior years.

Funds

The accounts are maintained whereby net assets of the Organization are classified for accounting and reporting purposes into funds to be used as determined by the Organization.

General Fund

The General Fund reflects all general programs and activities, other than those activities listed below.

Capital Fund

The Capital Fund reflects the assets, liabilities, revenue and expenses related to the Organization's property and equipment.

Emergency Operating Fund

The Emergency Operating Fund consists of funds set aside by the Board of Directors (the "Board") to fund operations if revenue or expenses are adversely impacted in the near future.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments are comprised of cash, accounts receivable, accounts payable, property loan payable and long-term loan payable.

Financial assets and liabilities are initially recorded at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost. For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indicators of impairment. Any impairment loss is recognized in the statement of revenue and expenses.

Islamic Society of North America - Canada (ISNA – Canada)

Notes to the financial statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Revenue recognition

The Organization follows the deferral method of accounting for externally restricted contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions received for the purchase of capital assets are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization of the related asset. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Programs and services are recognized in the period that the programs occur, or the services are rendered. Rental income is recognized over the term of the rental.

Contributed materials and services

Contributed materials are recognized in revenue if the fair market value is reasonably determinable and the goods would otherwise be purchased as part of normal operations of the Organization. Volunteers contribute a substantial number of hours each year to assist the Organization in carrying out its mission. Because of the difficulty in determining the fair market value, contributed services are not recognized in the financial statements.

Cemetery properties

Cemetery properties consist of land and land development costs incurred attributable to specific grave lots. These costs are expensed when the grave lots are sold.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis as follows:

Buildings	25 years
Leasehold improvements	10 years
Furniture and fixtures	5 years

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of revenue and expenses. Any impairment recognized is not reversed.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Management's estimates relate to the allowance for doubtful accounts, estimated useful lives of property and equipment, estimated rate of interest for discounting property loan payable and certain accruals.

These estimates are reviewed periodically and adjustments are made to the excess of revenue over expenses as appropriate in the year they become known.

Islamic Society of North America - Canada (ISNA – Canada)

Notes to the financial statements

December 31, 2025

3. Property and equipment

	Cost \$	Accumulated amortization \$	2025 Net book value \$	2024 Net book value \$
Land	1,752,544	—	1,752,544	1,752,544
Buildings	21,349,155	5,126,242	16,222,913	15,416,553
Leasehold improvements	1,956,205	403,236	1,552,969	1,293,926
Furniture and fixtures	232,476	179,934	52,542	89,049
	25,290,380	5,709,412	19,580,968	18,552,072

Included in buildings is \$7,867,194 (\$6,489,579 in 2024) of assets that are not yet in use and thus, amortization will not commence until the asset is in use.

During the year, the Organization disposed of the property located at 219 Beverly Street, Toronto for gross proceeds of \$2,120,000. The building, which had been acquired in 1991, was fully amortized at the time of sale and had a net book value of \$nil. As a result of the transaction, and after considering legal fees, realtor commissions, tenant settlement costs, and applicable taxes, the Organization recognized a gain on sale of \$2,007,280 in the statement of operations.

4. Property loan payable

	2025 \$	2024 \$
Loan with the Islamic Co-operative Housing Corporation Ltd. (IHC), secured by the land and building at 2200 South Sheridan Way, Mississauga, Ontario, non-interest bearing, payable in annual installments of \$1,000,000 due on the 31st of December of each year	1,000,000	2,000,000
Less: present value discount of 3.95%	(37,999)	(112,553)
	962,001	1,887,447
Less: current portion	962,001	1,000,000
	—	887,447

Minimum principal repayments over the next fiscal year are as follows:

2026	1,000,000
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Included in bank charges and other fees is \$74,554 (\$109,720 in 2024) of imputed interest on the property loan payable. The present value discount was determined based on the estimated interest rate effective as at the loan draw date of May 9, 2020.

In May 2026, the Organization repaid \$600,000 of the outstanding property loan payable; the remaining balance will be repaid by the end of 2026.

Islamic Society of North America - Canada (ISNA – Canada)

Notes to the financial statements

December 31, 2025

5. Long-term loan payable

During 2024, the Organization entered into a partnership agreement with an organization (the "Partner") whereby the Partner provided a contribution of \$1,500,000 to the Organization, and in return the Organization will make contributions back to the Partner of at least \$1,500,000 over a 5-year period ending December 31, 2029. Based on the substance of the arrangement, this transaction has been treated as a long-term loan payable with no specific repayment terms. No donations revenue have been recorded with respect to the contributions received, nor expenses recorded for the payments made to the Partner in these financial statements. As of December 31, 2025, the Organization has paid \$678,410 to the Partner towards their commitment.

6. Deferred capital contributions

	2025	2024
	\$	\$
Balance, beginning of year	932,766	857,483
Deferred capital contributions received	20,000	92,491
Amortization of deferred capital contributions	(21,315)	(17,208)
Balance, end of year	931,451	932,766

Deferred capital contributions above relate to externally restricted contributions received for the construction of the Yellowknife project (Masjid) and improvement of the Youth Hub in Mississauga and will be recognized as revenue on the same basis as the amortization of the related assets once the projects are completed and assets are in use.

7. Long-term loan receivable

The long-term loan receivable of \$50,000 is with an arm's length third party and must be repaid by July 1, 2028. The loan is non-interest bearing and is recorded as a non-current asset in the statement of financial position.

8. Cemetery properties

Cemetery properties represent burial units held for sale in the Organization's cemetery operations and are recorded at cost. The increase during the year is primarily attributable to the purchase of 100 burial units at a total cost of \$732,500 in 2025, less grave sales of 60 burial units at a total cost of \$93,008.

9. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments. It is management's opinion that the Organization is not exposed to significant currency and other price risks arising from its financial instruments. The risks are consistent with those from prior year.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with the Organization. The Organization's main credit risks relate to its accounts receivable.

The Organization reduces its exposure to credit risk by ensuring that it reviews the credit history of new customers before contracting with them, conducts regularly reviews of customers' credit performance and creates an allowance for doubtful accounts when appropriate. As at December 31, 2025, the allowance for doubtful accounts is nil (nil in 2025).

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and property loan payable.

The Organization manages its liquidity risk by forecasting cash flows from operations, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Interest rate risk

Interest rate price risk is the risk that the fair value of an interest-bearing financial instrument will fluctuate due to changes in market interest rates. The Organization's exposure to interest rate price risk is limited to its fixed non-interest-bearing property loan payable and long-term loan payable.

10. Prior year comparatives

Certain comparative figures for the prior year have been reclassified to conform with the current year financial statements presentation.