

**Financial Statements of
Meadowvale Islamic Centre Inc.
For the year ended 31 December, 2014**



Meadowvale Islamic Centre Inc.

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To

The Members

Meadowvale Islamic Centre Inc.

We have audited the financial statements of Meadowvale Islamic Centre Inc. which comprise of the balance sheet at 31 December, 2014, the statement of operations and statement of cash flows for the year then ended, and a summary of significant accounting polices and other explanatory information. These financial statements are the responsibility of the Meadowvale Islamic Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the charity derives revenue from certain fundraising activities, the completeness of which is not readily susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Meadowvale Islamic Centre and we were not able to determine whether any adjustments might be necessary to the donations, excess of revenue over expenditures, assets, liabilities and net assets.

In our opinion, except for the effects of the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Meadowvale Islamic Centre Inc. as at 31 December, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

MISSISSAUGA, Ontario
June 16, 2015

Fareed Sheik LLP, CPA's
Authorized to practice public accounting by the
Institute of Chartered Accountants of Ontario



Meadowvale Islamic Centre Inc.
Balance Sheet
As at 31 December, 2014

	31/12/2014	31/12/2013
Assets		
Current		
Cash & Bank (Note 3)	\$ 449,155	\$251,488
Advances, Deposits and Prepayments	2,538	80
Taxes Recoverable	18,740	17,843
	470,433	269,411
Non-Current		
Property, Plant and Equipment (Note 4)	1,489,653	1,489,653
Building Work in Progress	96,293	60,555
	1,585,946	1,550,208
Total Assets	\$ 2,056,379	\$1,819,619
Liabilities		
Current		
Accounts Payable and Accrued Liabilities	4,222	3,842
	4,222	3,842
Net Assets		
Unrestricted	25,636	24,065
Restricted	2,026,521	1,791,712
	2,052,157	1,815,777
Total Liabilities and Net Assets	\$2,056,379	\$1,819,619

See acoorganizationing notes to financial statements

Approved By

Date



Meadowvale Islamic Centre Inc.
Statement of Operations
For the year ending 31 December, 2014

	12/31/2014	12/31/2013
Income		
Community Contribution - Operation	241,860	159,306
Other Revenue	31,356	14,696
Gross Income	273,216	174,002
Expenditures		
Advertisement and Promotion		1,638
Social & Religious Programs/Activities	80,153	44,814
Interest and Bank Charges	3,372	4,227
General and Office Expenses	4,749	8,006
Insurance Charges	646	947
Printing and Publication	1,066	3,303
Professional Fees & Sub Contracts	3,762	3,366
Rent - Prayer Hall	65,930	25,502
Repair and Maintenance	17,790	22,937
Salaries & Subcontracting Expenses	70,540	47,471
Property Taxes	9,312	9,663
Telephone and Utilities	7,049	5,563
Travel Expenses		1,935
HST Expense	7,276	5,084
Total Expenditure	271,645	184,456
Excess (Deficit) of Income over Expenditure	1,571	(10,454)

See acorporation notes to financial statements



Meadowvale Islamic Centre Inc.
Statement of Changes in Net Assets
For the year ending 31 December, 2014

2014	Unrestricted	Restricted	Total
Opening Net Assets	24,065	1,791,712	1,815,777
Community Contributions - Building Fund		234,809	234,809
Surplus(Deficit) for the Year	1,571		1,571
Closing Net Assets	\$25,636	\$2,026,521	\$2,052,157

2013	Unrestricted	Restricted	Total
Opening Net Assets	32,701	1,486,263	1,518,964
Community Contributions - Building Fund		364,159	364,159
Surplus (deficit) for the Year	(10,454)		(10,454)
Other Adjustment to Net Assets	1,818		1,818
Disbursements from restricted Funds		(58,710)	(58,710)
Closing Net Assets	\$24,065	\$1,791,712	\$1,815,777

See acorporation notes to financial statements



Meadowvale Islamic Centre Inc.
Statement of Cash Flows
For the year ending 31 December, 2014

	12/31/2014	12/31/2013
Cashflow from Operating activities		
Net Income before tax	\$1,571	\$(10,454)
Add: Non Cash Items		
Amortization		
Other non-cash items		1,818
Change in non-cash working capital items		
Accounts Receivable and advances	(2,458)	(60,047)
Accounts payable and accrued liabilities	380	214
Due from Related Parties	(35,738)	
Taxes Payable	(897)	(7,582)
Net cash provided from operating activities	(37,142)	(76,051)
Investing Activities		
Acquisition of capital assets		(3,390)
Investments and Deposits		
Net cash used from investing activities		(3,390)
Financing Activities		
Trust Funds		(174,700)
Building Fund Collections	234,809	305,449
Net cash used from financing activities	234,809	130,749
Increase/(Decrease) in cash	197,667	51,308
Cash and Cash equivalents at the beginning	251,488	200,180
Cash and Cash equivalents at the end	\$449,155	\$ 251,488

Cash and cash equivalents consist of cash on hand and the bank overdraft.

See acorporation notes to financial statements



Meadowvale Islamic Centre Inc.

Notes to the financial statements

31 December, 2014

1. Legal status and nature of activities:

Meadowvale Islamic Centre Inc. (centre) is a religious organization formed to provide the religious and spiritual services to the Muslim community in the Mississauga area. Its services include providing prayer services, religious education, Quran memorization etc.

The organization is incorporated under the Corporations Act of Ontario as non-profit organization without share capital and is a registered charity under the Income Tax Act. As a non-profit entity, the Organization is exempt from income tax.

These financial statements are the prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

2. Significant Accounting Policies:

2.1 Revenue recognition

The Organization follows the deferral method of accounting for revenue. Restricted revenue is recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2.2 Management Estimates:

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Because the precise determination of many assets, liabilities, revenues and expenditures is dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. These financial have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting principles summarized below.

2.3 Donated Services:

The operations of the Centre are dependent on the voluntary services of many individuals. Since these services are not normally purchased by the Centre and because of the difficulty in determining their fair value, donated services are not reflected in these financial statements.

2.4 Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on hand, bank balances and investments in term deposits with maturities of three months or less.

2.5 Capital Assets:

Since the Centre is not for profit organization and a registered charity under the CRA, the management is of the opinion to not depreciate the capital assets. Hence the Property, plant and equipment reported in the financial statements are valued at cost.



Meadowvale Islamic Centre Inc.
Notes to the financial statements
31 December, 2014

3. Cash and Bank Balances:

Operating Accounts	25,268	8,315
Building Accounts	423,887	243,173
	449,155	251,488

4. Property, Plant and Equipment:

	Cost	Addition 2014	Accumulated Amortization 2014	Net book value	
				2014	2013
Land	820,000	-	-	820,000	820,000
Furniture & Fixture	700	-	-	700	700
Building & Improvement	668,953	-	-	668,953	665,553
	1,489,653	-	-	1,489,653	1,486,253

5. Financial Instruments:

Financial instruments are recognised in the balance sheet when the organization has become a party to the contractual provisions of the instruments. Financial instruments are classified as liabilities or net assets in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income.

Financial instruments are offset when the organization has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The organization's financial assets and liabilities consist of cash and accounts receivable and accounts payable. It is management's opinion that the organization' is not exposed to significant interest or credit risks arising from these financial assets and liabilities. The fair values of these financial assets and liabilities approximate their carrying values, except where otherwise noted.



Meadowvale Islamic Centre Inc.

Notes to the financial statements

31 December, 2014

Risks and concentrations

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure as at 31 December, 2014.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs at a reasonable cost.

Credit risk

The carrying value of the organization's main financial assets represents the maximum credit risk to which the organization is exposed. The organization is not exposed to significant levels of credit risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization has no financial instruments which may be exposed to foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not exposed to significant levels of interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is not exposed to significant levels of other price risk.



Meadowvale Islamic Centre Inc.

Notes to the financial statements

31 December, 2014

Fair Value

The fair value of a financial instrument corresponds to the amount of the consideration agreed upon by two willing parties in a non-arm's length transaction. The organization uses the following method and assumptions to estimate the fair value of each category of financial instruments, the carrying amount of which are included in the balance sheet as follows:

Accounts payable and accrued liabilities, advances and accounts receivable - The carrying amount included in the balance sheet approximates fair value, given the short-term maturity of these instruments.

6. Comparative amounts:

Comparative amounts of 2013 are restated to make the presentation identical to that adopted for 2014.

7. Subsequent Events:

It is management's opinion that there are no significant events subsequent to the balance sheet date which would have a material impact on the financial statements or require adjustment or disclosure in the statements.

