

Meadowvale Islamic Centre Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 December, 2015



Meadowvale Islamic Centre Inc.

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Meadowvale Islamic Centre Inc.

We have audited the accompanying financial statements of Meadowvale Islamic Centre Inc., which comprise the balance sheets as at 31 December, 2015 and the Statements of operations, 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, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

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 income over expenditures, assets, liabilities and net assets.

Opinion

In our opinion, 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 December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Fareed Sheik LLP

Mississauga
May 27, 2016

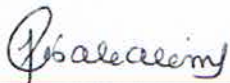
Fareed Sheik LLP
Chartered Professional Accountants
Licensed Public Accountants



Meadowvale Islamic Centre Inc.
Balance Sheet
As at 31 December, 2015

	31/12/2015	31/12/2014
Assets		
Current		
Cash & Bank (Note 3)	\$ 807,106	\$449,155
Advances, Deposits and Prepayments	656	2,538
Taxes Recoverable	24,481	18,740
	832,243	470,433
Non-Current		
Property, Plant and Equipment (Note 4)	1,490,666	1,489,653
Building Work in Progress	146,692	96,293
	1,637,358	1,585,946
Total Assets	\$ 2,469,601	\$2,056,379
Liabilities		
Current		
Accounts Payable and Accrued Liabilities	4,069	4,222
Deferred Revenue	10,835	
	14,904	4,222
Net Assets		
Unrestricted	67,584	25,636
Restricted	2,387,113	2,026,521
	2,454,697	2,052,157
Total Liabilities and Net Assets	\$2,469,601	\$2,056,379

See accompanying notes to financial statements



Approved By

JUNE 27, 2016

Date



Meadowvale Islamic Centre Inc.
Statement of Operations
For the year ending 31 December, 2015

	12/31/2015	12/31/2014
Income		
Community Contribution - Operation	305,053	241,860
Other Revenue	37,136	31,356
Gross Income	342,189	273,216
Expenditures		
Social & Religious Programs/Activities	57,045	80,153
Interest and Bank Charges	4,294	3,138
General and Office Expenses	7,899	4,749
Insurance Charges	5,261	646
Printing and Publication	3,130	1,066
Professional Fees	3,500	3,762
Rental	84,823	65,930
Repair and Maintenance	18,641	17,790
Subcontracting Expenses	85,387	70,540
Property Taxes	8,927	9,312
Telephone and Utilities	9,755	7,283
Travel Expenses	933	
HST Expense	10,646	7,276
Total Expenditure	300,241	271,645
Excess (Deficit) of Income over Expenditure	41,948	1,571

See accompanying notes to financial statements



Meadowvale Islamic Centre Inc.
Statement of Changes in Net Assets
For the year ending 31 December, 2015

2015	Unrestricted	Restricted	Total
Opening Net Assets	25,636	2,026,521	2,052,157
Contributions - Building Fund		360,592	360,592
Surplus(Deficit) for the Year	41,948		41,948
Closing Net Assets	\$67,584	\$2,387,113	\$2,454,697

2014	Unrestricted	Restricted	Total
Opening Net Assets	24,065	1,791,712	1,815,777
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

See accompanying notes to financial statements



Meadowvale Islamic Centre Inc.
Statement of Cash Flows
For the year ending 31 December, 2015

	12/31/2015	12/31/2014
Cashflow from Operating activities		
Excess of income over expenditure	\$41,948	\$1,571
Change in non-cash working capital items		
Accounts Receivable and advances	1,882	(2,458)
Accounts payable and accrued liabilities	(153)	380
Deferred revenue	10,835	
Taxes recoverable	(5,741)	(897)
Net cash provided from operating activities	48,771	(1,404)
Investing Activities		
Acquisition of capital assets	(51,412)	(35,738)
Net cash used in investing activities	(51,412)	(35,738)
Financing Activities		
Building Fund Collections	360,592	234,809
Net cash used from financing activities	360,592	234,809
Increase/(Decrease) in cash	357,951	197,667
Cash and Cash equivalents - beginning	449,155	251,488
Cash and Cash equivalents - ending	\$807,106	\$ 449,155

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

See accompanying notes to financial statements



Meadowvale Islamic Centre Inc.

Notes to the financial statements

31 December, 2015

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, 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, 2015

3. Cash and Bank Balances:

Operating Accounts	78,942	25,268
Building Accounts	728,164	423,887
	807,106	449,155

4. Property, Plant and Equipment:

	Cost	Net book value	
		2014	2013
Land	820,000	820,000	820,000
Furniture & Fixture	1,713	1,713	700
Building & Improvements	668,953	668,953	665,553
	1,490,666	1,490,666	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 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, 2015

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, 2015.

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 liquidity 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 significant levels of other price risk



Meadowvale Islamic Centre Inc.

Notes to the financial statements

31 December, 2015

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 2014 are restated to make the presentation identical to that adopted for 2015.

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.

