

Meadowvale Islamic Centre Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDING December 31, 2011

Meadowvale Islamic Centre Inc.

Annual Report

Index

<u>Table of Contents</u>	<u>Page</u>
Auditor's Report	2
Balance Sheet	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash flow	6
Notes to Accounts	7

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Auditor's Report

**To the Trustees of
Meadowvale Islamic Centre**

I have audited the statements of financial position of **Meadowvale Islamic Centre** as at December 31, 2011 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Meadowvale Islamic Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 authority 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 I was not able to determine whether any adjustments might be necessary to the donations, excess of revenue over expenditures, assets, liabilities and net assets.

In my opinion, except for the effects of the adjustments, if any, which we might have determined to be necessary had I been able to satisfy myself concerning the completeness of revenue as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Meadowvale Islamic as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with the Canadian generally accepted accounting principles.

Mississauga, Ontario
April 16, 2012

Fareed Sheik CA Professional Corp.
Fareed Sheik C.A., Professional Corporation
Authorized to practice public accounting by the
Institute of Chartered Accountants of Ontario



Meadowvale Islamic Centre Inc
Statement of Financial Position

31-Dec-11 31-Dec-10

Assets

Current

Cash/Bank	\$	466,296	\$	45,752
Advances and Notes Receivable (Notes 5)		52,735		42,648
Prepaid Expenses		20,371		-

		539,402		88,400
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Capital assets (Note 6)		477,314		477,314
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	\$	1,016,716	\$	565,714
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$	9,527	\$	5,222
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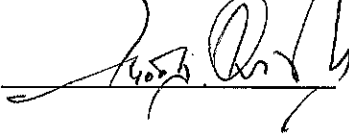
		9,527		5,222
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Net Assets

Unrestricted		1,007,189		560,492
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	\$	1,016,716	\$	565,714
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On behalf of the Board:



Director

Director

The accompanying summary of Significant accounting policies and notes are integral part of these financial statements

Meadowvale Islamic Centre Inc
Statement of Changes in Net Assets

For the year ending December 31,2011

	Invested in Capital Assets	Unrestricted	Total
Balance, beginning of the Year	\$ -	\$ 560,492	\$ 560,492
Excess of Revenue over Expenditure		\$ 446,697	\$ 446,697
	-	\$ 1,007,189	\$ 1,007,189

Meadowvale Islamic Centre Inc
Statement of Changes in Net Assets

For 8 months ending December 31,2010

	Invested in Capital Assets	Unrestricted	Total
Balance, beginning of the Year	\$	\$ 443,821	\$ 443,821
Excess of Revenue over Expenditure		\$ 116,671	\$ 116,671
Purchase of Capital Assets			-
	-	\$ 560,492	\$ 560,492

The accompanying summary of Significant accounting policies and notes are integral part of these financial statements

Meadowvale Islamic Centre Inc**Statement of Operations**

	Year Ending 31-Dec-11	8 Months ending 31-Dec-10
Revenue		
Community Contribution - Operation	\$ 167,541	\$ 120,646
Community Contribution - Building Fund	477,054	120,254
	<hr/> 644,595	240,900
Expenditure		
Salaries & Subcontracting Expenses	67,494	50,453
Interest & Bank Charges	7,916	5,620
Rent - Prayer Hall	15,491	5,513
Repairs and Maintenance	14,890	17,408
Professional Fees	4,000	2,960
Insurance Expenses	1,597	1,396
Social, Religious Programs/Activities	75,826	31,229
Printing and Publication	1,944	3,865
Taxes - Property	4,029	2,933
Telephone & Utilities	4,711	2,852
	<hr/> 197,898	124,229
Excess (deficiency) of revenue over expenditures	<hr/> \$ 446,697	\$ 116,671

The accompanying summary of Significant accounting policies and notes are integral part of these financial statements

Meadowvale Islamic Centre Inc**Statement of Cash Flows**

	Year ending 31-Dec-11	8 Months ending 31-Dec-10
Cash flows from Operating Activities		
Excess of Revenue over Expenditure	\$ 446,697	\$ 116,671
Add: Non Cash Expenditure Amortization	-	-
	<u>446,697</u>	<u>116,671</u>
Net Changes in Working Capital		
Accounts Receivable	(30,458)	(41,641)
Accounts Payable	4,305	(1,563)
	<u> </u>	<u> </u>
Cash Flow from Investing Activities		
	-	(12,502)
Cash Flow from Financing Activities		
Mortgage Paid	-	(58,971)
	<u> </u>	<u> </u>
Decrease in cash and cashequivalents during the year	<u>420,544</u>	<u>1,994</u>
Cash and cash equivalents, beginning of year	<u>45,752</u>	<u>43,758</u>
Cash and cash equivalents, end of year	<u>\$ 466,296</u>	<u>\$ 45,752</u>

The accompanying summary of Significant accounting policies and notes are integral part of these financial statements

Meadowvale Islamic Centre Inc

Summary of Significant Accounting Policies

December 31, 2011

Note 1. Significant of Accounting Policies

a) Purpose of the Organization:

Meadowvale Islamic Centre Inc. 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.

b) 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.

c) 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.

d) Donated Services:

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

e) 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.

f) Capital Assets:

Since MIC 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
December 31, 2011

2. Financial Instruments:

Financial instruments are recognized in the balance sheet when the company has become a party to the contractual provisions of the instruments. Financial instruments are classified as liabilities or equity 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. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

The company's financial assets and liabilities consist of cash, accounts receivable, and accounts payable. It is management's opinion that the company 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.

3. 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.

4. Comparative figures:

The MIC's fiscal year end was changed from April 30 to December 31 during the prior year. Therefore, the 2010 financial information reported is for 8 months from 1st May 2010 to 31 December 2010. Some of the previous years figures have been reclassified to conform with the financial statement presentation adopted for 31 December 2011.

5. Related Party Transaction

Advances includes \$40,000 paid by MIC in trust to City Pro Realty, a real estate brokerage owned by one of the trustees of the MIC who has significant influence over the MIC's affairs. This amount is paid as advance for the purchase of a new property. This transaction was executed on a arms length basis.

6. Capital Assets

	Cost	Addition 2011	Total Cost
Land	170,000	-	170,000
Furniture & Fixture	700	-	700
Building & Improvement	306,614	-	306,614
	<u>477,314</u>	<u>-</u>	<u>477,314</u>