

Meadowvale Islamic Centre Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDING December 31, 2012

Meadowvale Islamic Centre Inc.

Annual Report

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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, 2012 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 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 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, 2012 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
June 25, 2013

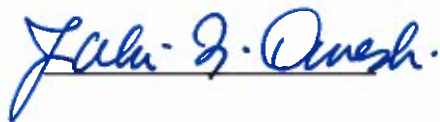
Fareed Sheik CPA, CA, Professional Corp.
Fareed Sheik CPA, CA, Professional Corporation
Authorized to practice public accounting by the
Institute of Chartered Accountants of Ontario



Meadowvale Islamic Centre Inc
Statement of Financial Position

	31-Dec-12	31-Dec-11
Assets		
Current		
Cash and Bank (Notes 6)	\$ 200,180	\$ 466,296
Advances and Notes Receivable	10,261	52,735
Prepaid Expenses	589	20,371
	211,030	539,402
Capital assets (Note 7)	1,486,263	477,314
	\$ 1,697,293	\$ 1,016,716
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 3,628	\$ 9,527
Trust Funds (Qarze Hasna)	174,700	
	178,328	9,527
Net Assets		
Restricted	1,486,263	477,314
Unrestricted	32,702	529,875
	\$ 1,697,293	\$ 1,016,716

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 31,2012

	Invested in Capital Assets	Unrestricted	Total
Balance, beginning of the Year	\$ 477,314	\$ 529,875	\$ 1,007,189
Community Contributions - Building Fund	507,624		507,624
Excess of Revenue over Expenditure		\$ 4,152	\$ 4,152
Transfer between Net assets	501,325	(501,325)	-
	1,486,263	\$ 32,702	\$ 1,518,965

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
Community Contributions - Building Fund	477,054		477,054
Excess of Revenue over Expenditure		\$ (30,357)	\$ (30,357)
Transfer between Net assets	260	(260)	-
	477,314	\$ 529,875	\$ 1,007,189

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-12	Year Ending 31-Dec-11
Revenue		
Community Contribution - Operation	\$ 159,149	\$ 167,541
Other Revenue	7,341	-
	<u>166,490</u>	<u>167,541</u>
Expenditure		
Salaries & Subcontracting Expenses	53,261	67,494
Interest & Bank Charges	4,843	7,916
Rent - Prayer Hall	19,120	15,491
Repairs and Maintenance	30,904	14,890
Professional Fees	3,000	4,000
Insurance Expenses	853	1,597
Social. Religious Programs/Activities	35,474	75,826
Printing and Publication	3,150	1,944
Taxes - Property	8,135	4,029
Telephone & Utilities	3,598	4,711
	<u>162,338</u>	<u>197,898</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 4,152</u>	<u>\$ (30,357)</u>

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-12	Year ending 31-Dec-11
Cash flows from Operating Activities		
Excess of Revenue over Expenditure	\$ 4,152	\$ (30,357)
Add: Non Cash Expenditure	-	
Amortization		
	<u>4,152</u>	<u>(30,357)</u>
Net Changes in Working Capital		
Accounts Receivable	62,256	(30,458)
Accounts Payable	<u>(5,899)</u>	<u>4,305</u>
	56,357	(26,153)
Cash Flow from Investing Activities		
Purchase of land & Building	(1,008,949)	-
Cash Flow from Financing Activities		
Trust Funds	174,700	-
Building Fund Collections	<u>507,624</u>	<u>477,054</u>
	682,324	477,054
Decrease in cash and cash equivalents during the year	<u>(266,116)</u>	<u>420,544</u>
Cash and cash equivalents, beginning of year	<u>466,296</u>	<u>45,752</u>
Cash and cash equivalents, end of year	<u>\$ 200,180</u>	<u>\$ 466,296</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 31,2012

Note 1. Significant of Accounting Policies

a) Purpose of the Organization:

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 (NFPAS).

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 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.

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 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
December 31,2012

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:

Figures of 2011 have been reclassified to make the presentation identical to that adopted for 2012 wherever necessary.

5. Related Party Transaction

The entity does not have any related party and there were no related party transactions during the year .

	2012	2011
6. Cash and Bank		
Operating Account	19,211	(1,299)
Building Account	180,969	467,595
	<u>200,180</u>	<u>466,296</u>

7. Capital Assets

	Cost	Adition 2012	Total Cost	Amortization 2012	Accumulated	Book Value 2012	2011
Land	170,000	650,000	820,000	-	-	820,000	170,000
Furniture & Fixture	700	-	700	-	-	700	700
Building & Improvement	306,614	358,949	665,563	-	-	665,563	306,614
	<u>477,314</u>	<u>1,008,949.00</u>	<u>1,486,263</u>	<u>-</u>	<u>-</u>	<u>1,486,263</u>	<u>477,314</u>