



# **NORTH AMERICAN MUSLIM FOUNDATION**

**Financial Statements**

**December 31, 2016**



**NORTH AMERICAN MUSLIM FOUNDATION**

**Year ended - December 31, 2016**

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
North American Muslim Foundation

I have audited the accompanying financial statements of North American Muslim Foundation, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in 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 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion of these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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 organization'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 organization'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, North American Muslim Foundation derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amount recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

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**Opinion**

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of North American Muslim Foundation as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Paracha Professional Corporation*  
*Licensed Public Accountant*

Milton, Ontario  
May 19, 2017

Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario



**Statement of Financial Position**  
**December 31, 2016**

	NOTES	2016	2015
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		\$23,744	\$4,393
Prepaid Expenses		-	800
Harmonized Sales Tax Refundable		53,198	41,366
		<u>\$76,942</u>	<u>\$46,559</u>
<b>PROPERTY AND EQUIPMENT</b>	2	<b>4,298,903</b>	4,156,521
		<u><b>\$4,375,845</b></u>	<u>\$4,203,080</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities		36,122	106,769
Qarz-e-Hasna		60,000	60,000
Government remittances payables		6,476	4,491
Obligation under capital leases - current portion	3	5,036	3,169
Long term debt - current portion	4	112,674	117,654
		<u>220,308</u>	<u>292,083</u>
<b>LONG-TERM</b>			
Obligation under Capital Leases	3	13,283	2,020
Long term debt	4	2,598,593	2,379,978
		<u>2,611,876</u>	<u>2,381,998</u>
		<u>2,832,184</u>	<u>2,674,081</u>
<b>NET ASSETS</b>			
Externally restricted for Fitra and Zakat	8	-	118
Unrestricted		1,543,661	1,528,881
		<u>1,543,661</u>	<u>1,528,999</u>
		<u><b>\$4,375,845</b></u>	<u><b>\$4,203,080</b></u>

**Approved By:**

Approved on behalf of the North American Muslim Foundation by:

DIRECTOR: \_\_\_\_\_ DIRECTOR: \_\_\_\_\_

*see accompanying notes*



**Statement of Operations**

**Year Ended - December 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>		
Donations	<b>\$664,388</b>	\$669,691
Fitra and Zakat income	<b>\$36,673</b>	\$29,152
Program fees	<b>291,259</b>	202,827
Grants	<b>55,314</b>	43,509
	<b><u>\$1,047,634</u></b>	<u>\$945,179</u>
<b>EXPENSES</b>		
Amortization	<b>102,651</b>	99,628
Payroll	<b>349,450</b>	263,463
Fundraising expenses	<b>83,290</b>	61,787
Office and general	<b>20,988</b>	19,114
Bank charges and borrowing cost	<b>88,268</b>	101,818
Insurance expenses	<b>11,358</b>	10,676
Professional fees	<b>28,771</b>	47,083
Repairs and maintenance	<b>19,276</b>	9,004
Programs	<b>166,869</b>	84,251
School Expenses	<b>112,561</b>	77,528
Telecommunications	<b>7,417</b>	5,783
Travel and Automotive	<b>5,975</b>	14,329
Utilities and Common Expenses	<b>36,098</b>	36,782
<b>Total Expenses</b>	<b><u>1,032,972</u></b>	<u>831,246</u>
<b>Excess revenues over expenses for year</b>	<b><u><u>\$14,662</u></u></b>	<u><u>\$113,933</u></u>



**Statement of Changes in Net Assets**  
**Year Ended - December 31, 2016**

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	<b>Externally restricted for Fitra and Zakat (note 8)</b>	<b>Unrestricted</b>	<b>Total</b>
Net Assets - Beginning of year	\$118	\$1,528,881	\$1,528,999
Excess of revenues over expenses (expenses over revenues) for year	(118)	14,780	14,662
<hr/>			
Net Assets - End of Year	-	\$1,543,661	\$1,543,661

Year Ended - December 31, 2015

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	<b>Externally restricted for Fitra and Zakat (note 8)</b>	<b>Unrestricted</b>	<b>Total</b>
Net Assets - Beginning of year	\$2,159	\$1,412,907	\$1,415,066
Excess of revenues over expenses (expenses over revenues) for year	(2,041)	115,974	113,933
<hr/>			
Net Assets - End of Year	\$118	\$1,528,881	\$1,528,999



**Statement of Cash Flows**  
**Year Ended - December 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>Cash Provided by (Used in):</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for year	<b>\$14,662</b>	\$113,933
Less: Non-cash item - Amortization	<b>102,651</b>	99,628
	<b>117,313</b>	213,404
Changes in non-cash operating working capital:		
Funds held in trust	-	10,221
Prepaid Expenses	<b>800</b>	-
Harmonized Sales Tax Refundable	<b>(11,832)</b>	(20,664)
Accounts Payable & Accrued Liabilities	<b>(70,647)</b>	86,172
Government Remittances Payables	<b>1,985</b>	(3,349)
<b>Cash Provided from Operations</b>	<b>37,619</b>	285,941
<b>Investing Activities</b>		
Purchase of Property, Plant and Equipment	<b>(245,033)</b>	(174,301)
<b>Cash Used for Investing</b>	<b>(245,033)</b>	(174,301)
<b>Financing Activities</b>		
Bank indebtedness	-	(53,132)
Qurze Hasna	-	60,000
Obligation under Capital Leases	<b>13,130</b>	(3,378)
Long - term debt	<b>213,635</b>	(113,619)
<b>Cash Provided from (Used for) Financing</b>	<b>226,765</b>	(110,129)
<b>Increase in Cash</b>	<b>19,351</b>	1,511
Cash - Beginning of Year	<b>4,393</b>	2,882
<b>Cash - End of Year</b>	<b>\$23,744</b>	\$4,393