



NorthAmericanMuslimFoundation

NORTH AMERICAN MUSLIM FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED

DECEMBER 31, 2012



FINANCIAL STATEMENTS

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Members of
NORTH AMERICAN MUSLIM FOUNDATION

We have audited the accompanying financial statements of **NORTH AMERICAN MUSLIM FOUNDATION** which comprise the statement of financial position as at **December 31, 2012** and the statement 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 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.

Auditor's 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 whether the financial statements are free of 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 auditors consider 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenue was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of **NORTH AMERICAN MUSLIM FOUNDATION** as at **December 31, 2012** 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.

Comparative Information

Without modifying our qualified opinion, we draw attention to Note 2 to the financial statements which describes that **NORTH AMERICAN MUSLIM FOUNDATION** adopted the Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2011 and January 1, 2011, and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2011 and related disclosure. We were not engaged to report on the comparative information, and as such, it is unaudited.

**Richmond Hill, Canada
March 29, 2013**

Chim Seto

**Chartered Accountants LLP
Licensed Public Accountants
Chartered Professional Accountants**



BALANCE SHEET

AS AT	December 31, 2012	December 31, 2011	January 1, 2011
ASSETS			
Current Assets			
Cash in bank and on hand	\$ 289,505	\$ 288,140	\$ 342,215
Prepaid expenses	12,377	5,637	8,473
Harmonized sales tax refundable	42,813	52,862	22,990
Total Current Assets	344,695	346,639	373,678
Capital Assets (Note 4)	4,079,633	3,851,410	3,675,791
TOTAL ASSETS	\$ 4,424,328	\$4,198,049	\$4,049,469
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	\$ 37,084	\$ 15,223	\$ 17,857
Government remittances payable	164,205	-	-
Fitra and Zakat Payable (Note 5)	126,730	264,816	145,195
Qarz-e-Hasna (Note 6)	15,000	15,000	30,000
Obligation under capital leases-current portion (Note 7)	4,658	6,706	206,706
Mortgage payable-current portion (Note 8)	150,000	150,000	-
Total Current Liabilities	497,677	451,745	399,758
Other Liabilities			
Obligation under capital leases (Note 7)	3,287	5,262	2,786,968
Mortgage payable (Note 8)	2,675,000	2,825,000	-
Total Other Liabilities	2,678,287	2,830,262	2,786,968
Total Liabilities	3,175,964	3,282,007	3,186,726
NET ASSETS	1,248,364	916,042	862,743
TOTAL LIABILITIES AND NET ASSETS	\$ 4,424,328	\$4,198,049	\$4,049,469

Approved By:

Approved on behalf of the North American Muslim Foundation by:

Director



STATEMENT OF REVENUES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31,	2012	2011
REVENUES		
General donations	\$ 571,801	\$ 618,285
Fitra and Zakat	213,183	269,458
Program fees	170,161	198,712
Grants	161,415	69,733
Other income	32,835	33,017
Total Revenues	1,149,395	1,189,205
EXPENSES		
Advertising and printing	20,868	50,354
Amortization	91,138	86,882
Fundraising	36,069	51,013
General and office	13,332	12,029
Insurance	8,290	15,920
Interest and bank charges	131,453	40,409
Payroll	183,820	239,196
Professional fees	15,903	16,862
Programs	47,989	84,050
Realty taxes	-	83,893
Rent	-	141,333
Repairs and maintenance	6,704	2,616
School	20,876	43,376
Sub-contracts	25,140	6,580
Telephone and internet	5,103	7,403
Transfer of Fitra and Zakat funds	170,546	215,566
Travel and automotive	11,327	12,720
Utilities and common expenses	28,515	25,704
Total Expenses	817,073	1,135,906
EXCESS OF REVENUES OVER EXPENSES	\$ 332,322	\$ 53,299



STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31,	2012	2011
BALANCE, BEGINNING OF YEAR	\$ 916,042	\$ 862,743
EXCESS OF REVENUES OVER EXPENSES	332,322	53,299
BALANCE, END OF YEAR	<u>\$ 1,248,364</u>	<u>\$ 916,042</u>



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,	2012	2011
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 332,322	\$ 53,299
Non-cash items		
Amortization	91,138	86,882
	423,460	140,181
Changes in non-cash working capital		
Accounts payable and accruals	21,861	(2,634)
Government remittances payable	4,601	-
Harmonized sales tax	169,651	(29,872)
Prepaid expenses	(6,740)	2,836
	612,833	110,511
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of capital assets	(319,359)	(262,501)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES		
Fitra and Zakat Payable	(138,086)	119,621
Payments of obligation under capital leases	(4,023)	(2,981,706)
Proceeds from mortgage payable	-	3,000,000
Payments of mortgage payable	(150,000)	(25,000)
Proceeds of Qurze Hasna	-	15,000
Repayment of Qurze Hasna	-	(30,000)
	(292,109)	97,915
INCREASE (DECREASE) IN CASH	1,365	(54,075)
CASH AT BEGINNING OF YEAR	288,140	342,215
CASH AT END OF YEAR	\$ 289,505	\$ 288,140