

**BRAMPTON AND REGIONAL
ISLAMIC CENTRE (BARIC)**

FINANCIAL STATEMENTS
(Audited - See Audit Report dated June 14, 2021)

DECEMBER 31, 2020

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Brampton And Regional Islamic Centre (BARIC)

Qualified Opinion

We have audited the accompanying financial statements of Brampton And Regional Islamic Centre (BARIC) which comprise the statement of financial position as at December 31, 2020 and the statements of operations and changes in fund balances, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Brampton And Regional Islamic Centre (BARIC) as at December 31, 2020, and the statements of operations and changes in fund balances, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Brampton And Regional Islamic Centre (BARIC) derives revenues from fundraising, various fees and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues 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 those revenues, excess of receipts over expenditures, and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

We draw attention to Note 14 to the financial statements which describes the basis for prior year's numbers included on the financial statements and the opinion expressed on those numbers in the report.



Responsibility of Management and those Charged with Governance 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.

In preparing these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibility for the Audit of the the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

June 14, 2021
Brampton, Ontario



Chartered Professional Accountants
Licensed Public Accountants



BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

(Audited - See Audited Report dated June 14, 2021)

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 148,787	\$ 153,742
	148,787	153,742
Property, plant and equipment <i>(Note 6)</i>	2,571,284	2,630,218
	\$ 2,720,071	\$ 2,783,960
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,039	\$ 9,199
Due to government agencies	1,189	2,099
	7,228	11,298
Long-term debt <i>(Note 11)</i>	162,133	295,883
	169,361	307,181
FUND BALANCES		
RESTRICTED FUNDS <i>(Note 4)</i>	17,590	25,156
GENERAL FUNDS	2,533,120	2,451,623
	2,550,710	2,476,779
	\$ 2,720,071	\$ 2,783,960

Approved on behalf of the Board:

_____ Director

_____ Director

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020
(Audited - See Audited Report dated June 14, 2021)

	2020	2019
REVENUE	\$ 279,060	\$ 641,454
EXPENSES		
Amortization of property, plant and equipment	58,934	62,114
Bank charges and interest	3,431	4,889
Borrowing cost on long term debt	-	1,307
Fund raising events expense	2,913	17,437
General repairs and maintenance	7,375	39,261
Meal for religious school students	-	1,326
Office and general	9,749	5,222
Professional fees	6,878	12,959
Property taxes, management fees and insurance	26,902	27,117
Telecommunications	418	479
Utilities and waste management	9,638	13,070
Wages, salaries and benefits - staff	53,735	120,146
	179,973	305,327
EXCESS OF REVENUE OVER EXPENSES	99,087	336,127
LESS: Restricted funds <i>(Note 4)</i>	17,590	25,156
NET SURPLUS OVER COST AND EXPENSES	81,497	310,971
BALANCE, BEGINNING OF THE YEAR	2,451,623	2,140,652
BALANCE, END OF YEAR	\$ 2,533,120	\$ 2,451,623

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Audited - See Audited Report dated June 14, 2021)

	2020	2019
OPERATING ACTIVITIES		
Net Surplus over Cost and Expenses	\$ 81,497	\$ 310,971
Items not requiring an outlay of funds		
Amortization of tangible capital assets	58,934	62,114
	140,431	373,085
Changes in non-cash working capital		
Government agency balances	(910)	706
Accounts payable and accrued liabilities	(3,160)	(1,677)
Net cash provided by operations	136,361	372,114
FINANCING ACTIVITIES		
Change in restricted funds	(7,566)	1,868
Loan payable - current portion	-	(33,500)
Repayment of long term loan payable	(133,750)	(334,167)
Net cash (used in) financing activities	(141,316)	(365,799)
Net (decrease) increase in cash and cash equivalents	(4,955)	6,315
Cash and cash equivalents, beginning the year	153,742	147,427
Cash and cash equivalents, end the year	\$ 148,787	\$ 153,742
Cash and cash equivalents consists of the following:		
Bank and cash	\$ 148,787	\$ 153,742

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Audited - See Audited Report dated June 14, 2021)

1 INTRODUCTORY NOTES

Brampton And Regional Islamic Centre (BARIC) ("the Organization") was incorporated, without share capital, on August 29, 2012 under the Canada Corporations Act as a not-for-profit organization. The Organization located at in the city of Brampton, Ontario is a volunteer based community group that provides social and religious services to the Muslim community of the Greater Toronto Area.

The Organization is exempt from income taxes under Section 149 of the Income Tax Act. Accordingly, no provision for income taxes payable or receivable has been made in the accompanying financial statements. The Organization is designated as a Charitable Organization with effect from May 20, 2014. In order to maintain its status as a registered charity, the Organization must meet certain requirements within the meaning of the Income Tax Act (Canada). In the opinion of management these requirements are met.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organization (ASNPO) set out in the Part III of the Chartered Professional Accountants of Canada Handbook - Accounting, and are in accordance with Canadian generally accepted accounting principles which include the following significant accounting policies:

Use of Estimates

When preparing financial statements in conformity with ASNPO, the management is required to make certain estimates and assumptions relating to the:

- Reported amounts of revenue and expenses for the year;
- Reported amounts of bad debts and allowance for doubtful accounts;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities at the report date.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the Organization may undertake in future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used for accounting of certain items, such as the useful lives of capital assets and impairment of long-lived assets and prepaid and accrued expenses.

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Fund Accounting and Revenue Recognition

The Organization follows the restricted fund method of accounting for contributions. The financial statements separately disclose the activities of the following funds maintained by the Organization:

- The Unrestricted Fund reflects the general fundraising activities, fees collection and administrative activities, and reports on unrestricted resources available for immediate use. The Unrestricted Fund is used to support the operations of the Organization. Where a portion of funds or grants is related to a future period, this is deferred and recognized in that subsequent period.
- The Restricted Fund reflects the funds that have been externally or internally restricted by the objectives specified by the donors or in accordance with directives issued by the Board of Directors. Funds designated to a particular service as directed by the donors are expensed on related programs and services.

Unrestricted contributions are recognized as revenue when received or receivable, and when amounts to be received can reasonably be determined and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year received.

Revenues from fees collection are recorded when services have been performed.

All other sources of revenue including donations-in-kind are recorded when donated materials have been received and evaluated.

Donations-in-kind are recorded at their appraised or fair value.

Proceeds from fundraising and special events are recognized in the year in which the event occurred, based on the reasonable assurance of collection.

All other revenues and expenditures are recorded on an accrual basis.

Tangible Capital Assets

The tangible capital assets include property, plant and equipment, and are recorded at cost. Amortization is provided annually at the following rates and methods over the estimated useful lives of the assets as follows, except in the year of acquisition when one half of the rate is used.

Land		
Building - Condominium Units	4%	declining balance
Computer and Office equipment	45%	declining balance
Sign board and Fixtures	20%	declining balance
Sound and Security system	20%	declining balance

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
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Contributed Services

Volunteers contribute an indeterminable numbers of hours every year to assist the Organization in carrying out its mission. However, due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3 FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash and cash equivalents, long term loans, and accounts payable and accruals. The fair values of the instruments approximate their carrying values, unless otherwise noted.

The Organization uses comprehensive risk management procedures to limit the risks inherent in the use of financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2020. The principal risks assumed by the Organization are credit risk, liquidity risk and market risk.

Credit Risk

The Organization's exposure to credit risk is principally derived from cash and cash equivalents, and accounts receivable. The Organization maintains cash and cash equivalents with major financial institutions, and no particular concentration of credit risk exists. There are no accounts receivable for the fiscal years included in the financial statements, and therefore, there is no particular concentration of credit risk.

The Organization sells the donated tangibles assets such as vehicles, equipment and machinery, precious metal jewellery, etc. to the interested persons at fair market value, which are in general of no use to the Organization. These sales are generally the cash sales and in some cases a partial credit may be granted to the buyer for a predetermined period. Management performs an ongoing credit review of all such customers and establishes allowances for doubtful accounts when the amounts are not collectible.

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization is exposed to liquidity risk arising primarily from the Korze Hasana, Vendor-take-back loans, and accounts payable and accrued liabilities.

The Organization's ability to meet obligations depends on the receipt of funds from its community contributors, fund raising events, and other related sources, whether in the form of revenues or advances. In the opinion of management the liquidity risk exposure to the Organization is low and immaterial.

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Market Risk

The Organization is exposed to market risk through the fluctuation of financial instrument fair values due to changes in economic set-up, and market prices and other related aspects. The significant market risks to which the Organization is exposed is price risk and other risk.

Price Risk

Price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

Other Risk

Other risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments fluctuate because of changes in a situation which could have an impact on the overall economy, and ultimately on the Organization such as inability to obtain debts, or potential future decreases in service revenues and donations.

4 RESTRICTED FUNDS

The portion of religious obligation received as of fiscal year end in the form of Zakat and Sadaka donations have been accounted for as restricted funds in the fiscal year that are received. The Board of Directors bears responsibility to make the relevant decision for the disbursements and utilization of the funds per Islamic belief and guidelines.

Islamic practice advocates that Zakat, Sadaqa and Fitra funds collectively and or individually constitute(s) a method of equitable redistribution of wealth and thereby help preserving a social harmony between the wealthy and the poor, however, according to current school of Islamic scholars these funds can be spent on the social welfare and economic development projects, or science and technology education.

Management confirms that they do not follow recommendations from Islamic scholars rather follow Canadian government's guidelines and approval to help people having financial crises including severe medical issues, hospital emergencies, and being victim of natural disasters.

5 CAPITAL MANAGEMENT

The Organization manages its capital structure and makes adjustments to it based on the funds available in order to support its activities and meet its salary, occupancy cost, food and other expenses, and fund its working capital and overall capital expenditures.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of its management to sustain and develop the activities of the Organization.

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
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(Audited - See Audited Report dated June 14, 2021)

In order to carry out its business plan, the Organization intends to spend its working capital on ongoing operations. Management reviews its capital management approach on the ongoing basis and believes that this approach, given the relative size and the mission of the Organization, is optional.

There were no changes in the Organization's approach to capital management during the fiscal year ended December 31, 2020. The Organization is not subject to externally imposed capital requirements, except as disclosed in the notes to the accompanying financial statements.

6 PROPERTY, PLANT AND EQUIPMENT

	2020			2019
	Cost	Accumulated Amortization	Net	Net
Land	\$ 1,224,880	\$ -	\$ 1,224,880	\$ 1,224,880
Building - Condominium Units	1,649,589	316,691	1,332,898	1,388,435
Computer and Office equipment	903	868	35	64
Sign board and Fixtures	11,254	6,271	4,983	6,229
Sound and Security system	22,209	13,721	8,488	10,610
	\$ 2,908,835	\$ 337,551	\$ 2,571,284	\$ 2,630,218

7 ECONOMIC DEPENDENCE

The Organization receives most of its funding from its membership fees, members' contribution, fees from religious teachings, fundraising activities, and general collections from muslim devoties during the period of obervance of Ramadan (the month of Ramadan per Islamic Calender) to support its full as well as part-time employees, and ongoing operations. No funding comes from any government institution, and other non-government sources.

To safegaurd the Organization's ability to continue as a going concern, the founder, life and primary members collectively, beside donating funds to the Organization, have structured an annual membership fees collection plan, and also the management organizes various fund raising events from time-to-time.

The fees received during the year from these members of \$22,222 (2019: \$21,570) represents 8.5% (2019: 3.5%) of the Organization's total unrestricted revenues. The revenue collected at the events for the year 2020 of worth \$119,485 (2019: \$328,718) represents 46% (2019: 53%) of the Organization's total unrestricted revenues.

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
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8 DONATIONS AND CHARITABLE RECEIPTS

The Organization takes all relevant measures for the issuance of the genuine charitable donation receipts to the original contributors for their tax credits purposes. The Organization issued charitable receipts for the year 2020 of worth \$179,033 (2019: \$367,062) which represents approximately 64% (2019: 57%) of the Organization's total revenues.

9 REVENUE

	2020	2019
General everyday collections	\$ 88,304	\$ 195,858
Fund raising revenue - events	79,385	114,246
Fund raising revenue - pledges	40,100	214,472
Membership fees	22,220	21,570
Donation-in-kind at FMV	-	15
Service revenue - Madarasa and facility fees	31,461	70,137
Total Unrestricted revenue	\$ 261,470	\$ 616,298
Jakat funds	6,768	18,575
Sadaqa funds	10,599	6,358
Fitra funds	223	223
Total Restricted revenue	\$ 17,590	\$ 25,156
TOTAL REVENUE	\$ 279,060	\$ 641,454

10 FUND RAISING REVENUE AND RELATED COST AT EVENTS

	2020	2019
Revenue collection at events	\$ 79,385	\$ 114,246
Revenue pledged at events	40,100	214,472
Total fund raising revenue	\$ 119,485	\$ 328,718
Events management cost	-	15,056
General admin and supplies	2,913	2,381
Total fundraising event cost	\$ 2,913	\$ 17,437
Net Fundraising Revenue over Events Cost	\$ 116,572	\$ 311,281

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
NOTES TO FINANCIAL STATEMENTS
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(Audited - See Audited Report dated June 14, 2021)

11 LONG TERM DEBT

	2020	2019
<i>Korze Hasana Loans without borrowing cost</i>		
Principal with no borrowing cost, secured by parcel of land owned by the Organization, and payments remain unscheduled with undetermined payment amount	\$ -	\$ 150,000
Unsecured principal with no borrowing cost, and payments remain unscheduled with undetermined amount	162,133	145,883
Total Long term debt	\$ 162,133	\$ 295,883

Korze Hasana (KH) Loans

The payment schedule of the principal balance of KH loans remain undeterminable, and therefore, the current portion of the debt has not been calculated. Loans from some members with no borrowing cost are of two types which are as follows.

KH Loan 1: A loan of \$150,000 from Mr. Enam Choudhury, a member of BARIC, initially for a period of 36 months starting from October 2014 was later-on granted an extension for the repayment of principal balance of \$150,000 for an unlimited period. The loan was paid-off in full in January 2020.

KH Loan 2: An unsecured loan of \$162,133 from some other 14 members (27 at the start) of BARIC, initially for a period of 37 months starting from November 2014 to December 2017 with no scheduled monthly payments, and with a provision of the final repayments of principal amount on December 20, 2017 to all or some of the BARIC members.

Regarding the loan, a provision of extension for the repayment of principal payment has been granted to BARIC by all contributing members for their portion of loan for an unlimited period, however the management would settle the loan amount in the earliest possible period.

12 GOVERNMENT SUBSIDIES

During the year the Organization received Canada Emergency Wage Subsidy (CEWS) in the amount of \$33,426 in 2020 (nil in 2019) to support its employees, and these benefits are recognized in the financial statements by adjusting against the payroll expenses.

BRAMPTON AND REGIONAL ISLAMIC CENTRE (BARIC)
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(Audited - See Audited Report dated June 14, 2021)

13 CONTINGENCY

Management concluded that no lawsuit instituted against the Organization that would require recognition in the financial statements or disclosure in the notes to financial statements.

14 COMPARATIVE NUMBERS

The financial statements for 2019, included for comparative purposes, are based on financial statements audited by the licensed public accountants from Brampton office of our firm TurnerMoore LLP, who expressed qualified opinion in the report dated July 14, 2020.

Certain prior year's numbers have been reclassified for comparative purposes to conform with current year presentation. Our opinion is not modified in respect of this matter.

15 SUBSEQUENT EVENTS

Management evaluated all activities of the Organization through December 31, 2019, and concluded that no subsequent events have been occurred that would require recognition in the financial statements or disclosure in the notes to financial statements except for the aspects which are as follows.

The management has decided to apply for Canada Emergency Wage Subsidy (CEWS) program to support its employees for the applicable periods falling in the year 2021 if the eligibility conditions are met. These benefits would be accounted for and recognized in the financial statements in the period determinable.