

**REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2014**

REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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Licensed Public Accountant
Professional Corporation



Member of
The Institute of Chartered Accountants of Ontario

INDEPENDENT AUDITOR'S REPORT

To the Members of
Reh'ma Community Services O/A Reh'ma Foundation

We have audited the accompanying financial statements of Reh'ma Community Services O/A Reh'ma Foundation, which comprise the statement of financial position as at December 31, 2014, and the statements of operations and 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 about whether the financial statements are free from material misstatement.

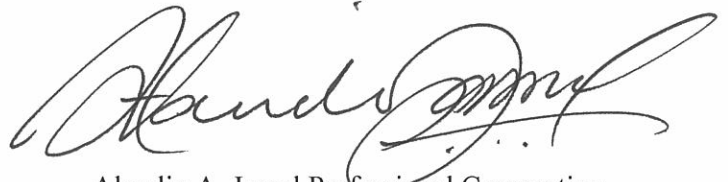
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Reh'ma Community Services O/A Reh'ma Foundation as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Alaudin A. Jamal Professional Corporation
Authorized to practise public accounting
by the Institute of Chartered Accountants of Ontario

Markham, Ontario
June 30, 2015

REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31

2014

2013

ASSETS

CURRENT

Cash	\$ 14,718	\$ 29,679
Term deposits	16,275	16,134
Prepaid expenses	9,429	1,066
HST receivable	12,294	2,873

52,716 **49,752**

PROPERTY, PLANT AND EQUIPMENT (Note 4)

32,907 **4,201**

TOTAL ASSETS

\$ 85,623 **\$ 53,953**

LIABILITIES AND FUND BALANCE

CURRENT

Accounts payable and accrued liabilities	\$ 2,334	\$ 7,641
Deferred project funds	31,787	-
TD Bank auto loan	12,436	-

46,557 **7,641**

FUND BALANCES

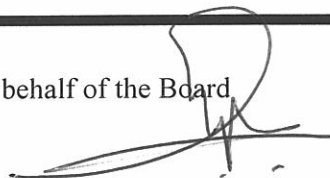
Balance per page 4 **39,066** **46,312**

39,066 **46,312**

TOTAL LIABILITIES AND FUND BALANCES

\$ 85,623 **\$ 53,953**

On behalf of the Board



President



Treasurer

See accompanying notes to financial statements
Subject to independent auditor's report dated June 30, 2015

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REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31	2014	2013
REVENUES		
Donations and other program funding	\$ 287,780	\$ 180,536
Interest income	151	54
	287,931	180,590
EXPENDITURES		
Amortization	5,082	1,800
Program expenses	178,104	112,461
Insurance	1,844	715
Bank charges	1,551	252
Legal and professional	3,810	2,913
Memberships and dues	350	402
Office and general	6,833	1,543
Rent, realty taxes and utilities	16,759	3,547
Salaries, benefits and administration fees	69,701	37,316
Telephone	1,803	-
Travel	6,639	4,570
	292,476	165,519
(Deficiency) excess of revenues over expenditures before undernoted item	(4,545)	15,071
Other expense		
Loss on sale of property, plant and equipment	2,701	-
Net (deficiency) surplus for the year	(7,246)	15,071
General Fund Balance, beginning of year	46,312	31,241
General Fund Balance, end of year	\$ 39,066	\$ 46,312

See accompanying notes to financial statements
Subject to independent auditor's report dated June 30, 2015

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REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31	2014	2013
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures	\$ (7,246)	\$ 15,071
Adjustments for		
Amortization	5,082	1,800
Loss on sale of property, plant and equipment	2,701	-
	537	16,871
Change in non-cash working capital items		
Term deposits	(141)	(54)
Prepaid expenses	(8,363)	-
HST receivable	(9,421)	(740)
Accounts payable and accrued liabilities	(5,307)	7,528
Deferred project funds	31,787	-
TD Bank auto loan	12,436	-
	21,528	23,605
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,989)	-
Proceeds on disposal of property, plant and equipment	1,500	-
	(36,489)	-
(DECREASE) INCREASE IN CASH	(14,961)	23,605
CASH, beginning of year	29,679	6,074
CASH, end of year	\$ 14,718	\$ 29,679

See accompanying notes to financial statements
Subject to independent auditor's report dated June 30, 2015

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REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. NATURE OF OPERATIONS

a. Incorporation

Reh'ma Community Services O/A Reh'ma Foundation was incorporated by letter Patent under the Ontario Corporations Act on March 7, 2000 without share capital to carry on its operations without pecuniary gain to its Trustees and Directors any profit or any accretions to be used in promoting its objects.

b. Operations

The objects for which the corporation was incorporated are :

1. Fostering and advancing the interest of the elderly in all aspects of daily life.
2. Organizing services, programs and activities for the elderly in Canada.
3. Encouraging and carrying on social and welfare work for the benefit of elderly and battered families with domestic violence in Canada.
4. Co-coordinating and complementing the activities of the corporation with those of similar organizations, societies and individuals in Canada.
5. To encourage and promote volunteerism and community support network and such other complementary purpose not inconsistent with these objects.

The operations of the organization may be carried on through out Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit enterprises.

(a) Basis of accounting

The organization follows the deferral method of accounting for contribution which include grant from government, donation, membership and income from activities. Grants are included as deferred revenue and are recognized as revenue in the year in which all related expenses for the grants are made.

(b) General operating fund balance

The general fund can be utilized by the organization for the attainment of its objectives to the extent that the same may be lawfully be carried out by a non-profit corporation.

In the event of dissolution or winding up of the organization all its remaining assets after payment of its liabilities would be distributed to Council of Muslim Community Canada or any Canadian Islamic Charitable organization.

(c) Revenue recognition

Revenue from activities are recognized when the services are delivered with persuasive evidence that collection is reasonably assured. Membership fees are recognized in the year in which they are received. Unrestricted amounts are recognized as revenue in the year in which they are received.

(d) Contributed services

Volunteers contributed time to assist the Society in carrying out its music program. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) **Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are .

(f) **Tax-exempt status**

The organization is to operate as a non-profit benevolent, charitable organization and its is intended that the organization will qualify at all times as exempt from income taxes under paragraph 149(1)(I) of the Income Tax Act as amended from time to time.

(g) **Property, plant and equipment**

Property, plant and equipment are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Equipment	30% Declining balance
Vehicles	30% Declining balance
Leasehold improvements	20% Declining balance

One-half the normal rate of amortization is recorded in the year of acquisition.

3. FINANCIAL INSTRUMENTS

(a) **Fair value**

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the organization is a going concern and thus expects to fully repay the outstanding amounts.

(b) **Currency risk**

As all the transactions of the corporation are in Canadian dollar, there is no currency risk exposure.

REH'MA COMMUNITY SERVICES O/A REH'MA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2014

4. PROPERTY, PLANT AND EQUIPMENT

	2014			2013	
	Cost	Accumulated amortization	Net	Net	
Equipment	\$ 12,954	\$ 1,943	\$ 11,011	\$ -	
Vehicles	12,701	1,905	10,796	4,201	
Leasehold improvements	12,334	1,234	11,100	-	
	\$ 37,989	\$ 5,082	\$ 32,907	\$ 4,201	

5. COMMITMENTS

Future minimum rental payments required under operating lease that has remaining terms in excess of one year are:

2015	\$ 25,419
2016	27,573
2017	28,435
2018	30,158
2019	10,340
