

BUDDHIST TEMPLE OF SOUTHERN ALBERTA

Financial Statements

Year Ended December 31, 2010

(Unaudited)

BUDDHIST TEMPLE OF SOUTHERN ALBERTA

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Year Ended December 31, 2010

(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Members of Buddhist Temple of Southern Alberta

We have reviewed the statement of financial position of Buddhist Temple of Southern Alberta as at December 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta
February 16, 2011

Moriyama / Burton

CHARTERED ACCOUNTANTS

BUDDHIST TEMPLE OF SOUTHERN ALBERTA**Statement of Financial Position****December 31, 2010***(Unaudited)*

	2010	2009
ASSETS		
CURRENT		
Cash	\$ 252,888	\$ 425,943
Term deposits <i>(Note 6)</i>	-	249,921
Marketable securities	25,138	13,173
Accounts receivable <i>(Note 3)</i>	33,800	65,740
Goods and services tax recoverable	5,483	19,982
	317,309	774,759
PROPERTY AND EQUIPMENT <i>(Note 4)</i>	3,567,608	3,723,820
LONG TERM INVESTMENTS <i>(Note 5)</i>	384,918	80,865
	\$ 4,269,835	\$ 4,579,444
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 8,646	\$ 5,558
Callable debt due in one year	-	199,104
	8,646	204,662
LOANS PAYABLE TO MEMBERS <i>(Note 6)</i>	77,500	77,500
	86,146	282,162
NET ASSETS		
Unrestricted net assets	1,049,602	801,869
Capital acquisitions fund	39,861	31,529
Investment in property and equipment	3,091,899	3,447,215
Casino fund	2,327	16,669
	4,183,689	4,297,282
	\$ 4,269,835	\$ 4,579,444

ON BEHALF OF THE BOARD_____
*Director*_____
Director

See notes to financial statements

BUDDHIST TEMPLE OF SOUTHERN ALBERTA

Statement of Changes in Net Assets

Year Ended December 31, 2010

(Unaudited)

	Unrestricted net assets	Capital acquisitions fund	Investment in property and equipment	Casino fund	2010	2009
)BEGINNING NET ASSETS, AS RESTATED (NOTE 7)	\$ 799,927	\$ 14,029	\$ 3,447,216	\$ 16,669	\$ 4,277,841	\$ 3,926,127
Contributions from Temples	-	-	-	-	-	167,605
Excess (deficit) of revenues over expenses	(113,592)	-	-	-	(113,592)	203,550
Building fund pledges	(31,525)	31,525	-	-	-	-
Purchase of property and equipment	-	(23,193)	23,193	-	-	-
Amortization of property and equipment	179,406	-	(179,406)	-	-	-
Repayment of debt	199,104	-	(199,104)	-	-	-
Approved casino expenses	14,342	-	-	(14,342)	-	-
NET ASSETS - END OF YEAR	\$ 1,049,602	\$ 39,861	\$ 3,091,899	\$ 2,327	\$ 4,183,689	\$ 4,297,281

BUDDHIST TEMPLE OF SOUTHERN ALBERTA**Statement of Operations**

Year Ended December 31, 2010

(Unaudited)

	2010	2009
REVENUE		
Donations	\$ 133,985	\$ 438,956
Fundraising	77,378	122,577
Memberships	23,700	24,465
Miscellaneous	3,012	2,914
	238,075	588,912
EXPENSES		
Wages and benefits	56,770	58,669
Utilities	29,893	27,040
Repairs and maintenance	19,645	13,242
Fundraising expenses	18,718	32,690
Service expenses	14,736	28,508
Memberships	14,580	12,740
Insurance	8,753	7,387
Donations	6,725	-
Office	6,086	7,021
Vehicle	3,788	4,819
Interest on callable and long term debt	3,609	16,856
Professional fees	3,165	9,785
Rental	674	1,641
Interest and bank charges	-	473
Amortization	179,406	174,345
	366,548	395,216
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(128,473)	193,696
OTHER INCOME (EXPENSES)		
Interest income	10,943	17,886
Unrealized gain on marketable securities	5,074	-
Loss on disposal of investments	(1,135)	(8,032)
	14,882	9,854
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (113,591)	\$ 203,550

See notes to financial statements

BUDDHIST TEMPLE OF SOUTHERN ALBERTA**Statement of Cash Flows****Year Ended December 31, 2010***(Unaudited)*

	2010	2009
OPERATING ACTIVITIES		
Cash receipts from members	\$ 270,015	\$ 681,793
Cash paid to suppliers and employees	(180,447)	(901,968)
Interest received	10,943	17,886
Interest paid	(3,610)	(17,329)
Goods and services tax	14,499	42,129
Cash flow from (used by) operating activities	111,400	(177,489)
INVESTING ACTIVITIES		
Purchase of property and equipment	(23,193)	(129,495)
Purchase of marketable securities	(13,931)	(13,228)
Proceeds on sales of marketable securities	5,905	14,415
Guaranteed investment certificates	(304,053)	238,202
Cash flow from (used by) investing activities	(335,272)	109,894
FINANCING ACTIVITIES		
Proceeds from long term financing	-	594,500
Repayment of callable debt	(199,104)	(377,896)
Contributions from temples	-	167,605
Cash flow from (used by) financing activities	(199,104)	384,209
INCREASE (DECREASE) IN CASH FLOW	(422,976)	316,614
Cash - beginning of year	675,864	359,250
CASH - END OF YEAR	\$ 252,888	\$ 675,864
CASH CONSISTS OF:		
Cash	\$ 252,888	\$ 425,943
Term deposits	-	249,921
	\$ 252,888	\$ 675,864

See notes to financial statements

BUDDHIST TEMPLE OF SOUTHERN ALBERTA

Notes to Financial Statements

Year Ended December 31, 2010

(Unaudited)

1. DESCRIPTION OF BUSINESS

The Buddhist Temple of Southern Alberta was incorporated under the Societies Act of Alberta on January 16, 2007. The Temple provides members the opportunity to learn about and further their understanding of the Jodo Shin Shu teachings of Amida Buddha. The Temple is exempt from income taxes under Section 149 of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation:

These financial statements have been prepared using the deferral method of accounting for contributions, the key elements of which are:

- i) Unrestricted operating grants and other contributions are recognized as revenue in the year received or receivable.
- ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.
- iii) Externally restricted capital contributions are deferred until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.
- iv) Endowments and restricted contributions to purchase capital assets which will not be amortized are recorded as direct increases to net assets.
- v) Unrestricted investment income is recognized in the year it is earned.
- vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.
- vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined and collection is reasonably assured.

The Temple uses the services of volunteers to assist them in their fundraising and other activities. However, contributed services of volunteers are not recognized as revenue and expenses in these financial statements because of the difficulty of determining their value.

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BUDDHIST TEMPLE OF SOUTHERN ALBERTA

Notes to Financial Statements

Year Ended December 31, 2010

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are stated at cost or deemed cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	20 years
Equipment	10 years
Furniture and fixtures	10 years

The Organization regularly reviews its property and equipment to eliminate obsolete items. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Financial Instruments

Initial measurement of financial instruments is at fair value and subsequent measurement and recognition changes in value depend upon the classification. Financial assets classified as "held for trading" are measured at fair value with changes in fair values recognized in the Statement of Operations. "Loans and receivables", and financial liabilities classified as "other financial liabilities" are measured at amortized cost using the effective interest method.

Under Section 3855, all financial instruments are classified into one of five categories: held for trading, held-to-maturity investments, loans and receivables, available for sale financial assets or other financial liabilities. All financial instruments are measured in the opening balance sheet of the year of adoption at fair value.

The Temple has classified its financial assets and liabilities as follows:

Cash and cash equivalents	Held for trading
Investments	Held for trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Loans from members	Other financial liabilities

The carrying value of current cash and cash equivalents, short and long term investments, accounts receivable and accounts payable and accrued liabilities approximate their fair value because of the short term nature of these items.

The carrying value of the loans payable to members approximates the fair value as the interest rates are consistent with the current rates offered to the company for debt with similar terms.

It is management's opinion that the Temple is not exposed to significant interest, currency or credit risks arising from its financial instruments.

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BUDDHIST TEMPLE OF SOUTHERN ALBERTA

Notes to Financial Statements

Year Ended December 31, 2010

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. ACCOUNTS RECEIVABLE

	2010	2009
Building pledges receivable	\$ 33,800	\$ 65,740

Pledges are recorded as receivable once collection is reasonably assured, as described in policy 2 (vii) above. Charitable donation receipts are issued for eligible donations once collected.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Land	\$ 397,201	\$ -	\$ 397,201	\$ 397,200
Buildings	3,448,086	341,126	3,106,960	3,256,642
Equipment	54,658	9,413	45,245	49,635
Furniture and fixtures	21,414	3,212	18,202	20,343
	\$ 3,921,359	\$ 353,751	\$ 3,567,608	\$ 3,723,820

5. LONG TERM INVESTMENTS

Long term investments consist of interest bearing commercial paper with a maturity dates between September and November 17, 2012 and bearing interest at rates between 2.95% and 3.86%. (2009 - maturity dates in September 2012 and bearing interest at 3.86%).

6. LOAN PAYABLE TO MEMBERS

The loans payable to members of the Temple are due upon maturity of a long term interest bearing commercial paper investment and bears interest at 3.86%, which is the rate of the related investment. The loan will be repaid in September 2012.

BUDDHIST TEMPLE OF SOUTHERN ALBERTA**Notes to Financial Statements****Year Ended December 31, 2010***(Unaudited)***7. PRIOR PERIOD ERROR CORRECTION**

During the completion of the current year review engagement, it was discovered that in the prior year the Temple received a \$17,500 loan from a member. This loan was recorded as an internally restricted donation in the prior year rather than a loan repayable to a member. The Statement of Changes in Net assets has been revised to reflect the changes to the beginning net assets.

	Unrestricted Net Assets	Capital Acquisitions Fund	Investment in Capital Assets	Casino Fund
Beginning net assets as previously reported at December 31, 2009	\$ 145,778	\$ 35,569	\$ 3,708,670	\$ 36,110
Contributions from Temples	-	167,605	-	-
Excess of revenues over expenses	203,550	-	-	-
Internally restricted revenues	(318,246)	318,246	-	-
Purchase of capital assets	-	(129,495)	129,495	-
Amortization of capital assets	174,345	-	(174,345)	-
Proceeds from debt	594,500	-	(594,500)	-
Repayment of debt	-	(377,896)	377,896	-
Approved Casino expenses	-	-	-	(19,441)
Closing Net Assets as restated, at December 31, 2009	\$ 799,927	\$ 14,029	\$ 3,447,216	\$ 16,669

The comparative statement of operations for the year ended December 31, 2009 has been restated, with a reduction in donation revenue of \$17,500. The excess of revenue over expenses, as a result of this restatement, is \$17,500 less than previously reported.

The comparative balance sheet as at December 31, 2009 has been restated to increase liabilities, Loans Payable to Members, by \$17,500.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.