

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA**

**Financial Statements**

**Year Ended December 31, 2013**

*(Unaudited)*

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA**

**Index to Financial Statements**

**Year Ended December 31, 2013**

*(Unaudited)*

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## REVIEW ENGAGEMENT REPORT

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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, 2013 and the statements of revenues and expenditures, 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 inquiry, 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.

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

Except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our review of the donation and fundraising revenue, as described in the preceding paragraph, 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 Accounting Standards for Not-for-Profit Organizations.

*Moriyama / Burton*

Lethbridge, Alberta  
February 27, 2014

CHARTERED ACCOUNTANTS

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA**

**Statement of Financial Position**

**December 31, 2013**

*(Unaudited)*

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*649*

	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 195,341	\$ 180,914
Term deposits (Note 3)	213,327	25,529
Marketable securities	13,605	19,022
Goods and services tax recoverable	1,908	1,617
	<b>424,181</b>	<b>227,082</b>
CASINO FUND (Note 4)	1	4,051
PROPERTY AND EQUIPMENT (Note 5)	<b>3,062,388</b>	<b>3,236,186</b>
LONG TERM INVESTMENTS (Note 6)	<b>220,354</b>	<b>422,264</b>
	<b>\$ 3,706,924</b>	<b>\$ 3,889,583</b>

**LIABILITIES AND NET ASSETS**

**CURRENT**

Accounts payable and accrued liabilities	\$ 11,652	\$ 7,744
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**NET ASSETS**

Unrestricted Net Assets Fund	482,884	641,808
Capital Replacement Fund	150,000	(206)
Investment in Property and Equipment Fund	3,062,387	3,236,186
Casino Fund	1	4,051
	<b>3,695,272</b>	<b>3,881,839</b>
	<b>\$ 3,706,924</b>	<b>\$ 3,889,583</b>

**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, 2013**

*(Unaudited)*

	2012 Balance	Deficiency of revenue over expenses	Additions	Reductions	2013 Balance
Unrestricted Net Assets					
Fund	\$ 641,808	\$ (186,567)	\$ 188,245	\$ (160,602)	\$ 482,884
Capital Replacement					
Fund (Note 7)	(206)	-	152,500	(2,294)	150,000
Investment in Capital					
Assets (Note 8)	3,236,186	-	10,396	(184,195)	3,062,387
Casino Fund (Note 9)	4,051	-	-	(4,050)	1
	<b>\$ 3,881,839</b>	<b>\$ (186,567)</b>	<b>\$ 351,141</b>	<b>\$ (351,141)</b>	<b>\$ 3,695,272</b>

	2011 Balance	Deficiency of revenue over expenses	Additions	Reductions	2012 Balance
Unrestricted Net Assets					
Fund	\$ 597,419	\$ (152,609)	\$ 210,798	\$ (13,800)	\$ 641,808
Capital Replacement					
Fund	(8,726)	-	13,800	(5,280)	(206)
Investment in Capital					
Assets	3,414,168	-	5,280	(183,262)	3,236,186
Casino Fund	31,587	-	-	(27,536)	4,051
	<b>\$ 4,034,448</b>	<b>\$ (152,609)</b>	<b>\$ 229,878</b>	<b>\$ (229,878)</b>	<b>\$ 3,881,839</b>

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA****Statement of Revenues and Expenditures****Year Ended December 31, 2013***(Unaudited)*

	2013	2012
<b>REVENUE</b>		
Donations	\$ 92,774	\$ 113,087
Fundraising	69,560	60,376
Memberships	23,100	24,100
Miscellaneous	171	1,391
	<b>185,605</b>	<b>198,954</b>
<b>EXPENSES</b>		
Wages and benefits	57,494	59,677
Utilities	24,577	21,464
Fundraising expenses	24,514	19,845
Repairs and maintenance	19,403	15,214
Service expenses	18,740	14,574
Memberships	17,440	18,675
Insurance	10,034	9,323
Donations	8,775	4,737
Office	5,383	5,864
Vehicle	3,994	4,724
Professional fees	3,300	3,300
Investment management fees	405	-
Interest and bank charges	97	41
Interest on loans to members	-	2,530
Amortization	184,195	183,262
	<b>378,351</b>	<b>363,230</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>(192,746)</b>	<b>(164,276)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	12,087	13,998
Unrealized gain (loss) on marketable securities	(5,908)	(2,331)
	<b>6,179</b>	<b>11,667</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (186,567)</b>	<b>\$ (152,609)</b>

See notes to financial statements

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA****Statement of Cash Flows****Year Ended December 31, 2013***(Unaudited)*

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Cash receipts from members	\$ 185,605	\$ 198,954
Cash paid to suppliers and employees	(190,152)	(181,288)
Interest received	12,087	13,998
Interest paid	(98)	(2,566)
Goods and services tax	(290)	828
<b>Cash flow from operating activities</b>	<b>7,152</b>	<b>29,926</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(10,396)	(5,280)
Purchase of marketable securities	(491)	(124)
Guaranteed investment certificates - short term	(187,798)	187,566
Guaranteed investment certificates - long term	201,910	(111,842)
<b>Cash flow from investing activities</b>	<b>3,225</b>	<b>70,320</b>
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	-	(77,500)
<b>INCREASE IN CASH FLOW</b>	<b>10,377</b>	<b>22,746</b>
Cash - beginning of year	184,965	162,219
<b>CASH - END OF YEAR</b>	<b>\$ 195,342</b>	<b>\$ 184,965</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 195,341	\$ 180,914
Casino fund cash	1	4,051
	<b>\$ 195,342</b>	<b>\$ 184,965</b>

# BUDDHIST TEMPLE OF SOUTHERN ALBERTA

## Notes to Financial Statements

Year Ended December 31, 2013

(Unaudited)

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### 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.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Fund accounting

Buddhist Temple of Southern Alberta follows the restricted fund method of accounting for contributions.

The Unrestricted Net Assets Fund accounts for the company's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Casino Fund reports casino revenue and approved expenditures and is restricted by AGLC

The Capital Replacement Fund reports the approved purchases and contributions related to Buddhist Temple of Southern Alberta's future capital assets.

The Investment in Capital Assets Fund reports the assets, liabilities, revenues and expenses associated with the capital assets

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# BUDDHIST TEMPLE OF SOUTHERN ALBERTA

## Notes to Financial Statements

Year Ended December 31, 2013

(Unaudited)

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

#### Property and equipment

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

Buildings	20 years
Equipment	10 years
Furniture and fixtures	10 years
Motor vehicles	10 years
Computer equipment	3 years

The company 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.

#### Measurement uncertainty

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 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.

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### 3. TERM DEPOSITS

The term deposits consist of interest bearing commercial papers maturing between January 16, 2014 to November 17, 2014 and bearing interest from 1.45% to 2.95%. (2012 - 1.3%)

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### 4. CASINO CASH

Casino funds are externally restricted by the Alberta Gaming and Lottery Commission to be used for specific purposes. The use of the funds may not have been pursuant to the agreement with the Alberta Gaming and Lottery Commission and may require a reallocation of funds or application for approval from Alberta Gaming and Lottery Commission.

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**BUDDHIST TEMPLE OF SOUTHERN ALBERTA****Notes to Financial Statements****Year Ended December 31, 2013***(Unaudited)***5. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Land	\$ 397,200	\$ -	\$ 397,200	\$ 397,200
Buildings	3,450,125	858,594	2,591,531	2,764,037
Equipment	69,330	27,385	41,945	40,583
Motor vehicles	20,484	5,121	15,363	17,411
Computer equipment	1,880	1,139	741	1,368
Furniture and fixtures	25,859	10,251	15,608	15,587
	<b>\$ 3,964,878</b>	<b>\$ 902,490</b>	<b>\$ 3,062,388</b>	<b>\$ 3,236,186</b>

**6. LONG TERM INVESTMENTS**

Long term investments consist of interest bearing commercial paper with a maturity date on November 17, 2015 and bearing interest at 3.15% (2012 - maturity dates on January 16, 2014, June 16, 2014 and November 17, 2015 and bearing interest at 1.45%, 1.65% and 3.15% respectively).

**7. NET ASSETS - CAPITAL REPLACEMENT FUND**

	2013	2012
Balance, beginning of year	\$ (206)	\$ (8,726)
Building fund pledges	2,500	13,800
Purchase of property and equipment	(2,294)	(5,280)
Board approved fund transfer	150,000	-
Balance, end of year	<b>\$ 150,000</b>	<b>\$ (206)</b>

**8. NET ASSETS - INVESTMENT IN CAPITAL ASSETS**

	2013	2012
Balance, beginning of year	\$ 3,236,186	\$ 3,414,168
Purchase of property and equipment	10,396	5,280
Amortization of property and equipment	(184,195)	(183,262)
Balance, end of year	<b>\$ 3,062,387</b>	<b>\$ 3,236,186</b>

**9. NET ASSETS - CASINO FUND**

	2013	2012
Balance, beginning of year	\$ 4,051	\$ 31,587
Casino fund approved expenses	(4,050)	(27,536)
Balance, end of year	<b>\$ 1</b>	<b>\$ 4,051</b>

# **BUDDHIST TEMPLE OF SOUTHERN ALBERTA**

## **Notes to Financial Statements**

**Year Ended December 31, 2013**

*(Unaudited)*

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### **10. FINANCIAL INSTRUMENTS**

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2013.

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company reduces its exposure to interest rate risk by investing in fixed rate guaranteed investment certificates.

#### **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is exposed to other price risk through its investment in marketable securities

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### **11. COMPARATIVE FIGURES**

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

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