

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA**

**Financial Statements**

**Year Ended December 31, 2012**

*(Unaudited)*

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA**

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**Year Ended December 31, 2012**

*(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, 2012 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 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.

We draw attention to Note 1 to the financial statements which describes that Buddhist Temple of Southern Alberta adopted 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 disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Lethbridge, Alberta  
February 28, 2013

*Moriyama / Burton*  
CHARTERED ACCOUNTANTS

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA**

**Statement of Financial Position**

**December 31, 2012**

*(Unaudited)*

	<i>December 31</i> <b>2012</b>	<i>December 31</i> 2011	<i>January 1</i> 2011
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 180,914	\$ 130,632	\$ 249,501
Term deposits	25,529	213,095	-
Marketable securities	19,022	21,230	25,138
Accounts receivable	-	-	33,800
Goods and services tax recoverable	1,617	2,445	5,483
	<b>227,082</b>	367,402	313,922
CASINO FUND <i>(Note 4)</i>	4,051	31,587	3,387
PROPERTY AND EQUIPMENT <i>(Note 5)</i>	3,236,186	3,414,167	3,567,608
LONG TERM INVESTMENTS <i>(Note 6)</i>	422,264	310,425	384,918
	<b>\$ 3,889,583</b>	<b>\$ 4,123,581</b>	<b>\$ 4,269,835</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 7,745	\$ 11,633	\$ 8,644
Loans to members due in one year	-	77,500	-
	<b>7,745</b>	89,133	8,644
LONG TERM DEBT	-	-	77,500
	<b>7,745</b>	89,133	86,144
<b>NET ASSETS</b>			
Unrestricted Net Assets Fund	641,808	597,419	572,835
Capital Acquisitions Fund	(206)	(8,726)	39,861
Investment in Property and Equipment Fund	3,236,186	3,414,168	3,567,608
Casino Fund	4,050	31,587	3,387
	<b>3,881,838</b>	4,034,448	4,183,691
	<b>\$ 3,889,583</b>	<b>\$ 4,123,581</b>	<b>\$ 4,269,835</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, 2012**

*(Unaudited)*

	Unrestricted Net Assets Fund	Capital Acquisitions Fund	Investment in Property and Equipment Fund	Casino fund	2012	2011
NET ASSETS - BEGINNING OF YEAR	\$ 597,419	\$ (8,726)	\$ 3,414,168	\$ 31,587	\$ 4,034,448	\$ 4,183,691
Excess (deficit) of revenues over expenses	(152,609)	-	-	-	(152,609)	(149,243)
Building fund pledges	(13,800)	13,800	-	-	-	-
Purchase of property and equipment	-	(5,280)	5,280	-	-	-
Amortization of property and equipment	183,262	-	(183,262)	-	-	-
Casino expenses	27,537	-	-	(27,537)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 641,808</b>	<b>\$ (206)</b>	<b>\$ 3,236,186</b>	<b>\$ 4,050</b>	<b>\$ 3,881,843</b>	<b>\$ 4,034,448</b>

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA****Statement of Operations****Year Ended December 31, 2012***(Unaudited)*

	2012	2011
<b>REVENUE</b>		
Donations	\$ 113,087	\$ 122,648
Fundraising	60,409	68,583
Memberships	24,100	26,800
Miscellaneous	1,391	1,280
Casino	-	33,058
	<b>198,987</b>	<b>252,369</b>
<b>EXPENSES</b>		
Wages and benefits	59,677	55,348
Utilities	21,464	28,663
Fundraising expenses	19,845	17,874
Memberships	18,675	17,180
Repairs and maintenance	15,214	20,250
Service expenses	14,607	21,169
Insurance	9,323	8,912
Office	5,864	6,668
Donations	4,737	41,873
Vehicle	4,724	5,307
Professional fees	3,300	3,300
Interest on loans to members	2,530	2,991
Interest and bank charges	41	346
Amortization	183,262	181,430
	<b>363,263</b>	<b>411,311</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>(164,276)</b>	<b>(158,942)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	13,998	13,854
Unrealized loss on marketable securities	(2,331)	(4,155)
	<b>11,667</b>	<b>9,699</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (152,609)</b>	<b>\$ (149,243)</b>

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA****Statement of Cash Flows**

Year Ended December 31, 2012

*(Unaudited)*

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Cash receipts from members	\$ 198,987	\$ 286,169
Cash paid to suppliers and employees	(181,321)	(223,553)
Interest received	13,998	13,854
Interest paid	(2,566)	(3,337)
Goods and services tax	828	3,038
Cash flow from operating activities	29,926	76,171
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(5,280)	(27,992)
Purchase of marketable securities	(124)	(276)
Guaranteed investment certificates	(111,842)	74,523
Cash flow from (used by) investing activities	(117,246)	46,255
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	(77,500)	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	(164,820)	122,426
Cash - beginning of year	375,314	252,888
<b>CASH - END OF YEAR</b>	\$ 210,494	\$ 375,314
<b>CASH CONSISTS OF:</b>		
Cash	\$ 180,914	\$ 130,632
Term deposits	25,529	213,095
Casino Fund	4,051	31,587
	\$ 210,494	\$ 375,314

# BUDDHIST TEMPLE OF SOUTHERN ALBERTA

## Notes to Financial Statements

Year Ended December 31, 2012

(Unaudited)

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### 1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the organization adopted accounting standards for not-for-profit organizations. These financial statements are the first prepared in accordance with these standards. The adoption of ASNPO had no impact on net assets as at January 1, 2011 or revenues and expenditures or cash flows for the year ended December 31, 2011 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

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### 2. 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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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 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 dates of less than 180 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 Acquisitions Fund reports the revenues and expenses related to Buddhist Temple of Southern Alberta's capital assets and building expansion campaign.

The Investment in Property and Equipment 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, 2012

(Unaudited)

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

#### Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life 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. The significant item subject to such estimates and assumptions are the estimated useful lives of property and equipment. 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.

### 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.

### 5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Land	\$ 397,200	\$ -	\$ 397,200	\$ 397,200
Buildings	3,450,125	686,088	2,764,037	2,936,543
Equipment	61,564	20,981	40,583	42,543
Furniture and fixtures	23,376	7,789	15,587	17,924
Motor vehicles	20,484	3,073	17,411	19,460
Computer equipment	1,880	512	1,368	497
	<b>\$ 3,954,629</b>	<b>\$ 718,443</b>	<b>\$ 3,236,186</b>	<b>\$ 3,414,167</b>

**BUDDHIST TEMPLE OF SOUTHERN ALBERTA**

**Notes to Financial Statements**

**Year Ended December 31, 2012**

*(Unaudited)*

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6. LONG TERM INVESTMENTS

Long term investments consist of interest bearing commercial paper with maturity dates between January 16, 2014 and November 17, 2015 and bearing interest at rates between 1.45% and 3.15% (2011 - maturity dates in November 2014 and bearing interest at 3.15%).

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7. 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, 2012.

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.

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8. COMPARATIVE FIGURES

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

Net assets previously allocated to the Unrestricted Net Assets Fund have been reclassified to the Investment in Property and Equipment Fund

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