

WARNING - ROUNDING IS DISABLED

Tisarana Buddhist Monastery
Financial Statements
Year Ended December 31, 2022

Tisarana Buddhist Monastery
Index to Financial Statements
Year Ended December 31, 2022

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12

INDEPENDENT AUDITOR'S REPORT

To the Member of Tisarana Buddhist Monastery

Qualified Opinion

We have audited the financial statements of Tisarana Buddhist Monastery (the Monastery), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Monastery as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

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

Other Matter

The financial statements for the year ended December 31, 2021 were prepared by another practitioner and are unaudited.

(continues)

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario
ABFK Chartered Professional Accountants Professional Corporation

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 the financial statements, management is responsible for assessing the Monastery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Monastery or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of 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 Monastery'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 Monastery'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 Monastery 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.

(*continues*)

Independent Auditor's Report to the Member of Tisarana Buddhist Monastery *(continued)*

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.

Ottawa, Ontario
June 26, 2023

ABFK Chartered Professional Accountants

ABFK Chartered Professional Accountants
Licensed Public Accountants

Tisarana Buddhist Monastery
Statement of Financial Position
December 31, 2022

	2022	2021 <i>Restated</i>
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 3)</i>	\$ 70,924	\$ 106,481
Accounts receivable and others <i>(Note 4)</i>	89,420	15,146
Harmonized sales tax recoverable	-	384
Other current assets <i>(Note 5)</i>	100,537	1,106
Restricted assets <i>(Note 6)</i>	1,297,319	1,435,345
	1,558,200	1,558,462
LONG TERM		
Property and equipment <i>(Note 7)</i>	3,291,305	2,217,047
TOTAL ASSETS	\$ 4,849,505	\$ 3,775,509
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities <i>(Note 8)</i>	\$ 23,635	\$ 12,622
Deferred income	1,297,319	1,435,345
TOTAL LIABILITIES	1,320,954	1,447,967
NET ASSETS		
Accumulated revenue / (expenditure)	237,247	(963,762)
Invested in capital assets	3,291,304	3,291,304
	3,528,551	2,327,542
TOTAL LIABILITIES AND NET ASSETS	\$ 4,849,505	\$ 3,775,509

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

Tisarana Buddhist Monastery
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	2021 <i>Restated</i>
REVENUES	\$ 1,559,062	\$ 97,047
OPERATING EXPENSES		
Amortization	93,840	118,351
Hospitality	71,529	-
Supplies	46,190	30,490
Office	36,929	37,934
Travel	29,214	16,706
Utilities	21,492	21,773
Repairs and maintenance	21,341	18,664
Donations	14,174	9,579
Professional fees	14,774	2,548
Insurance	10,566	11,054
Property taxes	6,916	6,734
Telephone	4,622	5,199
Bank charges	2,684	2,275
Delivery, freight and express	932	4,408
Business taxes, licenses and memberships	-	1,475
	375,203	287,190
EXCESS (DEFICIENCY) OF REVENUES OVER OPERATING EXPENSES FROM OPERATIONS	1,183,859	(190,143)
OTHER INCOME (EXPENSES)		
Interest income	12,583	3,562
Other income	4,567	3,355
	17,150	6,917
EXCESS (DEFICIENCY) OF REVENUES OVER OPERATING EXPENSES	\$ 1,201,009	\$ (183,226)

See notes to financial statements

Tisarana Buddhist Monastery
Statement of Changes in Net Assets
Year Ended December 31, 2022

	Accumulated Revenue / (Expenditure)	Invested in Capital Assets	2022	2021 <i>Restated</i>
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ (296,555)	\$ 3,291,304	\$ 2,994,749	\$ 2,510,768
Prior period adjustments	(667,207)	-	(667,207)	-
As restated	(963,762)	3,291,304	2,327,542	2,510,768
EXCESS OF REVENUES OVER OPERATING EXPENSES	1,201,009	-	1,201,009	(183,226)
Transfer to/(from) Capital Assets Fund	-	-	-	-
NET ASSETS - END OF YEAR	\$ 237,247	\$ 3,291,304	\$ 3,528,551	\$ 2,327,542

See notes to financial statements

Tisarana Buddhist Monastery
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021 <i>Restated</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over operating expenses	\$ 1,201,009	\$ (183,226)
Item not affecting cash:		
Amortization of property and equipment	93,840	118,351
	1,294,849	(64,875)
Changes in non-cash working capital:		
Accounts receivable and others	(74,275)	(15,146)
HST recoverable	384	19,242
Prepaid expenses	(99,431)	5,353
Accounts payable and accrued liabilities	9,972	12,113
Restricted assets	138,025	(355,038)
Deferred income	(138,025)	477,253
	(163,350)	143,777
Cash flow from operating activities	1,131,499	78,902
INVESTING ACTIVITY		
Purchase of property and equipment	(1,168,096)	(63,529)
INCREASE (DECREASE) IN CASH FLOW	(36,597)	15,373
Cash and cash equivalents - beginning of year	106,481	91,108
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 69,884	\$ 106,481

See notes to financial statements

1. PURPOSE OF THE MONASTERY

Tisarana Buddhist Monastery (the "Monastery") is a not-for-profit organization of Ontario. As a registered charity, the Monastery is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

Primarily, the Monastery functions are the following:

- to foster and promote the teachings of Buddhism and the practice of meditation
 - to provide a resource facility for systematic instruction in both Buddhist teachings and meditation
 - to provide and maintain residential facilities for the ordained Buddhist sangha (clergy)
 - to establish library and conduct meditation retreats to help enhance spiritual practice
-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Financial instruments

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.

Financial assets include cash, trade and other receivables, investments, and advances to related parties.

Financial liabilities include trade and other accounts payable and long term debt.

For financial assets measured at cost or amortized cost, the company assesses whether there are any indications of impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the year in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Land	non-depreciable
Land improvements	4% declining balance method
Buildings	4% declining balance method
Furnitures and equipment	20% straight-line method
Motor vehicles	30% declining balance method
Computer equipment	55% declining balance method

The Monastery regularly reviews its property and equipment to eliminate obsolete items.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Prepaid expenses

Expense items of a nature which will benefit future periods are charged to the prepaid expense account and are amortized over actual periods benefited.

Net assets

- a) Net assets invested in property and equipment represents the organization's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with restricted funds.
- b) Unrestricted net assets (or Accumulated Revenue/Expenditure) comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

Income taxes

As a registered charity, the Monastery is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

Cash and cash equivalents

Cash includes cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Revenue recognition

Tisarana Buddhist Monastery follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Resources which have been allocated for a specific purpose by the Board of Directors are considered internally restricted. Contribution from various sources outside the organization which have been designated by the donor(s) for a specific purpose are considered externally restricted.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Examples of significant estimates include:

- providing for amortization of property and equipment
- the estimated useful lives of assets;
- the allowance for doubtful accounts;

Prior period error

During the year, the Company discovered an error in the valuation of building assets. The depreciation expenses with respect to all building assets since they were put into use were omitted. The 2021 balances were restated to reflect the correction of this error.

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

3. CASH AND CASH EQUIVALENTS

	2022	2021
Cash at bank	\$ 70,659	\$ 106,481
Petty Cash	265	-
	70,924	106,481

Reconciliation of cash and cash equivalents:

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the balance sheet as follows:

	\$ 70,924	\$ 106,481
--	-----------	------------

4. ACCOUNTS RECEIVABLE AND OTHERS

	2022	2021
Accounts Receivable	\$ 89,420	\$ 15,146

Accounts receivable represents refundable sales tax from Canada Revenue Agency.

5. OTHER ASSETS

	2022	2021
Advances to Suppliers	\$ 100,000	\$ -
Prepaid Expenses	-	369
Prepaid Insurance	537	737
	\$ 100,537	\$ 1,106

Advances to suppliers represent the remaining \$100,000 pre-construction deposit paid to contractor with respect to the construction of New Dhamma Hall.

6. RESTRICTED ASSETS

	2022	2021
<u>Externally/Internally Restricted Assets</u>		
Cash at bank - for Construction of New Meditation Hall	\$ 1,297,319	\$ 1,435,345

Restricted assets represent amounts received for a specific purpose but remain unspent as at year-end. These are shown as deferred income.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 594,565	\$ -	\$ 594,565	\$ 594,565
Land improvements	28,924	8,110	20,814	21,681
Buildings	3,235,778	594,512	2,641,266	1,545,027
Equipment	135,497	102,858	32,639	51,371
Motor vehicles	106,782	106,782	-	3,388
Computer equipment	7,098	5,077	2,021	1,015
	\$ 4,108,644	\$ 817,339	\$ 3,291,305	\$ 2,217,047

Total cost of building assets include the construction cost of New Dhamma Hall totaling \$1,139,311 (2021 - \$nil). The construction is still in progress as at year-end and the asset is not yet put into use. No amortization is recorded with respect to this asset.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Accounts Payable (A/P)	\$ 13,450	\$ 10,170
Credit card liabilities	1,145	2,452
Accrued Liabilities	9,040	-
	\$ 23,635	\$ 12,622

9. FINANCIAL INSTRUMENTS

The Monastery 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 Monastery's risk exposure and concentration as of December 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Monastery is exposed to credit risk from donors. In order to reduce its credit risk, the Monastery reviews a new donor's credit history before extending credit and conducts regular reviews of its existing donors' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Monastery has a significant number of donors which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Monastery is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, long term debt, taxes payable, and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Monastery is mainly exposed to interest rate risk.

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 Monastery manages exposure through its normal operating and financing activities. The Monastery is exposed to interest rate risk primarily through its interest rate on credit facilities and bank loans.

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 Monastery is exposed to other price risk through its investment in quoted shares.

Unless otherwise noted, it is management's opinion that the Monastery is not exposed to significant other price risks arising from these financial instruments.
