



Alphonse & Associates
Chartered Accountants
Accounting • Assurance • Taxation • Business Advisory

- INDEPENDENT AUDITOR'S REPORT -

To the Board of Directors of
TORONTO MAHAVIHARA SOCIETY

We have audited the accompanying financial statements of TORONTO MAHAVIHARA SOCIETY, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, 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 society'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 society'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 qualified audit opinion.

- INDEPENDENT AUDITOR'S REPORT -, continued

Basis for Qualified Opinion

In common with many charitable organizations, the society derives revenue from donations and offerings, 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 society and we were not able to determine whether any adjustments might be necessary to donations and offerings, excess of revenues over expenditure, fund balances and cash flows from operations for the year ended December 31, 2015. Investment disclosed in note 6 was neither audited nor reviewed.

We have been appointed as auditors for the year ended December 31, 2015 and therefore, opening capital assets and fund balances have not been audited.

Qualified Opinion

In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of TORONTO MAHAVIHARA SOCIETY as at December 31, 2015, and its statements of operation and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

Comparative financial statements were neither audited nor reviewed.

Alphonsus & Associates

Toronto, Ontario
November 28, 2016

Chartered Professional Accountants
Licensed Public Accountants



**TORONTO MAHAVIHARA SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31**

2015 2014

ASSETS

CURRENT ASSETS

Cash	\$ 138,841	\$ 98,466
Short term investment (note 3)	10,091	10,000
Prepaid expenses	460	2,004
Harmonized sales tax receivable	6,207	4,021

155,599 114,491

CAPITAL ASSETS (note 4)

1,059,309 1,094,179

\$ 1,214,908 \$ 1,208,670

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 2,391	\$ 1,634
Deferred contributions (note 3)	10,091	10,000
Bollagala scholarship fund (note 5)	1,250	3,250


13,732 14,884

FUND BALANCES

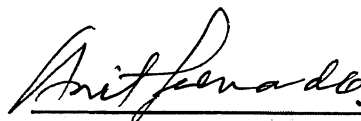
1,201,176 1,193,786

\$ 1,214,908 \$ 1,208,670

On behalf of the board



President



Treasurer

See accompanying notes



**TORONTO MAHAVIHARA SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31**

	2015	2014
REVENUES		
Contributions	\$ 110,425	\$ 68,702
EXPENDITURES		
Amortization	34,870	35,763
Repairs and maintenance	25,035	10,838
Donations	14,909	-
Utilities	12,078	10,755
Travel and automotive	3,865	4,057
Insurance	2,552	2,461
Professional fees	2,599	-
Sunday school	1,866	1,134
Communications	1,258	1,144
Internet and cable	1,166	964
Office	1,045	2,622
Monks' reimbursement	621	1,395
Religious events	480	480
Supplies	399	553
Interest and bank charges	292	99
Scholarship	-	1,750
	<u>103,035</u>	<u>74,015</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURE	\$ 7,390	\$ (5,313)

See accompanying notes



**TORONTO MAHAVIHARA SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31 2015**

	General Fund	Restricted Funds	Total 2015	Total 2014
NET ASSETS, BEGINNING OF YEAR	\$ 1,193,786	\$ -	\$ 1,193,786	\$ 1,199,099
Excess (deficit) of revenues over expenditures	7,390	-	7,390	(5,313)
NET ASSETS, END OF YEAR	\$ 1,201,176	\$ -	\$ 1,201,176	\$ 1,193,786

See accompanying notes



**TORONTO MAHAVIHARA SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31**

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenditure	\$ 7,390	\$ (5,313)
Adjustment for Amortization	<u>34,870</u>	<u>35,763</u>
	42,260	30,450
Change in non-cash working capital items		
Increase in short term investment	(91)	(10,000)
Decrease in prepaid expenses	1,544	2,002
Increase in accounts payable and accrued liabilities	757	60
Increase in deferred contributions	91	10,000
(Decrease) increase in Bollagala scholarship fund	(2,000)	87
(Increase) decrease in harmonized sales tax receivable	<u>(2,186)</u>	<u>1,772</u>
	40,375	34,371
INVESTING ACTIVITY		
Purchase of capital assets	-	(963)
FINANCING ACTIVITY		
Mortgage principal repayment	<u>-</u>	<u>(9,414)</u>
INCREASE IN CASH	40,375	23,994
CASH, BEGINNING OF YEAR	<u>98,466</u>	<u>74,472</u>
CASH, END OF YEAR	<u>\$ 138,841</u>	<u>\$ 98,466</u>

See accompanying notes



**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

1. NATURE OF OPERATIONS

TORONTO MAHAVIHARA SOCIETY ("the society") was incorporated without share capital on July 25, 1978 under letters of patent in the Province of Ontario.

The mission of the society is to serve the religious needs of the Buddhist population in Canada, provide a meditation centre, provide a cultural centre for the Sri Lankans, serve as a centre for management of disaster donations, serve as a study centre for Buddhism in Canada, provide Buddhist counselling and mental healing facilities, available for visiting lecturers and teachers who are practicing Buddhism, publish literature on Buddhism and provide training facilities for interested persons of Buddhist lay and monastic life.

The society operates at 4698 Kingston Road, Scarborough, Ontario, M1E 2P9.

The society is a registered charitable organization and is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook, Accounting Standards for Not-for-Profit Organizations ("NPO"). The presentations and disclosures included in the financial statements reflect the presentation and disclosure requirements of NPO.

(a) Revenue recognition

The society follows the restricted fund method of accounting for collections and contributions. Unrestricted contributions and collections are recognized as revenue of the general fund in the year received or receivable, if the amount to be received can be estimated and collection is reasonably assured.

Restricted contributions are recognized in the fund to which they are restricted in the accounting period during which they are received. Restricted contributions of future periods are deferred and recognized as revenue in the same period as the related expenses are recognized.



**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Fund accounting

The accounts of the society are maintained in accordance with the principles of fund accounting and accordingly, the resources are classified for accounting and reporting purposes into funds determined by the purpose for which those funds are held as follows:

General fund includes revenue sources received from offerings and donations, programs, and investments less day to day expenditures.

Restricted funds comprises of the revenue, expenses and resources of two restricted funds namely, emergency fund and development fund, for the specified purpose of the society.

(c) Capital assets

Capital assets are recorded at cost. The society provides for amortization using the straight line balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	50 and 20 years Straight-line
Equipment	5 years Straight-line
Paving	12.5 years Straight-line
Security camera	5 years Straight-line
Furniture and fixtures	5 years Straight-line
Gates and fence	12.5 years Straight-line



**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Financial instruments

The society initially measures its financial assets and liabilities at fair value and subsequently measures them at amortized cost.

Financial assets which are measured at amortized cost include cash, short term investment and harmonized sales tax receivable.

Accounts payable and accrued liabilities is the only financial liability which is measured at amortized cost.

(e) Short-term investments

Short-term investments are recorded at lower of cost or fair market value.

(f) Contributed services

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

(g) Use of estimates

The preparation of financial statements in conformity with Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial position date and the reported amounts of revenues and expenses during the year. Items subject to such estimate and assumption are amortization of capital assets and certain amounts in accounts payable and accrued liabilities. Actual results could differ from those estimates.



**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

3. SHORT TERM INVESTMENT AND DEFERRED CONTRIBUTIONS

Guaranteed investment certificate (GIC) of \$10,091 with interest rate of prime less 2% per annum was matured on October 04, 2016 and was renewed subsequently. The society holds the GIC for the renovation of Goviyapana temple in Sri Lanka. Therefore, the amount has been accounted as deferred contributions in the financial statements.

4. CAPITAL ASSETS

	2015		2014	
	Cost	Accumulated amortization	Net	Net
Land	\$ 255,288	\$ -	\$ 255,288	\$ 255,288
Buildings	1,087,055	353,519	733,536	757,714
Equipment	12,748	12,595	153	241
Paving	-	-	-	272
Security camera	-	-	-	2,821
Furniture and fixtures	11,143	10,908	235	352
Gates and fence	92,437	40,667	51,770	59,164
Statue of Lord Buddha	18,327	-	18,327	18,327
	<u>\$ 1,476,998</u>	<u>\$ 417,689</u>	<u>\$ 1,059,309</u>	<u>\$ 1,094,179</u>

5. BOLLAGALA SCHOLARSHIP FUND

	2015	2014
Opening balance	\$ 3,250	\$ -
Contributions	-	5,000
Payments	(2,000)	(1,750)
	<u>\$ 1,250</u>	<u>\$ 3,250</u>



**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

6. INVESTMENT IN SUBSIDIARY

The society has a wholly owned subsidiary, Toronto Mahavihara Scholarship Foundation (the foundation) which is domiciled in Sri Lanka. The foundation was registered in Sri Lanka on May 13, 2008 and commenced operations in 2009 with a donation of \$38,000 from the society. The objective of the foundation is to provide scholarships to school children who are selected from Tsunami affected areas.

Preparation and fair presentation of the foundation's financial statements were based on Sri Lankan accounting standards for small and medium sized entities and these numbers were neither audited nor reviewed. Effects of the difference between Part III of the CPA Canada Handbook, Accounting Standards for Not-for-Profit Organizations and Sri Lankan accounting standards were not readily ascertainable.

The foundation has not been consolidated with the society's financial statements and the financial summaries of the foundation as at December 31, 2015 and for the year ended are as follows:

Statement of Financial Position	2015	2014
Total assets	\$ 38,436	\$ 34,287
Total liabilities	(48)	(44)
Accumulated funds	\$ (38,388)	\$ (34,243)
Results of operations	2015	2014
Total revenues	\$ 1,717	\$ 2,403
Total expenses	(685)	(3,597)
Excess (deficit) of revenue over expenses	\$ 1,032	\$ (1,194)



**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

7. FINANCIAL INSTRUMENTS

The society 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 society's risk exposure as of December 31, 2015.

Liquidity risk

The society does have a liquidity risk in accounts payable and accrued liabilities of \$2,391 (2014 - \$1,634). Liquidity risk is the risk that the society cannot repay its obligations when they become due to its creditors. The society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains adequate donations to repay its obligations. In the opinion of management the liquidity risk exposure to the society is low. However, the amount is material.

8. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year deficit of revenue over expenditure.

Comparative financial statements have neither been audited nor reviewed.

