

**TIBETAN CANADIAN CULTURAL CENTRE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JULY 31, 2025**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**Tibetan Canadian Cultural Centre**

### Qualified Opinion

We have audited the financial statements of Tibetan Canadian Cultural Centre (the Centre) which comprise the statement of financial position as at July 31, 2025, and the Statements of operations and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management to meet the requirements of Canadian accounting standards for not-for-profit organizations.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Tibetan Canadian Cultural Centre as at July 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

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 Tibetan Canadian Cultural Centre in accordance with the 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.

In common with many charitable organizations, the Centre derives revenue from donations and cash receipts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenue was limited to the amounts recorded in the records of the Centre. We were unable to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

### 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 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.

In preparing the financial statements, management is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITORS' REPORT (Cont'd)

### Auditors' 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 independent auditor's report that includes our opinion. Reasonable assurance is a high level 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 through 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 these 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 Centre'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 Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Centre 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.

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.

*Hennick Herman, LLP*

Richmond Hill, Canada  
February 2, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**TIBETAN CANADIAN CULTURAL CENTRE**

Statement of Financial Position

July 31, 2025

2025 2024

**ASSETS**

**Current**

Cash and cash equivalents	\$ 1,104,262	\$ 1,108,782
Harmonized Sales Tax receivable	108,073	19,271
Prepaid expenses	14,214	13,012
	<u>1,226,549</u>	<u>1,141,065</u>

**Long Term**

Property and Equipment (note 2)	<u>9,070,963</u>	<u>8,556,706</u>
	<u>\$ 10,297,512</u>	<u>\$ 9,697,771</u>

**LIABILITIES**

**Current**

Accounts payable and accrued liabilities (note 3)	\$ 32,487	\$ 26,138
Deferred revenue (note 4)	1,074,275	298,143
Current portion of long term debt (note 5)	134,866	159,323
	<u>1,241,628</u>	<u>483,604</u>

**Long Term**

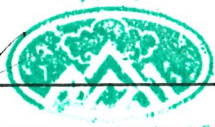
Long term debt (note 5)	<u>1,652,565</u>	<u>1,825,578</u>
	<u>2,894,193</u>	<u>2,309,182</u>

**NET ASSETS**

Net Assets (page 4)	<u>7,403,319</u>	<u>7,388,589</u>
	<u>\$ 10,297,512</u>	<u>\$ 9,697,771</u>

APPROVED ON BEHALF OF THE BOARD

  
Director



**TIBETAN CANADIAN CULTURAL CENTRE**  
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Director

(See Accompanying Notes to Financial Statements)

**TIBETAN CANADIAN CULTURAL CENTRE**

Statement of Changes in Net Assets

Year Ended July 31, 2025

	2025	2024
<b>Balance - beginning of year</b>	<b>\$ 7,388,589</b>	<b>\$ 7,408,932</b>
Excess (Deficiency) of Revenue over Expenses	<u>14,730</u>	<u>(20,343)</u>
<b>Balance - end of year</b>	<b><u>\$ 7,403,319</u></b>	<b><u>\$ 7,388,589</u></b>

(See Accompanying Notes to Financial Statements)

**TIBETAN CANADIAN CULTURAL CENTRE**

Statement of Operations and Net Assets

Year Ended July 31, 2025

	2025	2024
<b>Revenue</b>		
Events revenue	\$ 360,665	\$ 377,048
Donations	276,619	304,900
Rental	306,613	272,566
Program revenue	205,218	151,260
Grants	233,707	106,598
Membership fee	54,740	67,938
	<u>1,437,562</u>	<u>1,280,310</u>
<b>Expenses</b>		
Occupancy costs	247,086	214,499
Events expenses	226,912	275,941
Program expenses	180,607	158,592
Salaries and wages	166,086	153,135
Interest on long term debt	83,515	63,280
Office and administration	71,229	80,809
Interest and bank charges	10,539	11,620
Professional fees	7,963	18,054
Amortization	428,895	324,723
	<u>1,422,832</u>	<u>1,300,653</u>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<u>\$ 14,730</u>	<u>\$ (20,343)</u>

(See Accompanying Notes to Financial Statements)

**TIBETAN CANADIAN CULTURAL CENTRE**

## Statement of Cash Flows

Year Ended July 31, 2025

	2025	2024
<b>Cash Flows from Operating Activities</b>		
Excess (Deficiency) of receipts over expenditures	\$ 14,730	\$ (20,343)
Adjustment for:		
Amortization	<u>428,895</u>	<u>324,723</u>
	443,625	304,380
Changes in non-cash working capital:		
Accounts receivable	-	2,260
Harmonized Sales Tax receivable	(88,802)	(14,176)
Prepaid expenses	(1,202)	(826)
Accounts payable and accrued liabilities	6,348	3,303
Deferred revenue	<u>776,132</u>	<u>(10,737)</u>
	<u>1,136,101</u>	<u>284,204</u>
<b>Cash Flows used in Investing Activities</b>		
Additions of property and equipment	<u>(943,151)</u>	<u>(166,683)</u>
<b>Cash Flows used in Financing Activities</b>		
Repayment of long term debt	<u>(197,470)</u>	<u>(227,842)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(4,520)	(110,321)
<b>Cash and Cash Equivalents - beginning of year</b>	<u>1,108,782</u>	<u>1,219,103</u>
<b>Cash and Cash Equivalents - end of year</b>	<u>\$ 1,104,262</u>	<u>\$ 1,108,782</u>

# TIBETAN CANADIAN CULTURAL CENTRE

Notes to Financial Statements

July 31, 2025

## Centre Overview

Tibetan Canadian Cultural Centre (the "Centre") is a Canadian not for profit organization. Tibetan Canadian Cultural Centre was incorporated on December 29, 2006 under the Ontario Corporation Act without a share capital and its mandate includes collecting funds in cash and kind from Canadian and worldwide donors.

Tibetan Canadian Cultural Centre is a religious and cultural-educational organization. It also maintains and conducts activities of a place of worship. Educational services are conducted in both English and Tibetan languages. In addition, the Centre provides cultural and social services to all Canadians, organizes sports and recreational activities for youth and support programs for seniors.

Tibetan Canadian Cultural Centre is a registered charity and is exempt from income tax under section 149(1) (1) of the Canadian Income Tax Act. As a registered charity under the Income Tax Act, the Centre may issue receipts for charitable donations.

## 1. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The following are a summary of the significant accounting policies:

### a) Basis of Accounting

Except for revenue from donations which are recorded on a cash basis, with no accrual being made for amounts pledged but not received, revenues and expenditures are recorded on the accrual basis, whereby the effects of transactions and events are recorded in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Grants and membership fees are recorded on an accrual basis, when receipt of the funds are reasonably assured.

### b) Fund Accounting

The Centre follows the restricted fund method of accounting for contributions.

The general fund reports the contributions from donors and expenses related to the operations and administration of the common elements.

### c) Cash and Cash Equivalents

Cash and cash equivalents consist of balances held in banks.

### d) Foreign Currency Translation

Amounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Revenues and expenses have been translated at the average rates of exchange during the year. Exchange gains and losses are recognized in net assets at the time that exchange rates change.

# TIBETAN CANADIAN CULTURAL CENTRE

Notes to Financial Statements

July 31, 2025

## 1. Summary of Significant Accounting Policies (cont'd)

### e) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of receipts and expenditures during the reported period. Such estimates include providing for amortization of property and equipment as explained in note 1(g). By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

### f) Contributed Goods and Services

Donations-in-kind are valued at the invoice price.

The Centre benefits greatly from donated services in the form of volunteer work for carrying out its service delivery activities. The value of donated services is not recognized in the financial statements due to the difficulty in determining their fair value.

### g) Amortization

Property and equipment are stated at cost. Amortization is based on the estimated useful lives of the assets and is provided using the undernoted annual rates and methods:

Buildings	4%	Declining balance
Classroom	20%	Declining balance
Equipment and others	20%	Declining balance
Furniture and fixtures	20%	Declining balance
Kitchen	20%	Declining balance
Leasehold improvements	20%	Declining balance
Palden Lhamo statue	20%	Declining balance
Stage improvements	20%	Declining balance
Thousand buddha statues	20%	Declining balance

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

### h) Impairment of Long-lived Assets

Property and equipment and other long-lived assets are reviewed for impairment whenever changes in circumstances indicate that the carrying value of an asset may be impaired. If a capital asset no longer contributes to the Centre's ability to provide services, its carrying amount is written down to its residual value. There were no indicators of impairment in fiscal year 2025.

# TIBETAN CANADIAN CULTURAL CENTRE

Notes to Financial Statements

July 31, 2025

## 1. Summary of Significant Accounting Policies (cont'd)

### i) Financial Instruments

The Centre initially measures its financial assets and liabilities at fair value. The Centre subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, Harmonized Sales Tax receivable and prepaid expenses.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net assets.

## 2. Property and Equipment

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,484,778	\$ -	\$ 1,484,778	\$ -
Buildings	10,024,850	3,541,468	9,988,107	3,272,093
Classroom	616,196	61,620	-	-
Equipment and others	154,613	75,812	116,949	60,821
Furniture and fixtures	35,314	34,343	35,314	34,100
Kitchen	211,588	188,010	211,588	182,115
New Kitchen	208,333	20,833	12,947	-
Leasehold improvements	714,014	680,969	714,014	672,708
Palden Lhamo statue	23,935	2,393	10,095	-
Stage improvements	136,310	60,510	92,989	46,976
Thousand buddha statues	163,273	36,283	163,273	4,535
	<u>\$ 13,773,204</u>	<u>\$ 4,702,241</u>	<u>\$ 12,830,054</u>	<u>\$ 4,273,348</u>
Net book value		<u>\$ 9,070,963</u>		<u>\$ 8,556,706</u>

## 3. Accounts Payable and Accrued Liabilities

	2025	2024
Government remittance	\$ 319	\$ 319
Other accounts payable and accrued liabilities	<u>32,168</u>	<u>25,819</u>
	<u>\$ 32,487</u>	<u>\$ 26,138</u>

# TIBETAN CANADIAN CULTURAL CENTRE

Notes to Financial Statements

July 31, 2025

## 4. Deferred Revenue

	2025	2024
Balance beginning of the year	\$ 298,143	\$ 308,880
Grant received for statue projects during the year	-	39,419
Grant received for kitchen and classroom projects during the year	773,339	1,115
Grant received for community hall program during the year	101,942	-
Grant received for workshops during the year	17,499	-
Membership fees received during the year	69,515	91,043
Revenue recognized during the year	<u>(186,164)</u>	<u>(142,314)</u>
	<u>\$ 1,074,274</u>	<u>\$ 298,143</u>

Deferred revenue related to capital contributions is recognized in income in proportion to the amortization expense of the related capital assets. This method results in deferred revenue being fully recognized on a basis consistent with the amortization of the related capital assets over their useful lives.

## 5. Long-Term Debt

	Current	Long-term	2025 Total	2024 Total
TD mortgage loan	\$ 134,866	\$ 1,413,267	\$ 1,548,133	\$ 1,702,413
Other loan payable	-	239,298	239,298	282,488
	<u>\$ 134,866</u>	<u>\$ 1,652,565</u>	<u>\$ 1,787,431</u>	<u>\$ 1,984,901</u>

The TD mortgage loan bears interest at 4.93% per annum and is repayable in monthly blended payments of \$17,349. The renewal date of the TD mortgage will be May 5, 2027.

The following is a schedule of future mortgage repayments.

Year ending July 31, 2026	\$ 134,866
Year ending July 31, 2027 and thereafter	<u>1,413,267</u>
	<u>\$ 1,548,133</u>

The mortgage is secured by general security agreement (GSA) representing a first charge on all the Centre's assets and undertakings, a continuing collateral mortgage on the real property located at 40 Titan Road Toronto (the real estate) an unlimited corporate guarantee executed by The Canadian Tibetan Association of Ontario (TCTAO), a GSA executed by TCTAO representing a first charge on all its assets and undertakings and a general assignment of rents and fire insurance policy in favour of the bank. Per the mortgage agreement, the Centre must maintain a debt service coverage ratio of at least 1.20. As of July 31, 2025, the Centre has met the covenant.

Other loan payable represents note payables to several parties for money borrowed to purchase property and equipment. These loans are unsecured, non-interest bearing and have no fixed terms of repayment. It is management's opinion that these loans will not be repaid in the next fiscal year.

## **TIBETAN CANADIAN CULTURAL CENTRE**

Notes to Financial Statements

July 31, 2025

### **6. Income Tax and Related Government Regulations**

The Centre was incorporated in Ontario as a not-for-profit organization and is subject to the Charities Accounting Act, The Charitable Gifts Act and the Mortmain and Charitable Users Act. The Centre is exempt from income tax as it is registered under the Department of National Revenue as a charitable organization.

### **7. Capital Management**

The Centre manages its net assets of \$7,403,319 (2024 - \$7,388,589), to achieve the stipulated disbursement quota set by Canada Revenue Agency (CRA) which regulates charitable organizations and to provide funding for its continued operations. The Centre has complied with the requirements of the CRA.

### **8. Financial Instruments**

The Centre's financial instruments recorded on the Statement of Financial Position consist of cash and cash equivalents, Harmonized Sales Tax receivable, prepaid expenses, accounts payable and accrued liabilities and deferred revenue. The fair value of these financial instruments approximates their carrying values due to their short maturity. In the Board's opinion, the Centre is not exposed to market risks arising from the financial instruments.

#### Liquidity Risk

Liquidity risk is the risk that the Centre may not be able to meet its obligations. To mitigate this risk, the Centre commits to spending on the various projects only after the funds are received from the various funders or has reasonable assurance that the funds will be received.

#### Credit Risk

The Centre is subject to credit risk primarily due to cash at the bank. The Centre keeps its funds in credible financial institutions.

#### Currency Risk

Currency risk is the risk to the Organization's excess of revenue over expenses that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on cash and cash equivalents held in U.S. dollars. As at July 31, 2025, the Canadian dollar equivalent of the US dollar balance included in cash and cash equivalents is \$13,559 (2024 - \$14,156).

## **TIBETAN CANADIAN CULTURAL CENTRE**

Notes to Financial Statements

July 31, 2025

### **8. Financial Instruments (Cont'd)**

#### Interest Rate Risk

Interest rate risk is the risk that the future value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Centre has fixed interest rate loans and is subject to fair value risk due to changes in the market rate of interest. There are no derivative financial instruments to mitigate the risk. The exposure to this risk also fluctuates as the debt balance changes from year to year.

#### 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 Centre is not exposed to other price risk.

### **9. Comparative Figures**

Certain figures for the year ended July 31, 2024 have been reclassified to conform with the current year's financial statement presentation.

The comparative figures as at July 31, 2024 were audited by another firm of Chartered Professional Accountants dated March 28, 2025.