

**TORONTO MAHAVIHARA SOCIETY
FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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Alphonsus & Associates P.C.

Chartered Professional Accountants

Accounting • Assurance • Taxation • Business Advisory

- INDEPENDENT AUDITOR'S REPORT -

To the Board of Directors of
TORONTO MAHAVIHARA SOCIETY

Qualified Opinion

We have audited the accompanying financial statements of **TORONTO MAHAVIHARA SOCIETY** (the “society”), which comprise the statement of financial position as at December 31, 2024, and the statement of operations, statement of changes in net assets and statement of 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 society as at December 31, 2024, 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

In common with many not-for-profit organizations, the society derives revenue from donations and contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the society. Therefore, we were not able to determine whether any adjustments might be necessary to donations and contributions, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years.

Investment in subsidiary as mentioned in note 8, has neither been audited nor reviewed. Effects of the difference between Canadian accounting standards for not-for-profit organizations and Sri Lankan accounting standards were not readily ascertainable.

Opening fund balances and capital assets were neither audited or nor reviewed, and the comparative numbers in the accompanying financial statements were also neither audited nor reviewed.

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 society 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.

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 society'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 society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the society's financial reporting process.

- INDEPENDENT AUDITOR'S REPORT -, continued

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 society'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 society'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 society 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.

Alphonso B Associates P.C.

Toronto, Ontario
October 23, 2025

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

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

2024 2023

ASSETS

CURRENT ASSETS

Cash	\$ 374,149	\$ 100,820
Prepaid expenses and deposits	9,895	14,740
Harmonized sales tax receivable	<u>65,423</u>	<u>6,373</u>
	449,467	121,933

INVESTMENTS (note 3)

596,300 803,252

CAPITAL ASSETS (note 4)

1,814,769 1,113,889

\$ 2,860,536 \$ 2,039,074

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 129,891	\$ 8,190
Deferred contributions (note 5)	32,665	32,665
Current portion of vehicle loan	-	4,610
	<u>162,556</u>	<u>45,465</u>

GENERAL FUND

1,669,884 1,540,052

AVASA BUILDING FUND (note 7)

1,028,096 453,557

2,697,980 1,993,609

\$ 2,860,536 \$ 2,039,074

On behalf of the board

_____ President

_____ Treasurer

See accompanying notes

TORONTO MAHAVIHARA SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31

	2024	2023
REVENUES		
Donations and contributions	\$ 767,601	\$ 138,704
Interest income	37,237	17,551
	<u>804,838</u>	<u>156,255</u>
EXPENDITURES		
Amortization	26,425	27,274
Utilities	22,750	14,411
Repairs and maintenance	22,311	2,553
Insurance	5,558	2,711
Travel and automotive	5,550	2,821
Religious events	4,223	-
Professional fees	5,000	471
Communications	2,680	3,405
Office	2,590	2,070
Interest and bank charges	2,560	2,509
Monks' reimbursement	820	265
	<u>100,467</u>	<u>58,490</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 704,371</u>	<u>\$ 97,765</u>

See accompanying notes

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

	General Fund	Avasa Building Fund	Total 2024	Total 2023
NET ASSETS, BEGINNING OF YEAR	\$ 1,540,052	\$ 453,557	\$ 1,993,609	\$ 1,895,844
Excess of revenues over expenditures	129,832	574,539	704,371	97,765
NET ASSETS, END OF YEAR	\$ 1,669,884	\$ 1,028,096	\$ 2,697,980	\$ 1,993,609

See accompanying notes

TORONTO MAHAVIHARA SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenditure	\$ 704,371	\$ 97,765
Adjustment for		
Amortization	<u>26,425</u>	<u>27,274</u>
	730,796	125,039
Change in non-cash working capital items		
Decrease (increase) in prepaid expenses and deposits	4,845	(13,024)
Increase (decrease) in accounts payable and accrued liabilities	121,701	(14,119)
Increase in harmonized sales tax receivable	<u>(59,050)</u>	<u>(1,055)</u>
	<u>798,292</u>	<u>96,841</u>
INVESTING ACTIVITIES		
Decrease (increase) in investments	206,952	(460,000)
Purchase of capital assets	<u>(727,305)</u>	<u>(46,549)</u>
	<u>(520,353)</u>	<u>(506,549)</u>
FINANCING ACTIVITY		
Decrease in vehicle loan	<u>(4,610)</u>	<u>(4,050)</u>
INCREASE (DECREASE) IN CASH	273,329	(413,758)
CASH, BEGINNING OF YEAR	<u>100,820</u>	<u>514,578</u>
CASH, END OF YEAR	<u>\$ 374,149</u>	<u>\$ 100,820</u>

See accompanying notes

**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

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 the Buddhist temple at 4698 Kingston Road, Scarborough Ontario, M1E 2P9.

The society is a registered charitable organization as of January 1, 1979 and is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian 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 donations and contributions. Unrestricted contributions and donations 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.

**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(a) Revenue recognition, continued

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.

Interest income is recognized when the income is earned.

(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.

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

(c) Capital assets

Capital assets are recorded at cost. The society provides for amortization using the following 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 years Straight-line
Vehicles	30% Declining balance
Equipment	5 years Straight-line

**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

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.

Cash and investments are the financial assets which are measured at amortized cost.

Accounts payable and accrued liabilities are the financial liabilities which are measured at amortized cost.

(e) Investments

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 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. Item subject to such estimate and assumption are the useful life of capital assets. Actual results could differ from those estimates.

**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

3. INVESTMENTS

Term investment of \$596,300 with an interest rate of 4 % matured on August 1, 2025 and reinvested subsequently.

4. CAPITAL ASSETS

			2024	2023
	Cost	Accumulated amortization	Net	Net
Buildings	\$ 1,199,886	\$ 499,721	\$ 700,165	\$ 717,753
Land	255,288	-	255,288	255,288
Work in progress	833,084	-	833,084	113,968
Statue of Lord Buddha	18,327	-	18,327	18,327
Vehicles	20,439	16,268	4,171	5,959
Equipment	33,295	29,561	3,734	2,594
	\$ 2,360,319	\$ 545,550	\$ 1,814,769	\$ 1,113,889

5. DEFERRED CONTRIBUTIONS

The society deferred \$32,665 to support a victim of a tragic van attack in 2018.

6. BANK LOAN FACILITY

In October 2024, the society obtained approval for a term loan facility from the Bank of Montreal (BMO) in the amount of \$600,000. The loan bears interest at a fixed rate of 5.91% per annum and is repayable in monthly installments of principal plus interest over an amortization period of 240 months, once drawn.

As at December 31, 2024, no funds had been advanced under this facility.

**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

6. BANK LOAN FACILITY, continued

The facility is secured by the following:

- a) Registered first-ranking mortgage in the amount of \$600,000 over the property located at 4698 Kingston Road, Scarborough, Ontario.
- b) Insurance coverage on an all-risks basis, including fire and extended coverage, for its full replacement value, with any loss proceeds payable to the BMO.
- c) General security agreement providing a first-ranking security interest over all present and after-acquired personal property of the society, including inventory, machinery, equipment, and accounts receivable.
- d) Personal guarantees of \$200,000 each provided by three individual members.

7. AVASA BUILDING FUND

On March 15, 2015, a project to construct a residence for the monks (Avasa building) was unanimously approved at the annual general meeting. The estimated cost of the project is \$1,300,000. However, project delayed due to city approval of the plan. During 2024, the construction of Avasa building has been commenced.

The society raised a net amount of \$574,539 (2023 - \$ Nil) during the year. In the event of insufficient funds to complete the project, the society will access its approved bank financing to cover the shortfall.

Reconciliation of building fund is as follows:

	<u>2024</u>	<u>2023</u>
Avasa building fund	\$ 1,028,096	\$ 453,557
Less: Total construction cost	<u>(833,084)</u>	<u>(113,968)</u>
Fund available as at December 31	<u>\$ 195,012</u>	<u>\$ 339,589</u>

**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

8. 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 Canadian 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, 2024 is as follows:

Statement of Financial Position	2024	2023
Total assets	\$ 33,486	\$ 28,779
Accrued expenses	(158)	(123)
Accumulated funds	<u>\$ 33,328</u>	<u>\$ 28,658</u>
 Results of operations	 2024	 2023
Total revenues	\$ 2,547	\$ 3,056
Total expenses	(858)	(21)
Excess of revenue over expenditures	<u>\$ 1,689</u>	<u>\$ 3,035</u>

9. 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, 2024.

**TORONTO MAHAVIHARA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

9. FINANCIAL INSTRUMENTS, continued

Liquidity risk

The society does have a liquidity risk in current liabilities. 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.

10. COMPARATIVE FIGURES

The comparative financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year fund balances and the comparative figures were neither audited nor reviewed.
