

TIRGAN CENTRE FOR ART AND CULTURE
Financial Statements
Year Ended December 31, 2025



TIRGAN CENTRE FOR ART AND CULTURE
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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Tirgan Centre for Art and Culture

Qualified Opinion

We have audited the financial statements of Tirgan Centre for Art and Culture (the "organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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 organization as at December 31, 2025, 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 not-for-profit organizations, the organization derives revenue from fundraising activities 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 organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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 organization 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.

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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Tirgan Centre for Art and Culture (*continued*)

Those charged with governance are responsible for overseeing the organization'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 organization'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 organization'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 organization 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.

L. Levy

Vaughan, Ontario
June 4, 2026

Levy Consulting Accounting and Tax Professional Corporation
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario



TIRGAN CENTRE FOR ART AND CULTURE
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 84,795	\$ 360,425
Government remittances receivable	85,543	81,609
Prepaid expenses and deposits	9,318	8,470
	179,656	450,504
NON-CURRENT		
Capital assets (Note 4)	16,208	17,890
	\$ 195,864	\$ 468,394
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 12,638	\$ 6,125
Deferred contributions (Note 5)	43,154	196,906
Loans payable to directors (Note 10)	30,000	117,000
Current portion of loan payable (Note 6)	27,778	27,778
	113,570	347,809
NON-CURRENT		
Loan payable (Note 6)	122,685	150,463
	236,255	498,272
FUND BALANCES		
NET DEFICIENCY	(40,391)	(29,878)
	\$ 195,864	\$ 468,394

ON BEHALF OF THE BOARD

Mehrdad Ariannejad

Director

A. B. Nafar

Director



TIRGAN CENTRE FOR ART AND CULTURE
Statement of Operations
Year Ended December 31, 2025

	2025	2024
REVENUES		
Advertising and other income	\$ 470	\$ 998
Donations, contributions and sponsorships (Note 7)	59,830	243,681
Grants (Note 8)	84,206	132,722
Rental	-	24,950
Ticket sales and admissions	-	74,798
	144,506	477,149
EXPENDITURES		
Advertising and promotion	13,979	29,114
Amortization	1,682	1,927
Events costs (Note 9)	10,298	248,032
Interest and bank charges	684	2,250
Interest on long term debt	6,663	15,086
Occupancy costs	4,210	21,562
Office and general	21,991	25,709
Professional fees	72,843	22,968
Salaries and benefits	22,669	143,288
	155,019	509,936
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(10,513)	(32,787)
OTHER INCOME		
Gain on disposal of capital assets	-	166,552
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (10,513)	\$ 133,765



TIRGAN CENTRE FOR ART AND CULTURE
Statement of Changes in Net Assets
Year Ended December 31, 2025

	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ (29,878)	\$ (163,643)
Deficiency of revenues over expenditures	(10,513)	133,765
NET ASSETS - END OF YEAR	\$ (40,391)	\$ (29,878)



TIRGAN CENTRE FOR ART AND CULTURE
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (10,513)	\$ 133,765
Item not affecting cash:		
Amortization	1,682	1,927
	(8,831)	135,692
Changes in non-cash working capital:		
Government remittances receivable	(3,935)	37,664
Prepaid expenses and deposits	(848)	(3,669)
Accounts payable and accrued liabilities	6,514	3,504
Deferred contributions	(153,752)	106,826
	(152,021)	144,325
Cash flow from (used by) operating activities	(160,852)	280,017
INVESTING ACTIVITY		
Disposal of capital assets	-	448,897
FINANCING ACTIVITIES		
Grant loan payable	-	(111,083)
Decrease in loan payable	(27,778)	(27,778)
Loan repayment to directors	(87,000)	59,000
Decrease in mortgage payable	-	(274,605)
Cash flow used by financing activities	(114,778)	(354,466)
INCREASE (DECREASE) IN CASH FLOW	(275,630)	374,448
Cash (deficiency) - beginning of year	360,425	(14,023)
CASH - END OF YEAR	\$ 84,795	\$ 360,425



TIRGAN CENTRE FOR ART AND CULTURE
Notes to Financial Statements
Year Ended December 31, 2025

1. PURPOSE OF THE ORGANIZATION

Tirgan Centre for Art and Culture ("TCAC") was incorporated on May 15, 2007 as a corporation without share capital under Part II of the Ontario Business Corporation Act as a not-for profit organization and is not subject to income tax pursuant to subsection 149(1) of the Income Tax Act. The objectives of the organization are to promote and enhance cross-cultural harmony in order to advance tolerance, understanding and goodwill among all segments of Canadian multi-cultural mosaic and to celebrate Iranian artistic expression and cultural heritage in Canadian society. The organization produces, organizes and presents cultural programs and cultural festivals to showcase various aspects of Iranian cultural heritage and contemporary Iranian artistic expression.

TCAC is a registered charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and investments maturing in less than 90 days. As at December 31, 2025 there were no cash equivalents.

Revenue recognition

Contributions and sponsorships

Unrestricted contributions and sponsorships are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted grants and contributions

Externally restricted grants and contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Government grants are recorded when there is reasonable assurance that the organization has complied with, and will continue to comply with, all conditions attached to the grant. Where restricted grants relate to capital assets, they are deferred and amortized on the same basis as the related capital assets.

Ticket sales and admissions

Ticket sales and admissions for the biennial festival are recognized as revenue in the year in which the festival takes place and the related expenses are incurred.

Rental income

Rental income is recognized as revenue when the related services are provided.

Contributed services

Directors, committee members and owners volunteer their time to assist in the corporation's activities. While these services benefit the corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

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TIRGAN CENTRE FOR ART AND CULTURE
Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donations

The organization is a registered charity under the Income Tax Act (Canada) and is authorized to issue official donation receipts for income tax purposes. Donations received directly by the organization are recorded when received or when known to be in transit at the fiscal year end. Official donation receipts are issued by the organization for eligible donations received directly. Certain donations are received through CanadaHelps, a registered charitable intermediary, which issues official donation receipts directly to donors on behalf of the organization and remits the net proceeds to the organization. The organization does not issue duplicate receipts for donations processed through CanadaHelps.

Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the costs of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Locker	4%
Furniture and equipment	20%
Computer equipment	30%

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the longlived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Financial instruments

Initial measurement

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

Subsequent measurement

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable.

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TIRGAN CENTRE FOR ART AND CULTURE
Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, loans payable to directors, grant loan payable, loan and mortgage payable.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

Use of estimates

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 amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. The main estimates relate to the useful life of capital assets.

3. GOING CONCERN ASSUMPTION

Management has assessed the organization's ability to continue as a going concern and has identified the following factors relevant to this assessment. During the year ended December 31, 2025, the organization incurred a deficiency of revenues over expenditures of \$10,513 and has an accumulated net deficiency of \$40,391 as at December 31, 2025. The decrease in revenues and cash during the year reflects the organization's planned reduction in programming activity as it undertook a period of capacity building and organizational restructuring.

Management expects that revenues will increase in 2026 through planned cultural programming, events, and ongoing grant applications with federal and provincial funding bodies. The organization has the continued financial support of its directors and contributors. Based on these factors, management has prepared these financial statements on a going concern basis and believes this basis of presentation remains appropriate.



TIRGAN CENTRE FOR ART AND CULTURE
Notes to Financial Statements
Year Ended December 31, 2025

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Furniture and equipment	\$ 3,083	\$ 2,579	\$ 504	\$ 560
Computer equipment	23,633	16,426	7,207	8,479
Locker	11,077	2,580	8,497	8,851
	\$ 37,793	\$ 21,585	\$ 16,208	\$ 17,890

5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of contributions and government grants received in advance of future events and projects. Changes in the deferred contributions balances are as follows:

	2025	2024
Opening balance	\$ 196,906	\$ 90,080
Amounts received or receivable to current and future years	43,154	196,906
Amounts recognized as revenue in the year	(196,906)	(90,080)
	\$ 43,154	\$ 196,906

Balance allocated as follows:

	2025	2024
Ontario Arts Council	\$ 43,154	\$ 46,906
Toronto Arts Council	-	25,000
TD Bank Group	-	125,000
	\$ 43,154	\$ 196,906



TIRGAN CENTRE FOR ART AND CULTURE
Notes to Financial Statements
Year Ended December 31, 2025

6. LOAN PAYABLE

	<u>2025</u>	<u>2024</u>
Term loan bearing interest at 4.0%, payable interest and monthly installments of \$2,314 plus interest and due on April 1, 2031. The loan is secured against all of the assets of the organization.	\$ 150,463	\$ 178,241
Amounts payable within one year	<u>(27,778)</u>	<u>(27,778)</u>
	<u>\$ 122,685</u>	<u>\$ 150,463</u>
Future minimum loan payments are approximately:		
2026	\$ 27,778	
2027	27,778	
2028	27,778	
2029	27,778	
2030	27,778	
Thereafter	<u>11,573</u>	
Total minimum payments	150,463	
Less current portion	<u>27,778</u>	
	<u>\$ 122,685</u>	

7. DONATIONS, CONTRIBUTIONS AND SPONSORSHIPS

Donations, contributions and sponsorships of \$59,830 (2024 — \$243,681) consisted of donations receipted directly by the organization of \$5,000 (2024 — \$107,780), donations collected and receipted through CanadaHelps of \$49,830 (2024 — \$92,911), and unreceipted sponsorships and contributions of \$5,000 (2024 — \$43,500).

8. GRANTS

Various governments and government agencies have agreed to grant the organization funds in the year to cover program expenditures incurred as per approved budgets. Such amounts included in grants revenue are as follows:

	<u>2025</u>	<u>2024</u>
Province of Ontario	\$ 46,906	\$ 42,642
Government of Canada	12,300	65,080
Other	<u>25,000</u>	<u>25,000</u>
	<u>\$ 84,206</u>	<u>\$ 132,722</u>



TIRGAN CENTRE FOR ART AND CULTURE
Notes to Financial Statements
Year Ended December 31, 2025

9. EVENTS COSTS

Details of costs related to various events held during the year are as follows:

	2025	2024
Artist fees	\$ 3,000	\$ 69,956
Production costs	150	123,873
Venue rental	276	27,142
Event related food and drinks	1,901	5,032
Travel and transportation	4,471	7,190
Operational and logistics	-	9,527
Accommodations	500	5,312
	\$ 10,298	\$ 248,032

Event related food and drinks refers to food and refreshments served and sold at events

10. RELATED PARTIES

During the year, the organization entered into the following transactions with related parties:

Loans payable to directors

Certain directors of the organization have provided unsecured loans to support the organization's operations. These loans are non-interest bearing and due on demand. The balance outstanding as at December 31, 2025 is \$30,000 (2024 — \$117,000). During the year, the organization repaid \$87,000 of these loans in cash. These transactions are measured at the exchange amount, being the amount agreed upon by the related parties.

Contributed services

Directors and committee members volunteer their time to assist in the organization's activities. The fair value of these contributed services cannot be reasonably estimated and accordingly has not been recognized in these financial statements.

These transactions are not necessarily indicative of amounts that would have been recorded had the transactions occurred between unrelated parties.



TIRGAN CENTRE FOR ART AND CULTURE
Notes to Financial Statements
Year Ended December 31, 2025

11. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk arises from the potential that certain parties will fail to perform their obligations. The organization routinely assesses the financial strength of its sponsors and registrants and, as a consequence, believes that its accounts receivable credit risk exposure is limited.

(b) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and loan payable to directors. The organization expects to meet these obligations as they come due by generating sufficient cash flows from operations as well as from ongoing grant support, sponsorships and the continued support of its members and contributors.

(c) 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 risk, interest rate risk and other price risk. The organization is not exposed to currency risk or other price risk.

(d) Interest rate risk

The organization is exposed to interest rate risk due to the fixed rate interest on their long-term debt.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications did not affect previously reported net assets or excess (deficiency) of revenues over expenditures.

