

**Sopar - Bala Vikasa**  
**Financial Statements**  
**March 31, 2021**

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## Independent Auditor's Report

To the Directors of  
Sopar - Bala Vikasa

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### Qualified opinion

We have audited the financial statements of Sopar - Bala Vikasa (hereafter "the Organization"), which comprise the statement of financial position as at March 31 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

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 March 31 2021, 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 Organization derives revenue from contributions to fund-raising campaigns, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these contributions 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 private donations contributions, excess (deficiency) of revenues over expenses and cash flows from operating activities for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020 and net assets as at April 01, 2020 and 2019 and March 31, 2021 and 2020.

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 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 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 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.

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.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Gatineau  
June 1, 2021

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<sup>1</sup> CPA auditor, CA, MBA public accountancy permit no. A134381

## Sopar - Bala Vikasa Operations

Year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>Income</b>		
Contributions		
Private donations	291,482	254,429
Donations from institutions	225,450	186,670
Donations from corporations	123,593	110,110
Donations from foundations	115,529	404,847
GAC - Delhi CFLI program		13,631
	<u>756,054</u>	<u>969,687</u>
<b>Charges</b>		
Community Development Projects in India (Schedule A)	433,093	519,458
Humanitarian and educational programs in India	114,000	38,000
Bala Vikasa International Center	124,760	258,250
GAC - Delhi CFLI program		13,631
General administration (Schedule B)	99,611	127,950
	<u>771,464</u>	<u>957,289</u>
Excess (deficiency) of revenues over expenses before other income	(15,410)	12,398
Other income	67,664	8
<b>Excess of revenues over expenses</b>	<u>52,254</u>	<u>12,406</u>

The accompanying notes and schedules are an integral part of the financial statements.

## Sopar - Bala Vikasa

### Changes in Net Assets

Year ended March 31, 2021

	<u>2021</u>		<u>2020</u>
	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>
	\$	\$	\$
Balance, beginning of year	4,143	119,070	123,213
Excess (deficiency) of revenues over expenses	(1,188)	53,442	52,254
Balance, end of year	<u>2,955</u>	<u>172,512</u>	<u>175,467</u>
			110,807
			12,406
			123,213

The accompanying notes and schedules are an integral part of the financial statements.

## Sopar - Bala Vikasa

### Cash Flows

Year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	52,254	12,406
Non-cash items		
Amortization	1,188	1,188
Changes in working capital items		
Sales tax receivable	1,444	(999)
Contributions receivable		12,710
Prepaid expenses		(795)
Trade payables and other operating liabilities	(1,308)	(3,292)
Deferred contributions	<u>40,000</u>	
<b>Net increase in cash</b>	<b>93,578</b>	21,218
Cash, beginning of year	<u>132,638</u>	<u>111,420</u>
Cash, end of year	<u>226,216</u>	<u>132,638</u>

The accompanying notes and schedules are an integral part of the financial statements.

# Sopar - Bala Vikasa

## Financial Position

March 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>ASSETS</b>		
Current		
Cash	226,216	132,638
Sales tax receivable	480	1,923
Prepaid expenses	795	795
	<u>227,491</u>	<u>135,356</u>
Long-term		
Capital assets and intangible asset (Note 5)	2,955	4,143
	<u>230,446</u>	<u>139,499</u>
<b>LIABILITIES</b>		
Current		
Trade payables and other operating liabilities (Note 6)	14,979	16,286
Long-term		
Deferred contributions	40,000	
	<u>54,979</u>	<u>16,286</u>
<b>NET ASSETS</b>		
Invested in capital assets	2,955	4,143
Unrestricted	172,512	119,070
	<u>175,467</u>	<u>123,213</u>
	<u>230,446</u>	<u>139,499</u>

The accompanying notes and schedules are an integral part of the financial statements.

On behalf of the Board,



Director



Director



# Sopar - Bala Vikasa

## Notes to Financial Statements

March 31, 2021

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### **1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

Sopar - Bala Vikasa (the Organization) is incorporated under the Canada Not-for-profit Corporations Act. It aims to reduce poverty in developing countries, especially in India, and promote Canadian public engagement in international cooperation. The Organization has charitable status recognized under the Federal and Quebec tax laws on income tax and is therefore exempt from income taxes.

### **2 - IMPACTS RESULTING FROM THE COVID-19 PANDEMIC**

In March 2020, the decree of a COVID-19 state of pandemic and the numerous measures put in place by the federal, provincial and municipal governments to protect the public had impacts on the Company's operations. This crisis is likely to cause significant changes to the assets or liabilities in the coming year or have a significant impact on future operations.

### **3 - CHANGE IN ACCOUNTING POLICY**

On April 1, 2020, the Company applied the changes to Section 3065, Leases, of Part II of the CPA Canada Handbook – Accounting. The purpose of these changes is to provide a practical expedient for accounting for rent concessions (as a deferral or waiver of lease payments) granted as a direct consequence of the COVID-19 pandemic allowing the Company to elect, under certain conditions, not to account for these concessions as a new lease.

### **4 - SUMMARY OF ACCOUNTING POLICIES**

#### **Basis of presentation**

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedules. These estimates are based on management's best knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

#### **Revenue recognition**

##### *Contributions*

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and 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 reported as direct increases in net assets.

The Organization may recognize contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

## Sopar - Bala Vikasa

### Notes to Financial Statements

March 31, 2021

#### 4 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Since contribution resulting from the Canada Emergency Wage Subsidy may be examined by the tax authorities, retroactive application clarifications were introduced after the program was announced and some rules may be interpreted differently by the tax authorities, it is possible that the amounts granted will differ from the amounts recorded.

#### Financial assets and liabilities

##### *Initial measurement*

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs.

##### *Subsequent measurement*

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

With respect to the financial assets measured at amortized cost, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in earnings. The reversal of a previously recognized impairment loss on the financial asset measured at amortized cost is recognized in earnings in the year the reversal occurs.

#### Tangible and intangible capital assets

Tangible and intangible capital assets acquired are recorded at cost. When the Organization receives contributions of tangible and intangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible and intangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

##### *Amortization*

Capital assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

	<u>Periods</u>
Computer equipment	10 years
Furniture and fixtures	15 years
Website	5 years

##### *Write-down*

When the Organization recognizes that a tangible and intangible capital asset no longer has any long-term service potential, the excess of net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of operations.

# Sopar - Bala Vikasa

## Notes to Financial Statements

March 31, 2021

### 4 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### Foreign currency translation

The Company uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the balance sheet date. Revenue and expenses are translated at the average rate for the period, with the exception of the amortization of assets translated at the historical exchange rates which is translated at the same exchange rates as the related assets. The related exchange gains and losses are accounted for in the earnings for the year.

#### Expenses GAC - Delhi CFLI program

The amounts in this section of the operations statements represent the share of costs incurred in India and Canada for various development projects in which the Organization has a participation. The share of projects in India is based on reports from the representatives of the Organization in India.

### 5 - CAPITAL ASSETS AND INTANGIBLE ASSET

			<u>2021</u>	<u>2020</u>
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Computer equipment	5,374	2,419	2,955	3,493
Furniture and fixtures	40,731	40,731		650
Website	13,295	13,295		
	<u>59,400</u>	<u>56,445</u>	<u>2,955</u>	<u>4,143</u>

### 6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2021</u>	<u>2020</u>
	\$	\$
Accounts payable and accrued liabilities	1,092	304
Salaries and vacation payable	10,032	10,128
Government remittances	3,855	5,854
	<u>14,979</u>	<u>16,286</u>

### 7 - COMMITMENT

The Organization has entered into long-term lease agreements expiring in June 2022 for the rental of buildings which call for minimum lease payments of \$13,200. Minimum lease payments for the next two years are \$10,560 in 2022 and \$2,640 in 2023.

# Sopar - Bala Vikasa

## Notes to Financial Statements

March 31, 2021

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### **8 - RELATED PARTY TRANSACTIONS**

During the year, the Organization received a donation of \$Nil (\$114,847 in 2020) from Sopar-Bala Vikasa Foundation. The Organization has a significant influence on the Foundation. The operations were recorded at the exchange amount. On March 31, 2020, the Sopar-Bala Vikasa Foundation was dissolved.

### **9 - FINANCIAL RISKS**

#### *Liquidity risk*

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position.

# Sopar - Bala Vikasa Schedules

Year ended March 31, 2021

	<b>SCHEDULE A</b>	
	<u>2021</u>	<u>2020</u>
	\$	\$
<b>COMMUNITY DEVELOPMENT PROJECTS IN INDIA</b>		
Direct expenses in India	<b>355,240</b>	430,000
Direct expenses in Canada	<b>77,853</b>	89,458
	<b>433,093</b>	519,458
	<b>SCHEDULE B</b>	
	<u>2021</u>	<u>2020</u>
	\$	\$
<b>GENERAL ADMINISTRATION</b>		
Administration fees - Canadian program	<b>258</b>	10,877
Amortization of capital assets	<b>1,188</b>	1,188
Bank charges	<b>519</b>	492
Fund raising activities	<b>6,070</b>	7,704
Insurance	<b>1,590</b>	1,803
Life insurance - planned giving	<b>2,526</b>	2,526
Office supplies and expenses	<b>4,301</b>	5,561
Professional fees	<b>7,208</b>	6,993
Rent	<b>10,560</b>	10,560
Salaries and employee benefits and service contracts	<b>56,843</b>	71,277
Subcontracting	<b>7,128</b>	7,589
Telecommunications	<b>1,420</b>	1,380
	<b>99,611</b>	127,950