

Sopar - Bala Vikasa
Financial Statements
March 31, 2022

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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, 2022, 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, 2022, 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 of revenues over expenses and cash flows from operating activities for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021 and net assets as at April 1, 2021 and 2020 and March 31, 2022 and 2021. Our opinion on the financial statements for the year ended March 31, 2021 was qualified accordingly because of the possible effects of this limitation in 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 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 LLP¹

Gatineau
June 3, 2022

¹ MBA, CPA auditor, public accountancy permit no. A134381

Sopar - Bala Vikasa Operations

Year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
Income		
Contributions		
Private donations	346,212	291,482
Donations from institutions	462,120	225,450
Donations from corporations	80,169	123,593
Donations from foundations	206,631	115,529
Global Affairs Canada (GAC) - COVID-19 Response in India	549,966	
Gain on share donation	1,801	
	<u>1,646,899</u>	<u>756,054</u>
Charges		
Community Development Programs in India (Schedule A)	736,883	433,093
GAC - COVID-19 Response in India (Schedule B)	575,811	
BV - Center for Social and Responsible Business	122,425	124,760
Humanitarian and educational programs in India	90,000	114,000
General administration (Schedule C)	80,347	99,611
	<u>1,605,466</u>	<u>771,464</u>
Excess (deficiency) of revenues over expenses before other income	41,433	(15,410)
Other income	19,751	67,664
Excess of revenues over expenses	<u>61,184</u>	<u>52,254</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, 2022

	<u>2022</u>		<u>2021</u>
	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>
	\$	\$	\$
Balance, beginning of year	2,955	172,512	123,213
Excess of revenues over expenses	620	60,564	52,254
Balance, end of year	<u>3,575</u>	<u>233,076</u>	<u>175,467</u>

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

Sopar - Bala Vikasa

Cash Flows

Year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	61,184	52,254
Non-cash items		
Amortization	537	1,188
Changes in working capital items		
Sales tax receivable	14	1,444
Prepaid expenses	435	
Grant receivable	(29,743)	
Trade payables and other operating liabilities	4,327	(1,308)
Deferred contributions	(10,000)	40,000
Cash flows from operating activities	<u>26,754</u>	<u>93,578</u>
INVESTING ACTIVITIES		
Capital assets	(1,158)	
Prurchase of investment	(125,000)	
Cash flows from investing activities	<u>(126,158)</u>	
Net increase (decrease) in cash	(99,404)	93,578
Cash, beginning of year	<u>226,216</u>	<u>132,638</u>
Cash, end of year	<u>126,812</u>	<u>226,216</u>

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

Sopar - Bala Vikasa


Financial Position

March 31, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
ASSETS		
Current		
Cash	126,812	226,216
Short-term investment	125,000	
Grant receivable	29,743	
Sales tax receivable	466	480
Prepaid expenses	360	795
	<u>282,381</u>	<u>227,491</u>
Long-term		
Capital assets and intangible asset (Note 3)	3,576	2,955
	<u>285,957</u>	<u>230,446</u>
LIABILITIES		
Current		
Trade payables and other operating liabilities (Note 4)	19,306	14,979
Long-term		
Deferred contributions	30,000	40,000
	<u>49,306</u>	<u>54,979</u>
NET ASSETS		
Invested in capital assets	3,575	2,955
Unrestricted	233,076	172,512
	<u>236,651</u>	<u>175,467</u>
	<u>285,957</u>	<u>230,446</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, 2022

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 - 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.

Since contribution resulting from the Canada Emergency Wage Subsidy and the Canada Emergency rent 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.

Sopar - Bala Vikasa

Notes to Financial Statements

March 31, 2022

2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

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 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 a 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.

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.

Sopar - Bala Vikasa

Notes to Financial Statements

March 31, 2022

3 - CAPITAL ASSETS AND INTANGIBLE ASSET

	2022		2021
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Computer equipment	6,532	2,956	2,955
Furniture and fixtures	40,731	40,731	
Website	13,295	13,295	
	60,558	56,982	2,955

4 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2022	2021
	\$	\$
Accounts payable and accrued liabilities	3,271	1,092
Salaries and vacation payable	11,679	10,032
Government remittances	4,356	3,855
	19,306	14,979

5 - COMMITMENT

The Organization has entered into long-term lease agreements expiring in June 2024 for the rental of buildings which call for minimum lease payments of \$23,760. Minimum lease payments for the next three years are \$10,560 in 2023 and \$10,560 in 2024 and 2,640 in 2025.

6 - FINANCIAL INSTRUMENTS

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, 2022

	SCHEDULE A	
	<u>2022</u>	<u>2021</u>
	\$	\$
COMMUNITY DEVELOPMENT PROGRAMS IN INDIA		
Direct expenses in India	692,575	355,240
Direct expenses in Canada	<u>44,308</u>	<u>77,853</u>
	<u>736,883</u>	<u>433,093</u>
	SCHEDULE B	
	<u>2022</u>	<u>2021</u>
	\$	\$
GAC - COVID-19 RESPONSE IN INDIA		
Direct expenses in India	503,926	
Overhead cost in India	41,247	
Direct expenses in Canada	12,960	
Overhead cost in Canada	<u>17,678</u>	
	<u>575,811</u>	<u>-</u>
	SCHEDULE C	
	<u>2022</u>	<u>2021</u>
	\$	\$
GENERAL ADMINISTRATION		
Administration fees - Canadian program	682	258
Amortization of capital assets	537	1,188
Bank charges	396	519
Fundraising expenses	5,565	6,070
Insurance	1,653	1,590
Life insurance - planned giving	2,526	2,526
Office supplies and expenses	3,411	4,301
Professional fees	6,347	7,208
Rent	10,560	10,560
Salaries and employee benefits	58,365	56,843
Service contracts	6,788	7,128
Telecommunications	<u>1,195</u>	<u>1,420</u>
	98,025	99,611
Minus : GAC contributions for overhead expenses	<u>17,678</u>	
	<u>80,347</u>	<u>99,611</u>