Sopar - Bala Vikasa

Financial Statements
March 31, 2023

Raymond Chabot Grant Thornton

Independent Auditor's Report

Raymond Chabot
Grant Thornton LLP
Suite 100
1839 St-Louis Street
Gatineau, Quebec
J8T 4H3

T 819-775-3306

To the Directors of
Sopar - Bala Vikasa

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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at March 31, 2023 and 2022 and net assets as at April 1, 2022 and 2021 and March 31, 2023 and 2022. Our opinion on the financial statements for the year ended March 31, 2022 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 LLP[1]

Gatineau
June 8, 2023

[1] CPA auditor, public accountancy permit no. A134381

Sopar - Bala Vikasa
Operations
Year ended March 31, 2023

	2023	2022
	$	$
Income		
Contributions		
Private donations	**355,853**	346,212
Donations from institutions	**459,620**	462,120
Donations from corporations	**2,240**	80,169
Donations from foundations	**180,077**	206,631
Global Affairs Canada (GAC) - COVID-19 Response in India		549,966
GAC - Delhi CFLI program	**42,624**	
Gain on share donation		1,801
	1,040,414	1,646,899
Charges		
Community Development Programs in India (Schedule A)	**799,059**	736,883
GAC - CFLI Project in India (Schedule B)	**42,800**	
GAC - COVID-19 Response in India (Schedule C)		575,811
BV - Center for Social and Responsible Business	**21,720**	122,425
Humanitarian and educational programs in India	**64,850**	90,000
General administration (Schedule D)	**120,147**	80,347
	1,048,576	1,605,466
Excess (deficiency) of revenues over expenses before other income	**(8,162)**	41,433
Other income (expense)	**(723)**	19,751
Excess (deficiency) of revenues over expenses	**(8,885)**	61,184

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

Sopar - Bala Vikasa
Changes in Net Assets
Year ended March 31, 2023

	2023			2022
	Invested in capital assets	Unrestricted	Total	Total
	$	$	$	$
Balance, beginning of year	**3,576**	**233,076**	**236,652**	175,468
Excess (deficiency) of revenues over expenses	**(169)**	**(8,716)**	**(8,885)**	61,184
Balance, end of year	**3,407**	**224,360**	**227,767**	236,652

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

Sopar - Bala Vikasa
Cash Flows
Year ended March 31, 2023

	2023	2022
	$	$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	**(8,885)**	61,184
Non-cash items		
Amortization of capiital assets	**707**	537
Changes in working capital items		
Sales tax receivable	**(2,995)**	13
Prepaid expenses	**180**	435
Grant receivable	**29,743**	(29,743)
Trade payables and other operating liabilities	**1,322**	4,328
Deferred contributions	**(10,000)**	(10,000)
Cash flows from operating activities	**10,072**	26,754
INVESTING ACTIVITIES		
Disposal of investments	**125,000**	
Capital assets	**(538)**	(1,158)
Purchase of investment		(125,000)
Cash flows from investing activities	**124,462**	(126,158)
Net increase (decrease) in cash	**134,534**	(99,404)
Cash, beginning of year	**126,812**	226,216
Cash, end of year	**261,346**	126,812

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

Sopar - Bala Vikasa
Financial Position
March 31, 2023

	2023	2022
	$	$
ASSETS		
Current		
Cash	**261,346**	126,812
Short-term investment		125,000
Grant receivable		29,743
Sales tax receivable	**3,461**	466
Prepaid expenses	**180**	360
	264,987	282,381
Long-term		
Capital assets and intangible asset (Note 3)	**3,407**	3,576
	268,394	285,957
LIABILITIES		
Current		
Trade payables and other operating liabilities (Note 4)	**20,627**	19,305
Long-term		
Deferred contributions	**20,000**	30,000
	40,627	49,305
NET ASSETS		
Invested in capital assets	**3,407**	3,576
Unrestricted	**224,360**	233,076
	227,767	236,652
	268,394	285,957

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, 2023

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.

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.

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:

	Periods
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, 2023

3 - CAPITAL ASSETS AND INTANGIBLE ASSET

			2023	2022
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	$	$	$	$
Computer equipment	7,070	3,663	3,407	3,576
Furniture and fixtures	40,731	40,731		
Website	13,295	13,295		
	61,096	57,689	3,407	3,576

4 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2023	2022
	$	$
Accounts payable and accrued liabilities	1,103	3,270
Salaries and vacation payable	15,253	11,679
Government remittances	4,271	4,356
	20,627	19,305

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 $13,200. Minimum lease payments for the next two years are $10,560 in 2024 and $2,640 in 2025.

6 - 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, 2023

SCHEDULE A

	2023	2022
	$	$
COMMUNITY DEVELOPMENT PROGRAMS IN INDIA		
Direct expenses in India	**732,311**	692,575
Direct expenses in Canada	**66,748**	44,308
	799,059	736,883

SCHEDULE B

	2023	2022
	$	$
GAC - CFLI PROJECT IN INDIA		
Direct expenses in India	**39,650**	
Overhead cost in India	**3,150**	
	42,800	-

SCHEDULE C

	2023	2022
	$	$
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		17,678
	-	575,811

Sopar - Bala Vikasa
Schedules
Year ended March 31, 2023

SCHEDULE D

	2023	2022
	$	$
GENERAL ADMINISTRATION		
Amortization of capital assets	**707**	537
Insurance	**1,737**	1,653
Life insurance - planned giving	**2,526**	2,526
Fundraising expenses	**4,869**	5,565
Administration fees - Canadian program	**5,506**	682
Bank charges	**135**	396
Professional fees	**7,531**	6,347
Office supplies and expenses	**3,880**	3,411
Rent	**10,560**	10,560
Salaries and employee benefits	**65,961**	58,365
Service contracts	**15,795**	6,788
Telecommunications	**940**	1,195
	120,147	98,025
Minus : GAC contributions for overhead expenses		17,678
	120,147	80,347