

SOPAR-Bala Vikasa
Financial Statements
March 31, 2025

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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, 2025, 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, 2025, 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 donations from individuals, 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 donations from individuals, excess of revenues over expenses and cash flows from operating activities for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023 and net assets as at April 01, 2024 and 2023 and March 31, 2024 and 2023. Our opinion on the financial statements for the year ended March 31, 2024 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.

Gatineau
June 5, 2025

¹ CPA auditor, public accountancy permit no. A134381

SOPAR-Bala Vikasa Operations

Year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
Revenues		
Contributions		
Donations from institutions	381,663	446,000
Donations from individuals	169,681	208,025
Donations from foundations	145,756	182,289
Donations from corporations		4,000
Interest income	18,318	18,520
Global Affairs Canada - Canada Fund for Local Initiatives program - Delhi		14,124
	<u>715,418</u>	<u>872,958</u>
Expenses		
Community Development Programs in India (Schedule A)	546,846	649,065
General administration in Canada (Schedule B)	107,974	142,776
Humanitarian and educational programs in India	50,000	55,000
Global Affairs Canada project - Canada Fund for Local Initiatives program - Delhi (Schedule C)		14,124
	<u>704,820</u>	<u>860,965</u>
Excess of revenues over expenses	<u>10,598</u>	<u>11,993</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, 2025

	2025			2024
	Received for endowment purposes (Note 8)	Invested in capital assets	Unrestricted	Total
	\$	\$	\$	\$
Balance, beginning of year		2,700	237,060	239,760
Excess (deficiency) of revenues over expenses		(707)	11,305	10,598
Endowment contributions received	300,000			300,000
Balance, end of year	300,000	1,993	248,365	550,358
				11,993
				239,760

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

SOPAR-Bala Vikasa**Cash Flows**

Year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	10,598	11,993
Non-cash items		
Amortization of tangible capital assets	707	707
Changes in working capital items		
Accounts receivable	3,540	(67,481)
Prepaid expenses	(928)	(791)
Trade payables and other operating liabilities	(2,608)	67,767
Deferred contributions	<u>102,943</u>	<u>(10,000)</u>
Cash flows from operating activities	114,252	2,195
INVESTING ACTIVITIES		
Purchase of investments and cash flows from investing activities	(300,000)	
FINANCING ACTIVITIES		
Endowment contributions received and cash flows from financing activities	<u>300,000</u>	
Increase in cash and cash equivalents	114,252	2,195
Cash and cash equivalents, beginning of year	<u>263,541</u>	<u>261,346</u>
Cash and cash equivalents, end of year	<u><u>377,793</u></u>	<u><u>263,541</u></u>
CASH AND CASH EQUIVALENTS		
Cash	67,793	38,541
Investments	<u>310,000</u>	<u>225,000</u>
	<u><u>377,793</u></u>	<u><u>263,541</u></u>

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

SOPAR-Bala Vikasa Financial Position

March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
ASSETS		
Current		
Cash	67,793	38,541
Investments (Note 3)	310,000	225,000
Accounts receivable (Note 4)	67,402	70,942
Prepaid expenses	1,899	971
	<u>447,094</u>	<u>335,454</u>
Long-term		
Investments (Note 3)	300,000	
Tangible capital assets and intangible asset (Note 5)	1,993	2,700
	<u>749,087</u>	<u>338,154</u>
LIABILITIES		
Current		
Trade payables and other operating liabilities (Note 6)	85,786	88,394
Deferred contributions (Note 7)	112,943	10,000
	<u>198,729</u>	<u>98,394</u>
NET ASSETS		
Received for endowment purposes (Note 8)	300,000	
Invested in capital assets	1,993	2,700
Unrestricted	248,365	237,060
	<u>550,358</u>	<u>239,760</u>
	<u>749,087</u>	<u>338,154</u>

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

On behalf of the Board,

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Director

Director

SOPAR-Bala Vikasa

Notes to Financial Statements

March 31, 2025

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

SOPAR-Bala Vikasa (hereafter "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 Income Tax Act 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.

Cash and cash equivalents

The Company's policy is to present in cash and cash equivalents bank balances and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

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.

Moreover, the Organization recognizes 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.

Interest income

Investment transactions are recorded on the transaction date and resulting interest revenues are recognized using the accrual method of accounting

Interest income is recognized on a time apportionment basis.

Interest income that is not subject to externally imposed restrictions is recognized in the statement of operations under Interest income.

Interest income subject to externally imposed restrictions is recognized as other deferred contributions.

SOPAR-Bala Vikasa

Notes to Financial Statements

March 31, 2025

2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Allocation of management salary and benefits

The Organization's functions are comprised of general administration expenses in Canada and expenses of the different programs in India.

The Organization allocate management salary and benefits by identifying the appropriate basis of allocating and applies that basis consistently each year as follows:

- General administration in Canada	40 %
- Programs in India	60 %

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.

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 capital assets and intangible assets subject to amortization

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

Amortization

Tangible capital assets and intangible asset subject to amortization are amortized over their estimated useful lives according to the straight-line method over the following periods:

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

SOPAR-Bala Vikasa

Notes to Financial Statements

March 31, 2025

2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Write-down

When conditions indicate that a tangible capital asset or an intangible asset subject to amortization is impaired, the net carrying amount of the tangible capital asset or the intangible asset subject to amortization is written down to the tangible capital asset or the intangible asset subject to amortization's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

Foreign currency translation

The Organization 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 financial position statement 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 financial position statement 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 statement of operations for the year.

3 - INVESTMENTS

	<u>2025</u>	<u>2024</u>
	\$	\$
Guaranteed Investment Certificates, 4,00%, maturing in June 2024		100,000
Guaranteed Investment Certificates, bearing interest at variable rate (4.65 % as at March 31, 2024), maturing in November 2024		125,000
Guaranteed Investment Certificates, 2,95%, maturing in June 2025 (a)	300,000	
Guaranteed Investment Certificates, 4,10%, maturing in July 2025	125,000	
Guaranteed Investment Certificates, bearing interest at variable rate (4.60% as at March 31, 2025), maturing in July 2025	35,000	
Guaranteed Investment Certificates, bearing interest at variable rate (3,40% as at March 31, 2025), maturing in November 2025	150,000	
	<u>610,000</u>	<u>225,000</u>
Short-term investment	310,000	225,000
Long term investment	300,000	
	<u>610,000</u>	<u>225,000</u>

(a) Despite the maturity date being in the short term, the Organization intends to renew the guaranteed investment certificate. As a result, it will be classified as long term.

4 - ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
	\$	\$
Accounts receivable from the Organization Bala Vikasa	65,776	65,776
Indirect taxes receivable	1,626	5,166
	<u>67,402</u>	<u>70,942</u>

SOPAR-Bala Vikasa
Notes to Financial Statements

March 31, 2025

5 - TANGIBLE CAPITAL ASSETS AND INTANGIBLE ASSET

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>	<u>Net carrying amount</u>
	\$	\$	\$	\$
Furniture and fixtures	40,731	40,731		
Computer equipment	7,070	5,077	1,993	2,701
Website	13,295	13,295		
	<u>61,096</u>	<u>59,103</u>	<u>1,993</u>	<u>2,701</u>

6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2025</u>	<u>2024</u>
	\$	\$
Accounts payable and accrued liabilities	1,726	570
Grant to reimburse	65,776	65,776
Salaries and vacation payable	17,406	21,318
Government remittances	878	730
	<u>85,786</u>	<u>88,394</u>

7 - DEFERRED CONTRIBUTIONS

	<u>2025</u>	<u>2024</u>
	\$	\$
Humanitarian and educational programs in India and other Indian development project		
Balance, beginning of year		
Amount collected for future financial years	112,943	
Amount recognized in operations		
Balance, end of year	<u>112,943</u>	

8 - ENDOWMENT CONTRIBUTIONS RECEIVED

The Organization received an endowment contribution during the financial year. A perpetual fund named "Les œuvres Elizabeth Hayes" was established, of which only the income generated from the fund's investments can be used to support widows and orphans in India with limited financial resources.

SOPAR-Bala Vikasa

Notes to Financial Statements

March 31, 2025

9 - FINANCIAL RISKS

Market risk

The Organization's financial instruments expose it to market risk, in particular, currency risk and interest rate risk, resulting from its operating and investing activities.

Currency risk

The majority of the Organization's transactions are in Canadian dollars. Currency risk results from the Organization's expenses denominated in foreign currency which are primarily in U.S. dollars. As at March 31, 2025, the Organization is exposed to currency risk due to cash denominated in U.S. dollars totalling \$3,422 (\$3,422 as at March 31, 2024).

Interest rate risk

The Organization is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed and variable interest rates.

Some investments bears interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Some investments bears interest at a variable rate and the Organization is, therefore, exposed to the cash flow risks resulting from interest rate fluctuations.

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.

10 - COMMITMENT

The Organization has entered into a long-term lease agreement which call for lease payments of \$2,640 for the rental of an office space.

The lease expire in June 2026 and contain a renewal option for an additional period of two years which the Organization may exercise by giving a 90-day notice.

Minimum lease payments for the next year are \$2,640 in 2026.

SOPAR-Bala Vikasa Schedules

Year ended March 31, 2025

	SCHEDULE A	
	<u>2025</u>	<u>2024</u>
	\$	\$
COMMUNITY DEVELOPMENT PROGRAMS IN INDIA		
Jana Vikasa's direct expenses in India	485,000	585,000
Direct expenses in Canada	<u>61,846</u>	<u>64,065</u>
	<u>546,846</u>	<u>649,065</u>
	SCHEDULE B	
	<u>2025</u>	<u>2024</u>
	\$	\$
GENERAL ADMINISTRATION IN CANADA		
Salaries and benefits	60,824	91,592
Professional fees	11,565	9,679
Rental expenses	10,560	10,560
Subcontracting	8,082	11,324
Office supplies and expenses	4,640	4,956
Fundraising expenses	4,417	5,096
Life insurance	2,526	2,526
Insurance	1,754	1,733
Bank charges	1,744	593
Telecommunications	1,155	1,129
Amortization of tangible capital assets	707	707
Administration fees - Canadian program		2,881
	<u>107,974</u>	<u>142,776</u>
	SCHEDULE C	
	<u>2025</u>	<u>2024</u>
	\$	\$
GLOBAL AFFAIRS CANADA PROJECT - CANADA FUND FOR LOCAL INITIATIVES PROGRAM - DELHI		
Bala Vikasa's direct expenses in India		13,075
Bala Vikasa's overhead expenses in India		<u>1,049</u>
	<u>-</u>	<u>14,124</u>