

FINANCIAL STATEMENTS

BRAHMANANDA SARASWATI FOUNDATION OF CANADA

December 31, 2016

Brahmananda Saraswati Foundation of Canada

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INDEPENDENT AUDITOR'S REPORT

To the members of **Brahmananda Saraswati Foundation of Canada:**

We have audited the accompanying financial statements of **Brahmananda Saraswati Foundation of Canada**, which comprise the statement of financial position as at December 31, 2016 and the statements of changes in net assets, operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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INDEPENDENT AUDITOR'S REPORT (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, excess (deficiency) of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, if any, the financial statements present fairly, in all material respects, the financial position of **Brahmananda Saraswati Foundation of Canada** as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario
August 1, 2017

Campbell Lawless LLP

Chartered Professional Accountants
Licensed Public Accountants

Brahmananda Saraswati Foundation of Canada
STATEMENT OF FINANCIAL POSITION

December 31	2016	2015
	\$	\$
ASSETS		
Current		
Cash	155,429	240,469
	155,429	240,469
LIABILITIES		
Current		
Accounts payable and accrued liabilities	7,438	25,943
Due to related parties [note 3]	<u> </u>	<u>9,000</u>
	7,438	34,943
NET ASSETS		
Unrestricted	147,991	205,526
	155,429	240,469

see accompanying notes

On behalf of the Board:

Director

Director

Brahmananda Saraswati Foundation of Canada
STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31	2016 \$	2015 \$
Balance , beginning of year	205,526	44,623
Excess (deficiency) of revenue over expenses for the year	(57,535)	160,903
Balance , end of year	147,991	205,526

see accompanying notes

Brahmananda Saraswati Foundation of Canada

STATEMENT OF OPERATIONS

Year ended December 31	2016	2015
	\$	\$
Revenue		
Donations	<u>486,345</u>	<u>552,827</u>
Expenses		
Charity activities expenditures	477,200	307,000
Professional fees	21,487	13,975
Fundraising	20,325	48,513
Bank and credit card fees	13,273	10,546
Office	10,600	5,529
Insurance	995	695
Indo-Canadian outreach event		5,062
Travel	<u> </u>	<u>604</u>
	543,880	391,924
Excess (deficiency) of revenue over expenses for the year	(57,535)	160,903

see accompanying notes

Brahmananda Saraswati Foundation of Canada

STATEMENT OF CASH FLOWS

Year ended December 31	2016	2015
	\$	\$
CASH FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	(57,535)	160,903
Changes in non-cash working capital items:		
Increase (decrease) in accounts payable and accrued liabilities	(18,505)	13,739
Increase (decrease) in due to related parties	<u>(9,000)</u>	<u> </u>
Change in cash during the year	(85,040)	174,642
Cash , beginning of year	240,469	65,827
Cash , end of year	155,429	240,469

see accompanying notes

Brahmananda Saraswati Foundation of Canada
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. PURPOSE OF THE ORGANIZATION

Brahmananda Saraswati Foundation of Canada (the "Foundation") operates to teach the Vedas and Vedic Science, teach the Sanskrit language and literature and teach Vedic culture including art, architecture, literature, music and performances.

The Foundation was incorporated on June 14, 2010 as a corporation without share capital under the Canada Corporations Act. Effective June 22, 2014, the Foundation continued under the Canada Not-for-profit Corporations Act.

The Foundation is a registered charity under the Income Tax Act (Canada) and, therefore, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. 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. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Contributed services

Fulfilling the mandate of the Foundation is dependent on the voluntary donation of services of many members and others. As these services would not otherwise be purchased by the Foundation and because of the difficulty in determining their value, contributed services are not recorded in these financial statements.

Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Foundation subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash, accounts payable and accrued liabilities and amounts due to related parties.

The Foundation has no financial assets or liabilities measured at fair value.

Brahmananda Saraswati Foundation of Canada
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

3. RELATED PARTY TRANSACTIONS

Amounts due to related parties consist of the following:

	2016	2015
	\$	\$
Loans from directors	NIL	9,000

The statement of operations includes \$247,810 (2015 - \$341,395) of donations received from directors of the Foundation.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. FINANCIAL INSTRUMENTS RISK EXPOSURE

The Foundation is exposed to credit risk through its financial instruments. The Foundation has no changes in its risk exposure from the prior period.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's financial asset that is exposed to credit risk is cash. Cash is on deposit with a credit-worthy financial institution.