

## FINANCIAL STATEMENTS

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**BRAHMANANDA SARASWATI FOUNDATION OF CANADA**

December 31, 2019

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**Brahmananda Saraswati Foundation of Canada**

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## INDEPENDENT AUDITOR'S REPORT

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

### *Qualified Opinion*

We have audited the accompanying financial statements of **Brahmananda Saraswati Foundation of Canada** (the "Foundation"), which comprise the statement of financial position as at December 31, 2019 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.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2019 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 non-profit organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of donation revenue 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.

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 Foundation 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.

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## INDEPENDENT AUDITOR'S REPORT (continued)

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### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation 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.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

### *Auditor's Responsibility for the Audit of 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 it 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 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 judgement 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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## INDEPENDENT AUDITOR'S REPORT (continued)

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation 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.

Toronto, Ontario  
December 18, 2020

*Campbell Lawless LLP*

Chartered Professional Accountants  
Licensed Public Accountants

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**Brahmananda Saraswati Foundation of Canada**  
**STATEMENT OF FINANCIAL POSITION**

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<b>December 31</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	92,555	115,389
	<b>92,555</b>	<b>115,389</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	7,589	8,459
<b>NET ASSETS</b>		
Unrestricted	84,966	106,930
	<b>92,555</b>	<b>115,389</b>

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*see accompanying notes*

On behalf of the Board:

Director

Director

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**Brahmananda Saraswati Foundation of Canada**  
**STATEMENT OF CHANGES IN NET ASSETS**

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Year ended December 31	2019	2018
	\$	\$
<b>Balance</b> , beginning of year	<b>106,930</b>	183,200
Deficiency of revenue over expenses for the year	<b>(21,964)</b>	(76,270)
<b>Balance</b> , end of year	<b>84,966</b>	106,930

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*see accompanying notes*

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**Brahmananda Saraswati Foundation of Canada**  
**STATEMENT OF OPERATIONS**

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Year ended December 31	2019	2018
	\$	\$
<b>Revenue</b>		
Donations	<u>400,596</u>	<u>367,557</u>
<b>Expenses</b>		
Charity activities expenditures	381,000	397,229
Professional fees	18,262	16,435
Bank and credit card fees	11,785	17,306
Fundraising	7,200	11,500
Office	3,298	412
Insurance	<u>1,015</u>	<u>945</u>
	<b>422,560</b>	<b>443,827</b>
<b>Deficiency of revenue over expenses for the year</b>	<b>(21,964)</b>	<b>(76,270)</b>

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*see accompanying notes*

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**Brahmananda Saraswati Foundation of Canada**

**STATEMENT OF CASH FLOWS**

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Year ended December 31	2019	2018
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses for the year	(21,964)	(76,270)
Changes in non-cash working capital items:		
Increase (decrease) in accounts payable and accrued liabilities	<u>(870)</u>	<u>2,583</u>
<b>Net change in cash</b> during the year	(22,834)	(73,687)
<b>Cash</b> , beginning of year	115,389	189,076
<b>Cash</b> , end of year	<u>92,555</u>	<u>115,389</u>

*see accompanying notes*

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**Brahmananda Saraswati Foundation of Canada**  
**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2019

**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 classified as a registered charity as defined in paragraph 149(1)(f) of the Income Tax Act (Canada) [the "Act"] and, therefore, is exempt from income tax providing that it complies with donation and certain other requirements as specified by the Act.

**2. SUMMARY OF 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.

**Cash**

Cash includes cash on hand and balances within bank accounts held with financial institutions.

**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 and accounts payable and accrued liabilities.

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

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**Brahmananda Saraswati Foundation of Canada**  
**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2019

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributed services**

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

**3. RELATED PARTY TRANSACTIONS**

The statement of operations include \$183,340 (2018 - \$105,120) 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 is not exposed to significant liquidity or market risk. 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 exposed to credit risk consist of cash. Cash is on deposit with a credit-worthy financial institution.

**5. SUBSEQUENT EVENT**

The Foundation is continuously monitoring the recent outbreak of the novel coronavirus ("COVID-19") and its potential impact on the Foundation. While the extent and duration of the impact of COVID-19 on local economies is uncertain at this point, the outbreak has the potential to affect the Foundation's operations. Management is unable to estimate its potential impact as at the date of the these financial statements.