

Financial Statements of

**BRAHMANANDA
SARASWATI FOUNDATION
OF CANADA**

And Independent Auditors' Report thereon

Year ended December 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Members of Brahmananda Saraswati Foundation of Canada

Qualified Opinion

We have audited the financial statements of Brahmananda Saraswati Foundation of Canada (the "Foundation"), which comprise:

- the statement of financial position as at end of December 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditors' report, present fairly, in all material respects, the financial position of the Foundation as at end of December 31, 2020, and its results of operations, its changes in net assets 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 to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to current assets and net assets in the statement of financial position as at December 31, 2020, or to revenue and deficiency of revenue over expenses reported in the statement of operations, deficiency of revenue over expenses reporting in the statement of changes in net assets and deficiency of revenue over expenses reported in the statement of cash flows for the year then ended.



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We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ 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 opinion.

Other Matter – Comparative Information

The financial statements for the year ended December 31, 2019 were audited by another auditor who expressed a qualified opinion on those financial statements on December 18, 2020 due to the matter described in the “**Basis of Qualified Opinion**” section.

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 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 to 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.

Auditors’ 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 auditors’ 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.



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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 the 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 Foundation'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 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 auditors' 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 auditors' 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.



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- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

October 13, 2021

BRAHMANANDA SARASWATI FOUNDATION OF CANADA

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 90,120	\$ 92,555
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 2)	\$ 15,458	\$ 7,589
Net assets:		
Unrestricted (note 3)	74,662	84,966
	\$ 90,120	\$ 92,555

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

BRAHMANANDA SARASWATI FOUNDATION OF CANADA

Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Donations	\$ 280,559	\$ 400,596
Expenses:		
Charity activities expenditures	255,500	381,000
Professional fees	16,794	18,262
Fundraising	7,200	7,200
Bank and credit card fees	6,535	11,785
Administration:		
Office	3,819	3,298
Insurance	1,015	1,015
	290,863	422,560
Deficiency of revenue over expenses	\$ (10,304)	\$ (21,964)

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION OF CANADA

Statement of Changes in Net Assets

Year ended December 31, 2020, with comparative information for 2019

	Unrestricted	Total 2020	Total 2019
Balance, beginning of year	\$ 84,966	\$ 84,966	\$ 106,930
Deficiency of revenue over expenses	(10,304)	(10,304)	(21,964)
Balance, end of year	\$ 74,662	\$ 74,662	\$ 84,966

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION OF CANADA

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (10,304)	\$ (21,964)
Change in non-cash operating working capital:		
Increase (decrease) in accounts payable and accrued liabilities	7,869	(870)
Decrease in cash	(2,435)	(22,384)
Cash, beginning of year	92,555	115,389
Cash, end of year	\$ 90,120	\$ 92,555

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION OF CANADA

Notes to Financial Statements

Year ended December 31, 2020

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 its Articles 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.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions for not-for-profit organizations.

Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations that are externally restricted for specific purposes are deferred and recognized as revenue in the period in which the related expenses are incurred.

(b) 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.

(c) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

BRAHMANANDA SARASWATI FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Accounts payable and accrued liabilities:

There are no amounts payable for government remittances as at years ended 2020 and 2019 for payroll or sales tax related items.

3. Net assets:

The Foundation considers its capital to consist of its unrestricted net assets. The Foundation's overall objective with its net assets is to fund capital acquisitions, future projects and ongoing operations. The Foundation manages its capital by monitoring the net assets balance and intends to increase the balance in future years to cover future potential cash flow requirements that cannot be funded by restricted contributions from the Foundation's funders.

The Foundation is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended December 31, 2019.

4. Related party transactions:

The statement of operations include \$55,000 (2019 - \$180,000) 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.

5. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to the accounts receivable. The Foundation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there were no amounts allowed for in accounts receivable.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The Foundation is not subject to significant market, interest rate or other price risks.

BRAHMANANDA SARASWATI FOUNDATION OF CANADA

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Impact of COVID-19:

In March of 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. The situation is fluid and the ultimate duration and magnitude of the impact on the economy and on all aspects of operations are unknown.

Due to the impact of COVID-19, the Foundation is experiencing a decline in revenues but is keeping expenses inline with revenues received.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed at year-end. Management has assessed the financial impacts and there are no additional adjustments required to the financial statements at this time.