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Financial Statements

**MANJARI SANKURATHRI  
MEMORIAL FOUNDATION**

December 31, 2024

FINANCIAL STATEMENTS

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December 31, 2024

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of Manjari Sankurathri Memorial Foundation,

**Qualified Opinion**

We have audited the financial statements of Manjari Sankurathri Memorial Foundation, which comprise the statement of financial position as at December 31, 2024, the statements of revenues, expenses and changes in net assets, and cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 organization as at December 31, 2024, and its financial performance 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 charitable organizations, the organization derives part of its revenues from donations and events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenues, event revenues, excess of revenues over expenses, assets, liabilities 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 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 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 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.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objective is 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.(See Appendix).

Ottawa, Ontario  
June 26, 2025

A handwritten signature in black ink that reads "Lekadir LLP". The signature is written in a cursive, flowing style.

Lekadir LLP  
Chartered Professional Accountants  
Licensed Public Accountants

## ***Independent Auditor's Report***

As part of an audit in accordance with the Canadian 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.

STATEMENT OF FINANCIAL POSITION

**MANJARI SANKURATHRI MEMORIAL FOUNDATION**

	December 31	
	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 141,761	\$ 281,056
Investments--Note C	154,197	-
Accounts receivable--Note D	<u>7,029</u>	<u>17,408</u>
	<u>\$ 302,987</u>	<u>\$ 298,464</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 9,939	\$ 7,124
<b>NET ASSETS</b>	<u>293,048</u>	<u>291,340</u>
	<u>\$ 302,987</u>	<u>\$ 298,464</u>

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

**MANJARI SANKURATHRI MEMORIAL FOUNDATION**

	Year Ended December 31	
	2024	2023
<b>REVENUES</b>		
Shah family contribution	\$ 229,100	\$ -
Donations from other organizations	41,797	48,570
Donations	68,010	70,931
Investment income from trust	32,145	6,242
Events	5,172	6,242
Interest revenue	<u>4,197</u>	<u>-</u>
	<u>380,421</u>	<u>125,743</u>
<b>EXPENSES:</b>		
Projects in India--Note E	354,850	59,423
Professional fees	8,881	6,833
Teach for Canada	5,000	-
Credit card fees and commissions	2,786	1,830
General	2,186	989
Insurance	1,671	1,649
Fundraising	1,535	1,087
Advertising and promotion	<u>1,804</u>	<u>1,611</u>
	<u>378,713</u>	<u>73,422</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	1,708	52,321
Net assets at beginning of year	<u>291,340</u>	<u>239,019</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 293,048</u>	<u>\$ 291,340</u>

See notes to financial statements

STATEMENT OF CASH FLOWS

**MANJARI SANKURATHRI MEMORIAL FOUNDATION**

	Year Ended December 31	
	2024	2023
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING</b>		
Excess of revenues over expenses	\$ 1,708	\$ 52,321
Change in non-cash working capital accounts:		
Accounts receivable	10,379	(7,172)
Accounts payable and accrued liabilities	<u>2,815</u>	<u>622</u>
	14,902	45,771
<b>INVESTING</b>		
Purchase of investments	<u>(154,197)</u>	<u>-</u>
<b>(DECREASE) INCREASE IN CASH</b>	(139,295)	45,771
Cash at beginning of year	<u>281,056</u>	<u>235,285</u>
<b>CASH AT END OF YEAR</b>	\$ <u>141,761</u>	\$ <u>281,056</u>

See notes to financial statements

## NOTES TO FINANCIAL STATEMENTS

### **MANJARI SANKURATHRI MEMORIAL FOUNDATION**

December 31, 2024

#### **NOTE A--NATURE OF OPERATIONS**

Manjari Sankurathri Memorial Foundation (MSMF) was incorporated in 1989 as a not-for-profit organization under the *Canada Corporations Act*, and continued under the Canada Not-for-profit Corporations Act on July 25, 2012. The Organization is a registered charity under the *Income Tax Act* of Canada and is exempt from income taxes. The purpose of the Organization is to promote community development through education, healthcare and disaster relief programs in Canada, and in India, through funding the charitable work carried out by the Sankurathri Foundation, a Charitable Trust resident in the State of India.

#### **NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Financial Instruments: The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of revenues and expenses in the period incurred.

The financial assets measured at amortized cost consist of cash, accounts receivable, and investments held to maturity. Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities.

Cash and Cash Equivalents: Cash and cash equivalents consist of unrestricted cash and investments with an initial maturity of two years or less at the time of acquisition.

Capital Assets: Capital assets are expensed in the year acquired.

Revenue Recognition: The Organization follows the deferral method in accounting for donations. Restricted donations are recognized as revenue in the year in which the related expenses are recognized. Unrestricted donations are recognized as revenue when they are received or receivable if the amount receivable can be reasonably estimated and its collection is reasonably assured.

Contributed Goods and Services: Volunteers contribute a significant amount of time each year to assist the Organization in carrying out its service delivery activities. Contributed services are not recognized in the financial statements due to the difficulty in determining the fair value of the services. Contributed goods are recognized when the fair value can be determined.

Use of Estimates: Management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

## NOTES TO FINANCIAL STATEMENTS

### MANJARI SANKURATHRI MEMORIAL FOUNDATION

December 31, 2024

#### NOTE C--INVESTMENTS

	<u>2024</u>	<u>2023</u>
Guaranteed Investment Certificate	\$ 154,197	\$ -
<i>Maturity Date May 30 2026 at 4.75%</i>		

#### NOTE D--ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Donations receivable	\$ 6,290	\$ 16,638
Harmonized Sales Tax rebate	<u>739</u>	<u>770</u>
	<u>\$ 7,029</u>	<u>\$ 17,408</u>

#### NOTE E--RELATED PARTY TRANSACTIONS

Program grants expense consists of fund transfers to Sankurathri Foundation, a Charitable Trust resident in the State of India. The Sankurathri Foundation carries out charitable work in India. The Charitable Trust is governed by a Board of Directors that includes a member who is also on the Board of Directors of the Organization. All related party transactions are in the normal course of operations and recorded at the exchange amount, which is the amount agreed to by the related parties.

#### NOTE F--FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure as at the statement of financial position date of December 31, 2024. There have been no significant changes in the Organization's risk exposure from the prior year.

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 Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. Credit risk from accounts receivable is low since the balance consists of a Harmonized Sales Tax rebate, due from the Federal Government, and donations receivable that have been received subsequent to the year-end.

Liquidity Risk: Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is not exposed to significant liquidity risk.

NOTES TO FINANCIAL STATEMENTS

**MANJARI SANKURATHRI MEMORIAL FOUNDATION**

December 31, 2024

**NOTE F--FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

Market Risk: Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

- Currency Risk - Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization realizes some of its revenues and expenses in foreign currency. Consequently, some assets, liabilities, revenues and expenses are exposed to foreign exchange fluctuations.
- Interest Rate Risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk from its interest bearing assets, including its cash and investments. The Organization's cash consists of amounts on deposit with financial institutions that earn interest at market rates. Investments include guaranteed investment certificates that earn interest at fixed rates. Fluctuations in market rates of interest on cash do not have a significant impact on the Organization's results of operations.
- Other Price Risk - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to significant other price risk.