

**THE S.A. (SERVANTS ANONYMOUS)
FOUNDATION-CANADA**

FINANCIAL STATEMENTS

MARCH 31, 2020

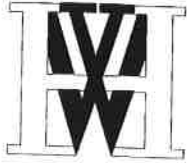
THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

FINANCIAL STATEMENTS

MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of
The S.A. (Servants Anonymous) Foundation-Canada

OPINION

We have audited the financial statements of The S.A. (Servants Anonymous) Foundation-Canada, ("The Foundation") which comprise the statement of financial position as at December 31, 2020 and the statements of operations 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, the accompanying financial statements present fairly, in all material respects, the financial position of the The S.A. (Servants Anonymous) Foundation-Canada as at December 31, 2020 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 OPINION

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 opinion.

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 these financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to a 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 to do so.

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



Independent Auditor's Report to the Members of the S.A. (Servants Anonymous) Foundation - Canada
(Continued)

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 judgement and maintain professional scepticism 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 of 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 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.

Calgary, Alberta
July 30, 2020

Werner Haag
Werner Haag Professional Corporation
Chartered Professional Accountants

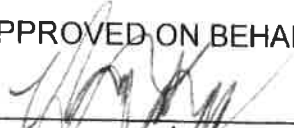
THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA


STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash	\$ 77,354	\$ 85,269
Marketable securities	8,086	-
Goods and services tax recoverable	1,079	2,466
Prepaid expenses	<u>37,491</u>	<u>38,587</u>
	124,010	126,322
CAPITAL ASSETS (Note 3)		
	<u>6,751</u>	<u>8,538</u>
	<u>\$ 130,761</u>	<u>\$ 134,860</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,000	\$ 5,616
FUND BALANCES		
Invested in capital assets	6,751	8,538
Unrestricted	<u>119,010</u>	<u>120,706</u>
	<u>125,761</u>	<u>129,244</u>
	<u>\$ 130,761</u>	<u>\$ 134,860</u>

APPROVED ON BEHALF OF THE BOARD:


 _____ Director


 _____ Director

THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2020

	General	2020 Projects	Total	2019 Total
REVENUE				
Donations	\$ 700,046	\$ 367,540	\$ 1,067,586	\$ 1,146,162
Investment income	75	-	75	77
	700,121	367,540	1,067,661	1,146,239
EXPENSES				
Project costs	-	510,220	510,220	585,601
Remuneration and benefits	31,971	243,320	275,291	243,826
Occupancy	7,314	125,426	132,740	140,946
Fundraising	80,133	-	80,133	70,452
General and administration	18,805	52,168	70,973	54,890
Amortization	1,787	-	1,787	2,277
	140,010	931,134	1,071,144	1,097,992
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 560,111	\$ (563,594)	(3,483)	48,247
Net Assets At Beginning Of Year			129,244	80,997
NET ASSETS AT END OF YEAR			\$ 125,761	\$ 129,244

THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

STATEMENT OF PROJECT REVENUES AND EXPENSES

YEAR ENDED MARCH 31, 2020

	2020		2019	
	<u>Income</u>	<u>Expenses</u>	<u>Net Expenses</u>	<u>Net Expenses</u>
Genesis Vancouver				
House	\$ 96,826	\$ 149,150	\$ 52,324	\$ 68,585
Day programs	83,425	228,674	145,249	95,222
The SA World Services				
Training Division	20,124	179,220	159,096	169,438
Greece	476	61,310	60,834	69,624
Nepal	11,858	164,997	153,139	15,762
Bulgaria	-	10,060	10,060	49,770
Hungary	8,480	11,770	3,290	(105)
Global Wonders	146,351	118,053	(28,298)	39,537
Cameroon	-	6,500	6,500	-
United States	-	1,400	1,400	2,880
	<u>\$ 367,540</u>	<u>\$ 931,134</u>	<u>\$ 563,594</u>	<u>\$ 510,713</u>

THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (3,483)	\$ 48,247
Adjustment for		
Amortization	<u>1,787</u>	<u>2,277</u>
	<u>(1,696)</u>	<u>50,524</u>
Changes in non-cash operating working capital		
Goods and services tax recoverable	1,387	(1,151)
Prepaid expenses	1,096	-
Accounts payable and accrued liabilities	<u>(616)</u>	<u>107</u>
	<u>1,867</u>	<u>(1,044)</u>
	171	49,480
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in marketable securities	<u>(8,086)</u>	<u>11,094</u>
INCREASE (DECREASE) IN CASH	<u>(7,915)</u>	60,574
Cash At Beginning Of Year	<u>85,269</u>	<u>24,695</u>
CASH AT END OF YEAR	<u>\$ 77,354</u>	<u>\$ 85,269</u>

THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

1. PURPOSE OF THE FOUNDATION

DEFINITIONS

"The SA Foundation" means The S.A. Foundation (Servants Anonymous) – Canada.

This **"Population"** means children, women and youth with or without children who are either sexually exploited/trafficked or who are at high risk of becoming victims of sexual exploitation/trafficking.

"The SA World Services Division (SAWS)" means an integral part of the SA Foundation's organizational structure created to facilitate the delivery of its programs and services, training, production and retailing charitable activities.

OBJECTS OF THE SA FOUNDATION

- a) To ethically raise funds in any way to fulfil the SA Foundation's objects and charitable activities and to use the SA Foundation's funds according to and in pursuit of its objects and charitable activities.
- b) To directly assist this *"population"* in their re-integration into Society.
- c) To assist this "population" in their re-integration into Society by co-operating with local organizations abroad.
- d) To assist this "population" in their re-integration into Society by gifting organizations that are "qualified donees" as defined in subsection 149.1(1) of the Income Tax Act and that deliver programs and services to this "population".
- e) To provide qualified donees in Canada or through co-operating with local organizations abroad, with the needed assistance and training to give them the expertise to deliver necessary programs and services to this *"population"*.
- f) To produce and retail through related business activities as defined under the Income Tax Act, SA religious publications, educational and marketing materials and items such as handicrafts as a means to achieve the SA Foundation's charitable programs.

THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

NOTES TO FINANCIAL STATEMENTS (Continued)

MARCH 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit organizations. The financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of the significant accounting policies described below.

REVENUE RECOGNITION

The SA Foundation follows the restricted method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

INCOME TAXES

The SA Foundation is a not-for-profit Foundation under the Income Tax Act and, therefore, is not subject to either Federal or Provincial income taxes.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided at the following annual rates:

Furniture and fixtures	20%	Declining balance
Computer equipment	30%	Declining balance
Video	20%	Declining balance
Automotive	30%	Declining balance

THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

NOTES TO FINANCIAL STATEMENTS (Continued)

MARCH 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

MARKETABLE SECURITIES

Marketable securities are recorded at fair value based on published trading data. Realized and unrealized gains and losses are reported in the statement of operations.

CASH

Cash is on deposit with major financial institutions and is, therefore, not subject to significant credit risk.

FOREIGN CURRENCY TRANSLATION

Foreign currency denominated monetary assets and liabilities are translated into Canadian dollars at the exchange rate in effect as of the date of the balance sheet. Foreign currency denominated non-monetary assets and liabilities are translated into Canadian dollars at the exchange rate in effect on the transaction date. Revenue and expense items are translated at the average exchange rates for the period. Gains or losses in translation have been charged to income of the current period.

FINANCIAL INSTRUMENTS

Financial instruments included in these financial statements include cash, marketable securities and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in revenue. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

NOTES TO FINANCIAL STATEMENTS (Continued)

MARCH 31, 2020

3. CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 57,509	\$ 51,411	\$ 6,098	\$ 7,622
Computer equipment	20,863	20,698	165	236
Video	11,180	11,083	97	121
Automotive	<u>8,000</u>	<u>7,609</u>	<u>391</u>	<u>559</u>
	<u>\$ 97,552</u>	<u>\$ 90,801</u>	<u>\$ 6,751</u>	<u>\$ 8,538</u>

4. FINANCIAL INSTRUMENTS

Fair Values

The carrying values of cash, marketable securities, goods and services tax recoverable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items.

Interest Rate Risk

The Foundation is not exposed to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Foundation cannot fund its obligations as they come due. The Foundation prepares annual budgets and actively monitors its cash flows from operating, investing and financing activities. The Foundation is exposed to liquidity risk by being dependent on continued donations for cash inflows.

Risk Management

It is management's opinion that the Foundation is not significantly exposed to any credit, market, or foreign exchange risk.

THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

NOTES TO FINANCIAL STATEMENTS (Continued)

MARCH 31, 2020

5. SUBSEQUENT EVENTS

Subsequent to year end, the World Health Organization categorized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has led to a number of public health and emergency measures which have been put in place by various levels of government to attempt to combat the spread of the virus. At this time, the duration and potential impact of COVID-19 is unknown and it is not possible to reliably estimate the impact these events may have on the financial results and condition of the Foundation in future periods.