

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

FINANCIAL STATEMENTS

MARCH 31, 2021

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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, 2021 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, 2021 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  
June 24, 2021

Werner Haag Professional Corporation  
Chartered Professional Accountants

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

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 447,536	\$ 77,354
Marketable securities	-	8,086
Goods and services tax recoverable	1,740	1,079
Prepaid expenses	<u>5,050</u>	<u>37,491</u>
	454,326	124,010
<b>CAPITAL ASSETS (Note 3)</b>	<u>22,720</u>	<u>6,751</u>
	<u>\$ 477,046</u>	<u>\$ 130,761</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>\$ 6,825</u>	<u>\$ 5,000</u>
<b>FUND BALANCES</b>		
Invested in capital assets	22,720	6,751
Unrestricted	<u>447,501</u>	<u>119,010</u>
	<u>470,221</u>	<u>125,761</u>
	<u>\$ 477,046</u>	<u>\$ 130,761</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, 2021

	<u>2021</u>		<u>2020</u>	
	<u>General</u>	<u>Projects</u>	<u>Total</u>	<u>Total</u>
<b>REVENUE</b>				
Donations	\$ 943,667	\$ 298,686	\$ 1,242,353	\$ 1,067,586
Investment income	<u>88</u>	<u>-</u>	<u>88</u>	<u>75</u>
	<u>943,755</u>	<u>298,686</u>	<u>1,242,441</u>	<u>1,067,661</u>
<b>EXPENSES</b>				
Project costs	-	438,435	438,435	510,220
Remuneration and benefits	10,842	151,178	162,020	275,291
Occupancy	7,250	101,335	108,585	132,740
Fundraising	93,443	-	93,443	80,133
General and administration	17,651	69,366	87,017	70,973
Amortization	<u>8,481</u>	<u>-</u>	<u>8,481</u>	<u>1,787</u>
	<u>137,667</u>	<u>760,314</u>	<u>897,981</u>	<u>1,071,144</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 806,088</u>	<u>\$ (461,628)</u>	344,460	( 3,483)
Net Assets At Beginning Of Year			<u>125,761</u>	<u>129,244</u>
<b>NET ASSETS AT END OF YEAR</b>			<u>\$ 470,221</u>	<u>\$ 125,761</u>

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

STATEMENT OF PROJECT REVENUES AND EXPENSES

YEAR ENDED MARCH 31, 2021

	2021		2020	
	<u>Income</u>	<u>Expenses</u>	<u>Net Expenses</u>	<u>Net Expenses</u>
Genesis Vancouver				
House	\$ 48,076	\$ 132,504	\$ 84,428	\$ 52,324
Day programs	83,500	151,131	67,631	145,249
The SA World Services				
Training Division	29,041	145,404	116,363	159,096
Greece	25,000	29,672	4,672	60,834
Nepal	6,522	170,600	164,078	153,139
Bulgaria	-	-	-	10,060
Hungary	7,221	14,340	7,119	3,290
Global Wonders	99,326	85,063	( 14,263)	( 28,298)
Cameroon	-	-	-	6,500
United States	-	-	-	1,400
	<u>\$ 298,686</u>	<u>\$ 728,714</u>	<u>\$ 430,028</u>	<u>\$ 563,594</u>

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

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 344,460	\$ ( 3,483)
Adjustment for Amortization	<u>8,481</u>	<u>1,787</u>
	<u>352,941</u>	<u>( 1,696)</u>
Changes in non-cash operating working capital		
Goods and services tax recoverable	( 661)	1,387
Prepaid expenses	32,441	1,096
Accounts payable and accrued liabilities	<u>1,825</u>	<u>( 616)</u>
	<u>33,605</u>	<u>1,867</u>
	386,546	171
<b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		
Purchase of equipment	<u>( 24,450)</u>	<u>-</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
(Increase) decrease in marketable securities	<u>8,086</u>	<u>( 8,086)</u>
<b>INCREASE (DECREASE) IN CASH</b>	370,182	( 7,915)
Cash At Beginning Of Year	<u>77,354</u>	<u>85,269</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 447,536</u>	<u>\$ 77,354</u>



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

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

### 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, 2021

### 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 - 55%	Declining balance
Video	20%	Declining balance
Automotive	30%	Declining balance

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

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

MARCH 31, 2021

### **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, 2021

#### 3. CAPITAL ASSETS

	2021		2020	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 57,509	\$ 52,631	\$ 4,878	\$ 6,098
Computer equipment	45,313	27,471	17,842	165
Video	11,180	11,180	-	97
Automotive	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>391</u>
	<u>\$ 122,002</u>	<u>\$ 99,282</u>	<u>\$ 22,720</u>	<u>\$ 6,751</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, 2021

### **5. SUBSEQUENT EVENTS**

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.