

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

FINANCIAL STATEMENTS

MARCH 31, 2023

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

FINANCIAL STATEMENTS

MARCH 31, 2023

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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 March 31, 2023 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 March 31, 2023 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 but to do so.

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

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 26, 2023



Werner Haag Professional Corporation
Chartered Professional Accountants

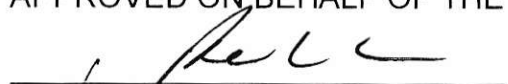
THE S.A. (SERVANTS ANONYMOUS) FOUNDATION-CANADA

STATEMENT OF FINANCIAL POSITION

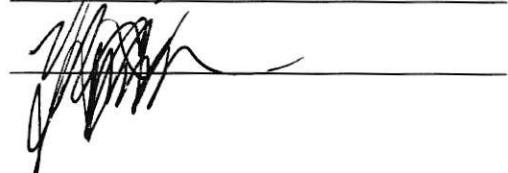
MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT		
Cash	\$ 383,244	\$ 563,262
Goods and services tax recoverable	449	831
Prepaid expenses	<u>19,509</u>	<u>12,421</u>
	403,202	576,514
CAPITAL ASSETS (Note 3)		
	<u>6,769</u>	<u>11,961</u>
	<u>\$ 409,971</u>	<u>\$ 588,475</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 16,839	\$ 8,291
Government remittances payable	<u>8,152</u>	<u>9,566</u>
	<u>24,991</u>	<u>17,857</u>
FUND BALANCES		
Invested in capital assets	6,769	11,961
Unrestricted	<u>378,211</u>	<u>558,657</u>
	<u>384,980</u>	<u>570,618</u>
	<u>\$ 409,971</u>	<u>\$ 588,475</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, 2023

	<u>2023</u>		<u>2022</u>	
	<u>General</u>	<u>Projects</u>	<u>Total</u>	<u>Total</u>
REVENUE				
Donations	\$ 658,284	\$ 213,248	\$ 871,532	\$ 1,184,133
Rental income	-	42,209	42,209	47,333
Investment income	3,787	-	3,787	613
	<u>662,071</u>	<u>255,457</u>	<u>917,528</u>	<u>1,232,079</u>
EXPENSES				
Project costs	-	349,778	349,778	406,458
Remuneration and benefits	78,960	254,267	333,227	333,381
Occupancy	15,846	99,570	115,416	119,185
Fundraising	181,604	-	181,604	162,744
General and administration	70,001	47,948	117,949	99,155
Amortization	5,192	-	5,192	10,759
	<u>351,603</u>	<u>751,563</u>	<u>1,103,166</u>	<u>1,131,682</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 310,468</u>	<u>\$ (496,106)</u>	(185,638)	100,397
Net Assets At Beginning Of Year			<u>570,618</u>	<u>470,221</u>
NET ASSETS AT END OF YEAR			<u>\$ 384,980</u>	<u>\$ 570,618</u>

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

STATEMENT OF PROJECT REVENUES AND EXPENSES

YEAR ENDED MARCH 31, 2023

	2023		2022	
	Income	Expenses	Net Expenses	Net Expenses
Genesis Project	\$ 34,416	\$ 81,186	\$ 46,770	\$ 103,074
The SA World Services Training Division	21,109	208,396	187,287	168,233
Greece	88,500	87,000	(1,500)	400
Nepal	5,800	223,232	217,432	185,875
Hungary	-	950	950	11,925
Global Wonders	105,632	150,799	45,167	65,432
	\$ 255,457	\$ 751,563	\$ 496,106	\$ 534,939

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

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (185,638)	\$ 100,397
Adjustment for		
Amortization	<u>5,192</u>	<u>10,759</u>
	<u>(180,446)</u>	<u>111,156</u>
Changes in non-cash operating working capital		
Goods and services tax recoverable	382	909
Prepaid expenses	(7,088)	(7,371)
Accounts payable and accrued liabilities	8,548	1,466
Government remittances payable	<u>(1,414)</u>	<u>9,566</u>
	<u>428</u>	<u>4,570</u>
INCREASE (DECREASE) IN CASH	(180,018)	115,726
Cash At Beginning Of Year	<u>563,262</u>	<u>447,536</u>
CASH AT END OF YEAR	<u>\$ 383,244</u>	<u>\$ 563,262</u>

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

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, 2023

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.

Rental and investment income are recognized when earned.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT UNCERTAINTY

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and disclosures of contingent assets and liabilities. Significant items subject to such estimates and assumptions include amortization of capital assets. Actual results could differ from estimates.

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 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, 2023

3. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 57,509	\$ 54,386	\$ 3,123	\$ 3,903
Computer equipment	<u>45,313</u>	<u>41,667</u>	<u>3,646</u>	<u>8,058</u>
	<u>\$ 102,822</u>	<u>\$ 96,053</u>	<u>\$ 6,769</u>	<u>\$ 11,961</u>

4. FINANCIAL INSTRUMENTS

Fair Values

The carrying values of cash, goods and services tax recoverable, accounts payable and accrued liabilities, and government remittances payable 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.