
Financial Statements

Canada SOS: Students Offering Support

(o/a Students Offering Support)

August 31, 2017

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(o/a Students Offering Support)
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Independent Auditors' Report

To the Board of Directors and Stakeholders of Canada SOS: Students Offering Support (o/a Students Offering Support)

We have audited the accompanying financial statements of **Canada SOS: Students Offering Support (o/a Students Offering Support)**, which comprise the statement of financial position as at August 31, 2017, and the statements of changes in net assets, operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the organization's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditors' Report, continued

Basis for Qualified Opinion

In common with many not-for-profit organizations, **Canada SOS: Students Offering Support (o/a Students Offering Support)** derives revenue from fundraising, awareness events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of **Canada SOS: Students Offering Support (o/a Students Offering Support)** and we were unable to determine whether any adjustments might be necessary to revenue, excess/(deficiency) of revenue over expenditures and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of **Canada SOS: Students Offering Support (o/a Students Offering Support)** as at August 31, 2017 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.

Fuller Landau LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
March 15, 2018



Canada SOS: Students Offering Support
(o/a Students Offering Support)
Statement of Financial Position

August 31	2017	2016
Assets		
Current:		
Cash, note 3	\$ 133,211	\$ 119,402
Accounts receivable, note 4	37,372	16,601
Inventory	1,119	1,976
Prepaid expenses	9,195	1,753
	\$ 180,897	\$ 139,732
Liabilities and Net Assets		
Current:		
Accounts payable and accrued liabilities, note 5	\$ 65,808	\$ 31,687
Deferred contributions, note 6	15,833	24,433
	81,641	56,120
Net Assets	99,256	83,612
	\$ 180,897	\$ 139,732

See accompanying notes to the financial statements

Approved by the board:

_____, Director

_____, Director

Canada SOS: Students Offering Support
(o/a Students Offering Support)
Statement of Changes in Net Assets

For the year ended August 31, 2017	2017	2016
Unrestricted net assets, beginning of year	\$ 83,612	\$ 87,397
Excess (deficiency) of revenue over expenditures	15,644	(13,099)
Allocation from internally restricted net assets	-	9,314
Unrestricted net assets, end of year	\$ 99,256	\$ 83,612
Internally restricted net assets, beginning of year	\$ -	\$ 9,314
Allocation to unrestricted net assets	-	(9,314)
Internally restricted net assets, end of year	\$ -	\$ -

See accompanying notes to the financial statements

Canada SOS: Students Offering Support
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Statement of Operations

For the year ended August 31	2017	2016
Revenue:		
Exam-AID fundraising	\$ 266,807	\$ 358,629
Outreach trip participant fees	252,234	323,424
Other	64,930	39,863
Donations	42,758	9,949
Sponsorship	12,649	18,938
	639,378	750,803
Expenditures:		
Head office, page 6	448,456	436,887
Outreach project construction costs	117,747	261,114
Chapters, page 6	56,509	61,984
Merchandising fees	770	1,888
Foreign exchange loss	252	2,029
	623,734	763,902
Excess (deficiency) of revenue over expenditures	\$ 15,644	\$ (13,099)

See accompanying notes to the financial statements

Canada SOS: Students Offering Support
(o/a Students Offering Support)
Schedule of Expenses

For the year ended August 31

Head Office

	2017	2016
Outreach trip costs (flights, room & board)	\$ 203,306	\$ 262,214
Salaries and wages	160,515	128,540
General and office	39,477	29,657
Professional fees	21,629	13,560
IT development	13,795	780
Marketing and business development	5,522	1,025
Other	4,212	1,111
	\$ 448,456	\$ 436,887

See accompanying notes to the financial statements

Chapters

	2017	2016
Marketing	\$ 35,722	\$ 33,308
Outreach	9,149	2,443
Administrative	6,542	13,161
Human resources	2,657	7,036
Logistics	2,439	4,362
Business development	-	1,674
	\$ 56,509	\$ 61,984

See accompanying notes to the financial statements

Canada SOS: Students Offering Support
(o/a Students Offering Support)
Statement of Cash Flows

For the year ended August 31	2017	2016
Cash was provided by (used for):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 15,644	\$ (13,099)
Item not affecting cash:		
Amortization of deferred contributions	(26,100)	(10,000)
	(10,456)	(23,099)
Cash was provided by (used to finance) changes in the following working capital items:		
Accounts receivable	(20,771)	(5,026)
Inventory	857	1,887
Prepaid expenses	(7,442)	(420)
Accounts payable and accrued liabilities	34,121	5,661
	6,765	2,102
	(3,691)	(20,997)
Financing activities:		
Deferred contributions	17,500	26,100
Change in cash position	13,809	5,103
Cash, beginning of year	119,402	114,299
Cash, end of year	\$ 133,211	\$ 119,402

See accompanying notes to the financial statements

Canada SOS: Students Offering Support (o/a Students Offering Support) Notes to Financial Statements

August 31, 2017

1. Nature of Operations

Canada SOS: Students Offering Support (o/a Students Offering Support) (the "organization") is incorporated without share capital under the Ontario Business Corporations Act. The organization is a Canadian registered charity that develops and supports SOS chapters residing within post-secondary schools across North America. Each SOS chapter raises money through holding "Exam-AID" group review sessions for university and college students. Revenues generated by the chapters from Exam-AID sessions and other on campus events, net of the related chapter expenses, are used to fund community development projects in rural Latin America, built by volunteers on outreach trips.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

Revenue recognition

The Exam-AID fundraising revenue consists of amounts collected in relation to Exam-AID sessions. Revenues are recognized on the date that the session takes place.

The Outreach trip participant fees consist of amounts collected in relation to participation on SOS's International Outreach Trips. Revenues are recognized on commencement of the trip and when collectability is reasonably assured.

The organization follows the deferral method of accounting for contributions when recognizing sponsorship and donation revenues. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other revenues include amounts raised through on-campus and national events. Revenues are recognized on the date that an event takes place.

Contributed services

Volunteers contribute a significant amount of time to the organization's program and supporting services. Due to the difficulty of determining the fair value, contributed time is not recognized in the financial statements.

Inventory

Inventory is recorded at the lower of cost and replacement cost. Cost is determined on a weighted average basis.

Income taxes

The organization is a registered charity, and as such, is not subject to income taxes

Canada SOS: Students Offering Support
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Notes to Financial Statements

August 31, 2017

2. Significant Accounting Policies, continued

Government assistance

The organization applies for financial assistance under available government grant programs for certain eligible expenses. During the year, the organization received government grants of \$10,000 (2016 - nil). This grant has been recorded as a reduction of salaries and wages costs.

Financial instruments

The organization initially measures its financial assets and liabilities at fair value, and subsequently at amortized cost.

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and deferred contributions.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment and the amount of the write-down is recognized in net income when incurred. The organization recognizes transaction costs in net income in the period incurred.

Variable interest entities

The organization has neither identified nor consolidated the accounts of any variable interest entities.

Foreign currency translation

Monetary assets and liabilities of the organization which are denominated in foreign currencies are translated at year end exchange rates. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in foreign exchange loss on the statement of operations.

Harmonized Sales Tax

The organization claims a 50% rebate for the Federal portion of the HST and 82% for the Provincial portion of the HST paid on all qualified expenditures.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses recognized during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

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Notes to Financial Statements

August 31, 2017

3. Cash

The organization's bank accounts are held at various chartered banks and earn interest at nominal interest rates. The chapter bank accounts are managed by the individual chapters and the head office bank account is managed by the head office. As at August 31, 2017 the cash balance includes \$120,238 (2016 - \$95,384) held in the head office bank account.

4. Accounts Receivable

	2017	2016
Sales taxes recoverable	\$ 13,103	\$ 14,182
Government grant receivable	10,164	-
Sponsorship receivable	10,000	-
Trade receivables	4,105	2,419
	\$ 37,372	\$ 16,601

5. Accounts Payable and Accrued Liabilities

	2017	2016
Trade payables	\$ 50,015	\$ 22,938
Wages payable	12,176	4,092
Government remittances payable	3,617	4,657
	\$ 65,808	\$ 31,687

6. Deferred Contributions

	2017	2016
Balance, beginning of year	\$ 24,433	\$ 8,333
Revenue recognized	(26,100)	(10,000)
Contributions received	17,500	26,100
	\$ 15,833	\$ 24,433

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Notes to Financial Statements

August 31, 2017

7. Financial Instruments

The organization is exposed to various financial risks through transactions in financial instruments. The following provides a measure of the organization's risk as at August 31, 2017.

Credit risk

The organization mitigates credit risk by considering credit worthiness when granting credit terms to its chapters and trip participants. The organization's exposure to credit risk is monitored by management who feels that recorded allowances are adequate.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. The organization is exposed to currency risk.

Currency risk

The organization's activities involve holding foreign currencies and making purchases and collections of contributions denominated in foreign currencies. These activities result in exposure to fluctuations in foreign currency exchange rates. At the balance sheet date, the organization had net assets denominated in U.S. dollars of approximately \$16,496 (2016 - \$7,349).

8. Commitments

The organization is committed to a lease for office premise at 215 Spadina Ave to November 2017. Rental payments committed in 2018 are \$3,750.