
Financial Statements
Canada SOS: Students Offering Support
(o/a Students Offering Support)
August 31, 2019

Canada SOS: Students Offering Support
(o/a Students Offering Support)
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August 31, 2019

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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)

Qualified Opinion

We have audited the financial statements of **Canada SOS: Students Offering Support (o/a Students Offering Support)**, which comprise the statement of financial position as at August 31, 2019, and the statements of changes in net assets, operations, 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 section of our report, the 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, 2019 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 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation 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.

Independent Auditors' Report, continued

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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.

Fuller Landau LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 20, 2020



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

August 31	2019	2018
Assets		
Current:		
Cash, note 3	\$ 20,497	\$ 35,582
Accounts receivable, note 4	55,490	65,161
Inventory	-	1,119
Prepaid expenses	1,164	-
	\$ 77,151	\$ 101,862
Liabilities		
Current:		
Accounts payable and accrued liabilities, note 5	\$ 34,744	\$ 25,239
Deferred revenue	11,937	-
	46,681	25,239
Net Assets	30,470	76,623
	\$ 77,151	\$ 101,862

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	2019	2018
Unrestricted net assets, beginning of year	\$ 76,623	\$ 99,256
Deficiency of revenue over expenditures	(46,153)	(22,633)
Unrestricted net assets, end of year	\$ 30,470	\$ 76,623

See accompanying notes to the financial statements

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

For the year ended August 31	2019	2018
Revenue:		
Exam-AID fundraising	\$ 136,609	\$ 201,253
Other	119,084	121,218
Outreach trip participant fees	75,713	91,948
Donations	20,873	65,168
Sponsorship	16,573	39,359
	368,852	518,946
Expenditures:		
Head office, page 6	267,675	336,732
Outreach project construction costs	99,777	163,164
Chapters, page 6	47,147	41,683
Merchandising fees	1,119	-
Foreign exchange loss/(gain)	(713)	-
	415,005	541,579
Deficiency of revenue over expenditures	\$ (46,153)	\$ (22,633)

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

	2019	2018
Staff compensation	\$ 177,231	\$ 168,301
International programming	47,096	68,344
Professional fees and administrative	29,474	49,318
IT development	6,453	40,187
Campus programming	5,150	5,317
Business development	2,271	5,265
	\$ 267,675	\$ 336,732

Chapters

	2019	2018
Special events	\$ 27,727	\$ 32,070
Administrative	12,457	5,314
Outreach trip programming	4,554	1,304
Team meetings and management	1,400	-
Swag and merchandise	1,009	1,733
Human resources	-	1,262
	\$ 47,147	\$ 41,683

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	2019	2018
Cash was provided by (used for):		
Operating activities:		
Deficiency of revenue over expenditures	\$ (46,153)	\$ (22,633)
Item not affecting cash:		
Amortization of deferred contributions	-	(15,833)
	(46,153)	(38,466)
Cash was provided by (used to finance) changes in the following working capital items:		
Accounts receivable	9,671	(27,789)
Inventory	1,119	-
Prepaid expenses	(1,164)	9,195
Accounts payable and accrued liabilities	9,505	(40,569)
Deferred revenue	11,937	-
	31,068	(59,163)
Change in cash position	(15,085)	(97,629)
Cash, beginning of year	35,582	133,211
Cash, end of year	\$ 20,497	\$ 35,582

See accompanying notes to the financial statements

Canada SOS: Students Offering Support

(o/a Students Offering Support)

Notes to Financial Statements

August 31, 2019

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

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.

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.

All other revenues are recorded when amounts are known and collectible.

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.

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Notes to Financial Statements

August 31, 2019

2. Significant Accounting Policies, continued

Income taxes

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

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 approximately \$35,000 (2018 - \$19,000). These grants are included in other revenue.

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 and accounts payable and accrued liabilities.

Financial assets measured at 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

The organization records foreign currency transactions using the temporal method at the Canadian dollar standard rate at the date of the transaction, and translates foreign currency monetary assets and liabilities at the year-end exchange rate. Exchange gains and losses are included in the determination of net income.

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.

Canada SOS: Students Offering Support
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Notes to Financial Statements

August 31, 2019

2. Significant Accounting Policies, continued

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

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, 2019 the cash balance includes \$13,797 (2018 - \$27,556) held in the head office bank accounts.

4. Accounts Receivable

	2019	2018
Government grant receivable	\$ 35,300	\$ 7,540
Sales taxes recoverable	13,316	20,160
Trade receivables	6,874	37,461
	\$ 55,490	\$ 65,161

5. Accounts Payable and Accrued Liabilities

	2019	2018
Trade payables	\$ 34,219	\$ 25,239
Wages payable	525	-
	\$ 34,744	\$ 25,239

6. Financial Instruments

The organization is exposed to various financial risks through its financial instruments. The following provides a measure of the organization's risk exposure as at August 31, 2019.

Canada SOS: Students Offering Support
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Notes to Financial Statements

August 31, 2019

6. Financial Instruments, continued

Credit risk

The organization mitigates credit risk by considering credit worthiness when granting credit terms to its chapters and trip participants. Management minimizes the organization's exposure to credit risk by closely monitoring collections.

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: foreign currency risk, interest rate risk and other price risk. The organization is exposed to foreign 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 August 31, 2019, the organization had net liabilities denominated in U.S. dollars of approximately \$400 (2018 - nil).

7. Subsequent Event

Subsequent to year end, Coronavirus disease 2019 ("COVID-19") was declared a pandemic and normal operations have been and will be impacted. As the situation is evolving, management is monitoring and adjusting operations accordingly. At this point, the impact of COVID-19 on the organization and the going concern assumption cannot be estimated and, as such, these statements continue to be reported on under the going concern assumption.