
**THE STUDENTS COMMISSION OF CANADA
LA COMMISSION DES ETUDIANTS DU CANADA
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Members
The Students Commission of Canada
TORONTO
Ontario

Opinion

We have audited the accompanying financial statements of The Students Commission of Canada / La commission des étudiants du Canada which comprise the statement of financial position as at December 31, 2020 and the statement of operations and changes in net assets and statement of 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 entity 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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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.

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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 entity'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 entity'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 entity 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.



NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
April 28, 2021

THE STUDENTS COMMISSION OF CANADA
LA COMMISSION DES ETUDIANTS DU CANADA
STATEMENT OF FINANCIAL POSITION

As at December 31, 2020 2019

ASSETS

Current

Cash - internally restricted (Note 2)	\$ 450,442	\$ 170,098
Temporary investments	125,592	108,940
Accounts receivable (Note 4)	55,060	25,823
HST refundable	16,963	14,749
Prepaid expenses	<u>17,248</u>	<u>154</u>
	<u>\$ 665,305</u>	<u>\$ 319,764</u>

LIABILITIES

Current

Bank indebtedness (Note 2)	\$ 946	\$ 21,813
Accounts payable and accrued liabilities	19,056	34,404
Government remittances payable	4,288	10,733
Deferred revenue (Note 3)	<u>563,697</u>	<u>191,186</u>
	<u>\$ 587,987</u>	<u>\$ 258,136</u>

NET ASSETS

<u>77,318</u>	<u>61,628</u>
<u>\$ 665,305</u>	<u>\$ 319,764</u>

Commitments (Note 6)

Approved by the Board:



Director



Director

THE STUDENTS COMMISSION OF CANADA
LA COMMISSION DES ETUDIANTS DU CANADA
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31,	2020	2019
REVENUES		
Fees for service	\$ 669,064	\$ 1,165,189
Government assistance (Note 4)	575,361	-
Contributions	476,015	574,441
Public Health Agency of Canada	362,514	232,944
Conference	61,822	97,093
Interest and other	5,317	4,220
Ontario Ministry of Children, Community and Social Services	-	7,499
	\$ 2,150,093	\$ 2,081,386
EXPENSES		
Personnel	\$ 1,334,318	\$ 1,145,898
Information technology	182,581	84,748
Program	171,959	98,555
Youth travel and accommodations	167,749	294,783
Occupancy	116,088	109,416
Partnerships	52,136	164,601
Office and general	45,174	61,540
Telephone and internet	37,374	30,840
Professional fees	16,040	36,545
Insurance	10,984	9,789
	\$ 2,134,403	\$ 2,036,715
EXCESS OF REVENUES OVER EXPENSES	\$ 15,690	\$ 44,671
NET ASSETS - Beginning	61,628	16,957
NET ASSETS - Ending	\$ 77,318	\$ 61,628

See accompanying notes

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THE STUDENTS COMMISSION OF CANADA
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STATEMENT OF CASH FLOWS

For the year ended December 31,	2020	2019
CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 15,690	\$ 44,671
Net change in non-cash working capital balances:		
Accounts receivable	(29,237)	97,909
HST refundable	(2,214)	4,055
Prepaid expenses	(17,094)	23,009
Accounts payable and accrued liabilities	(15,348)	8,232
Government remittances payable	(6,445)	3,901
Deferred revenue	<u>372,511</u>	<u>34,738</u>
	<u>\$ 317,863</u>	<u>\$ 216,515</u>
INVESTING ACTIVITIES		
Purchase of investments	<u>\$ (16,652)</u>	<u>\$ (1,354)</u>
FINANCING ACTIVITIES		
Change in bank indebtedness	<u>\$ (20,867)</u>	<u>\$ (45,063)</u>
INCREASE IN CASH	\$ 280,344	\$ 170,098
INTERNALLY RESTRICTED CASH - Beginning	<u>170,098</u>	<u>-</u>
INTERNALLY RESTRICTED CASH - Ending	<u>\$ 450,442</u>	<u>\$ 170,098</u>

See accompanying notes

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THE STUDENTS COMMISSION OF CANADA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NATURE OF OPERATIONS

The Students Commission of Canada / La commission des etudiants due Canada (the "Organization") is incorporated as a not-for-profit organization under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act. The Organization's mandate is to assist youth to prevent, address and overcome economic, social and academic issues faced by youth.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from the estimates used.

b) Cash and Bank Indebtedness

Cash and bank indebtedness consist of bank balances, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn

c) Temporary Investments

Temporary investments include guaranteed investment certificates which are recorded at cost.

d) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions, including grants and restricted contributions, are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fee for service revenue is recognized in the period in which the services are performed. Conference revenue is recognized in the period in which the conference takes place. Interest income is recognized as revenue over the term of the related investment.

e) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

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1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

e) **Financial Instruments** - continued

Financial assets measured at amortized cost include cash, temporary investments and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness and accounts payable and accrued liabilities. The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

2. **CASH AND BANK INDEBTEDNESS**

The Board of Directors has internally restricted cash for the purpose of maintaining a reserve of cash to be used in the event any future cash flow challenges. The Board of Directors may elect to remove the restriction on this cash at their discretion.

The Organization has overdraft protection on its operating bank account to a maximum of \$80,000 which bears an annual interest rate of the bank's prime rate plus 5%. The overdraft protection is secured by the Organization's guaranteed investment certificates and is repayable on demand. As at December 31, 2020, the operating bank account was not in an overdraft position but is recorded as bank indebtedness due to outstanding cheques.

3. **DEFERRED REVENUE**

The change in deferred revenue is as follows:

	2020	2019
Balance - Beginning	\$ 191,186	\$ 156,448
Less: Amount recognized as revenue in the year	(650,817)	(574,441)
Add: Amount received related to the following year	1,023,328	609,179
Balance - Ending	<u>\$ 563,697</u>	<u>\$ 191,186</u>

Deferred revenue consists of:

	2020	2019
Sharing the Stories	\$ 280,872	\$ -
Public Health Agency of Canada	180,979	141,719
NCE-ICKTP Youth Mental Health	43,309	-
Health Canada	34,156	-
Public Safety Canada	24,381	-
Other	-	49,467
	<u>\$ 563,697</u>	<u>\$ 191,186</u>

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4. GOVERNMENT ASSISTANCE

As a result of the COVID-19 pandemic, the Company claimed \$541,821 as part of the Canada Emergency Wage Subsidy (CEWS), \$25,000 as part of the Temporary Wage Subsidy for Employers, and \$8,540 as part of the Canada Emergency Rent Subsidy (CERS), both of which have been recognized in revenue in the current year. \$28,211 is included in accounts receivable for claims outstanding at December 31, 2020.

5. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at December 31, 2020:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. The Organization provides credit to its clients in the normal course of operations and the Organization manages its credit risk by having signed contracts in place with fixed payment schedules. There were no concentrations of credit risk as at December 31, 2020 and there has been no change in the assessment of credit risk from the prior year.

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its bank indebtedness and accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Organization is not exposed to significant market risk.

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6. COMMITMENTS

The Organization has a lease with respect to its premises in Toronto which expires June 30, 2025. Future minimum base rental payments are as follows:

2021	\$ 60,000
2022	60,000
2023	60,000
2024	60,000
2025	<u>30,000</u>
	<u>\$ 270,000</u>

In addition to the base rent, the Organization is responsible for paying annual property taxes of \$21,477 per year.