
GLOBAL DISCIPLES CANADA
FINANCIAL STATEMENTS
JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors
Global Disciples Canada
WHITE ROCK
British Columbia

Qualified Opinion

We have audited the accompanying financial statements of Global Disciples Canada which comprise the statement of financial position as at June 30, 2024 and the statement of revenues and expenses 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, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2024 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, Global Disciples Canada derives part of its revenues from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the entity. Therefore, we were not able to determine whether any adjustments might be necessary to contributions revenue, excess (deficiency) of revenues over expenses, and cash flows from operations for the year ended June 30, 2024, current assets as at June 30, 2024, and fund balances as at July 1 and June 30 for 2024.

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 qualified opinion.

Other Matter

The financial statements of Global Disciples Canada for the year ended June 30, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on November 20, 2023 for the reasons described in the Basis for Qualified Opinion paragraph.

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.

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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 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

NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
September 27, 2024

GLOBAL DISCIPLES CANADA
STATEMENT OF FINANCIAL POSITION

As at June 30,

2024

2023

ASSETS

Current

Cash	\$ 144,796	\$ 136,236
Accounts receivable	-	5,900
HST recoverable	2,465	-
Prepaid expenses	2,455	2,226
	<u>\$ 149,716</u>	<u>\$ 144,362</u>

Capital Assets (Note 2)

	<u>5,069</u>	<u>26,178</u>
	<u>\$ 154,785</u>	<u>\$ 170,540</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 15,075	\$ 17,874
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NET ASSETS

	<u>139,710</u>	<u>152,666</u>
	<u>\$ 154,785</u>	<u>\$ 170,540</u>

Approved by the Board:

Donna Lambhead Director
Donna Lambhead
 Board Chair

Dawn Regier Director
Dawn Regier
 Board Treasurer

See accompanying notes

GLOBAL DISCIPLES CANADA

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

For the year ended June 30,

2024

2023

REVENUES

Contributions	\$ 974,937	\$ 839,574
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EXPENSES

Joint Ministry Agreement contributions	\$ 522,792	\$ 428,687
Salaries and wages	241,507	200,549
Professional fees	85,591	94,717
Software fees	46,747	42,265
Office expenses	22,697	14,932
Travel expense	19,205	14,831
Fundraising	12,021	8,419
Board expenses	10,537	1,056
Advertising and promotion	7,312	13,909
Bank charges	6,309	4,493
Meeting expenses	4,810	2,329
Telephone	3,344	3,020
Honorariums and gifts	3,265	100
Memberships and licenses	1,756	1,771
Other operating expenses	-	1,363
	<u>\$ 987,893</u>	<u>\$ 832,441</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES

	\$ (12,956)	\$ 7,133
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NET ASSETS - Beginning

	<u>152,666</u>	<u>145,533</u>
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NET ASSETS - Ending

	<u>\$ 139,710</u>	<u>\$ 152,666</u>
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See accompanying notes

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GLOBAL DISCIPLES CANADA

STATEMENT OF CASH FLOWS

For the year ended June 30,

2024

2023

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (deficiency) of revenues over expenses	\$ (12,956)	\$ 7,133
Items not affecting cash:		
Amortization	<u>21,109</u>	<u>21,289</u>
	\$ 8,153	\$ 28,422
Net change in non-cash working capital balances:		
Accounts receivable	5,900	(4,738)
HST refundable	(2,465)	-
Prepaid expenses	(229)	(36)
Accounts payable and accrued liabilities	(2,799)	9,414
Deferred contributions	<u>-</u>	<u>(70,291)</u>
INCREASE (DECREASE) IN CASH	\$ 8,560	\$ (37,229)
CASH - Beginning	<u>136,236</u>	<u>173,465</u>
CASH - Ending	<u><u>\$ 144,796</u></u>	<u><u>\$ 136,236</u></u>

See accompanying notes

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GLOBAL DISCIPLES CANADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NATURE OF OPERATIONS

Global Disciples Canada (the "Organization") exists to preach and advance the teachings of the Christian faith and the religious tenets, doctrines, and observances by providing consultation, instructional material, curriculum development, and best practices to propagate the Christian faith by training Christian disciples and sending them on ministry/outreach projects.

The Organization is incorporated under the Canada Not-for-profit Corporations Act and is classified as a tax-exempt not-for-profit organization and as a charity under the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

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 revenues and expenses during the year. Actual results could differ from the estimates used.

b) Foreign Currency Translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the year-end exchange rate, while non-monetary assets are translated at the rate of exchange prevailing at the date of the transaction. Revenues and expenses are translated at the average rates of exchange during the year.

c) Cash

Cash consists of bank balances.

GLOBAL DISCIPLES CANADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

d) **Capital Assets**

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets using the straight-line method at the following annual rates:

	<u>Rate</u>
Computer and office equipment	3 years
Computer software and website	3 years

Repairs and maintenance costs are charged to expenses. Betterments which extend the estimated life of an asset are capitalized. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has or has reduced long term service potential to the Organization. If such conditions exist, an impairment loss is measured at the amount by which either the full or partial carrying amount of the asset exceeds its fair value or replacement cost.

e) **Revenue Recognition**

The Organization follows the deferral method of accounting for contributions. 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.

The Organization follows the deferral method of accounting for contributions.

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. Contributions originating in foreign currencies are translated to Canadian dollars at the exchange rate in effect at the date of the transaction.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on a basis and rate corresponding with the amortization expense for the related tangible capital assets.

f) **Contributed services**

Volunteers contribute an undetermined number of hours per year to assist the Organization in the delivery of programs and services. Due to the difficulty in determining the fair value of volunteer hours, contributed services are not recognized in the financial statements.

GLOBAL DISCIPLES CANADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

g) **Financial Instruments**

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess or deficiency of revenue over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. **CAPITAL ASSETS**

Capital assets consist of the following:

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer and office equipment	\$ 4,640	\$ 4,507	\$ 133	\$ 1,500
Computer software and website	<u>59,227</u>	<u>54,291</u>	<u>4,936</u>	<u>24,678</u>
	<u>\$ 63,867</u>	<u>\$ 58,798</u>	<u>\$ 5,069</u>	<u>\$ 26,178</u>

GLOBAL DISCIPLES CANADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

3. 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 June 30, 2024:

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 is not exposed to significant credit risk.

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 accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital and by generating sufficient cash flows from operations.

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 mainly exposed to currency risk as follows:

i) **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at June 30, 2024, cash and in the amount of \$3,612 (2023 - \$1,466) is denominated in U.S. dollars and has been converted into equivalent Canadian dollars at the exchange rate in effect at the year end.