Financial Statements of

GLOBAL DISCIPLES CANADA

And Independent Auditors' Report thereon

Year ended June 30, 2022

KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Telephone (604) 854-2200
Fax (604) 853-2756

INDEPENDENT AUDITORS' REPORT

To the Members of Global Disciples Canada

Qualified Opinion

We have audited the financial statements of Global Disciples Canada (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2022
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

(hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2022 and its results of 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 charitable organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our 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:

- the current assets reported in the statements of financial position as at June 30, 2022 and June 30, 2021
- the donations and excess of revenue over expenses reported in the statements of operations for the years ended June 30, 2022 and June 30, 2021
- the net assets at the beginning and end of the year, reported in the statements of changes in net assets for the years ended June 30, 2022 and June 30, 2021
- the excess of revenue over expenses reported in the statements of cash flows for the years ended June 30, 2022 and June 30, 2021.

Our opinion on the financial statements for the year ended June 30, 2021 was qualified accordingly because of the possible effects of this limitation in scope.

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 auditors' 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 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 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.

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 the 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 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 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada
October 24, 2022

GLOBAL DISCIPLES CANADA

Statement of Financial Position

June 30, 2022, with comparative information for 2021

		2022		2021
Assets				
Current assets:				
Cash	$	173,465	$	203,950
Accounts receivable		1,162		1,780
Prepaid expenses		2,190		-
		176,817		205,730
Tangible capital assets (note 3)		47,467		50,973
	$	224,284	$	256,703
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities	$	8,460	$	9,663
Deferred contributions (note 4)		70,291		87,621
		78,751		97,284
Net assets		145,533		159,419
	$	224,284	$	256,703

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

Director

GLOBAL DISCIPLES CANADA

Statement of Operations and Changes in Net Assets

Year ended June 30, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Donations	$ 655,707	$ 576,835
Other (note 5)	591	60,354
	656,298	637,189
Expenses:		
Joint Ministry Agreement contributions	324,830	258,460
Salaries and benefits	198,830	242,457
Professional fees	38,490	16,496
Fundraising	36,741	5,532
Software fees	26,343	5,576
Office	13,470	7,315
Advertising and promotion	10,974	5,270
Board expenses	7,266	231
Travel (recovery)	4,425	(1,013)
Bank charges and interest	3,414	3,989
Memberships	2,630	1,360
Meeting expenses	2,131	545
Telephone	1,671	1,760
Honorariums and gifts	1,548	424
Exchange (gain) loss	(2,579)	(2,944)
	670,184	545,458
Excess (deficiency) of revenue over expenses	(13,886)	91,731
Net assets, beginning of year	159,419	67,688
Net assets, end of year	$ 145,533	$ 159,419

See accompanying notes to financial statements.

GLOBAL DISCIPLES CANADA

Statement of Cash Flows

Year ended June 30, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	$ (13,886)	$ 91,731
Item not involving cash:		
Amortization of tangible capital assets	16,183	216
	2,299	91,947
Changes in non-cash operating working capital:		
Accounts receivable	618	4,883
Government remittances recoverable	-	912
Prepaid expenses and deposits	(2,190)	-
Accounts payable and accrued liabilities	(1,203)	3,663
Deferred contributions	(17,330)	46,462
	(17,806)	147,867
Investing:		
Purchase of tangible capital assets	(12,677)	(51,189)
Increase (decrease) in cash	(30,485)	96,678
Cash, beginning of year	203,950	107,272
Cash, end of year	$ 173,465	$ 203,950

See accompanying notes to financial statements.

1. Nature of operations:

Global Disciples Canada (the “Entity”) 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 and to propagate the Christian faith by training Christian disciples and sending them on ministry/outreach projects.

The Entity 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.

2. 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) Revenue recognition:

The Entity follows the deferral method of accounting for contributions, which includes donations.

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.

Gifts-in-kind are valued at their estimated fair value at the time the contribution is made when a fair value can be determined, and the Entity would otherwise have purchased the items.

(b) Contributed services:

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

2. Significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Amortization is provided over the useful life of the asset using the straight-line method at the following rates:

Asset	Rate
Furniture and fixtures	5 years
Computer and office equipment	3 years
Computer software and website	3 years

Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Tangible 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 Entity. 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.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Entity has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Entity determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Entity expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Significant accounting policies (continued):

(e) Measurement uncertainty:

The preparation of financial statements 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 date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from those estimates.

(f) Foreign currency transactions:

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rates in effect at the year-end date. Revenue and expenses originating in foreign currencies are translated at rates in effect at the date of the transaction. Exchange gains and losses are included in the statement of operations.

3. Tangible capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer and office equipment	$ 4,640	$ 1,593	$ 3,047	$ 2,384
Computer software and website	59,227	14,807	44,420	48,589
	$ 63,867	$ 16,400	$ 47,467	$ 50,973

4. Deferred contributions:

	Balance, beginning of year	Amounts received	Amounts recognized as revenue	Balance, end of year
Foundations restricted	$ -	$ 218,818	$ (148,527)	$ 70,291
Training costs	87,621	-	(87,621)	-
Churches restricted	-	48,000	(48,000)	-
Individual one-time restricted	-	17,676	(17,676)	-
	$ 87,621	$ 284,494	$ (301,824)	$ 70,291

5. Other revenue – government assistance:

Due to the COVID-19 pandemic, the Canadian government introduced the Canada Emergency Wage Subsidy (“CEWS”) to assist eligible organizations who had lost a certain percentage of their qualifying revenue. During the year ended June 30, 2022, CEWS claims made by the Entity under this program totaled $591 (2021 - $60,354) and was recognized as other revenue in the statement of operations.

6. Financial risks and concentrations of risk:

Management is of the opinion that the Entity is not exposed to any significant unusual or non-routine liquidity, credit, market, currency, interest rate or other price risks or concentrations of risk resulting from its financial instruments.

There has been no change to the risk exposures from the prior year.