

OPEN DOORS CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of
Open Doors Canada

Opinion

I have audited the accompanying financial statements of Open Doors Canada, which comprise the statement of financial position as at December 31, 2023 and the statement of revenues and expenditures, statement of 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Open Doors Canada as at December 31, 2023, 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Open Doors Canada in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit 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 Open Doors Canada'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 Open Doors Canada or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Open Doors Canada's financial reporting process.

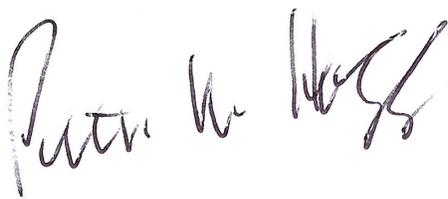
Auditor's Responsibility for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatements 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 my 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 Open Doors Canada'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 Open Doors Canada's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Open Doors Canada 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.

I 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 I identify during my audit.



PETER W. HOGG, CPA, PROFESSIONAL CORPORATION
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Toronto, Ontario
March 6, 2024

**OPEN DOORS CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
ASSETS		
Current		
Cash	\$ 1,607,027	\$ 2,149,463
Short term investments	2,193	1,502,101
Accounts receivable, ODI - USA	-	244
GST/HST receivable	17,373	20,883
Deposits and prepaid expenses	<u>35,809</u>	<u>46,904</u>
	1,662,402	3,719,595
Building and Equipment (Note 3)	<u>580,835</u>	<u>621,579</u>
	<u>\$ 2,243,237</u>	<u>\$ 4,341,174</u>

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	\$ <u>28,671</u>	\$ <u>37,298</u>
Net Assets		
Invested in capital assets	580,835	621,579
Unrestricted	<u>1,633,731</u>	<u>3,682,297</u>
	<u>2,214,566</u>	<u>4,303,876</u>
	<u>\$ 2,243,237</u>	<u>\$ 4,341,174</u>

See accompanying notes to these financial statements

Approved on behalf of the Board:



Director



Director

Natasha Rubin-Coupland

**OPEN DOORS CANADA
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
REVENUES		
Contributions and bequests-unrestricted	\$ 2,512,527	\$ 3,774,141
Contributions and bequests-restricted	1,035,843	842,473
Books and other items	39,357	6,599
	<u>3,587,727</u>	<u>4,623,213</u>
EXPENDITURES		
Serving the suffering church by:		
Field ministry	990,945	33,493
Literature distribution	888,697	316,800
Training	875,072	647,543
Awareness and motivation of the Free Church	601,532	547,364
Social economical support	1,531,497	1,157,679
Research and advocacy	275,340	217,181
Supporting the ministry to the suffering church by:		
Fund raising	153,744	135,501
Administration	360,210	333,998
	<u>5,677,037</u>	<u>3,389,559</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(2,089,310)</u>	\$ <u>1,233,654</u>

OPEN DOORS CANADA
 STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 621,579	\$ 3,682,297	\$ 4,303,876	\$ 3,070,222
Inter-fund transfer	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>(40,744)</u>	<u>(2,048,566)</u>	<u>(2,089,310)</u>	<u>1,233,654</u>
BALANCE, END OF YEAR	<u>\$ 580,835</u>	<u>\$ 1,633,731</u>	<u>\$ 2,214,566</u>	<u>\$ 4,303,876</u>

**OPEN DOORS CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
CASH PROVIDED BY (USED FOR)		
Operating activities		
Excess (deficiency) revenues over expenditures for year	\$ (2,089,310)	\$ 1,233,654
Add items not involving cash:		
Amortization	<u>40,744</u>	<u>38,002</u>
	(2,048,566)	1,271,656
Change in non-cash working capital:		
(Increase) decrease in accounts receivable, ODI - USA	244	2,165
(Increase) decrease GST/HST receivable	3,510	(177)
(Increase) decrease in deposits and prepaid expenses	11,095	(4,232)
Increase (decrease) in accounts payable	<u>(8,627)</u>	<u>1,571</u>
	<u>(2,042,344)</u>	<u>1,270,983</u>
Financing activities		
Purchase (redemption) of short term investments	<u>1,499,908</u>	<u>(1,502,101)</u>
Investing activities		
(Purchase) of equipment	<u>-</u>	<u>-</u>
(DECREASE) IN CASH FOR YEAR	(542,436)	(231,118)
Cash, beginning of year	<u>2,149,463</u>	<u>2,380,581</u>
CASH, END OF YEAR	<u>\$ 1,607,027</u>	<u>\$ 2,149,463</u>

**OPEN DOORS CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. PURPOSE OF THE ORGANIZATION

Open Doors Canada (the "Corporation") is an interdenominational faith mission operating in co-operation with Open Doors International and is dedicated to placing the Holy Bible, as the Word of God, into the hands of people throughout the world where the holy scripture is not readily available; to encourage the suffering church of Jesus Christ wherever the body of Christ suffers persecution from time to time; to disseminating the Gospel of Jesus Christ in any and every way practicable; to engaging in any act or thing or enterprise in the furtherance of the specific and primary purpose of the Corporation as set forth above; and to receiving contributions for such work.

The Corporation was incorporated under the Canada Corporations Act as a corporation without share capital and is continuing under the Canada not-for-profit Corporations Act. The Corporation is a registered charity under the Income Tax Act and accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook, the more significant of which are outlined below.

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 that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with amortization rates for the related capital asset. 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.

Investment income and other revenue is recognized as revenue when earned.

Donated Services

Volunteers assist the Corporation in carrying out its charitable programs. Since these services are not normally purchased by the Corporation and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Financial Instruments

Measurement of financial instruments

The Corporation initially measures its financial instruments at fair value. The Corporation subsequently measures its financial instruments at amortized cost, less any reduction for impairment, except for investments in equity instruments which are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Changes in Net Assets in the year incurred. Cash, HST receivable, short term investments and accounts payable approximate fair value due to their short-term maturities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of revenues and expenditures. Previously recognized losses are reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no longer greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditures.

It is management's opinion that the Corporation is not exposed to significant market, credit, liquidity or interest rate risk arising from its financial instruments.

**OPEN DOORS CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Allocation of Expenses

The Corporation engages in various ministry programs. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the programs. The Corporation also incurs ministry support expenses that are common to the administration of the Corporation and several programs. These costs are allocated to the various functions as described in Note 5.

Short term Investments

Short term investments consist of GIC's held with major Canadian financial institutions for terms less than twelve months, or donated investments that are to be immediately sold.

Building and Equipment

Building and equipment are recorded at cost. Contributed assets are recorded at fair value on the date of contribution. Amortization is recorded on a straight-line basis over the estimated useful lives as follows:

Building	30 years
Office furniture/equipment	5 years
Computer equipment	3 years

3. BUILDING AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value 2023	Net Book Value 2022
	\$	\$	\$	\$
Building	1,119,470	540,693	578,777	616,092
Office furniture/equipment	92,497	90,439	2,058	5,487
Computer equipment	69,608	69,608	-	-
	<u>1,281,575</u>	<u>700,740</u>	<u>580,835</u>	<u>621,579</u>

4. FINANCIAL INSTRUMENTS

The Corporation's main financial instrument risk exposure is detailed as follows:

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet a demand for cash or fund its obligations as they come due. The Corporation minimizes its liquidity requirements by preparing and monitoring forecasts of cash flow from operations and by holding assets that can be readily converted into cash.

Other Risk

It is management's opinion that the Corporation is not exposed to significant interest rate, currency, or market risks arising from its financial instruments

OPEN DOORS CANADA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

5. ALLOCATED EXPENSES

The Corporation incurred Ministry support expenses of \$252,129 (2022 - \$235,373) that are common to the administration of several programs. These expenses have been allocated as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Literature distribution	-	7,061
Awareness and motivation of the Free Church	37,819	28,245
Administration	<u>214,310</u>	<u>200,067</u>
	<u>252,129</u>	<u>235,373</u>

6. COMMITMENTS

The Corporation had entered into agreements for the lease of office equipment. The aggregated annual payments are as follows:

<u>Year</u>	<u>Total</u>
	\$
2024	2,554
2025	1,277
2026	-
2027	-
2028	<u>-</u>
	<u>3,831</u>