

SEND INTERNATIONAL OF CANADA INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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FOR THE YEAR ENDED SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of SEND International of Canada Inc.

Opinion

We have audited the accompanying financial statements of SEND International of Canada Inc. (the "Organization"), which comprise the Statement of Financial Position as at September 30, 2023, and Statements of Operations and Change in Net Assets, and 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 SEND International of Canada Inc. as at September 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of 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 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 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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 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 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 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.

December 7, 2023
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

SEND INTERNATIONAL OF CANADA INC.
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	Externally Restricted	Internally Restricted	2023 Total	2022 Total
ASSETS				
Current Assets				
Bank	\$ -	\$ 163,708	\$ 163,708	\$ 116,184
Short-term investments (note 4)	541,877	-	541,877	666,177
HST recoverable	-	11,859	11,859	10,028
Prepaid expenditures	-	6,152	6,152	7,451
	541,877	181,719	723,596	799,840
Capital assets (note 2.d), (note 5)	-	25,839	25,839	15,710
Long-term investments (note 4)	559,728	429,637	989,365	941,197
TOTAL ASSETS	\$ 1,101,605	\$ 637,195	\$ 1,738,800	\$ 1,756,747
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 36,008	\$ 36,008	\$ 27,229
Source deductions payable	-	40,340	40,340	42,099
	-	76,348	76,348	69,328
Net Assets (page 4)				
Missionary Fund	1,076,605	-	1,076,605	1,134,992
Endowment Fund	25,000	-	25,000	25,000
General Fund	-	1,442	1,442	(21,033)
Travel Fund	-	130,134	130,134	129,312
Board Fund	-	364,580	364,580	364,580
Menno Voth Fund	-	38,852	38,852	38,858
Capital Fund	-	25,839	25,839	15,710
	1,101,605	560,847	1,662,452	1,687,419
TOTAL LIABILITIES AND NET ASSETS	\$ 1,101,605	\$ 637,195	\$ 1,738,800	\$ 1,756,747

Approved on behalf of Management:

Approved on behalf of Management:

The accompanying notes are an integral part of the financial statements

SEND INTERNATIONAL OF CANADA INC.
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

-4-

	Missionary Fund	Endowment Fund	General Fund	Travel Fund	Board Fund	Menno Voth Fund	Capital Fund	2023 Total	2022 Total
REVENUE									
Donations	\$ 2,794,376	\$ -	\$ 725,658	\$ -	\$ -	\$ -	\$ -	\$ 3,520,034	\$ 3,573,858
Missionary assessment	(175,213)	-	157,721	17,492	-	-	-	-	-
Fees for services	-	-	1,680	-	-	-	-	1,680	555
Recoveries	-	-	42,959	-	-	-	-	42,959	-
Investment revenue	-	839	41,669	-	-	854	-	43,362	35,667
Unrealized investment gains (loss)	-	-	36,014	-	-	-	-	36,014	(105,119)
	2,619,163	839	1,005,701	17,492	-	854	-	3,644,049	3,504,961
EXPENDITURES									
Missionary support	2,242,090	839	-	-	-	-	-	2,242,929	1,934,255
Missionary projects	435,460	-	-	-	-	-	-	435,460	810,694
Canadian office expenditures (page 11)	-	-	972,057	-	-	-	-	972,057	879,527
International SEND meetings	-	-	3,144	-	-	-	-	3,144	541
International administration expense (recovery)	-	-	(2,104)	-	-	-	-	(2,104)	(2,157)
Travel	-	-	-	16,670	-	860	-	17,530	18,205
Investment in capital assets	-	-	10,129	-	-	-	(10,129)	-	-
	2,677,550	839	983,226	16,670	-	860	(10,129)	3,669,016	3,641,065
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES									
	(58,387)	-	22,475	822	-	(6)	10,129	(24,967)	(136,104)
NET ASSETS, BEGINNING OF YEAR	1,134,992	25,000	(21,033)	129,312	364,580	38,858	15,710	1,687,419	1,823,523
NET ASSETS, END OF YEAR	\$ 1,076,605	\$ 25,000	\$ 1,442	\$ 130,134	\$ 364,580	\$ 38,852	\$ 25,839	\$ 1,662,452	\$ 1,687,419

The accompanying notes are an integral part of the financial statements

SEND INTERNATIONAL OF CANADA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenditures (page 4)	\$ (24,967)	\$ (136,104)
Amortization	8,333	8,055
Unrealized loss (gain) on investments held	(36,014)	105,119
	(52,648)	(22,930)
OTHER ITEMS NOT INVOLVING CASH		
Decrease (increase) in HST recoverable	(1,831)	(1,482)
Decrease (increase) in prepaid expenditures	1,299	(7)
Increase (decrease) in accounts payable and accrued liabilities	8,779	1,458
Increase (decrease) in source deductions payable	(1,759)	5,296
	(46,160)	(17,665)
INVESTING ACTIVITIES		
Property, plant and equipment net disposals (acquisitions)	(18,462)	(5,887)
Investment redemption (purchases) and re-investment of realized gains	(12,154)	109,268
	(30,616)	103,381
Increase in cash and cash equivalents	(76,776)	85,716
Cash and cash equivalents, beginning of year	782,361	696,645
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 705,585	\$ 782,361
REPRESENTED BY:		
Cash	\$ 163,708	\$ 116,184
Short-term investments	541,877	666,177
	\$ 705,585	\$ 782,361

The accompanying notes are an integral part of the financial statements

**SEND INTERNATIONAL OF CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

1. Nature of the Organization

SEND International of Canada Inc. (the Organization) was incorporated, without share capital, under the laws of Manitoba (registered in Ontario) and is a registered charity, which is exempt from income tax pursuant to Section 149 (1)(f) of the Income Tax Act, Canada.

The purpose of the Organization is to promote the work of God and aid in spreading the Gospel of Jesus Christ to the ends of the earth through:

Starting churches where there are none by:
Evangelizing the unreached,
Nurturing disciples, and
Developing leaders from among the national people.

2. Significant accounting policies

The accounting policies of the Organization are in accordance with Canadian accounting standards for not-for-profit organizations. Those policies that are considered to be significant are outlined below:

a. Fund accounting

The Organization follows the restricted fund method of accounting for its revenue and expenditures. The following is a summary of the funds:

- i. The Missionary fund (externally restricted) accounts for the Organization's day-to-day missionary activities which includes missionary support, outreach and projects.
- ii. The Endowment Fund (externally restricted) holds invested funds and only the investment income is to be used at the Canadian Board's discretion.
- iii. The General Fund (internally restricted) accounts for the Organization's day-to-day operations of the Canadian administrative office which includes member care, donor relations, mobilization, information technology and finance.
- iv. The Travel fund (internally restricted) accounts for the Organization's travel costs of missionaries for both normal and emergency travel to and from the overseas mission.
- v. The Board Fund (internally restricted) has been established, in recognition of significant donations, to be used at the Canadian Board's discretion.
- vi. The Menno Voth Fund (internally restricted) has been established to provide assistance for missionaries on home and overseas service.
- vii. The Capital Fund (internally restricted) reports the activity related to the Organization's capital assets.

**SEND INTERNATIONAL OF CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

2. Significant accounting policies continued

b. Revenue recognition

The Organization follows the restricted fund method of accounting for revenue. Unrestricted and restricted donations are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted and restricted investment income and other income is recognized as revenue when earned.

The Organization spends donated funds on support of people, programs and projects approved by the Organization. If a donor chooses to designate a contribution for the support of a particular person, program or project, the Organization will honour that designation, with the understanding that, when the need for support of a particular person, program or project has been met, or cannot be completed for any reason as determined by the Organization, the remaining designated contribution will be used for other needs consistent with the charitable purposes of the Organization.

c. Contributed services and materials

Volunteers contribute time to assist the Organization in carrying out its charitable activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

The Organization receives contributed materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair value can be determined. If the fair value of a contributed capital asset cannot be determined, it is recorded at nominal value.

d. Capital assets

Capital assets are initially recorded at cost. Amortization is calculated on a straight line basis over the estimated useful lives of the capital assets as follows:

Computer hardware and software	3 years
Furniture and equipment	8 years

e. Foreign currency transactions

The Organization translates all of its foreign currency transactions using the temporal method. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current year's statement of operations are translated at average year rates. Exchange gains and losses are included in the statement of operations and change in net assets.

**SEND INTERNATIONAL OF CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

2. Significant accounting policies continued

f. Financial instruments - measurement

The Organization records financial assets and financial liabilities at fair value with changes in fair value recognized in the statement of operations and change in net assets. Financial assets and financial liabilities are subsequently recognized at amortized cost which approximates fair value. Financial assets are tested for impairment when change in circumstances indicate that the asset could be impaired. Write downs, if any, are recognized in the statement of operations and change in net assets and may be subsequently reversed to the extent that the effect after the reversal is the same as if there had been no write down. Transaction costs are expensed for items remeasured at fair value at each year end date and charged to the financial instrument for those measured at amortized cost.

g. 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The Organization estimates its allowance for doubtful accounts and the useful lives of its capital assets.

3. Related party transactions

The Organization is a member of the worldwide SEND International Organization and carries out activities with other members in accordance with Contracts for Service and Joint Ministry Agreements.

The Organization pays 3.125% of missionary support funds to support International administration. The total amount paid during 2023 was \$48,626 (2022 - \$49,718).

**SEND INTERNATIONAL OF CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

4. Investments

The Organization's investments consist of the following:

	2023				2022	
	Cost	Market Value			Cost	Market Value
Short term investments						
GIC's and Money Market fund	\$ 541,877	\$ 541,877	\$		666,177	666,177
	\$ 541,877	\$ 541,877	\$		666,177	666,177
Long term investments						
Stock Portfolio	\$ 277,457	\$ 350,401	\$		255,142	340,019
Mutual funds	648,353	638,964			636,709	601,178
	\$ 925,810	\$ 989,365	\$		891,851	941,197

5. Capital assets

The Organization's capital assets consist of the following:

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware and software	\$ 80,963	\$ (69,187)	\$ 11,776	\$ 11,099
Furniture and fixtures	62,836	(48,773)	14,063	4,610
	\$ 143,799	\$ (117,960)	\$ 25,839	\$ 15,709

**SEND INTERNATIONAL OF CANADA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

6. Lease commitments

The Organization is obligated under a premises lease expiring November 30, 2027 to pay base rent as follows:

2024	\$	22,164
2025	\$	22,265
2026	\$	22,766
2027	\$	22,866
2028	\$	3,811

7. Financial instruments - risks

The Organization manages its risk through the oversight of its investments by both the finance committee and the Organization's external advisers. Changes are made to the investments as required. The main risks to which the Organization's financial instruments are exposed are as follows:

a. Credit risk

The Organization has determined that the financial assets with credit risk exposure are accounts receivable which are from the Government of Canada and accordingly, the risk of non-collectability is low.

b. Interest rate risk

The Organization is exposed to interest rate risk. The Organization has minor cash balances and no interest bearing debt. The Organization's current policy is to invest excess cash in a money market fund issued by its banking institutions and accordingly, there is exposure to interest rate fluctuations which are considered minor.

c. Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization has assessed this risk as low given the makeup of its accounts payable and has provided sufficient funding to fulfill its obligations.

d. Market risk

The Organization is exposed to market risk. Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Organization. The Organization's long term investments are subject to market risk and accordingly, market risk is considered moderate.

8. Comparative balances

Certain comparative balances have been reclassified to conform to the current year's presentation.

SEND INTERNATIONAL OF CANADA INC.
SCHEDULE OF CANADIAN OFFICE EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
Amortization	\$ 8,333	\$ 8,055
Bank, payroll and credit card charges	11,943	10,156
Canadian Council	3,633	2,019
Computer maintenance	44,140	43,041
Equipment rental	1,432	1,335
Insurance	4,399	4,254
Memberships and dues	4,057	4,926
Office supplies	24,176	16,035
Postage	4,943	3,715
Printing	3,955	3,753
Professional fees	14,080	9,751
Recruitment and mobilization	34,931	22,009
Rent and utilities	40,351	37,863
Repairs and maintenance	752	1,997
Salaries and benefits	680,263	634,711
Special events	1,266	78
Staff training, conference and administrative services	32,465	25,572
Telephone and internet	8,800	9,343
Travel	6,323	10,512
Website, promotion and literature	41,815	30,402
	\$ 972,057	\$ 879,527

The accompanying notes are an integral part of the financial statements