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GFA WORLD >

financial statements

>YEAR ENDED DECEMBER 31, 2024

MAC LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

GFA WORLD>

financial statements

>YEAR ENDED DECEMBER 31, 2024

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mac
Chartered Professional Accountants

510 Weber Street North, Waterloo, Ontario N2L 4E9
30 Arthur Street South, Elmira, Ontario N3B 2M7
T 519.725.2600 TF 1.877.725.2611 www.mac-ca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of GFA World:

Opinion

We have audited the financial statements of GFA World, the "Charity", which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes 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 the Charity as at December 31, 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 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 Charity 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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

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

MAC LLP.

Waterloo, Ontario
June 24, 2025

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

GFA WORLD>

statement of financial position

>DECEMBER 31, 2024

	2024	2023
assets		
current		
Cash	$ 1,448,450	$ 4,508,350
Government remittances recoverable	30,331	18,902
Inventory (Note 3)	60,264	60,264
Prepaid expenses	54,178	53,396
	1,593,223	4,640,912
non-current		
Capital assets (Note 4)	877,193	899,783
	$ 2,470,416	$ 5,540,695
liabilities		
current		
Accounts payable and accrued liabilities	$ 27,304	$ 26,494
fund balances		
unrestricted	2,443,112	5,514,201
	$ 2,470,416	$ 5,540,695

Approved on behalf of the board:

Director

Director

GFA WORLD>

statement of changes in net assets

>YEAR ENDED DECEMBER 31, 2024

	2024	2023
balance, beginning of year	$ 5,514,201	$ 16,656,847
Deficiency of revenue over expenses for the year	(3,071,089)	(11,142,646)
balance, end of year	$ 2,443,112	$ 5,514,201

statement of operations

>YEAR ENDED DECEMBER 31, 2024

	2024	2023
revenue		
Contributions	$ 4,773,650	$ 5,515,568
GFA materials	615	1,750
Foreign exchange gain (loss)	863	(187)
	4,775,128	5,517,131
expenses		
Administration	321,595	309,586
Advertising and promotion	64,917	81,595
Amortization	32,014	31,921
Bank charges and interest	96,287	107,528
Communication	106,245	148,339
Occupancy	66,386	54,247
Professional fees	20,902	25,992
Social programs	6,615,063	15,231,377
Travel	15,869	16,962
Wages and benefits	506,939	563,896
	7,846,217	16,571,443
deficiency of revenue over expenses	(3,071,089)	(11,054,312)
other income and expenses		
Litigation professional fees	-	(88,334)
deficiency of revenue over expenses for year	$ (3,071,089)	$ (11,142,646)

GFA WORLD>

statement of cash flows

>YEAR ENDED DECEMBER 31, 2024

	2024	2023
operating activities		
Deficiency of revenue over expenses for year	$ (3,071,089)	$ (11,142,646)
Adjustments for:		
Amortization	32,014	31,921
	(3,039,075)	(11,110,725)
Changes in non-cash working capital:		
Accounts receivable	-	2,165,000
Government remittances recoverable	(11,429)	15,177
Inventory	-	1,184
Prepaid expenses	(782)	88,290
Accounts payable and accrued liabilities	810	(15,836)
	(3,050,476)	(8,856,910)
investing activities		
Purchase of capital assets	(9,424)	(38,638)
Net change in cash for the year	(3,059,900)	(8,895,548)
Cash balance, beginning of year	4,508,350	13,403,898
cash balance, end of year	$ 1,448,450	$ 4,508,350

1. nature of organization

The mission of GFA World, the "Charity" is to communicate the love of Jesus Christ through various means, particularly through national workers by providing financial support as they counsel and provide social assistance. The Charity is incorporated under the Canada Not-for-Profit Corporations Act and is a registered charity for Canadian Income Tax purposes.

2. significant accounting policies

Basis of Accounting - These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition - The Charity follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received. Restricted contributions are recognized as revenue when the expense is incurred.

Financial Instruments
Initial measurement - The Charity initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Charity in the transaction.

Subsequent measurement - The Charity subsequently measures all its financial assets and financial liabilities originated or exchanged in arm's length transactions at amortized cost. Any reduction for impairment is recognized in net income, in the period incurred.

Financial assets measured at amortized cost include cash..

The Charity has not designated any financial asset or liability to be measured at fair value.

Impairment - Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not 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 net income.

Transaction costs - The Charity recognizes its transaction costs attributable to financial instruments subsequently measured at fair value. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at costs or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight line method.

Inventory - Inventory is valued at the lower of cost or net realizable value. The method of determining cost is on the first-in first-out basis which records the cost of inventory on hand on the basis of its most recent acquisition cost.

Capital Assets and Amortization - Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided in the accounts using the following methods and annual rates:

Asset	Method	Rate
Buildings	Straight line	2% - 5%
Furniture and fixtures	Reducing balance	20%
Computer equipment	Reducing balance	20%
Signage	Reducing balance	20%
Vehicle	Reducing balance	30%

Cloud Computing Arrangements - At the inception of a cloud computing arrangement, the Charity allocates the consideration to significant separable elements based on their specific sales price. Development costs and costs related to the right to use a tangible asset are recognized according to the applicable accounting policies for such elements.

To account for expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Charity has opted for the simplification approach. Accordingly, such expenditures are treated as the supply of services and recognized as an expense when the services are received. These expenses are presented under the "Administration" line on the income statement.

The Charity recognizes prepayments as an asset when payments are made in advance for services not yet received. These prepayments are subsequently expensed as the services are consumed.

Costs related to implementation activities, including configuration and customization, are expensed as incurred unless they meet the criteria for capitalization under other applicable accounting standards.

Contributed Materials and Services - The Charity is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

The Charity 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. No contributed materials were recognized as donation revenue during the year.

Disclosure and 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Estimates are used when accounting for certain items such as revenues, useful lives of capital assets, and asset impairments.

3. inventory

Inventory is comprised of the following:

	2024	2023
Products for distribution	$ 60,264	$ 60,264

Inventory expensed during the year was $15,565 (2023 - $21,681)

4. capital assets

	cost	accumulated amortization	net 2024	net 2023
Land	$ 346,037	$ -	$ 346,037	$ 346,037
Buildings	911,210	428,604	482,606	503,620
Furniture and fixtures	452,688	440,439	12,249	15,311
Computer and equipment	323,992	288,875	35,117	33,295
Signage	16,144	15,180	964	1,206
Vehicle	2,196	1,976	220	314
	$ 2,052,267	$ 1,175,074	$ 877,193	$ 899,783

5. cloud computing arrangements

The Charity applies the simplification method outlined in AcG-20, Customer's Accounting for Cloud Computing Arrangements, for recognizing cloud computing arrangements with suppliers. During the year, the Charity expensed $62,429 (2023 - $55,383) related to these arrangements. These expenses are presented under the "Administration" line on the income statement.

6. financial instruments

Risk Management - The significant risk to which the Charity exposed is the currency risk. There has been no change to the risk exposures from the prior year.

Currency Risk - The Charity has a US dollar account and is therefore exposed to foreign exchange fluctuations. Cash balance as at December 31, 2024 was $12,390 (2023 -$7,251) and denominated in US dollars.