

Financial Statements of

**OPPORTUNITY INTERNATIONAL
CANADA/OPPORTUNITÉ
INTERNATIONALE CANADA**

And Independent Auditor's Report thereon

Six-month period from January 1, 2024 to June 30, 2024

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Opportunity
International Canada/Opportunité Internationale Canada

Opinion

We have audited the financial statements of Opportunity International Canada/Opportunité Internationale Canada (the Entity), which comprise:

- the statement of financial position as at June 30, 2024
- the statement of operations for the six-month period from January 1, 2024 to June 30, 2024
- the statement of changes in fund balances for the six-month period from January 1, 2024 to June 30, 2024
- the statement of cash flows for the six-month period from January 1, 2024 to June 30, 2024
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2024, and its results of operations and its cash flows for the six-month period from January 1, 2024 to June 30, 2024 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 auditor's 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 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.

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 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.



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- 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

December 3, 2024

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Statement of Financial Position

June 30, 2024, with comparative information for December 31, 2023

				June 30, 2024	December 31, 2023
	Unrestricted	Restricted	Robert Struthers Memorial	Total	Total
Assets					
Current assets:					
Cash	\$ 444,050	\$ 1,459,505	\$ –	\$ 1,903,555	\$ 1,317,347
Short-term investment (note 2)	300,000	175,000	–	475,000	250,000
Accounts receivable	29,482	25,000	–	54,482	396,018
Due from Opportunity International Canada Foundation (note 5)	–	–	–	–	14,283
Prepaid expenses	40,556	–	–	40,556	54,234
	814,088	1,659,505	–	2,473,593	2,031,882
Long-term:					
Investment (note 2)	–	–	100,339	100,339	98,835
	\$ 814,088	\$ 1,659,505	\$ 100,339	\$ 2,573,932	\$ 2,130,717

Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities	\$ 187,440	\$ –	\$ –	\$ 187,440	\$ 368,521
Deferred revenue	–	175,000	–	175,000	–
	187,440	175,000	–	362,440	368,521
Fund balances (note 6)	626,648	1,484,505	100,339	2,211,492	1,762,196
	\$ 814,088	\$ 1,659,505	\$ 100,339	\$ 2,573,932	\$ 2,130,717

See accompanying notes to financial statements.

On behalf of the Board:

John Mach

John Mach (Dec 11, 2024 11:34 EST)

Director

G Nissen

G Nissen (Dec 6, 2024 15:47 MST)

Director

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Statement of Operations

Six-month period from January 1, 2024 to June 30, 2024, with comparative information for the year ended December 31, 2023

				June 30, 2024	December 31, 2023
	Unrestricted	Restricted	Robert Struthers Memorial	Total	Total
Revenue:					
Donations and events (note 5)	\$ 854,823	\$ 1,247,848	\$ –	\$ 2,102,671	\$ 5,208,562
Gift in kind donations	–	4,722	–	4,722	8,968
Other income	9,408	–	1,504	10,912	9,720
	864,231	1,252,570	1,504	2,118,305	5,227,250
Expenses:					
Disbursement to international programs:					
Microfinance operations and expansion (notes 3 and 5)	50,000	350,686	–	400,686	2,883,809
Education and public awareness (note 7)	219,460	66,343	–	285,803	601,058
Canadian programs:					
Program monitoring and oversight (note 7)	278,360	26,774	–	305,134	774,273
	547,820	443,803	–	991,623	4,259,140
Canadian management:					
Philanthropy (note 7)	292,163	66,343	–	358,506	830,350
General and administrative (note 7)	230,423	88,457	–	318,880	410,847
	522,586	154,800	–	677,386	1,241,197
	1,070,406	598,603	–	1,669,009	5,500,337
Excess of revenue over expenses (expenses over revenue)	\$ (206,175)	\$ 653,967	\$ 1,504	\$ 449,296	\$ (273,087)

See accompanying notes to financial statements.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Statement of Changes in Fund Balances

Six-month period from January 1, 2024 to June 30, 2024, with comparative information for the year ended December 31, 2023

June 30, 2024	Unrestricted (note 6)	Restricted	Robert Struthers Memorial (note 1(a)(iii))	Total
Fund balances, January 1, 2024	\$ 832,823	\$ 830,538	\$ 98,835	\$ 1,762,196
Excess of revenue over expenses (expenses over revenue)	(206,175)	653,967	1,504	449,296
Fund balances, June 30, 2024	\$ 626,648	\$ 1,484,505	\$ 100,339	\$ 2,211,492

December 31, 2023	Unrestricted (note 6)	Restricted	Robert Struthers Memorial (note 1(a)(iii))	Total
Fund balances, January 1, 2023	\$ 485,521	\$ 1,455,657	\$ 94,105	\$ 2,035,283
Excess of revenue over expenses (expenses over revenue)	(124,914)	(152,903)	4,730	(273,087)
Transfers (note 6)	472,216	(472,216)	—	—
Fund balances, December 31, 2023	\$ 832,823	\$ 830,538	\$ 98,835	\$ 1,762,196

See accompanying notes to financial statements.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Statement of Cash Flows

Six-month period from January 1, 2024 to June 30, 2024, with comparative information for the year ended December 31, 2023

	June 30, 2024	December 31, 2023
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 449,296	\$ (273,087)
Unrealized gain on long-term investment not involving cash	(1,504)	(9,631)
Change in non-cash operating working capital:		
Accounts receivable	341,536	892,074
Due from Opportunity International Canada Foundation	14,283	(5,147)
Prepaid expenses	13,678	(32,360)
Accounts payable and accrued liabilities	(181,081)	(60,477)
Deferred revenue	175,000	—
	811,208	511,372
Investing activities:		
Sale of long-term investment	—	4,901
Purchase of short-term investment	(225,000)	—
	(225,000)	4,901
Increase in cash	586,208	516,273
Cash, beginning of period	1,317,347	801,074
Cash, end of period	\$ 1,903,555	\$ 1,317,347

See accompanying notes to financial statements.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements

Six-month period from January 1, 2024 to June 30, 2024

Opportunity International Canada/Opportunité Internationale Canada (the "Organization") is a not-for-profit organization and is motivated by the call of Jesus to serve the poor through the development and advocacy of microfinance and financial literacy programs. The Organization, in conjunction with Opportunity International, provides microfinance services, including lending, savings, insurance and transformational training to people in need. Over the past decade, Opportunity International has grown to include numerous financial institutions and non-governmental organizations partners (the "Implementing Partners").

The Organization is incorporated without share capital. The Organization was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act effective July 8, 2014. The Organization is registered under the Income Tax Act (Canada) (the "Act") effective January 1, 1998 and, as such, is exempt from Canadian income taxes and is able to issue donation receipts for income tax purposes under registration number 87751 6385 RR0001. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Restricted fund accounting:

The Organization follows the restricted fund method of accounting for contributions. It ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided. All financial statement transactions have been recorded in three funds: unrestricted, restricted and endowment.

- (i) The unrestricted fund reports resources available for the Organization's general operating activities.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Six-month period from January 1, 2024 to June 30, 2024

1. Significant accounting policies (continued):

- (ii) The restricted fund below reports the assets, fund balances, designated donations and expenses associated with the following programs:

Latin America:

- Colombia
- Dominican Republic
- EduFinance
- Haiti
- Honduras
- Nicaragua

Asia:

- India

Africa:

- Malawi
- Ghana
- EduFinance
- Uganda

Internal:

- Operating Reserve - established to ensure the stability of the mission, programs, employment and ongoing operations of the Organization

- (iii) The Robert Struthers Memorial fund reports contributions that are required by the donor to be maintained by the Organization for a term of at least 20 years. Annually, the donor will provide direction to the Organization to distribute a minimum of 5% of the endowment fund to support an Opportunity International development project. The endowment fund is comprised of externally restricted contributions.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Six-month period from January 1, 2024 to June 30, 2024

1. Significant accounting policies (continued):

(b) Revenue recognition:

Unrestricted contributions are recognized as revenue of the unrestricted fund in the period received or receivable, if the amounts can be reasonably estimated and collection is reasonably assured. All unrestricted contributions are considered to be available for general use unless specifically restricted by the donor.

Restricted contributions, including grants, are recognized as revenue of the appropriate restricted project fund when received or receivable, if the amounts can be reasonably estimated and collection is reasonably assured.

The recognition of gift in kind ("GIK") donations are valued at fair market value. GIK are recorded as revenue at the time the Organization takes possession or constructive title of the contributed goods.

Contributions to the Robert Struthers Memorial fund are recognized as revenue of the Robert Struthers Memorial fund. Investment income from these contributions is restricted by donors and to be used for the Organization's international programs.

Interest income is recognized when earned.

(c) Volunteer services:

The efforts of volunteer workers are not reflected in the accompanying financial statements as no objective basis is available to measure the value of these services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. 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 Organization has not elected to carry any such financial instruments at fair value.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Six-month period from January 1, 2024 to June 30, 2024

1. Significant accounting policies (continued):

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 are assessed for impairment on an annual basis at the end of the period, if there are indicators of impairment. If there is an indicator of impairment, the Organization 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 Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Foreign currency:

Financial instruments held in currencies other than the Canadian dollar are translated at the rate of exchange prevailing at the statement of financial position date. Revenue and expenses denominated in foreign currencies are translated at the exchange rate prevailing at the transaction date.

(f) Allocation of expenses:

Expenses are recorded and reported by Canadian programs and Canadian management. Certain employees perform a combination of Canadian program, philanthropy and administrative activities; as a result, salaries are allocated based on time dedicated to the activity. Other general and administrative expenses, including executive office, information technology, human resources and finance, have been allocated based on the level of benefit received by the Canadian programs. Such allocations are reviewed annually, updated and applied on a prospective basis.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Six-month period from January 1, 2024 to June 30, 2024

1. Significant accounting policies (continued):

A percentage of restricted funds received are retained by the Organization to assist with philanthropy and other general and administrative expenses. This percentage is reviewed annually, and applied on a prospective basis.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect 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 period. Actual results may vary from these estimates.

2. Investments:

(a) Short-term investment:

The short-term investment consists of a \$300,000 (2023 - \$250,000) cashable guaranteed investment certificate bearing interest at 4.20% (2023 - 4.45%) and a maturity date of March 20, 2025 (2023 - March 20, 2024).

The short-term investment also consists of a \$175,000 (2023 - nil) cashable guaranteed investment certificate bearing interest at 4.10% and a maturity date of June 24, 2025.

(b) Long-term investment:

The long-term investment consists of units purchased in a balanced mutual fund of \$100,339 (2023 - \$98,835).

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Six-month period from January 1, 2024 to June 30, 2024

3. Microfinance operations and expansion:

The Organization enters into contracts for services with local Implementing Partners in various countries. Payments made under these contracts for services are allocated between four project support areas: infrastructure, staff training, operating expenses and seed funding for microfinance loan portfolios. In order to provide a degree of stewardship and monitoring over these contracts, the service payments advanced to the Implementing Partners to fund their microfinance loan portfolios may be refundable to the Organization on termination of the service contract.

It is the charitable purpose and business intent of the Organization to have the funds advanced to an Implementing Partner's microfinance loan portfolio remaining in the project country. Accordingly, it is the policy of the Organization to record service contract payments for all project support areas, including seed funding for microfinance loan portfolios, as an expense in the period the payments are advanced.

As a result, no microfinance loan portfolio receivables from the Implementing Partners are included in the statement of financial position of the Organization as at June 30, 2024.

The contract payments are included as expenses in microfinance operations and expansion in the statement of operations.

The commitments of the Organization outlined in the contracts are dependent upon the Organization receiving sufficient donor funds to meet any potential funding commitments, as well as being dependent on the project Implementing Partners meeting the benchmarks outlined in the contracts for services. As a result, due to the uncertainty of the Organization advancing funds to its Implementing Partners, no future commitments for contract service payments are included in the financial statements.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Six-month period from January 1, 2024 to June 30, 2024

4. Financial risks:

The Organization manages its investment portfolio to earn investment income and invests according to a donation agreement and memorandum of understanding. The Organization is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Organization believes that it is not exposed to significant interest-rate, credit or cash flow risk arising from its financial instruments.

(a) Market risk:

The Organization's operations are derived from donations and events, grants, and other revenue and are affected by general economic trends. A decline in economic conditions could impact the Organization's operations negatively. There has been no significant change to the risk exposure from the period ended December 31, 2023.

(b) Foreign currency risk:

The Organization is exposed to foreign currency risk as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Organization receives donations and incurs certain expenses denominated in U.S. dollars and holds a U.S. dollar bank account. The Organization does not currently enter into forward contracts to mitigate this risk. There has been no significant change to the risk exposure from the period ended December 31, 2023.

5. Opportunity International Canada Foundation:

The Organization exercises significant influence over Opportunity International Canada Foundation (the "Foundation") by virtue of its ability to appoint a minority of the Foundation's Board of Directors and through other member voting rights. The Foundation was incorporated under the laws of Canada as a corporation without share capital on August 8, 2007 and was continued under the Canada Not-for-profit Corporations Act in June 2014. The Foundation is designated as a registered Canadian charity as a Public Foundation under Section 149.1(1) of the Act.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Six-month period from January 1, 2024 to June 30, 2024

5. Opportunity International Canada Foundation (continued):

The Foundation has a charitable purpose similar to the Organization. The Organization provides certain services and pays certain expenses on behalf of the Foundation. The Foundation reimburses the Organization for all direct costs and certain other general and administration costs associated with the services provided and expenses paid in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at June 30, 2024, the Organization has a balance receivable from the Foundation of nil (2023 - \$14,283). During the period ended June 30, 2024, the Organization received nil (2023 - \$967,642) in unrestricted donations from the Foundation.

During the period ended June 30, 2024, the Organization charged general and administration costs to the Foundation in the total amount of nil (2023 - \$12,000). These were included as an expense in microfinance operations and expansion on the statement of operations.

6. Interfund transfer:

In 2023, a transfer was made to the unrestricted fund from the internal restricted fund in the amount of \$472,216. The transfer represented excess of remaining funds from the completion of the GAC project to be used where needed most.

OPPORTUNITY INTERNATIONAL CANADA/ OPPORTUNITÉ INTERNATIONALE CANADA

Notes to Financial Statements (continued)

Six-month period from January 1, 2024 to June 30, 2024

7. Allocation of expenses:

A portion of philanthropy and general and administrative activities, which includes the executive office, information technology, human resources and finance, directly support programs and have been allocated as follows:

	2024	2023
Education and public awareness	\$ 36,274	\$ 68,305
Canadian programs:		
Program monitoring and oversight	133,006	250,453
Canadian management:		
Philanthropy	72,548	136,611
	<u>\$ 241,828</u>	<u>\$ 455,369</u>

8. Subsequent event:

Effective July 1, 2024, the Organization amalgamated with Opportunity International Canada Foundation. The purpose of the amalgamation was to realize operational efficiencies.