
**LANGHAM PARTNERSHIP OF CANADA FOR
GLOBAL CHRISTIAN EDUCATION, INC.
O/A Langham Partnership - Canada
FINANCIAL STATEMENTS
JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of
Langham Partnership of Canada for Global Christian Education, Inc.
O/A Langham Partnership - Canada
SCARBOROUGH
Ontario

Qualified Opinion

We have audited the accompanying financial statements of Langham Partnership of Canada for Global Christian Education, Inc. O/A Langham Partnership - Canada, which comprise the statement of financial position as at June 30, 2023 and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 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 Qualified Opinion

As is common with many charitable organizations, Langham Partnership of Canada for Global Christian Education, Inc. O/A Langham Partnership - Canada, derives part of its revenues in the form of receiptable and non-receiptable contributions, the completeness of which are not susceptible to complete audit verification. Accordingly, our verification of revenue from this source 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 contribution revenues, the excess/(deficiency) of revenues over expenses and cash flows from operations for the years ended June 30, 2023 and 2022, current assets as at June 30, 2023 and 2022 and fund balances as at the beginning and end of the years ended June 30, 2023 and 2022.

Our audit opinion on the financial statements for the year ended June 30, 2022 was modified 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our 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 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 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 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.

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JOHN C. KARRAM, CPA
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JENNIFER A. STALEY, CPA

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 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 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.

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.



NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
December 9, 2023

LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.

O/A Langham Partnership - Canada

STATEMENT OF FINANCIAL POSITION

As at June 30,

2023

2022

	General Fund	Majority World Scholars Fund	Wycliffe College Scholars Fund	MENA Scholars Fund	Capital Growth Fund	Total	Total
ASSETS							
Current							
Cash and cash equivalents (Note 2)	\$ 136,903	\$ -	\$ -	\$ -	\$ -	\$ 136,903	\$ 487,756
Cash and cash equivalents - externally restricted (Note 2)	-	-	-	-	-	-	492,354
Short-term investments (Note 3)	381,714	-	-	-	-	381,714	-
Short-term investments - externally restricted (Note 3)	4,000	139,454	40,396	169,416	93,943	447,209	-
HST refundable	3,239	-	-	-	-	3,239	1,145
Prepaid expenses	2,492	-	-	-	-	2,492	3,899
	<u>\$ 528,348</u>	<u>\$ 139,454</u>	<u>\$ 40,396</u>	<u>\$ 169,416</u>	<u>\$ 93,943</u>	<u>\$ 971,557</u>	<u>\$ 985,154</u>
LIABILITIES							
Current Liabilities							
Accounts payable and accrued liabilities	\$ 7,200	\$ -	\$ -	\$ -	\$ -	\$ 7,200	\$ 5,497
Government remittances payable	2,423	-	-	-	-	2,423	2,344
Deferred contributions (Note 4)	4,000	-	-	-	-	4,000	18,100
	<u>\$ 13,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,623</u>	<u>\$ 25,941</u>
FUND BALANCES							
General Fund - unrestricted	\$ 398,635	\$ -	\$ -	\$ -	\$ -	\$ 398,635	\$ 368,869
General Fund - internally restricted (Note 5)	116,090	-	-	-	-	116,090	116,090
Majority World Scholars Fund - externally restricted	-	139,454	-	-	-	139,454	146,901
Wycliffe College Scholars Fund - externally restricted	-	-	40,396	-	-	40,396	69,649
MENA Scholars Fund - externally restricted	-	-	-	169,416	-	169,416	169,416
Capital Growth Fund - externally restricted	-	-	-	-	93,943	93,943	88,288
	<u>\$ 514,725</u>	<u>\$ 139,454</u>	<u>\$ 40,396</u>	<u>\$ 169,416</u>	<u>\$ 93,943</u>	<u>\$ 957,934</u>	<u>\$ 959,213</u>
	<u>\$ 528,348</u>	<u>\$ 139,454</u>	<u>\$ 40,396</u>	<u>\$ 169,416</u>	<u>\$ 93,943</u>	<u>\$ 971,557</u>	<u>\$ 985,154</u>

Approved by the Board:

_____ Director

_____ Director

LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.**O/A Langham Partnership - Canada****STATEMENT OF CHANGES IN FUND BALANCES**

For the year ended June 30,

2023**2022**

	General Fund	Majority World Scholars Fund	Wycliffe College Scholars Fund	MENA Scholars Fund	Capital Growth Fund	Total	Total
BALANCE - Beginning	\$ 484,959	\$ 146,901	\$ 69,649	\$ 169,416	\$ 88,288	\$ 959,213	\$ 751,665
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	29,766	(7,447)	(29,253)	-	5,655	(1,279)	207,548
INTERFUND TRANSFER (Note 7)	-	-	-	-	-	-	-
BALANCE - Ending	<u>\$ 514,725</u>	<u>\$ 139,454</u>	<u>\$ 40,396</u>	<u>\$ 169,416</u>	<u>\$ 93,943</u>	<u>\$ 957,934</u>	<u>\$ 959,213</u>

LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.

O/A Langham Partnership - Canada

STATEMENT OF OPERATIONS

For the year ended June 30,

2023

2022

	General Fund	Majority World Scholars Fund	Wycliffe College Scholars Fund	MENA Scholars Fund	Capital Growth Fund	Total	Total
REVENUES							
Contributions	\$ 287,673	\$ -	\$ 10,200	\$ -	\$ 10,000	\$ 307,873	510,635
Investment income	17,599	-	-	-	-	17,599	-
Unrealized gain on investments	12,548	-	-	-	-	12,548	-
Bequests	-	-	-	-	9,400	9,400	-
Administration fees	4,263	-	-	-	-	4,263	5,315
Book sales	306	-	-	-	-	306	367
Gain/loss on sale of investments	(816)	-	-	-	-	(816)	-
	<u>\$ 321,573</u>	<u>\$ -</u>	<u>\$ 10,200</u>	<u>\$ -</u>	<u>\$ 19,400</u>	<u>\$ 351,173</u>	<u>\$ 516,317</u>
EXPENSES							
Programs							
Literature	\$ 67,675	\$ -	\$ -	\$ -	\$ -	\$ 67,675	\$ 23,927
Bursaries	3,994	7,447	39,453	-	11,065	61,959	78,210
Preaching	57,223	-	-	-	-	57,223	44,779
Administrative							
Salaries and benefits	92,692	-	-	-	-	92,692	89,163
International dues	20,000	-	-	-	-	20,000	19,648
Communication support	14,793	-	-	-	-	14,793	14,363
Office and general	10,422	-	-	-	-	10,422	9,879
Fundraising and meetings	8,883	-	-	-	-	8,883	8,884
Professional fees	5,808	-	-	-	-	5,808	5,500
Bank charges and fees	4,343	-	-	-	-	4,343	4,569
Rent	3,720	-	-	-	-	3,720	3,720
Capital campaign	464	-	-	-	2,680	3,144	4,362
Insurance	1,564	-	-	-	-	1,564	1,498
Book purchases	133	-	-	-	-	133	267
Continuing education	93	-	-	-	-	93	-
	<u>\$ 291,807</u>	<u>\$ 7,447</u>	<u>\$ 39,453</u>	<u>\$ -</u>	<u>\$ 13,745</u>	<u>\$ 352,452</u>	<u>\$ 308,769</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 29,766</u>	<u>\$ (7,447)</u>	<u>\$ (29,253)</u>	<u>\$ -</u>	<u>\$ 5,655</u>	<u>\$ (1,279)</u>	<u>\$ 207,548</u>

See accompanying notes

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LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.**O/A Langham Partnership - Canada****STATEMENT OF CASH FLOWS**

For the year ended June 30,

2023**2022**

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):**OPERATING ACTIVITIES**

Excess (deficiency) of revenues over expenses	\$	(1,279)	\$	207,548
Items not affecting cash:				
Unrealized gains on marketable securities		<u>(12,548)</u>		<u>-</u>
	\$	<u>(13,827)</u>	\$	<u>207,548</u>

Net change in non-cash working capital balances:

HST refundable	\$	(2,094)	\$	936
Prepaid expenses		1,407		277
Accounts payable and accrued liabilities		1,703		(4,251)
Government remittances payable		79		64
Deferred contributions		<u>(14,100)</u>		<u>9,000</u>
	\$	<u>(13,005)</u>	\$	<u>6,026</u>
	\$	(26,832)	\$	213,574

INVESTING ACTIVITIES

Purchase of short-term investments, net of disposals		<u>(816,375)</u>		<u>-</u>
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INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	\$	(843,207)	\$	213,574
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CASH AND CASH EQUIVALENTS - Beginning

	<u>980,110</u>	<u>766,536</u>
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CASH AND CASH EQUIVALENTS - Ending

	<u>\$ 136,903</u>	<u>\$ 980,110</u>
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LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.

O/A Langham Partnership - Canada

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

PURPOSE OF THE ORGANIZATION

Langham Partnership of Canada for Global Christian Education, Inc. O/A Langham Partnership - Canada (the "Organization") is incorporated without share capital under the laws of Ontario and is engaged in raising funds in Canada to help equip the Church in the Majority World. The Organization is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes.

The mission of the Organization is to pursue its vision by equipping a new generation of Bible teachers in these three areas:

Scholars: Provide financial support for evangelical students from the Majority World to pursue doctoral studies in leading seminaries and universities around the world and to prepare them for positions of academic and ministry leadership.

Literature: Provide evangelical resources in multiple languages through grants and distribution, and foster the indigenous creation of resources through sponsored editing and writing and publisher development.

Preaching: Partner with national leaders to nurture indigenous preaching movements for pastors and lay preachers in the Majority World. This partnership provides practical on-site support for preachers by organizing training seminars, providing resources, encouraging preachers' groups and building local movements committed to expository preaching.

1. 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) Fund Accounting

Resources are classified into funds according to the activities or objectives specified as follows:

i) General Fund

The General Fund accounts for operations and programs of the Organization. Unrestricted contributions and other revenues are reported in this Fund.

Unrestricted

The balance of unrestricted funds represents the accumulated excess of unrestricted contributions over related expenses.

LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.

O/A Langham Partnership - Canada

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

i) General Fund - Continued

Internally Restricted

The internally restricted funds include amounts internally restricted by the Board of Directors for special ministry purposes. These funds cannot be used without the prior approval of the Board of Directors.

ii) Majority World Scholars Fund

The Majority World Scholars Fund is an externally restricted fund to provide scholarships for Langham Scholars studying in doctoral programs in theology at Majority World seminaries.

iii) Wycliffe College Scholars Fund

The Wycliffe College Scholars Fund is an externally restricted fund to provide scholarships for Langham Scholars studying in doctoral programs in theology at Wycliffe College, University of Toronto.

iv) MENA (Middle East & North Africa) Scholars Fund

The MENA Fund is designated for the provision of doctoral-level scholarships for candidates from the Middle East and North Africa, pursuant to an agreement between Langham Partnership, The Protestant Theological University of Amsterdam, and several seminaries in the MENA region.

v) Growth Campaign Fund

The Growth Campaign Fund is designated for funds received as contributions to the international Langham Partnership growth campaign, to be used over ten years beginning after fiscal year 2023, toward future ministry projects.

b) Revenue Recognition

The Organization follows the restricted fund method of accounting for contributions and bequests. Externally restricted contributions are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenue in the General Fund. Restricted contributions for which there is no fund are accounted for using the deferral method.

Interest income is recognized as revenue when earned. Book sales are recognized as revenue when sales proceeds are received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Event income is recognized as revenue when events are held. 10% Administration fees are recognized in General Fund when restricted gifts are used.

LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.**O/A Langham Partnership - Canada****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES - Continued**c) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held in the Organization's bank account, and, when applicable, short-term cashable GICs that are readily convertible to known amounts of cash.

d) Contributed Services

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

e) Financial Instruments**Measurement of Financial Instruments**

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in marketable securities traded in an active market which are measured at fair value. Changes in fair value are included in the excess (deficiency) of revenues over expenses.

Financial assets measured at amortized cost include cash and cash equivalents. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Other than investments in marketable securities, the Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in excess of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2023	2022
Cash - Unrestricted	\$ 20,813	\$ 371,666
Cash - Internally restricted	<u>116,090</u>	<u>116,090</u>
	\$ 136,903	\$ 487,756
Cash - Externally restricted	<u>-</u>	<u>492,354</u>
	<u>\$ 136,903</u>	<u>\$ 980,110</u>

LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.
O/A Langham Partnership - Canada
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

3. SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

	2023	2022
High interest savings fund, at fair value	\$ 509,909	\$ -
Equities, at fair value	<u>319,014</u>	<u>-</u>
	<u>\$ 828,923</u>	<u>\$ -</u>

Short-term investments are allocated as follows:

	2023	2022
Unrestricted	\$ 381,714	\$ -
Externally restricted	<u>447,209</u>	<u>-</u>
	<u>\$ 828,923</u>	<u>\$ -</u>

4. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the following:

	2023	2022
Scholarships	\$ 4,000	\$ -
Literature	-	13,100
Designated gift for Egypt ministry	<u>-</u>	<u>5,000</u>
	<u>\$ 4,000</u>	<u>\$ 18,100</u>

5. INTERNALLY RESTRICTED GENERAL FUND

In 2018, the Board decided to set aside funds received from an unrestricted bequest with the intent to help fund the expenses associated with the National Director's position over the next few years. During the year, \$Nil (2022 - \$Nil) of the internally restricted general funds were applied to assist with costs associated with the National Director's position.

The balance in the internally restricted General Fund as of June 30, 2023 is \$116,090 (2022 - \$116,090).

LANGHAM PARTNERSHIP OF CANADA FOR GLOBAL CHRISTIAN EDUCATION, INC.

O/A Langham Partnership - Canada

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

6. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at June 30, 2023:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization is not exposed to significant credit risk.

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by generating sufficient cash flow from operations and other fundraising initiatives to ensure prompt discharge of its obligations. There has been no change in the assessment of liquidity risk from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Organization is not exposed to significant market risk.

i) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to price risk through its investments in quoted shares. The exposure to this risk fluctuates as the Organization's investments change from year to year.

7. INTERFUND TRANSFER

During the year, there were no interfund transfers. In 2022, \$10,000 was transferred from the General Fund to the Capital Growth Fund.