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Our Daily Bread Ministries Canada

Financial Statements

For the year ended March 31, 2025

Contents

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Independent Auditor's Report

To the Board of Directors of Our Daily Bread Ministries Canada

Opinion

We have audited the financial statements of Our Daily Bread Ministries Canada, which comprise the statement of financial position as at March 31, 2025, 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 Our Daily Bread Ministries Canada as at March 31, 2025, and its financial performance and 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 Our Daily Bread Ministries Canada 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 Our Daily Bread Ministries 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 Our Daily Bread Ministries Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Our Daily Bread Ministries Canada'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 Our Daily Bread Ministries 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 Our Daily Bread Ministries Canada'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 Our Daily Bread Ministries 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.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Windsor, Ontario
July 28, 2025

Our Daily Bread Ministries Canada

Statement of Financial Position

March 31,	2025	2024
Assets		
Current		
Cash (Note 7)	**$ 559,414**	$ 1,734,149
Investments (Notes 2 and 7)	**4,342,952**	2,993,264
Accounts receivable (Note 4)	**127,303**	69,128
Inventory	**37,776**	75,353
Prepaid expenses and deposits	**162,759**	167,168
	5,230,204	5,039,062
Capital assets (Note 3)	**1,180,118**	991,197
	$ 6,410,322	$ 6,030,259
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	**$ 148,389**	$ 72,378
Accrued salaries	**8,663**	54,842
Due to other organizations (Note 4)	**178,217**	194,290
Donor deposit agreements (Note 5)	**19,600**	19,600
	354,869	341,110
Net Assets		
Net assets invested in capital assets	**1,180,118**	991,197
Unrestricted net assets	**4,875,335**	4,697,952
	6,055,453	5,689,149
	$ 6,410,322	$ 6,030,259

Our Daily Bread Ministries Canada

Statement of Operations

For the year ended March 31,	Actual 2025	Budget Unaudited 2025	Actual 2024
Revenue			
Contributions	$ 6,199,407	$ 5,650,000	$ 5,587,247
Book sales	525,825	750,000	626,136
Investment income (loss)	341,488	150,000	309,143
Grant income	26,568	-	51,000
	7,093,288	6,550,000	6,573,526
Expenses			
Postage and freight	2,249,315	2,347,600	2,032,450
Printed material (Note 4)	1,825,285	1,850,000	1,507,638
Other operating	1,032,106	930,700	1,041,673
Wages and benefits (Note 6)	1,191,344	1,354,558	955,779
Amortization	237,419	220,200	223,992
Paper, envelopes and supplies	115,683	134,942	107,735
Outside services	75,252	112,000	33,466
Loss on disposal of assets	580	-	29,597
	6,726,984	6,950,000	5,932,330
Excess of revenue over expenses for the year	366,304	(400,000)	641,196
Net assets, beginning of year	5,689,149	5,689,149	5,047,953
Net assets, end of year	$ 6,055,453	$ 5,289,149	$ 5,689,149

Our Daily Bread Ministries Canada

Statement of Changes in Net Assets

For the year ended March 31,

Net assets	**Invested in capital assets**	**Unrestricted**	**2025 Total**	2024 Total
Balance, beginning of year	**$ 991,197**	**$ 4,697,952**	**$ 5,689,149**	$ 5,047,953
Excess of (expenses over revenue), revenue over expenses	**(237,419)**	**603,723**	**366,304**	641,196
Transfer of interfund	**426,340**	**(426,340)**	**-**	-
Balance, end of year	**$ 1,180,118**	**$ 4,875,335**	**$ 6,055,453**	$ 5,689,149

Our Daily Bread Ministries Canada

Statement of Cash Flows

For the year ended March 31,	2025	2024
Operating activities		
Excess of revenue over expenses	$ **366,304**	$ 641,196
Items not requiring an outlay of cash		
Amortization	**237,419**	223,992
Loss on disposal of capital assets	**580**	29,597
	604,303	894,785
Changes in non-cash working capital		
Accounts receivable	**(58,175)**	8,865
Inventory	**37,577**	27,293
Prepaid expenses and deposits	**4,409**	(63,691)
Accounts payable and accrued liabilities	**76,011**	(15,333)
Accrued salaries	**(46,179)**	21,933
Due to other organizations	**(16,073)**	15,980
Donor deposits received (paid)	**-**	2,000
	601,873	891,832
Investing activities		
Net change in investments	**(1,349,688)**	(779,678)
Purchase of capital assets	**(426,920)**	(171,087)
	(1,776,608)	(950,765)
(Decrease) increase in cash during the year	**(1,174,735)**	(58,933)
Cash, beginning of year	**1,734,149**	1,793,082
Cash, end of year	$ **559,414**	$ 1,734,149

March 31, 2025

1. Significant accounting policies

Purpose of organization

Our Daily Bread Ministries Canada ("the Organization") was incorporated as a not-for-profit corporation without share capital in 1959 under the Corporations Act (Ontario).

It was imported into the federal jurisdiction by Articles of Continuance issued on January 9, 2015.

Its purpose is to advance, promote and manifest the religious doctrines, observances and practices associated with the Gospel of Jesus Christ by spreading the Christian faith through publication and distribution of religious publication and audio-visual materials, religious broadcasting, religious education programs and religious worship and fellowship activities.

The Organization is a not-for-profit exempt from Canadian income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

Basis of accounting

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

Functional currency

All information in these financial statements is presented in Canadian dollars.

Fund accounting

The financial statements present the financial position and activities according to the deferral method into three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations. All contributions received are unrestricted.

Book sales and translation services are recorded when significant risks and rewards of ownership are transferred to the customer which generally coincides with the time of shipment, and collectability is reasonably assured. Contributions are recorded when amounts are received. Grant revenue is recorded when the related expenses have occurred.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

1. Significant accounting policies (continued)

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 revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. All bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Inventory

Inventory is stated at the lower of cost, or net realizable value; principally determined by the first in, first out method.

Short-term investments

Short-term investments in equities quoted in an active market are accounted for at fair value. Changes in fair value are recorded through the statement of operations.

Capital assets

Purchased capital assets in the current year are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided over the useful lives of the respective assets on the straight-line basis effective in the month of purchase. Estimated useful lives for financial reporting purposes are as follows:

Building	40 years
Office equipment	5-10 years
Computer equipment	3-5 years
Mailing and shipping equipment	10 years
Other equipment	10 years

2. Investments

The investments held are summarized as follows:

	2025	2024
Marketable securities	$ 4,342,952	$ 2,993,264

The investments noted above earned various interest rates and the fair market value is consistent with the book value.

3. Capital assets

	Cost	Accumulated Amortization	2025	2024
Computer software	$ 887,775	$ 665,832	$ 221,943	$ 310,721
Building	786,750	281,603	505,147	202,263
Computer equipment	445,938	285,678	160,260	267,597
Land	160,000	-	160,000	160,000
Office equipment	166,517	75,160	91,357	31,033
Mailing and shipping equipment	63,160	24,198	38,962	17,031
Other equipment	7,332	4,883	2,449	2,552
	$2,517,472	$1,337,354	$1,180,118	$ 991,197

4. Transactions with other Organizations

ODB Ministries and Discovery House Publishers are organizations which provide printing and other services to the Organization. While there are some common directors between these organizations and the Organization, it is limited to a minority of the board of the Organization only. While sharing a common purpose, all entities operate independently and the Organization is not controlled by either of these organizations.

The balances due to and from these organizations are non-interest bearing with no specific terms of repayment. The transactions arose through the course of normal operations and are recorded at the exchange amount which is consistent with the fair value.

A summary of account balances as of March 31, 2025 and 2024 with these organizations and transactions for the years then ended is as follows:

	2025	2024
Purchases from ODB Ministries	**$1,603,105**	$ 1,274,829
Due to ODB Ministries	**$ 134,668**	$ 168,317
Due to Discovery House Publishers	**43,549**	25,973
	$ 178,217	$ 194,290

5. Donor deposit agreements

Under revocable donor deposit agreements, the Organization receives, maintains, and pays interest annually on funds from donors which can be withdrawn on demand by the donor. Upon death of the donor, the remaining funds are recorded as unrestricted contribution revenue.

6. Retirement plan

The Organization maintains a defined contribution retirement plan available for all employees who have been with the Organization for over 12 months. The Organization contributions to the Plan are computed at 4% of the prior year annual wages and are paid in monthly instalments during the year. Employees may also contribute to the plan and are fully vested in all contributions immediately. Contributions to this plan during the year totaled $25,237 (2024 - $22,337).

7. Financial instruments

Credit risk

The Organization maintains guaranteed investment contracts, demand deposits and money market funds and these funds are insured by the Canada Deposit Insurance Corporation up to $100,000 in each bank. Some balances in these banks exceed insured limits at as March 31, 2025. The Organization's management believes it is not exposed to significant credit risks on cash balances.

Liquidity risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset.

This risk is reduced due to considerable sums invested in term deposits. Trade accounts payable and accrued liabilities are generally repaid within 30 days.

The Organization manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate instruments subject the Organization to a fair value risk while variable rate instruments subject it to a cash flow risk. The Organization is exposed to this risk for GIC's and mutual funds. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income investments.

The risks from the previous year have been updated to include interest rate risk.