

Financial Statements

Life Outreach International

December 31, 2024

(expressed in Canadian dollars)

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Operations and Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10

Independent Auditor's Report

To the Members of
Life Outreach International

Report on the audit of the financial statements

Doane Grant Thornton LLP
20th Floor
733 Seymour Street
Vancouver, BC
V6B 0S4
T +1 604 687 2711
F +1 604 685 6569

Opinion

We have audited the financial statements of Life Outreach International (the "Society"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 Society as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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 Society 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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Doane Grant Thornton LLP

Vancouver, Canada
May 15, 2025

Chartered Professional Accountants

Life Outreach International

Statement of Operations and Changes in Net Assets

(Expressed in Canadian Dollars)

Year ended December 31

2024

2023

Revenues

Donations	\$ 5,659,326	\$ 7,129,612
Product sales	310,752	267,025
Interest income	173,626	203,095
	<u>6,143,704</u>	<u>7,599,732</u>

Expenses

Ministry programs	4,633,876	4,835,240
Gifts and donations	1,254,200	1,280,700
Direct mail costs (Note 4)	807,773	917,823
Salaries and benefits	280,919	301,922
Postage and shipping (Note 4)	250,786	322,730
Product costs (Note 4)	230,310	246,971
Building expense	94,548	95,226
Operational overhead	81,848	92,394
Professional fees	59,842	47,228
Bank charges	58,359	71,930
Consulting fees (Note 4)	35,875	61,500
Amortization	34,541	34,541
Special events	1,868	2,332
	<u>7,824,745</u>	<u>8,310,537</u>

(Deficiency) of revenues over expenses

\$ (1,681,041) \$ (710,805)

Net assets, beginning of year

\$ 4,803,750 \$ 5,514,555

(Deficiency) of revenues over expenses

(1,681,041) (710,805)

Net assets, end of year

\$ 3,122,709 \$ 4,803,750

Life Outreach International

Statement of Financial Position

(Expressed in Canadian Dollars)

December 31

2024

2023

Assets

Current

Cash and cash equivalents	\$ 3,170,210	\$ 4,771,184
Inventory	46,053	91,645
Taxes receivable	108,554	106,326
Prepaid expenses	16,427	21,862
	<u>3,341,244</u>	<u>4,991,017</u>

Capital assets (Note 3)

	<u>397,059</u>	<u>431,600</u>
	<u>\$ 3,738,303</u>	<u>\$ 5,422,617</u>

Liabilities

Current

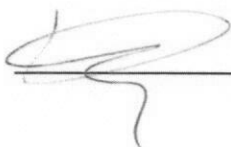
Accounts payable and accrued liabilities (Note 4)	\$ 592,843	\$ 590,712
Deferred revenue	22,751	28,155
	<u>615,594</u>	<u>618,867</u>

Net assets

	<u>3,122,709</u>	<u>4,803,750</u>
	<u>\$ 3,738,303</u>	<u>\$ 5,422,617</u>

Commitments (Note 6)

On behalf of the Board of Directors



Director



Director

Life Outreach International

Statement of Cash Flows

(Expressed in Canadian Dollars)

Year ended December 31

2024

2023

(Decrease) in cash and cash equivalents

Operating

(Deficiency) of revenues over expenses

\$ (1,681,041) \$ (710,805)

Item not involving cash

Amortization

34,541 34,541

(1,646,500) (676,264)

Change in non-cash operating working capital items

Inventory

45,592 (33,154)

Taxes receivable

(2,228) 12,437

Prepaid expenses

5,435 4,708

Accounts payable and accrued liabilities

2,131 87,100

Deferred revenue

(5,404) 23,804

(1,600,974) (581,369)

(Decrease) in cash and cash equivalents

(1,600,974) (581,369)

Cash and cash equivalents

Beginning of year

4,771,184 5,352,553

End of year

\$ 3,170,210 \$ 4,771,184