

Rhema Christian Ministries Canada Inc.
Financial Statements (Unaudited)
For the Year Ended December 31, 2023

Rhema Christian Ministries Canada Inc.
Statement of Financial Position
As at December 31, 2023

	Note	2023	2022
Assets			
Current Assets			
Cash		74,913	54,111
Amounts receivable		10,292	36,406
Prepaid expenses		4,262	2,421
Total Current Assets		<u>89,468</u>	<u>92,938</u>
Capital assets	(3)	<u>160,335</u>	<u>370,785</u>
Total Assets		249,803	463,723
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities		643,996	480,461
Taxes Recoverable Payable		58,123	-
Rent payable		-	938,226
Capital leases - current portion	(5)	2,094	9,111
Total Current Liabilities		<u>704,213</u>	<u>1,427,798</u>
Total Liabilities		<u>704,213</u>	<u>1,427,798</u>
Net Assets			
Unrestricted net assets (deficit)		<u>(454,410)</u>	<u>(964,075)</u>
Total Liabilities and Net Assets		249,803	463,723

Prepared by: Wondwosen Gebeyehu	<u>Position</u> Finance Manager	<u>Date</u> 27-Jun-24	<u>Sign.</u> 
Approved by: Akinwale Thompson	Chief Financial Office	28 th -Jun-24	

Rhema Christian Ministries Canada Inc.
Statement of Operations and Net Assets
For the Year Ended December 31, 2023

	2023	2022
Revenue		
Member contributions		\$1,558,058
	\$1,590,895	
Rental income (6)	120,178	110,325
Retail cafe and other income	4,412	726
Total Revenue	1,715,484	1,669,109
Operating expenditures		
Staffing costs	963,440	1,026,269
Occupancy costs	181,278	289,100
Consultants and contractors	226,867	233,864
Amortization	210,450	94,985
Office and general	64,997	69,586
Ministry	59,361	52,348
Program and donation expenses	67,911	43,438
Interest and bank charges	27,753	27,426
Insurance	19,392	17,599
Professional fees	8,419	12,165
Repairs and maintenance	22,604	11,761
Advertising and promotion	4,018	6,449
Equipment rental	31,058	6,368
Travel	6,511	3,923
Total operating expenses	1,894,061	1,895,281
Deficiency of revenue over expenditures from operations	(178,577)	(226,172)
Non operating revenues and (expenses)		
Rental subsidies	-	16,278
Wage subsidies	-	11,514
Impairment loss (6)	(69,600)	(127,748)
Total non operating revenues and (expenses)	(69,600)	(99,956)
Deficiency of revenue over expenditures	(248,177)	(326,128)
Net assets (deficit), beginning of year	(964,075)	(637,947)
Prior Year adjustment: (7)	757,842	0
Net assets (deficit), end of year	(454,410)	(964,075)

Prepared by: Wondwosen Gebeyehu

Position
Finance Manager

Date
27-Jun-24

Sign.



Approved by: Akinwale Thompson



Chief Financial
Office

28-Jun-24



Rhema Christian Ministries Canada Inc.
Statement of Cash Flows
For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
Cash flows from operations:		
Deficiency of revenues over expenses for the year		
Deficiency of revenues over expenses for the year	(248,177)	(326,128)
Amortization	210,450	94,985
Impairment loss	69,600	127,748
Decrease in accounts receivable	26,114	26,175
Increase in prepaid	(1,841)	(76)
(Decrease) increase in accounts payable and accrued liabilities	163,535	188,274
Increase (Decrease) in Tax recoverable	58,123	0
Increase (Decrease) in rent payable	(938,226)	158,526
Total net cash flows from operations	(660,422)	269,504
Cash flows from investing activities:		
Purchase of capital assets	0	(140,961)
Cash flows from financing activities:		
Increase in advances receivable	(69,600)	(127,748)
Decrease in capital leases (net of repayments)	(7,017)	(20,323)
Net cash used in financing activities	(76,617)	(148,071)
Net decrease during the year	(737,039)	(19,528)
Cash at beginning of year	54,111	73,639
Prior Year adjustment	757,842	0
Cash at end of year	74,914	54,111

Prepared by: Wondwosen Gebeyehu	<u>Position</u> Finance Manager	<u>Date</u> 27-Jun-24	<u>Sign.</u> 
Approved by: Akinwale Thompson	Chief Financial Office	28 th -Jun-24	

Rhema Christian Ministries Canada Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2023

(1) About Rhema Christian Ministries Canada Inc.

Rhema Christian Ministries Canada Inc. (the "Organization") is a not-for-profit organization incorporated in Ontario without share capital on January 14, 2000. The Organization is a people centred ministry with a mission to change and affect lives in the community and the world through spirituality, education, life care, housing, education and economics.

As a registered charity, the Organization is exempt from income tax under Section 149(1) of the Income Tax Act.

(2) Basis of preparation

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

(3) Significant accounting policies

(a) Capital assets

Amortization is provided for over the estimated useful lives as follows for the major classes of assets:

Furniture and equipment	20% declining balance method
Leasehold improvements	Straight-line over 5 years
Computer equipment	Straight-line over 3 years

(4) Significant accounting policies

(b) Revenue recognition

The Organization's principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.
- ii. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- iii. Retail cafe sales are recognized when the sale is completed at the cash till.

(c) Financial instruments and risk management

Financial assets and liabilities are carried at cost, which approximates their fair value.

(d) Use of estimates

The preparation of the 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 and disclosure of contingent 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 those estimates and may have impact on future periods.

(e) Related parties

Parties are considered related to the Organization if the Organization has the ability to, directly or indirectly, control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Organization and the party are subject to common control or common significant influence. Related parties may be either entities or individuals. Related party transactions are recorded at fair value.

(f) Donated services

Volunteers contribute a significant number of hours to assist the Organization in carrying out its service delivery, administration and Board activities. Since these services are not purchased by the Organization, such contributed services are not recognized in the financial statements.

(5) Capital leases

The Organization has the following obligations under capital leases:

Agreement, bearing imputed interest at 6% per annum, requiring blended monthly payments of \$1,870, final payment due May 1 2023.

	<u>2023</u>	<u>2022</u>
Balance	\$ 2,094	\$ 9,111
Less: current portion	<u>(2,094)</u>	<u>(9,111)</u>
Long-term portion	0	0

(6) Due from King's College Preparatory School Canada

It has been determined that the carrying value of the Due from King's College Preparatory School Canada asset cannot be supported by the expected amount of future cash flows from this asset; as such the carrying value has been recorded as an impairment loss. The balance consists of the following:

	<u>2022</u>	<u>2021</u>
Advances to King's College Preparatory School Canada	\$ 14,850	\$ 300,948
Rental charges	54,750	210,000
Provision for unrecoverable advances	<u>(69,600)</u>	<u>(510,948)</u>
Balance	\$0	\$0

(7) Lease Termination

During the financial year, the lease agreement with BGIS has been terminated. All outstanding payable prior to the lease surrender date has been discharged by the landlord.