



Edward & Manning ^{LLP}
Chartered Professional Accountants

Rhema Christian Ministries Canada Inc.

Financial Statements

December 31, 2024



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Independent Auditors' Report

To the Members of
Rhema Christian Ministries Canada Inc.

Qualified Opinion

We have audited the accompanying financial statements of Rhema Christian Ministries Canada Inc., which comprise the statement of financial position as at December 31, 2024 and the statements of operations and net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Rhema Christian Ministries Canada Inc. as at December 31, 2024, and the results of 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

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2024 and December 31, 2023, and net assets as at January 1, 2023, December 31, 2023, January 1, 2024 and December 31, 2024. Our audit opinion on the financial statements for the year ended December 31, 2024 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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.



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Independent Auditors' Report

continued

Other Matter

The financial statements for the year ended December 31, 2023 were not audited.

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 Rhema Christian Ministries Canada Inc.'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Rhema Christian Ministries Canada Inc.'s financial reporting process.

Auditors' 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 auditors' 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.



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Independent Auditors' Report

continued

- 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 Rhema Christian Ministries Canada Inc.'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 Rhema Christian Ministries Canada Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Rhema Christian Ministries Canada Inc. 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.

Edward & Manning LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
July 11, 2025

Rhema Christian Ministries Canada Inc.

Statement of Financial Position

As At December 31, 2024

	Note	2024	2023 (unaudited)
Assets			
Current Assets			
Cash	\$	35,999	\$ 74,913
Amounts receivable		10,292	10,292
Prepaid expenses		8,885	4,262
Total Current Assets		55,176	89,467
Capital assets	(6)	123,386	160,335
Total Assets	\$	178,562	\$ 249,802
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	\$	943,848	\$ 702,116
Capital leases - current portion		-	2,094
Total Current Liabilities		943,848	704,210
Net Assets			
Unrestricted deficit		(765,286)	(454,408)
Total Liabilities and Net Assets	\$	178,562	\$ 249,802

Approved on Behalf of the Board:

 , Director

 , Director

The accompanying notes are an integral part of these financial statements.

Rhema Christian Ministries Canada Inc.

Statement of Operations and Net Assets

For the Year Ended December 31, 2024

	2024	2023 (unaudited)
Revenue		
Member contributions	\$ 1,329,738	\$ 1,590,895
Other income	20,277	4,412
Rental income	-	120,178
Total Revenue	1,350,015	1,715,485
Operating expenditures		
Staffing costs	(5) 962,550	924,202
Consultants and contractors	201,121	226,867
Occupancy costs	178,421	181,278
Program and donation expenses	91,764	69,895
Ministry	76,664	59,361
Office and general	44,428	64,097
Amortization	36,949	210,450
Equipment rental	23,664	31,958
Interest and bank charges	16,974	27,753
Insurance	12,786	19,392
Professional fees	8,250	8,419
Repairs and maintenance	5,272	22,604
Advertising and promotion	1,426	2,034
Travel	624	6,511
Total operating expenses	1,660,893	1,854,821
Deficiency of revenue over expenditures from operations	(310,878)	(139,336)
Impairment loss	-	(69,600)
Deficiency of revenue over expenditures	(310,878)	(208,936)
Deficit, beginning of year	(454,408)	(964,075)
Other adjustment affecting net assets - rent recovery	-	718,603
Deficit, end of year	\$ (765,286)	\$ (454,408)

The accompanying notes are an integral part of these financial statements.

Rhema Christian Ministries Canada Inc.

Statement of Cash Flows

For the Year Ended December 31, 2024

	2024	2023 (unaudited)
Cash flows from operations:		
Deficiency of revenues over expenses for the year	\$ (310,878)	\$ (278,536)
Rent recovery, other adjustment affecting net assets	-	718,603
Amortization	36,949	210,450
Impairment loss	-	69,600
Decrease in accounts receivable	-	366
Increase in prepaid expenses	(4,623)	(1,841)
Increase in accounts payable and accrued liabilities	241,732	247,403
Decrease in rent payable	-	(938,226)
Total net cash flows from operations	(36,820)	27,819
Cash flows from investing activities:		
Cash flows from financing activities:		
Decrease in capital leases (net of repayments)	(2,094)	(7,017)
Cash used in financing activities	(2,094)	(7,017)
Net (decrease) increase during the year	(38,914)	20,802
Cash at beginning of year	74,913	54,111
Cash at end of year	\$ 35,999	\$ 74,913

The accompanying notes are an integral part of these financial statements.

Rhema Christian Ministries Canada Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2024

(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) Going concern

The Organization has incurred operating losses during the years ended December 31, 2024 and December 31, 2023, and has a significant working capital deficiency at December 31, 2024. The application of the going concern concept is dependent upon the ongoing support of the Organization's members to fund operations or the Organization's ability to obtain financing on reasonable terms until such time that the Organization is able to generate sufficient cash flow from operations.

If the Organization is unable to increase cash flows from operations or to secure adequate financing, there is a possibility that the Organization may be unable to realize its assets and to discharge its liabilities in the normal course of operations.

These financial statements are prepared on the basis of accounting principles applicable to a going concern which assumes that the Organization will be able to secure adequate funding or financing and realize its assets and discharge its liabilities in the normal course of operations. If the going concern assumption was not appropriate for these financial statements then adjustments would be necessary to the carrying value of the assets and liabilities.

(3) Basis of preparation

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

(4) 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
Computer equipment	Straight-line over 3 years

Rhema Christian Ministries Canada Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2024

(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. It is management's opinion that the Organization is not exposed to significant risk relating to financial instruments.

(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) Related party transactions

Included in staffing costs during the year are salary payments to corporate director's in the amount of \$324,493. These compensation payments were measured at the exchange amount.

Rhema Christian Ministries Canada Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2024

(6) Capital assets

Capital assets consist of the following:

			2024	2023 (unaudited)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 1,646,803	\$ (1,523,417)	\$ 123,386	\$ 154,233
Computer equipment	87,530	(87,530)	-	6,102
Total	\$ 1,734,333	\$ (1,610,947)	\$ 123,386	\$ 160,335

(7) Financial instruments and risk

The Organization does not face significant credit, currency, interest rate, liquidity or market risk exposure. The fair values of items that meet the definition of financial instruments approximate their carrying values. These items include cash, amounts receivable, prepaid expenses, accounts payable and accrued liabilities, and rent payable.

Exposure to credit risk

The Organization is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations.

The maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

	2024	2023 (unaudited)
Cash	\$ 35,999	\$ 74,913
Amounts receivable	10,292	10,292
Prepaid expenses	8,885	4,262
Total	\$ 55,176	\$ 89,467