CHRISTIAN AID MINISTRIES OF
WATERLOO >

financial statements

>YEAR ENDED MARCH 31, 2024

MAC LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

CHRISTIAN AID MINISTRIES OF WATERLOO>

financial statements

>YEAR ENDED MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Christian Aid Ministries of Waterloo:

Opinion

We have audited the financial statements of Christian Aid Ministries of Waterloo, the "Charity", which comprise the balance sheet as at March 31, 2024, and 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 the Charity as at March 31, 2024, and its financial performance and its 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 the Charity 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 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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity'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 Charity'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 Charity'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 Charity 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.

MAC LLP

Waterloo, Ontario
August 27, 2024

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

CHRISTIAN AID MINISTRIES OF WATERLOO>

statement of financial position

>MARCH 31, 2024

	2024	2023
assets		
current		
Cash	$ 3,290,896	$ 2,667,312
Current portion of long term investments (Note 3)	255,771	-
Accounts receivable	225,742	98,746
Inventory (Note 4)	962,942	435,356
Prepaid expenses	1,555	1,555
	4,736,906	3,202,969
non current		
Capital assets (Note 5)	3,464,147	3,430,520
Long term investments (Note 3)	3,811	254,359
	$ 8,204,864	$ 6,887,848
liabilities		
current		
Accounts payable and accrued liabilities	$ 1,308,271	$ 1,282,654
Government remittances payable	21,390	14,789
	1,329,661	1,297,443
net assets		
Unrestricted Net Assets	6,233,703	5,464,213
Externally Restricted	641,500	126,192
	6,875,203	5,590,405
	$ 8,204,864	$ 6,887,848

Approved on behalf of the board:

Director

Director

CHRISTIAN AID MINISTRIES OF WATERLOO>

statement of operations and changes in net assets

>YEAR ENDED MARCH 31, 2024

	unrestricted	externally restricted	2024 total	2023 total
revenue				
Donations	$ 2,944,064	$ 8,668,286	$11,612,350	$ 10,439,959
Books and CDs	57,304	-	57,304	56,464
Interest income	55,421	-	55,421	35,301
Other	15,176	-	15,176	13,447
	3,071,965	8,668,286	11,740,251	10,545,171
expenses				
Advertising and newsletter	198,862	-	198,862	180,300
Amortization	144,946	-	144,946	188,405
Books and CD's	46,535	-	46,535	40,906
Computer expense	17,688	-	17,688	13,870
Goods shipped overseas	-	-	-	19,003
Missions (Schedule A)	-	9,606,336	9,606,336	9,205,768
Moorefield facility costs	14,905	-	14,905	36,379
Office	128,592	-	128,592	189,274
Professional fees	12,993	-	12,993	11,433
Property tax	34,971	-	34,971	49,358
Repairs and maintenance	34,492	-	34,492	20,312
Travel	28,198	-	28,198	20,860
Vehicle	18,651	-	18,651	15,772
Wages and benefits	168,284	-	168,284	235,221
Warehouse operating and shipping	-	-	-	45,373
	849,117	9,606,336	10,455,453	10,272,234
excess of revenue over expenses for year	2,222,848	(938,050)	1,284,798	272,937
net assets, beginning of year	5,464,213	126,192	5,590,405	5,317,468
Transfers	(1,453,358)	1,453,358	-	-
balance, end of year	$ 6,233,703	$ 641,500	$ 6,875,203	$ 5,590,405

CHRISTIAN AID MINISTRIES OF WATERLOO>

statement of cash flows

>YEAR ENDED MARCH 31, 2024

	2024	2023
operating activities		
Excess of revenue over expenses for year	$ 1,284,798	$ 272,937
Adjustments for:		
Amortization	144,946	188,405
	1,429,744	461,342
Changes in non-cash working capital:		
Accounts receivable	(126,996)	84,466
Inventory	(527,586)	(143,439)
Accounts payable and accrued liabilities	25,614	531,341
Government remittances payable	6,601	1,768
	807,377	935,478
investing activities		
Purchase of capital assets	(178,570)	(39,468)
Investments	(5,223)	(4,101)
	(183,793)	(43,569)
Net change in cash for the year	623,584	891,909
Cash balance, beginning of year	2,667,312	1,775,403
cash balance, end of year	$ 3,290,896	$ 2,667,312

1. purpose of charity

The mission of Christian Aid Ministries of Waterloo, the "Charity", is to bring to the attention of the Christians of Canada the true state of Christians in less developed countries and thereby generate support to help with spiritual and material aid. The Charity operates in Moorefield, Ontario and it is incorporated under the Ontario Corporations Act as a not-for-profit organizations and is a registered charity for Canadian Income Tax purposes.

2. significant accounting policies

Basis of Accounting - These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting - The Charity follows the restricted fund method of accounting for contributions through the use of the following funds.

The Unrestricted fund reflects contributions received and expenses incurred towards the operation and administration of the Charity.

The Externally Restricted fund reflects contributions received and expenses incurred toward the various ministry programs outlined in the joint venture agreement with Christian Aid Ministries, Berlin, Ohio, USA as well as various other ministry programs.

Revenue Recognition - Restricted contributions related to the general operations of the Charity are recognized as revenue of the Unrestricted fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue in the appropriate restricted fund when received.

Unrestricted contributions are recognized as revenue in the Unrestricted fund in the year received.

Other income includes book and CD sales, interest and miscellaneous revenue. Book and CD sales are recognized when the item has been shipped to the buyer and collection is reasonably assured. Interest and miscellaneous revenue is recognized as earned.

Contributed Materials and Services - The Charity is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

The Charity receives contribution of materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair values can be determined. No contributed materials were recognized as donation revenue during the year.

The Charity receives contributions of produce and goods for distribution, the fair value of which may or may not be reasonably determinable. Contributed produce and goods for distribution are recognized as donations when fair values can be determined. During the year, $128,492 and $404,495 (2023 - $139,301 and $Nil) of contributed produce and goods for distribution respectively, was recognized.

Financial Instruments
Initial measurement - The Charity initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Charity in the transaction.

Subsequent measurement - The Charity subsequently measures all its financial assets and financial liabilities originated or exchanged in arm's length transactions at amortized cost. Financial assets and financial liabilities originated in related party transactions are subsequently measured at cost. Any reduction for impairment is recognized in the statement of operations, in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and long term investments

The Charity has not designated any financial asset or liability to be measured at fair value.

Transaction costs - The Charity recognizes its transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. The Charity recognizes its transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at costs or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight line method.

Impairment - For financial assets measured at cost or amortized cost, the Charity determines whether there are indications of possible impairment. When there are, and the Charity determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Cash - Cash consists of cash on hand and bank balances.

Inventory - Inventory consisting of books and CD's is stated at the lower of cost and net realizable value. Inventory consisting of dried and wet produce includes raw materials, direct labour costs and production overhead based on normal capacity of the production facilities. The inventory is stated at the lower of cost and current replacement cost. The final product is distributed to the needy at no charge. Inventory consisting of donated goods for distribution, are initially measured at fair market value and subsequently stated at the lower of cost and current replacement cost.

Capital Assets and Amortization - Capital assets are recorded at historical cost. Amortization, commencing in the year following acquisition, is provided in the accounts using the following methods and annual rates:

Asset	Method	Rate
Building	Straight-line	40 years

Office furniture	Straight-line	3-10 years
Machinery and equipment	Straight-line	8 years
Vehicles	Straight-line	3 years

Capital assets acquired during the year are amortized at one half the above annual rates.

Disclosure and 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

Estimates are used when accounting for certain items such as revenues, inventory, allowance for doubtful accounts, useful lives of capital assets and asset impairments.

3. long term investments

The major categories of other investments are as follows:

	2024	2023
Member and owner shares in Kindred Credit Union	$ 3,811	$ 2,758
Cashable guaranteed investment certificate bearing interest at 1.55% maturing June 2024	118,593	116,782
Cashable guaranteed investment certificate bearing interest at 1.75% maturing October 2024	137,178	134,819
	259,582	254,359
Less investments maturing within one year	255,771	-
	$ 3,811	$ 254,359

4. inventory

Inventory is comprised of the following:

	2024	2023
Books and CD's	21,701	15,048
Project Centre	500,186	95,691
Wet Produce	9,626	9,717
Dried Produce	431,221	314,714
Miscellaneous	208	186
	$ 962,942	$ 435,356

5. capital assets

	cost	accumulated amortization	net 2024	net 2023
Land	$ 257,968	$ -	$ 257,968	$ 257,968
Buildings	3,446,669	422,927	3,023,742	3,109,908
Office Furniture	115,348	91,412	23,936	37,637
Machinery and Equipment	273,451	273,451	-	-
Vehicles	352,149	193,648	158,501	25,007
	$ 4,445,585	$ 981,438	$ 3,464,147	$ 3,430,520

6. related party transaction

The Charity provides ministry programs within a joint venture agreement with Christian Aid Ministries, Berlin, Ohio, USA (CAM Ohio). Both parties contribute equally to programs managed by the joint venture.

	2024	2023
Total amount contributed to joint venture	$ 7,757,939	$ 5,905,803
Accounts payable to joint venture	$ 1,110,462	$ 1,196,398
Accounts payable to CAM Ohio	$ 23,373	$ 5,516
Accounts receivable from joint venture	$ 83,148	$ 44,363

7. financial instruments

Risk Management - The significant risk to which the Charity is exposed is interest rate risk, currency risk and liquidity risk.

Interest Rate Risk - The Charity's interest-bearing assets include long term investments.

The Charity manages its portfolio based on its cash flow needs.

The average interest rate for the year was 1.65% (2023 - 1.65%) on other investments with investments in guaranteed investment certificates.

Currency Risk - The Charity funds approximately 74% (2023 - 74%) of the mission program costs with United Stated Dollars (USD). Consequently, some assets, liabilities, revenues and expenses are exposed to foreign exchange fluctuations. As at March 31, 2024, cash of $55,235 (2023 - $41,679), accounts receivable of $62,050 (2023 - $32,782) and accounts payable of $828,703 (2023 - $892,834) are denominated in US dollars.

Liquidity Risk - Liquidity risk is the risk that the Charity will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Charity's cash requirements.

CHRISTIAN AID MINISTRIES OF WATERLOO>

schedule A - changes in restricted fund balances

>YEAR ENDED MARCH 31, 2024

	Beginning of year	Revenues	Disbursements	Interest	Transfer	End of year
Food Parcel Program	$ -	$ 175,506	$ 226,373	$ -	$ 50,867	$ -
World Hunger Fund	-	208,277	267,343	-	59,066	-
Help for the Elderly	-	70,366	95,244	-	24,878	-
Support a Widow	-	153,642	202,140	-	48,498	-
Haiti Sponsor a Child	-	182,343	229,404	-	47,060	-
Sponsor a Refugee Child	-	898	4,424	-	3,526	-
Medicines for Multitudes	-	92,633	168,678	-	76,045	-
Support an Orphan	-	463,571	540,340	-	76,769	-
Bibles for the World	-	2,909,549	2,953,625	-	44,076	-
Christian Family Magazine	-	79,396	89,440	-	10,045	-
Family Self Support	-	91,702	138,804	-	47,102	-
Warm a Family	-	128,197	165,969	-	37,772	-
Blankets for the Poor	-	3,037	13,429	-	10,392	-
Water for the World	13,688	53,696	93,190	-	25,806	-
Biblical Discipleship Centers	-	7,765	29,395	-	21,630	-
Milk for Many Mouths	-	36,578	78,529	-	41,951	-
Billboard Evangelism	-	532,782	575,701	-	42,919	-
SALT Microfinance	-	154,775	196,667	-	41,892	-
Middle East Ministries	-	21,903	115,929	-	94,026	-
Hope for the Handicapped	-	26,739	66,324	-	39,585	-
Egypt Sponsor a Child	-	25,183	26,369	-	1,186	-
Christian Schooling Eastern Europe	-	500	6,650	-	6,150	-
International Crisis	-	1,083,660	1,218,850	-	135,190	-
Reapers of Hope	-	536,821	426,512	-	-	110,309
Rapid Response Services	-	274,945	249,123	-	-	25,822
The Projects Centre	-	411,829	159,471	-	-	252,358
Shipping Relief	-	230,965	227,954	-	-	3,011
Gifts in kind	-	128,492	128,492	-	-	-
Moorefield building and equipment	-	-	20,944	-	20,944	-
Building Addition - CAM West	-	250,000	-	-	-	250,000
Bibles for the Word International	-	43,875	156,916	-	113,041	-
Reaching Out to Canada	-	-	4,449	-	4,449	-
Migrant Harvest Worker	-	60,583	166,480	-	105,897	-
International Aid	112,504	142,619	255,123	-	-	-
Water Needs International	-	-	16,500	-	16,500	-
Other Needs International	-	-	38,500	-	38,500	-
Project Kit Funds	-	85,459	253,055	-	167,596	-
	$ 126,192	$ 8,668,286	$ 9,606,336	$ -	$ 1,453,358	$ 641,500