CHRISTIAN AID MINISTRIES OF WATERLOO >

financial statements

>YEAR ENDED MARCH 31, 2025

MAC LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

CHRISTIAN AID MINISTRIES OF WATERLOO>

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>YEAR ENDED MARCH 31, 2025

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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, 2025, 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, 2025, 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 25, 2025

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

CHRISTIAN AID MINISTRIES OF WATERLOO>

statement of financial position

>MARCH 31, 2025

	2025	2024
assets		
current		
Cash	$ 3,636,124	$ 3,290,896
Current portion of long term investments (Note 3)	594,882	255,771
Accounts receivable	104,346	225,742
Inventory (Note 4)	1,393,516	962,942
Prepaid expenses	1,555	1,555
	5,730,423	4,736,906
non current		
Capital assets (Note 5)	3,403,179	3,464,147
Long term investments (Note 3)	588,958	3,811
	$ 9,722,560	$ 8,204,864
liabilities		
current		
Accounts payable and accrued liabilities	$ 1,787,751	$ 1,308,271
Government remittances payable	25,190	21,390
	1,812,941	1,329,661
net assets		
Unrestricted Net Assets	7,120,306	6,233,703
Externally Restricted	789,313	641,500
	7,909,619	6,875,203
	$ 9,722,560	$ 8,204,864

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, 2025

	unrestricted	externally restricted	2025 total	2024 total
revenue				
Donations	$ 5,440,543	$11,419,429	$16,859,972	$ 11,612,350
Books and CDs	55,153	-	55,153	57,304
Interest income	117,221	-	117,221	55,421
Other	51,458	-	51,458	15,176
	5,664,375	11,419,429	17,083,804	11,740,251
expenses				
Advertising and newsletter	191,932	-	191,932	198,862
Amortization	178,418	-	178,418	144,946
Books and CD's	40,486	-	40,486	46,535
Computer expense	17,858	-	17,858	17,688
Missions (Schedule A)	-	14,941,784	14,941,784	9,606,336
Moorefield facility costs	23,582	-	23,582	14,905
Office	362,161	-	362,161	128,592
Professional fees	14,032	-	14,032	12,993
Property tax	36,270	-	36,270	34,971
Repairs and maintenance	18,367	-	18,367	34,492
Travel	39,061	-	39,061	28,198
Vehicle	-	-	-	18,651
Wages and benefits	185,437	-	185,437	168,284
	1,107,604	14,941,784	16,049,388	10,455,453
excess of revenue over expenses for year	4,556,771	(3,522,355)	1,034,416	1,284,798
net assets, beginning of year	6,233,703	641,500	6,875,203	5,590,405
Transfers	(3,670,168)	3,670,168	-	-
balance, end of year	$ 7,120,306	$ 789,313	$ 7,909,619	$ 6,875,203

CHRISTIAN AID MINISTRIES OF WATERLOO>

statement of cash flows

>YEAR ENDED MARCH 31, 2025

	2025	2024
operating activities		
Excess of revenue over expenses for year	$ 1,034,416	$ 1,284,798
Adjustments for:		
Amortization	178,418	144,946
	1,212,834	1,429,744
Changes in non-cash working capital:		
Accounts receivable	121,396	(126,996)
Inventory	(430,573)	(527,586)
Accounts payable and accrued liabilities	479,482	25,614
Government remittances payable	3,800	6,601
	1,386,939	807,377
investing activities		
Purchase of capital assets	(117,452)	(178,570)
Investments	(924,259)	(5,223)
	(1,041,711)	(183,793)
Net change in cash for the year	345,228	623,584
Cash balance, beginning of year	3,290,896	2,667,312
cash balance, end of year	$ 3,636,124	$ 3,290,896

notes to financial statements

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, $264,262 and $474,543 (2024 - $128,492 and $404,495) 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 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 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.

Cloud Computing Arrangements - At the inception of a cloud computing arrangement, the Charity allocates the consideration to significant separable elements based on their specific sales price. Development costs and costs related to the right to use a tangible asset are recognized according to the applicable accounting policies for such elements.

To account for expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Charity has opted for the simplification approach. Accordingly, such expenditures are treated as the supply of services and recognized as an expense when the services are received. These expenses are presented under the "Computer expense" line on the income statement.

The Charity recognizes prepayments as an asset when payments are made in advance for services not yet received. These prepayments are subsequently expensed as the services are consumed.

Costs related to implementation activities, including configuration and customization, are expensed as incurred unless they meet the criteria for capitalization under other applicable accounting standards.

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:

	2025	2024
Member and owner shares in Kindred Credit Union	$ 4,367	$ 3,811
Various cashable guaranteed investment certificates, bearing interest rates from 3.77% to 4.98%, maturing between July 2025 and January 2027	1,179,473	-
Cashable guaranteed investment certificate bearing interest at 1.55% maturing June 2024	-	118,593
Cashable guaranteed investment certificate bearing interest at 1.75% maturing October 2024	-	137,178
	1,183,840	259,582
Less investments maturing within one year	594,882	255,771
	$ 588,958	$ 3,811

4. inventory

Inventory is comprised of the following:

	2025	2024
Books and CD's	22,747	21,701
Project Centre	974,730	500,186
Wet Produce	9,626	9,626
Dried Produce	386,205	431,221
Miscellaneous	208	208
	$ 1,393,516	$ 962,942

5. capital assets

	cost	accumulated amortization	net 2025	net 2024
Land	$ 257,968	$ -	$ 257,968	$ 257,968
Buildings	3,446,669	509,094	2,937,575	3,023,742
Office Furniture	168,514	107,090	61,424	23,936
Machinery and Equipment	295,359	274,820	20,539	-
Vehicles	394,526	268,853	125,673	158,501
	$ 4,563,036	$ 1,159,857	$ 3,403,179	$ 3,464,147

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.

	2025	2024
Total amount contributed to joint venture	**$12,795,150**	$ 7,757,939
Accounts payable to joint venture	**$ 1,561,333**	$ 1,110,462
Accounts payable to CAM Ohio	**$ 9,871**	$ 23,373
Accounts receivable from joint venture	**$ 74,281**	$ 83,148

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 4.58% (2024 - 1.65%) on other investments with investments in guaranteed investment certificates.

Currency Risk - The Charity funds approximately 80% (2024 - 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, 2025, cash of $32,588 (2024 - $55,235), accounts receivable of $51,584 (2024 - $62,050) and accounts payable of $1,093,361 (2024 - $828,703) 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.

schedule A - changes in restricted fund balances

>YEAR ENDED MARCH 31, 2025

	Beginning of year	Revenues	Disbursements	Interest	Transfer	End of year
Food Parcel Program	$ -	$ 167,061	$ 291,187	$ -	$ 124,126	$ -
World Hunger Fund	-	227,816	386,398	-	158,582	-
Help for the Elderly	-	58,346	112,514	-	54,168	-
Support a Widow	-	95,927	177,386	-	81,459	-
Haiti Sponsor a Child	-	169,606	315,940	-	146,334	-
Sponsor a Refugee Child	-	5,722	6,914	-	1,192	-
Medicines for Multitudes	-	113,684	180,645	-	66,961	-
Support an Orphan	-	431,211	735,747	-	304,536	-
Bibles for the World	-	6,323,692	6,743,549	-	419,857	-
Christian Family Magazine	-	72,119	120,234	-	48,115	-
Family Self Support	-	100,422	174,934	-	74,512	-
Warm a Family	-	121,281	250,018	-	128,737	-
Blankets for the Poor	-	1,160	9,300	-	8,140	-
Water for the World	-	97,091	172,143	-	75,052	-
Biblical Discipleship Centers	-	15,745	33,396	-	17,651	-
Milk for Many Mouths	-	17,049	98,327	-	81,278	-
Billboard Evangelism	-	569,329	971,707	-	402,378	-
SALT Microfinance	-	138,986	296,193	-	157,207	-
Middle East Ministries	-	29,193	86,395	-	57,202	-
Hope for the Handicapped	-	52,155	54,447	-	2,292	-
Egypt Sponsor a Child	-	43,071	41,854	-	-	1,217
Christian Schooling Eastern Europe	-	3,140	5,012	-	1,872	-
International Crisis	-	1,098,078	1,430,818	-	332,740	-
Reapers of Hope	110,309	275,966	530,582	-	144,307	-
Rapid Response Services	25,822	57,435	138,648	-	55,391	-
The Projects Centre	252,358	486,929	211,306	-	-	527,981
Shipping Relief	3,011	129,874	208,798	-	75,913	-
Gifts in kind	-	264,262	264,262	-	-	-
Moorefield building and equipment	-	-	14,119	-	14,119	-
Building Addition - CAM West	250,000	9,100	-	-	-	259,100
Bibles for the Word International	-	30,075	171,063	-	140,988	-
Reaching Out to Canada	-	1,050	21,478	-	20,428	-
Migrant Harvest Worker	-	81,675	173,464	-	91,789	-
International Aid	-	18,145	115,750	-	97,605	-
Water Needs International	-	-	8,250	-	8,250	-
Other Needs International	-	-	38,500	-	38,500	-
Project Kit Funds	-	61,299	214,468	-	153,169	-
Potatos for the Poor	-	6,720	11,396	-	4,676	-

Widows Care Fund	-	28,553	103,046	-	74,493	-
Christian Martyr's Fund	-	89	-	-	-	89
Jericho Road Program	-	13	-	-	-	13
Child Rescue	-	12,210	11,297	-	-	913
Project baby Moses	-	4,150	10,299	-	6,149	-
	$ 641,500	$ 11,419,429	$ 14,941,784	$ -	$ 3,670,168	$ 789,313