

**ELIM FELLOWSHIP CANADA**  
FINANCIAL STATEMENTS

DECEMBER 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

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To: The Board of Directors of  
Elim Fellowship Canada

### *Qualified Opinion*

We have audited the financial statements of Elim Fellowship Canada (the Corporation), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Corporation derives revenue from donations and fundraising activities 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 Corporation. Therefore, we were not able to determine whether any adjustments might be necessary to donations or fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation 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 qualified opinion.

### *Responsibilities of Management and the Board of Directors for the Financial Statements*

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as the Board of Directors determine 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, the Board of Directors are responsible for assessing the Corporation'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 the Board of Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

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## INDEPENDENT AUDITOR'S REPORT, continued

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Those charged with governance are responsible for overseeing the Corporation'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 Corporation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ◆ Conclude on the appropriateness of the Board of Directors' 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 Corporation'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 Corporation 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.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*BLR, LLP*

Waterdown, Ontario  
June 18, 2024

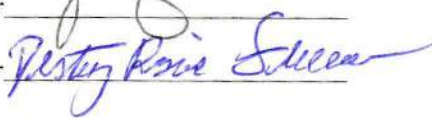
Chartered Professional Accountants  
Licensed Public Accountants

**ELIM FELLOWSHIP CANADA**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2023

	2023	2022
<b>ASSETS</b>		
CURRENT		
Cash	\$ 20,772	\$ 22,497
HST Public Service Bodies' (PSB) rebate receivable	<u>725</u>	<u>456</u>
	<u>\$ 21,497</u>	<u>\$ 22,953</u>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 17,968	\$ 21,819
Government remittances payable	854	-
Loan payable	<u>-</u>	<u>10,000</u>
	18,822	31,819
<b>NET ASSETS</b>	<u>2,675</u>	<u>(8,866)</u>
	<u>\$ 21,497</u>	<u>\$ 22,953</u>

On behalf of the Board of Directors

Director 

Director 

**ELIM FELLOWSHIP CANADA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>2023</b>	<b>2022</b>
<b>Net Assets, beginning of year</b>	<b>\$ (8,866)</b>	<b>\$ 7,871</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<u><b>11,541</b></u>	<u><b>(16,737)</b></u>
<b>NET ASSETS, END OF YEAR</b>	<u><u><b>\$ 2,675</b></u></u>	<u><u><b>\$ (8,866)</b></u></u>

# ELIM FELLOWSHIP CANADA

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
<b>REVENUE</b>		
Missions	\$ 142,188	\$ 158,157
Ministerial support	49,243	50,281
Credentials	11,371	11,533
Annual general meeting conference	9,575	7,272
General donations	<u>8,294</u>	<u>8,026</u>
	<u>220,671</u>	<u>235,269</u>
<b>EXPENDITURES</b>		
Annual general meeting conference	8,462	7,554
Council of Elders meetings	950	-
Equipment leasing and copy charges	1,766	1,542
Insurance	2,833	2,836
Interest and bank charges	500	450
Memberships	-	120
Miscellaneous	688	621
Missions	128,130	141,819
Office	1,358	1,237
Postage	491	665
Professional fees	2,805	3,014
Telephone	1,043	996
Translation services	513	187
Travel	2,046	956
Wages	57,545	86,009
Website maintenance and hosting	<u>-</u>	<u>4,000</u>
	<u>209,130</u>	<u>252,006</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<u>\$ 11,541</u>	<u>\$ (16,737)</u>

# ELIM FELLOWSHIP CANADA

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
<b>CASH PROVIDED BY (USED FOR) OPERATIONS</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	\$ 11,541	\$ (16,737)
Change in non-cash operating working capital items		
Prepaid expenses	-	1,281
HST Public Service Bodies' (PSB) rebate receivable	(269)	(16)
Accounts payable and accrued liabilities	(3,851)	18,445
Government remittances payable	854	(2,060)
Loan payable	<u>(10,000)</u>	<u>10,000</u>
<b>CHANGE IN CASH POSITION</b>	<b>(1,725)</b>	<b>10,913</b>
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u><b>22,497</b></u>	<u><b>11,584</b></u>
<b>CASH POSITION, END OF YEAR</b>	<u><u><b>\$ 20,772</b></u></u>	<u><u><b>\$ 22,497</b></u></u>

# ELIM FELLOWSHIP CANADA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### NATURE OF OPERATIONS

Elim Fellowship Canada (the Corporation) is an association of churches, ministries, ministers and missionaries seeking to serve the whole body of Christ. The Corporation is of Pentecostal conviction and charismatic orientation providing credentials and counsel for ministers and offering counsel to and encouraging fellowship among local churches.

The Corporation was incorporated as a Canadian corporation without share capital, located in the City of Brantford in the county of Brant and is in affiliation with Elim Fellowship, Lima, New York. The Corporation became a registered charity on April 30, 1984 and files a Registered Charity Information Return with Canada Revenue Agency annually. The Corporation is exempt from income tax under paragraph 149 of the Income Tax Act.

### I. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

#### (a) Revenue recognition

The Corporation follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

All other revenue is recognized when amounts become known and collection is reasonably assured.

#### (b) Capital assets

Capital assets are recorded as expenses in the year they are acquired. There were no acquisitions in 2023 or 2022.

#### (c) Financial instruments

The Corporation initially measures its financial assets and liabilities at cost which is fair value. It subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost on a straight-line basis include cash. Financial liabilities measured at amortized cost on a straight-line basis include accounts payable.

# ELIM FELLOWSHIP CANADA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### I. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) Use of estimates

The preparation of financial statements in conformity 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 revenue and expenses during the year. Actual results may vary from the current estimates. Estimates are used in accrued liabilities and contingent liabilities. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

#### (e) Contributed services

Volunteers contribute time to assist the Corporation in carrying out its various programs. While these services benefit the Corporation considerably, a reasonable estimate of the amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

### 2. RELATED PARTY TRANSACTIONS

The Corporation is related to all members of the Board of Directors based on their control of the management of the Corporation. Board members receive no compensation for their positions on the Board of Directors.

### 3. FINANCIAL INSTRUMENTS AND RISK

It is the Board of Directors' opinion that the Corporation is not exposed to significant risks relating to its financial instruments other than as described below. It is the Board of Directors' opinion that these are low risk. This assessment of risk is consistent with the prior year.

#### Liquidity risk

The Corporation does have a liquidity risk in the accounts payable and accrued liabilities of \$17,968 (2022 - \$21,819). Liquidity risk is the risk that the Corporation cannot repay its obligations when they become due to its creditors. The Corporation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. In the opinion of management the liquidity risk exposure to the Corporation is low and is not material.