# EMMANUEL BAPTIST CHURCH
## Financial Statements

Year Ended December 31, 2025

REYNOLDS & CANTELO CPA
PROFESSIONAL CORPORATION

# EMMANUEL BAPTIST CHURCH

Index to the Financial Statements
Year Ended December 31, 2025

## Contents


| | Page |
|---|---|
| Auditors' Report | 3-4 |
| Balance Sheet | 5 |
| Statement of Retained Earnings | 6 |
| Statement of Income | 7 |
| Statement of Cash Flows | 8 |
| Notes to the Financial Statements | 9-10 |

## INDEPENDENT AUDITOR'S REPORT

To the Directors of EMMANUEL BAPTIST CHURCH

**Qualified Opinion**
We have audited the accompanying financial statements of EMMANUEL BAPTIST CHURCH, which comprise the balance sheet as at December 31, 2025, and the statements of revenue and expenses, 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 effect of any adjustments, if any, which we might have determined to be necessary had we been able to satisfy myself concerning the completeness of the donations and fundraisers referred to in the Basis for qualified opinion paragraphs, these financial statements present fairly, in all material respects, the financial position of EMMANUEL BAPTIST CHURCH as at December 31, 2025, 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.

**Basis for qualified opinion**
In common with many not-for-profit organizations, the organization derives revenue from donations and fundraisers, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the corporation and I was not able to determine whether any adjustments might be necessary to revenue, excess revenue over expenses, assets, net assets and cash flows from operations.

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 my 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 my 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the Organization's financial reporting process.

**Auditor's Responsibility 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 my 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 internal control

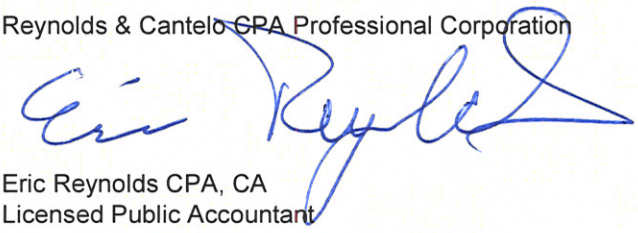
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 I identify during my audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Reynolds & Cantelo CPA Professional Corporation



Eric Reynolds CPA, CA
Licensed Public Accountant

Picton, Ontario
May 11, 2026

# EMMANUEL BAPTIST CHURCH

Statement of Financial Position as at December 31, 2025

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **ASSETS** | | |
| Current | | |
| Cash | 316,159 | 260,327 |
| Due from government | 19,571 | 4,944 |
| | 335,730 | 265,271 |
| Property, plant and equipment (note 5) | 816,000 | 835,000 |
| | 1,151,730 | 1,100,271 |
| **LIABILITIES AND MEMBERS' EQUITY** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 16,106 | 9,013 |
| | 16,106 | 9,013 |
| Members' equity | | |
| Net assets | 1,135,624 | 1,091,258 |
| | 1,135,624 | 1,091,258 |
| | 1,151,730 | 1,100,271 |

See accompanying notes to the financial statements

Approved by:

Director: _____

Director: _____

# EMMANUEL BAPTIST CHURCH

Statement of Net Assets for the year ended December 31, 2025

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Net assets, beginning of the year | 1,091,258 | 1,008,075 |
| Net income | 44,366 | 83,183 |
| Net assets, end of the year | 1,135,624 | 1,091,258 |

# EMMANUEL BAPTIST CHURCH

Statement of Income for the year ended December 31, 2025

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Revenue** | | |
| Receipted donation | 792,310 | 841,673 |
| Non-receipted donations | 101,948 | 90,870 |
| Other revenue | 4,213 | 4,196 |
| | 898,471 | 936,739 |
| **Operating Expenses:** | | |
| Salaries and wages | 431,791 | 392,619 |
| Ministry and Missions | 159,084 | 172,957 |
| Programs | 79,991 | 114,857 |
| Repairs and maintenance | 67,507 | 49,998 |
| Advertising and promotion | 26,346 | 12,756 |
| Utilities | 19,267 | 20,848 |
| Amortization of property, plant and equipment | 19,000 | 18,972 |
| Office expenses | 16,085 | 22,016 |
| Professional fees | 9,375 | 5,873 |
| Insurance | 8,823 | 8,519 |
| Interest and bank charges | 5,080 | 4,259 |
| Supplies | 4,872 | 5,581 |
| | 847,221 | 829,255 |
| **Net income before other items and taxes** | 51,250 | 107,484 |
| **Other income (expenses):** | | |
| Lovesong and Affordable Housing, net | (6,884) | (24,301) |
| **Net income** | 44,366 | 83,183 |

See accompanying notes to the financial statements

# EMMANUEL BAPTIST CHURCH

Statement of Cash Flows for the year ended December 31, 2025

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income | 44,366 | 83,183 |
| Items not affecting cash: | | |
| Amortization of property, plant and equipment | 19,000 | 18,972 |
| Changes in non-cash working capital: | | |
| Accounts payable and accrued liabilities | 7,093 | 1,307 |
| Due to/from government | (14,627) | 11,820 |
| Net cash provided by operating activities | 55,832 | 115,282 |
| **Net increase in cash and cash equivalents** | 55,832 | 115,282 |
| Cash and cash equivalents at the beginning of the year | 260,327 | 145,045 |
| **Cash and cash equivalents at the end of the year** | 316,159 | 260,327 |
| **Cash and cash equivalents consists of:** | | |
| Cash | 316,159 | 260,327 |
| | 316,159 | 260,327 |

# EMMANUEL BAPTIST CHURCH

Notes to Financial Statements
Year Ended December 31, 2025

## 1. Nature of the organization

The Emmanuel Baptist Church is a registered charity incorporated without share capital under the laws of Ontario to provide educational services and culture to church members in the community.

## 2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant for the Company.

Revenue Recognition:

Emmanuel Baptist Church follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed Materials and Services:

Donated materials are recorded at the amount for which charitable receipts was issued. Donated services are not recorded by Corporation.

Capital Assets:

Purchased capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on buildings at a rate of 1% declining balance in the initial year and 2% thereafter. Amortization is provided on paving at a rate of 7.5% declining balance in the initial year and 15% thereafter.

Use of Estimates:

The preparation of financial statements, in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Differences in actual results from prior estimates are taken into account at the time the differences are determined. Significant financial statement items that require the use of estimates are accruals.

## 3. Financial Instruments

The Organization's financial instruments consist of cash, investments and accounts payable and accruals. These financial instruments are reported at fair market value.

## 4. Capital Disclosures

The Corporation defines its capital as its unrestricted net assets and is not subject to external restrictions on its capital. The Corporation's objective when managing its capital is to hold sufficient unrestricted net assets to maintain the stability of its financial structure enabling it to focus its efforts on serving its members.

# EMMANUEL BAPTIST CHURCH

Notes to Financial Statements
Year Ended December 31, 2025

## 5. Capital Assets

Capital assets consist of the following:

| | 2025 | | | 2024 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net | Net |
| | $ | $ | $ | $ |
| Buildings | 938,544 | 127,544 | 811,000 | 828,000 |
| Paving | 11,215 | 6,215 | 5,000 | 7,000 |
| | 949,759 | 133,759 | 816,000 | 835,000 |

## 6. Financial Risks

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at December 31, 2025.

a.) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect to accounts payables and accruals.

## 7. Subsequent Events

These financial statements were prepared using accounting standards that apply to an operating Organization. This assumes that the Organization will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.