



## Financial Statements

Hope Bible Church Ottawa

August 31, 2025

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## Independent Practitioner's Review Engagement Report

To the Members of  
**Hope Bible Church Ottawa**

We have reviewed the accompanying financial statements of Hope Bible Church Ottawa that comprise the statement of financial position as at August 31, 2025, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility 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.

### **Practitioner's responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Hope Bible Church Ottawa as at August 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.



Toronto, Canada  
January 8, 2026

Chartered Professional Accountants  
Licensed Public Accountants

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# Hope Bible Church Ottawa

## Statement of Financial Position

August 31

2025  
(Note 1)

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### Assets

#### Current

Cash	\$ 41,203
Accounts receivable	1,277
Prepaid expenses	<u>1,000</u>
	<b>43,480</b>

Capital assets (Note 3)	<u>7,080</u>
	<b>\$ 50,560</b>

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### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 16,439
Deferred revenue	<u>3,875</u>
	<b>20,314</b>

Unrestricted net assets	<u>30,246</u>
	<b>\$ 50,560</b>

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On behalf of the Board of Elders



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Elder



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Elder

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# Hope Bible Church Ottawa

## Statements of Operations and Changes in Net Assets

Year ended August 31

2025  
(Note 1)

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Revenue	
Offerings (Note 4)	\$ 290,992
Gift from Hope Bible Church Oakville (Note 4)	45,000
Other income	5,793
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	341,785
Expenditures	
Ministry operations	225,463
Administration	48,131
Building and property	32,895
Missions	23,081
Family ministries	4,051
Amortization	2,795
Worship and production	2,603
Adult ministries	710
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	339,729
Excess of revenue over expenditures before other item	2,056
Loan forgiveness (Note 4)	<hr/> 140,284
Excess of revenue over expenditures	\$ 142,340
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Unrestricted net assets, beginning of year	\$ -
Excess of revenue over expenditures	142,340
Asset transfer from Hope Bible Church Oakville (Note 4)	<hr/> (112,094)
Unrestricted net assets, end of year	\$ 30,246
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# Hope Bible Church Ottawa

## Statement of Cash Flows

Year ended August 31

2025  
(Note 1)

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Increase (decrease) in cash

### Operating

Excess of revenue over expenditures	\$ 142,340
Item not affecting cash	
Amortization	<u>2,795</u>
	145,135
Change in non-cash working capital items	
Accounts receivable	(1,277)
Prepaid expenses	(1,000)
Accounts payable and accrued liabilities	16,439
Deferred revenue	<u>3,875</u>
	163,172

### Financing

Transfer from Hope Bible Church Oakville	(112,094)
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### Investing

Capital assets transferred from Hope Bible Church Oakville	<u>(9,875)</u>
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Increase in cash

Cash	
Beginning of year	<u>-</u>
End of year	\$ 41,203

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# Hope Bible Church Ottawa

## Notes to the Financial Statements

August 31, 2025

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### 1. Nature of operations

Hope Bible Church Ottawa (the "Church") is incorporated under the laws of Ontario and is registered as a charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Church must meet certain requirements of the Act.

Effective September 1, 2024, the Church began operations as a separate legal charity. The Church adopted Canadian accounting standards for not-for-profit organizations ("ASNPO") upon the commencement of operations. Therefore, there are no adjustments at the date of adoption as the date coincides with the commencement of operations and there are no comparative figures as it is the first year of operations. The Church was inactive from incorporation to September 1, 2024.

On September 1, 2024, the assets and liabilities pertaining to an Ottawa church plant of Hope Bible Church Oakville ("HBCO") were transferred to the Church (Note 4).

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### 2. Significant accounting policies

These financial statements have been prepared in accordance with ASNPO. ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The significant accounting policies selected by the Church and applied in these financial statements are as follows.

#### Revenue recognition

The Church follows the deferral method of accounting for contributions. Externally restricted contributions received are recorded as deferred contributions and recognized as revenue in the period in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received.

Other income is recognized as earned. Income received in advance of the service provided is recorded as deferred revenue and recognized as revenue in the period in which the service is provided.

#### Contributed services

Volunteers contribute a substantial number of hours each period to assist the Church in carrying out its mission. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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# Hope Bible Church Ottawa

## Notes to the Financial Statements

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August 31, 2025

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### 2. Significant accounting policies (continued)

#### Financial instruments

The Church considers any contract creating a financial asset, liability, or equity instrument as a financial instrument. The Church's financial instruments comprise cash, accounts receivable, and accounts payable.

Financial assets and liabilities obtained in arm's length transactions are initially recorded at their fair value and subsequently measured at amortized cost. Financial assets and liabilities in related party transactions are initially and subsequently measured at cost.

For financial assets measured at cost or amortized cost, the Church regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations.

#### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Significant items subject to estimates and assumptions include the allowance for doubtful accounts receivable and useful life of capital assets.

These estimates are reviewed periodically and adjustments are made to the excess of revenue over expenditures as appropriate in the period they become known.

#### Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a declining balance basis as follows:

Furniture and fixtures	20%
Sound and video equipment	30%
Computer equipment	30%

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

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# Hope Bible Church Ottawa

## Notes to the Financial Statements

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August 31, 2025

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### 3. Capital assets

			2025 (Note 1)
	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	\$ 8,196	\$ 6,855	\$ 1,341
Sound and video equipment	46,310	43,671	2,639
Computer equipment	<u>12,380</u>	<u>9,280</u>	<u>3,100</u>
	<u>\$ 66,886</u>	<u>\$ 59,806</u>	<u>\$ 7,080</u>

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### 4. Related party transactions

The Church is related to HBCO as one member of the Board of Directors of the Church is management of HBCO. On September 1, 2024, HBCO transferred the assets and liabilities related to its Ottawa plant to the Church. The transfer was recorded in the statement of changes in net assets given HBCO is a related organization.

The assets and liabilities transferred from HBCO were as follows:

	2025 (Note 1)
Cash	\$ 22,515
Prepaid expenses	500
Capital assets	9,875
Due to Hope Bible Church Oakville	(140,284)
Accounts payable and accrued liabilities	<u>(4,700)</u>
Net transfer from Hope Bible Church Oakville	<u>\$ (112,094)</u>

During the year, the Church received loan forgiveness from HBCO of \$140,284 and contributions from HBCO of \$45,000.

During the year, the Church incurred professional services from HBCO of \$10,000.

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### 5. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

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# Hope Bible Church Ottawa

## Notes to the Financial Statements

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August 31, 2025

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### 5. Financial instruments (continued)

#### (a) Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with the Church. The Church's main credit risks relate to its accounts receivable.

The Church reduces its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at August 31, 2025, the allowance for doubtful accounts is \$Nil.

#### (b) Liquidity risk

Liquidity risk is the risk that the Church will encounter difficulty in raising funds to meet commitments associated to its financial liabilities. The Church is exposed to liquidity risk mainly in respect to its accounts payable.

The Church manages its liquidity risk by forecasting cash flows from operations, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Included in accounts payable and accrued liabilities is \$Nil relating to government remittances payable.

#### (c) Other risks

Unless otherwise noted, the Church is not exposed to significant interest rate, currency or other price risk.