ENGINEERING MINISTRIES INTERNATIONAL CANADA

Financial Statements

Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Engineering Ministries International Canada

Qualified Opinion

We have audited the financial statements of Engineering Ministries International Canada (the Organization), which comprise the statement of financial position as at December 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and 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 charitable organizations, the Organization derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, and cash flow from operations for the year ended December 31, 2025, current assets as at December 31, 2025 and net assets as at January 1, 2025 and December 31, 2025. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of 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 Organization in accordance with 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 audit opinion.

Other Matter

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed a qualified opinion on those financial statements on June 30, 2025 for the reasons described in the *Basis for Qualified Opinion* section.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

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

Dart Bryant LLP

June 13, 2026

Chartered Professional Accountant

ENGINEERING MINISTRIES INTERNATIONAL CANADA
Statement of Financial Position
December 31, 2025

		2025		2024
ASSETS				
CURRENT				
Cash and cash equivalents	**$**	**601,497**	$	560,859
Short-term investments *(Note 4)*		**60,388**		71,489
Accounts receivable *(Note 5)*		**40,912**		42,567
GST recoverable		**5,901**		13,764
Prepaid expenses and deposits		**19,592**		19,377
		728,290		708,056
LONG TERM INVESTMENTS *(Note 4)*		**30,238**		-
CAPITAL ASSETS *(Note 6)*		**11,137**		19,217
	$	**769,665**	$	727,273
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities *(Note 5)*	**$**	**27,421**	$	60,863
Deferred contributions *(Note 8)*		**255,573**		222,068
		282,994		282,931
NET ASSETS				
Unrestricted		**475,534**		425,125
Invested in capital assets		**11,137**		19,217
		486,671		444,342
	$	**769,665**	$	727,273

ON BEHALF OF THE BOARD

______________________________ *Director*

______________________________ *Director*

ENGINEERING MINISTRIES INTERNATIONAL CANADA

Statement of Operations

Year Ended December 31, 2025

		2025		2024
REVENUES				
Donations:				
General	**$**	**680,449**	$	771,869
Staff and intern fund		**442,879**		463,783
Project fund		**69,196**		30,132
Allen Adrian scholarship *(Notes 8, 9)*		**60,000**		-
Other Income		**28,595**		15,406
Interest income		**6,328**		6,984
Unrealized foreign exchange gain		**(5,918)**		8,158
		1,281,529		1,296,332
EXPENSES				
Salaries and wages		**716,087**		672,099
Project direct expenses		**259,145**		213,248
Occupancy		**77,613**		87,239
Office and administrative		**76,891**		78,873
Professional fees		**42,312**		101,477
Fundraising and promotion		**37,080**		37,263
Internships		**18,797**		7,192
Amortization		**11,275**		11,201
		1,239,200		1,208,592
EXCESS OF REVENUES OVER EXPENSES	**$**	**42,329**	$	87,740

ENGINEERING MINISTRIES INTERNATIONAL CANADA

Statement of Changes in Net Assets

Year Ended December 31, 2025

	Unrestricted Fund	Invested in Capital Assets	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 425,125	$ 19,217	**$ 444,342**	$ 356,602
Excess of revenues over expenses	53,604	(11,275)	**42,329**	87,740
Purchase of Capital Assets	(3,195)	3,195	**-**	-
NET ASSETS - END OF YEAR	$ 475,534	$ 11,137	**$ 486,671**	$ 444,342

ENGINEERING MINISTRIES INTERNATIONAL CANADA
Statement of Cash Flows
Year Ended December 31, 2025

		2025		2024
OPERATING ACTIVITIES				
Excess of revenues over expenses	$	42,329	$	87,740
Item not affecting cash:				
Amortization of capital assets		11,275		11,201
		53,604		98,941
Changes in non-cash working capital:				
Accounts receivable		1,655		(13,405)
Accounts payable and accrued liabilities		(33,442)		31,200
Prepaid expenses		(215)		(5,330)
GST recoverable		7,863		(5,670)
Deferred Contributions		33,505		(6,067)
		9,366		728
Cash flow from operating activities		62,970		99,669
INVESTING ACTIVITIES				
Additions to capital assets		(3,195)		(23,682)
Sale of short-term investments		11,101		40,752
Purchase of long-term investments		(30,238)		-
Cash flow from (used by) investing activities		(22,332)		17,070
INCREASE IN CASH FLOW		40,638		116,739
Cash and cash equivalents - beginning of year		560,859		444,120
CASH AND CASH EQUIVALENTS - END OF YEAR	$	601,497	$	560,859
CASH AND CASH EQUIVALENTS CONSISTS OF:				
Cash in chequing account	$	357,589	$	366,620
Cash in USD chequing account		143,905		101,003
Cash in savings account		100,003		93,236
	$	601,497	$	560,859

1. NATURE OF BUSINESS

Engineering Ministries International Canada (EMIC) was established as a charitable trust on December 1, 2006 and is a not-for-profit Christian development organization. Its principal activities include designing facilities that serve the poor and undersourced communities in developing countries and in Canada. The Organization is made up of architects, engineers and design professionals who use their skills to help children and families around the world. EMIC is a registered charity under the Income Tax Act in Canada and, accordingly, is exempt from the payment of income taxes.

In prior years, EMIC began movement toward a more centrally-funded (organization based) fundraising model. This multi-year initiative would see the organization become less dependent on funds raised through a deputized (missionary or individual based) model and more dependent upon General Funds (undesignated gifts). Reasons for this shift include growing unsustainability of the deputized fundraising model and reducing barriers for this wishing to join the Organization's work.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a going concern basis and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

(b) Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant items subject to such estimates and assumptions include valuation of accounts receivable, impairment of capital assets, estimated useful life of capital assets, and accrued liabilities.

(c) Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently measured at fair value are expensed when incurred. Transaction costs for all other financial instruments are capitalized to the financial instrument.

Financial instruments measured at fair value includes short-term investments in publicly traded equities (Note 5).

Financial instruments measured at amortized cost include cash and cash equivalents, accounts receivable, short-term investments not measured at fair value, long-term investments, and accounts payable and accrued liabilities.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the impairment amount previously recognized.

(d) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of 90 days or less or are redeemable, are readily convertible to known amounts of cash, and are subject to insignificant risk of change in value.

(e) Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Contributed tangible capital assets are initially recorded at fair value at the date of contribution. Gains or losses on the disposal of individual assets are recognized in earnings in the year of disposal. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	3 years
Furniture and fixtures	7 years
Survey equipment	5 years

The Organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(f) Impairment of long lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the capital asset no longer contributes to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When a test for impairment indicates that the capital asset no longer contributes to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, an impairment loss is recognized to the extent the carrying value exceeds either the fair value or the replacement cost as determined on an asset-by-asset basis.

(g) Net assets

a) Net assets invested in capital assets represents the organization’s net investment in capital assets which is comprised of the unamortized amount of capital assets purchased.

b) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

(h) Revenue recognition

Engineering Ministries International Canada follows the deferral method of accounting for contributions.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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. Restricted contributions related to capital assets that will be amortized are deferred and recognized on the same basis as the amortization expense related to the acquired capital asset. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(i) Contributed services

Volunteers contribute significant time each year to assist the Organization in carrying out its service delivery activities. However, due to the difficulty of determining the fair value, these contributed services are not recognized in the financial statements.

(j) Donations in kind

Donations in kind of capital assets and materials are recorded at fair market value when the value can be reasonably estimated, the Organization would have paid for the item if it had not been donated and the amount is receipted. The amounts are recognized as both revenue and expenditures when received.

(k) Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incident to the ownership of property is classified as capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

(l) Foreign Currency Translation

Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date. Amortization of assets translated at historical foreign exchange rates is translated at the same exchange rate as the asset to which it relates. Revenues and expense items are translated at the date the transaction takes place. Gains and losses resulting from translation practices are recorded in earnings.

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2025.

Currency risk

Currency risk is the risk to the Organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on cash and cash equivalents, accounts receivable, and accounts payable held in foreign currencies. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

	2025	2024
Cash and cash equivalents - USD	**$ 103,614**	$ 67,182
Accounts Receivable - USD	**40,006**	42,567
Accounts Payable - USD	**(11,702)**	(33,437)
	$ 131,918	$ 76,312

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Organization is exposed to interest rate risk primarily through its short-term and long-term investments. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities.

Unless otherwise noted, it is management’s opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

4. INVESTMENTS

	2025	2024
Short-term investments (fair value)		
Publicly traded equities	**$ 20,123**	$ -
Short-term investments (amortized cost)		
1 Year GIC maturing October 21, 2026 - Interest at 3.40%	**$ 40,265**	$ -
1 Year GIC matured April 8, 2025 - Interest at 5.35%	**-**	31,174
1 Year GIC matured October 21, 2025 - Interest at 4.05%	**-**	40,315
	40,265	71,489
Total short-term investments	**$ 60,388**	$ 71,489
Long-term investments (amortized cost)		
18 month GIC maturing April 8, 2027 - Interest at 3.45%	**$ 30,238**	$ -

5. DUE TO/FROM RELATED PARTIES

Related parties consist of Engineering Ministries International USA (EMI US), an organization under Joint Ministry Agreement and Engineering Ministries International Global Office (EMI GO), an organization under Joint Ministry Agreement. Transactions with EMI US and EMI GO are in the normal course of operations and are recorded at the exchange amount. Transactions during the year consisted of donations received from EMI US of $123,043 (2024 - $108,558), transfers to EMI US of $73,511 (2024 - $77,806) for expense reimbursements and donation transfers, and transfers to EMI GO of $18,574 (2024 - 17,150) for office services.

Amounts due from related parties included in accounts receivable consists of the following advances with no fixed terms of repayment:

	2025	2024
Due from related parties		
Engineering Ministries International USA	**$ 40,071**	$ 42,567

Amounts due to related parties included in accounts payable consists of the following payables with no fixed terms of payment:

	2025	2024
Due to related parties		
Engineering Ministries International USA	**$ 11,702**	$ 28,989
Engineering Ministries International Global Office	**-**	4,447
	$ 11,702	$ 33,436

6. CAPITAL ASSETS

	Cost	Accumulated amortization	**2025 Net book value**	2024 Net book value
Computer equipment	$ 70,714	$ 62,820	**$ 7,894**	$ 18,314
Furniture and fixtures	9,575	8,888	**687**	903
Survey equipment	49,875	47,319	**2,556**	-
	$ 130,164	$ 119,027	**$ 11,137**	$ 19,217

7. CREDIT FACILITY

The Organization has an unsecured credit card, which includes an approved credit limit of $20,000, which bears interest at 24.99%. At the statement of financial position date, the amount owing, which is due on demand, was $477 (2024 - $5,771).

8. DEFERRED CONTRIBUTIONS

Deferred contributions consist of funds raised by EMIC staff for specific projects and are recognized as revenue in the period during which the related project expenses are incurred. Contributions received for equipment are deferred and amortized over the expected useful life of asset.

	2024	Contributions	Revenue recognized	**2025**
Deferred contributions				
Staff funds	$ 191,890	$ 403,096	$ 342,944	**$ 252,041**
Intern and volunteer funds	30,178	30,263	56,410	**4,032**
Allen Adrian Scholarship (Note 9)	-	60,000	60,000	**-**
	$ 222,068	$ 493,359	$ 459,354	**$ 256,073**

9. ENGINEERING MINISTRIES INTERNATIONAL CANADA ENDOWMENT FUND

The Vancouver Foundation ("the Foundation") is a federally incorporated public charitable foundation which maintains funds for a variety of purposes according to the wishes of its donors. The Foundation maintains the following funds for the period from January 1, 2025 to December 31, 2025, specifically designated as benefitting Engineering Ministries International Canada.

Details relating to the funds that are endowments are as follows:

	2025	2024
Engineering Ministries International Canada Endowment Fund		
Opening balance	**$ 151,127**	$ 34,236
Contributions made during the year	**-**	109,886
Increase in market value	**821**	7,005
Closing balance	**151,948**	151,127

As at December 31, 2025, $24,406 (2024 - $17,586) of the fund is available for granting.

	2025	2024
Allen Adrian Scholarship Fund		
Opening balance	**-**	-
Contributions made during the year	**60,000**	-
Increase in market value	**-**	-
Closing balance	**60,000**	-

As at December 31, 2025, $55 (2024 - $Nil) of the fund is available for granting.

	2025	2024
Total endowment funds held by the Foundation	**$ 211,948**	$ 151,127

The information above derives from quarterly reports provided by the Foundation and is unaudited.

10. OPERATING LEASE COMMITMENTS

The Organization has a long term lease with respect to its premises. Future minimum lease payments for operating leases (excluding future renewal period options and operating costs) for use of its premises are as follows:

2026	$ 43,693