

**MISSION CITY BIBLE CHURCH**

**FINANCIAL STATEMENTS**

**For the year ended August 31, 2024**

# MISSION CITY BIBLE CHURCH

For the year ended August 31, 2024

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## INDEPENDENT AUDITORS' REPORT

To the Members of  
**Mission City Bible Church**

### **Qualified Opinion**

We have audited the financial statements of Mission City Bible Church (the 'Church'), which comprise the statement of financial position as at August 31, 2024, and the statement of changes in net assets, revenues and expenditures, 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 matters 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 Church as at August 31, 2024, and its results of 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 Church 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 Church. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2024 and 2023, current assets as at August 31, 2024 and 2023, and net assets as at September 1 and August 31 for the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended August 31, 2023 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 *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Church 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 Church's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Church or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Church's financial reporting process.

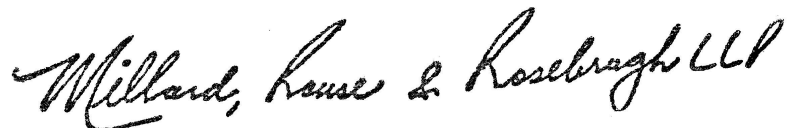
## **Auditors' Responsibilities for the Audit of the Financial Statements**

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 auditors' 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 Church's preparation and fair presentation of the financial statements 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 Church'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 Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Church 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 may identify during our audit.



January 13, 2025  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants


# MISSION CITY BIBLE CHURCH

## STATEMENT OF FINANCIAL POSITION

As at August 31	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 3)	525,863	515,424
HST recoverable	10,676	8,025
Prepaid expenses and deposits	10,104	9,979
	546,643	533,428
<b>Capital Assets (Note 4)</b>	30,773	19,569
	577,416	552,997
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	31,036	28,301
<b>Deferred Contributions (Note 5)</b>	80,128	79,928
	111,164	108,229
<b>NET ASSETS</b>		
Unrestricted net assets	435,479	425,199
Invested in capital assets	30,773	19,569
	466,252	444,768
	577,416	552,997

Operating lease commitment (Note 6)

Approved on behalf of the Board of Elders

 Elder

 Elder

# MISSION CITY BIBLE CHURCH

## STATEMENT OF CHANGES IN NET ASSETS

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	Unrestricted	Invested in	
For the year ended August 31, 2024	Net Assets	Capital	Total
		Assets	
<b>Balance - Beginning of Year</b>	425,199	19,569	444,768
Excess of revenues over expenditures	28,845	(7,361)	21,484
Purchase of capital assets	(18,565)	18,565	-
<b>Balance - End of Year</b>	<b>435,479</b>	<b>30,773</b>	<b>466,252</b>

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	Unrestricted	Invested in	
For the year ended August 31, 2023	Net Assets	Capital	Total
		Assets	
<b>Balance - Beginning of Year</b>	380,174	18,380	398,554
Excess of revenues over expenditures	52,306	(6,092)	46,214
Purchase of capital assets	(7,281)	7,281	-
<b>Balance - End of Year</b>	<b>425,199</b>	<b>19,569</b>	<b>444,768</b>

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# MISSION CITY BIBLE CHURCH

## STATEMENT OF REVENUE AND EXPENDITURES

<b>For the year ended August 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Offerings	896,070	757,832
Other income	16,944	9,028
	913,014	766,860
<b>Expenditures</b>		
Ministry operations	539,599	371,252
Missions	107,503	130,815
Building and property	90,606	97,512
Administration	97,648	78,126
Family ministries	25,349	22,869
Amortization	7,361	6,092
Worship and production	7,063	6,562
Hospitality	4,478	1,985
Adult ministries	11,923	5,433
	891,530	720,646
<b>Excess of Revenue over Expenditures</b>	<b>21,484</b>	<b>46,214</b>

# MISSION CITY BIBLE CHURCH

## STATEMENT OF CASH FLOWS

<b>For the year ended August 31</b>	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Excess of Revenue over Expenditures	21,484	46,214
Items not involving cash:		
Amortization	7,361	6,092
Deferred benevolence contributions recognized	-	(12,292)
	28,845	40,014
Net change in non-cash working capital balances related to operations		
Accounts receivable	-	24,567
HST recoverable	(2,651)	(3,018)
Prepaid expenses	(125)	(80)
Accounts payable and accrued liabilities	2,735	6,052
	28,804	67,535
<b>Cash Flows From Financing Activities</b>		
Deferred capital contributions received	200	1,055
Deferred benevolence contributions received	-	3,895
	200	4,950
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(18,565)	(7,281)
<b>Net Increase in Cash</b>	10,439	65,204
<b>Opening Cash</b>	515,424	450,220
<b>Closing Cash</b>	525,863	515,424

*See accompanying notes*



# MISSION CITY BIBLE CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2024

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### 1. PURPOSE OF THE ORGANIZATION

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The focus of the ministry at Mission City Bible Church (the “Church”) is to glorify God through the fulfillment of the Great Commission (Matthew 28:19-20) in the spirit of the Great Commandment (Matthew 22:37-39). This is fulfilled as disciples of Jesus Christ are made. God is glorified as we manifest His presence in doing so (2 Timothy 2:2; 1 Corinthians 10:31).

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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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These Financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("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.

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

**(b) Fund Accounting**

The accounts are maintained in accordance with the principles of fund accounting, whereby fund balances of the Church are classified for accounting and reporting purposes into funds to be used according to the directions as determined by the Church.

*Unrestricted net assets*

Unrestricted net assets reflect all general programs and activities, other than those activities listed below.

*Invested in capital assets*

Net assets invested in capital assets reflect the assets, liabilities, revenue and expenditures related to the Church’s capital assets.

**MISSION CITY BIBLE CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2024**

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

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**(c) 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.

Contributions externally restricted for capital purposes are recorded as deferred capital contributions until the related capital purchase occurs, at which point they are amortized at a rate corresponding to the amortization of the related capital assets.

**(d) Contributed Materials and Services**

Contributed materials are not recognized in the financial statements due to the difficulty of determining their fair value. 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.

**(e) Financial Instruments**

The Church initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. It subsequently measures all its financial assets and financial at amortized cost. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Church is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include the trade accounts payable and long term debt.

**(f) Capital Assets**

Capital assets are recorded at cost less accumulated amortization. Amortization is provided as follows:

Computer equipment	30% declining balance
Furniture and fixtures	20% declining balance
Leasehold improvements	Over the term of the lease
Sound equipment	30% declining balance
Storage equipment	6% declining balance

One-half the normal rate of amortization is provided for in the period of acquisition.

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 its 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 revenue and expenditures. Any impairment recognized is not reversed.

# MISSION CITY BIBLE CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2024

<b>3.</b>	<b>CASH</b>		<b>2024</b>	<b>2023</b>	
	Cash		445,935	435,496	
	Cash held for deferred contributions for future capital		79,928	79,928	
			<b>525,863</b>	<b>515,424</b>	
<b>4.</b>	<b>CAPITAL ASSETS</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2024</b>	<b>2023</b>
	Computer equipment	26,263	17,427	8,836	7,575
	Furniture and fixtures	24,137	16,956	7,181	5,737
	Leasehold improvements	5,138	5,138	-	-
	Sound equipment	96,985	83,391	13,594	4,597
	Storage equipment	3,638	2,476	1,162	1,660
		<b>156,161</b>	<b>125,388</b>	<b>30,773</b>	<b>19,569</b>

**MISSION CITY BIBLE CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2024**

<b>5. DEFERRED CONTRIBUTIONS</b>	<b>2024</b>	<b>2023</b>
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Deferred benevolence contributions		
Balance, beginning of period	-	8,397
Benevolence contributions received	-	3,895
Benevolence contributions recognized as revenue	-	(12,292)
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Balance, end of period	-	-
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Deferred contributions for future capital		
Balance, beginning of period	79,928	78,873
Contributions received	200	1,055
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Balance, end of period	80,128	79,928
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The deferred contributions for future capital balance relates to amounts that have been received and are restricted for capital purchases but have not yet been spent.

**6. OPERATING LEASE COMMITMENTS**

The Church is committed under the operating leases for rental of premises and equipment for various periods extending to fiscal 2028. The minimum annual payments are as follows:

2025	69,869
2026	2,628
2027	2,628
2028	2,628
	<hr/>
	<u>77,753</u>

# MISSION CITY BIBLE CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2024

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### 7. FINANCIAL INSTRUMENTS

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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 the financial statements in assessing the extent of risk related to financial instruments.

#### **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. It is management's opinion that the Church is not exposed to significant liquidity risk arising from its financial instruments.

#### **Other risks**

Unless otherwise noted, it is management's opinion that the Church is not exposed to significant credit, interest, market, or currency risks. As at August 31, 2024, the allowance for doubtful accounts receivable is \$Nil (2023 - \$Nil).