

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members,
Metropolitan Bible Church Ministry Corporation:

Qualified opinion

We have audited the financial statements of Metropolitan Bible Church Ministry Corporation ("the Entity"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in fund balances 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 Entity 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.

Basis for qualified opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, net revenue, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and fund balances 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 Entity 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 audit 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 Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

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

OHCS LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

April 13, 2024

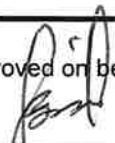
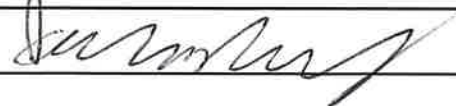


METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 446,894	\$ 551,434
Short-term investments (note 3)	226,836	930,183
Accounts receivable	71,994	47,146
Prepaid expense	12,876	6,082
Due from ETT (US)	6,620	-
Current portion of loan receivable	-	3,900
	765,220	1,538,745
LOAN RECEIVABLE FROM EMPLOYEE (note 4)	100,000	-
INVESTMENTS (note 3)	600,000	-
CAPITAL ASSETS (note 5)	202,198	236,750
	\$ 1,667,418	\$ 1,775,495
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 154,239	\$ 108,104
Deferred contributions (note 7)	37,513	20,916
	191,752	129,020
FUND BALANCES		
General Fund	950,400	1,061,243
Internally restricted funds	277,820	306,732
Externally restricted funds (note 8)	247,446	278,500
	1,475,666	1,646,475
	\$ 1,667,418	\$ 1,775,495

Approved on behalf of the Board:

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance - Beginning of year	Net revenue (expense) for the year	Transfers to (from)	Balance- End of year
General Fund	\$ 1,061,243	\$ 108,357	\$ (219,200)	\$ 950,400
Internally Restricted Funds				
Reserve Fund	277,820	-	-	277,820
Ministry Initiatives Fund	28,912	-	(28,912)	-
	306,732	-	(28,912)	277,820
Externally Restricted Funds				
Missions Fund	-	-	-	-
Capital Fund	-	-	-	-
Benevolent Fund	69,967	(18,837)	-	51,130
Memorial Fund	88,270	(38,505)	-	49,765
Scholarship Fund	2,315	2,594	-	4,909
Vision Fund	117,948	23,694	-	141,642
Encounter the Truth Fund	-	(248,112)	248,112	-
	278,500	(279,166)	248,112	247,446
	\$ 1,646,475	\$ (170,809)	\$ -	\$ 1,475,666

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Externally Restricted							2023	2022
		Missions Fund	Capital Fund	Benevolent Fund	Memorial Fund	Scholarship Fund	Vision Fund	Encounter the Truth	Total	Total
REVENUE										
Donations										
Specific	\$ 11,936	\$ 3,816	\$ 29,730	\$ 96,266	\$ -	\$ 3,594	\$ 23,996	\$ 115,931	\$ 285,269	\$ 330,245
Church program	4,085,765	-	-	-	-	-	-	-	4,085,765	3,679,209
Rental income	31,380	-	-	-	-	-	-	-	31,380	15,535
Accounting services (note 6)	7,500	-	-	-	-	-	-	-	7,500	7,500
Interest	43,725	-	-	-	-	-	-	-	43,725	14,903
ETT Support Missions	-	-	-	-	-	-	-	-	-	-
Ministries	183,869	-	-	-	-	-	-	-	183,869	127,377
	<u>4,364,175</u>	<u>3,816</u>	<u>29,730</u>	<u>96,266</u>	<u>-</u>	<u>3,594</u>	<u>23,996</u>	<u>115,931</u>	<u>4,637,508</u>	<u>4,174,769</u>
EXPENSE										
Administration	143,601	-	208	1,078	-	-	302	791	145,980	154,360
Pastoral support	123,942	-	-	-	-	-	-	-	123,942	100,789
Facility	475,103	-	-	-	-	-	-	-	475,103	433,169
Personnel	2,246,345	-	-	-	-	-	-	-	2,246,345	1,889,999
Living community	49,103	-	-	-	-	-	-	-	49,103	68,396
Regional outreach	15,842	-	-	-	-	-	-	-	15,842	13,569
Children's ministries	87,565	-	-	-	-	-	-	-	87,565	85,575
Youth ministries	135,226	-	-	-	-	-	-	-	135,226	123,914
Adult ministries	33,581	-	-	-	-	-	-	-	33,581	20,350
Missions	730,585	3,816	-	-	-	-	-	-	734,401	831,308
ETT expenses	-	-	-	-	-	-	-	363,252	363,252	208,583
Other	44,925	-	-	-	-	-	-	-	44,925	15,465
Scholarship	-	-	-	-	-	1,000	-	-	1,000	2,000
Rent (note 6)	170,000	-	-	-	-	-	-	-	170,000	155,000
Donation to Property Corporation (note 6)	-	-	29,522	-	38,505	-	-	-	68,027	28,399
Social assistance	-	-	-	114,025	-	-	-	-	114,025	68,077
Ministry initiatives	-	-	-	-	-	-	-	-	-	-
	<u>4,255,818</u>	<u>3,816</u>	<u>29,730</u>	<u>115,103</u>	<u>38,505</u>	<u>1,000</u>	<u>302</u>	<u>364,043</u>	<u>4,808,317</u>	<u>4,206,953</u>
NET REVENUE (EXPENSE) FOR THE YEAR	\$ 108,357	\$ -	\$ -	\$ (18,837)	\$ (38,505)	\$ 2,594	\$ 23,694	\$ (248,112)	\$ (170,809)	\$ (32,184)

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net expense for the year	\$ (170,809)	\$ (32,184)
Items not requiring cash:		
Amortization of capital assets	71,904	58,228
In-kind donated investments	(34,118)	(6,761)
Accretion of interest	(17,648)	(7,305)
Change in operating components of working capital:		
Accounts receivable	(24,848)	17,513
Prepaid expense	(6,794)	(5,001)
Due from ETT	(6,620)	-
Accounts payable	46,135	(98,168)
Deferred revenue	16,597	(54,315)
	(126,201)	(127,993)
INVESTING ACTIVITIES		
Proceeds on realization of investments	155,113	(8,059)
Purchase of capital assets	(37,352)	(113,510)
	117,761	(121,569)
FINANCING ACTIVITIES		
Advance to employee	(100,000)	-
Repayment of loan receivable from employees	3,900	54,894
	(96,100)	54,894
CHANGE IN CASH FOR THE YEAR	(104,540)	(194,668)
Cash beginning of the year	551,434	746,102
CASH END OF YEAR	\$ 446,894	\$ 551,434

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

The Metropolitan Bible Church Ministry Corporation (the Ministry) glorifies God by fulfilling the mission and vision God has given to His living Church through His word. The Ministry is incorporated under the Canada Not-for-profit Corporations Act as a not-for-profit organization without share capital and is a Registered Charity under the Income Tax Act. The Ministry is not subject to income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

The Ministry follows the restricted fund method of accounting for contributions. Externally restricted contributions for which there is no corresponding restricted fund are deferred and recognized as revenue during the year in which the related expenses are incurred. All other externally restricted contributions are recognized as revenue of the appropriate restricted fund. 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.

(b) Fund accounting

The General Fund accounts for the Ministry's administration, personnel, missions and ministries, and plant maintenance activities. The internally restricted Reserve Fund is set aside to cover any potential major repairs to the building. The internally restricted Ministry Initiatives Fund is for internally funded Ministry development activities. The purpose of externally restricted funds is detailed in note 8.

(c) Contributed services

Due to the difficulty in determining their value, contributed services are not recognized in the financial statements.

(d) Financial instruments

The Ministry initially measures its financial assets and financial liabilities at fair value, except for certain instruments originated or acquired in related party transactions. The Ministry subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and short-term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(e) Capital assets

Capital assets are recorded at cost and are then amortized on a straight-line basis, over their anticipated useful lives. Amortization is provided as follows:

Furniture and equipment	5 years
Automotive equipment	6 years
Leasehold improvements	3 years

One-half year of amortization is recorded on assets in the year of acquisition.



METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Use of estimates

The preparation of these 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

2. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, accounts receivable, loan receivable from employee and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

3. INVESTMENTS

Investments are recorded at amortized cost. The Guaranteed Investment Certificates bear interest between 4.15% and 4.75% per annum and mature between March 2024 and March 2028. The high-interest savings account earns interest at 4.75% (2022 - 4.10%) per annum.

	2023	2022
Guaranteed investment certificates	\$ 700,000	\$ -
High-interest savings accounts	126,836	930,183
Investments	\$ 826,836	\$ 930,183

4. LOAN RECEIVABLE FROM EMPLOYEE

Loan receivable from employee is non-interest bearing and repayable at a rate of \$200 per month, beginning in July 2025. The remainder of the loan is due July 13, 2028. It may be secured by a registered second mortgage on the employee's property.



METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

5. CAPITAL ASSETS

			2023	2022
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 716,272	\$ 518,499	\$ 197,773	\$ 227,460
Automotive equipment	-	-	-	-
Leasehold improvements	112,297	107,872	4,425	9,290
	\$ 828,569	\$ 626,371	\$ 202,198	\$ 236,750

During the year, amortization of capital assets amounted to \$71,904 (2022 - \$58,228).

6. RELATED PARTY TRANSACTIONS

The Ministry and the Property Corporation are entities under common control, as the members of both corporations, who elect their respective board of directors, are in common. During the year ended December 31, 2023, rent expense of \$170,000 was charged to the Ministry (2022 - \$155,000) and accounting services revenue of \$7,500 was received from the Property Corporation (2022 - \$7,500).

During the year, the Ministry donated \$68,027 (2022 - \$28,399) to the Building Fund.

Accounts receivable includes \$nil due from the Property Corporation (2022 - \$1,100).

These transactions are recorded at the exchange amount, which is the amount established and agreed to by the related parties involved.

Unless otherwise specified, amounts due from and to the Ministry are non-interest bearing and have no specified terms of repayment.

The Ministry and Timothy Trust are entities under common influence, as the corporations have some board members in common. During the year, the Ministry was reimbursed for salary expense in the amount of \$20,640 (2022 - \$23,482).

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent contributions received for the Ministry's Syrian Refugee Project and Ministry Programs.



METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS
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7. DEFERRED CONTRIBUTIONS (continued)

	2023	2022
Balance, beginning of year	\$ 20,916	\$ 75,231
Less: amount recognized as revenue during the year	(1,370)	(55,685)
Plus: amount received related to the following year	17,967	1,370
Balance, end of year	\$ 37,513	\$ 20,916

8. EXTERNALLY RESTRICTED FUNDS

The Missions Fund accounts for externally restricted contributions for support to missionaries around the world.

The Capital Fund accounts for externally restricted contributions for the Metropolitan Bible Church Property Corporation's (the Property Corporation) capital projects (note 6) as well as other capital projects.

The Benevolent Fund accounts for externally restricted contributions for social assistance and the needy.

The Memorial Fund accounts for externally restricted contributions received in memory of loved ones or bequests, and unless otherwise designated by the donor and agreed to by the Board, will be used to underwrite capital purchases or projects, or special Ministry initiatives approved by the Board.

The Scholarship Fund accounts for externally restricted contributions received for preparing young people for ministry.

The Vision Fund accounts for externally restricted contributions received for the Reproducing Church initiatives.

The Timothy Trust Fund accounts for externally restricted contributions for the advancement of expository Bible teaching and preaching training for ministry. On December 31, 2021, the Timothy Trust Fund achieved separate charity status; the fund balance was transferred and the fund was closed.

The Encounter the Truth Fund accounts for externally restricted contributions for global media ministry initiatives.

9. COMPARATIVE FIGURES

Some previous year figures have been reclassified in order to comply with the financial statement presentation adopted in the current year.



