

METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

FINANCIAL STATEMENTS

JULY 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members,
Metropolitan Bible Church Property Corporation:

Opinion

We have audited the financial statements of Metropolitan Bible Church Property Corporation ("the Entity"), which comprise the statement of financial position as at July 31, 2024, and the statements of operations and changes in fund balances and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at July 31, 2024, and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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 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

December 7, 2024

METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

STATEMENT OF FINANCIAL POSITION AS AT JULY 31, 2024

	General Fund	Building Fund	July 31, 2024	December 31, 2023
ASSETS				
CURRENT				
Cash	\$ -	\$ 678,862	\$ 678,862	\$ 542,441
Accounts receivable	-	3,426	3,426	3,231
	-	682,288	682,288	545,672
CAPITAL ASSETS (note 3)	12,717,217	-	12,717,217	12,982,387
	\$ 12,717,217	\$ 682,288	\$ 13,399,505	\$ 13,528,059
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 6,550	\$ 6,550	\$ 5,800
FUND BALANCES				
General Fund	12,717,217	-	12,717,217	12,982,387
Building Fund	-	675,738	675,738	539,872
	12,717,217	675,738	13,392,955	13,522,259
	\$ 12,717,217	\$ 682,288	\$ 13,399,505	\$ 13,528,059

Approved on behalf of the Board:

_____ Director

_____ Director



METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2024

	General Fund	Building Fund	2024 (7 months)	2023 (12 months)
REVENUE				
Donations	\$ -	\$ 25,448	\$ 25,448	\$ 77,226
Interest income	-	15,826	15,826	16,313
Rental income	113,750	-	113,750	170,000
	113,750	41,274	155,024	263,539
EXPENSE				
Administration and professional fees	15,622	-	15,622	14,090
Repairs and maintenance	3,534	-	3,534	9,255
Amortization of capital assets	265,172	-	265,172	454,099
	284,328	-	284,328	477,444
NET REVENUE (EXPENSE) FOR THE PERIOD	(170,578)	41,274	(129,304)	(213,905)
Fund Balance - Beginning of Period	12,982,387	539,872	13,522,259	13,736,164
Transfers from (to)	(94,592)	94,592	-	-
FUND BALANCE - END OF PERIOD	\$ 12,717,217	\$ 675,738	\$ 13,392,955	\$ 13,522,259

METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

STATEMENT OF CASH FLOWS FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2024

	2024	2023
	(7 months)	(12 months)
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net expense for the period	\$ (129,304)	\$ (213,905)
Item not requiring cash:		
Amortization of capital assets	265,172	454,099
Change in operating components of working capital:		
Accounts receivable	(197)	(2,795)
Accounts payable and accrued liabilities	750	(810)
	136,421	236,589
INVESTING ACTIVITIES		
Capital asset additions	-	(38,504)
CHANGE IN CASH FOR THE PERIOD	136,421	198,085
Cash beginning of the period	542,441	344,356
CASH END OF PERIOD	\$ 678,862	\$ 542,441



METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2024

The purpose of Metropolitan Bible Church Property Corporation (the Property Corporation) is to establish places for worship and the preaching of the Gospel and to acquire the necessary property for the erection of churches, missions and buildings incidental thereto. The Property Corporation does not operate as a church.

The Property Corporation is incorporated without share capital under the Ontario Not-for-Profit Corporations Act and is a charitable organization within the meaning of the Income Tax Act (Canada).

During the year the organization changed its fiscal year from December 31st to July 31st. As a result, these financial statements report on the seven month period ended July 31, 2024. The comparative figures are for the year ended December 31, 2023.

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 Property Corporation follows the restricted fund method of accounting for contributions.

Externally restricted contributions for capital projects, including a new building are reported as revenue of the Building 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 Property Corporation's administration and operations.

The Building fund accounts for externally restricted donations for capital projects, including a building expansion, as well as transfers received from Metropolitan Bible Church Ministry Corporation (the Ministry).

(c) Financial instruments

The Property Corporation initially measures its financial assets and financial liabilities at fair value, except for certain instruments originated or acquired in related party transactions. The Property Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost comprise cash and accounts receivable. Financial liabilities measured at amortized cost comprise accounts payable and accrued liabilities.

At the end of each reporting period, the Property Corporation assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there are indicators of impairment, and the Property Corporation determines there has been a significant adverse change in the expected amount or timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset at the statement of financial position date.



METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2024

(d) Capital assets

Capital assets are recorded at cost. Amortization is provided as follows on a straight-line basis:

Building	40 years
Paving	12 years
Furniture and fixtures	20 years
Audiovisual equipment and lighting	5 years

(e) 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

The Property Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Property Corporation's risk exposure and concentrations. The Property Corporation does not use derivative financial instruments to manage its risks.

Liquidity risk

The Property Corporation's objective is to have sufficient liquidity to meet its liabilities when due. The property Corporation monitors its cash balances and cash flows generated from operations to meet its requirements and seek funds in the form of donations from the Ministry if required. The Property Corporation's liquidity risk is primarily a default in monthly rent payments by the Ministry, its primary tenant.

Credit risk

The Property Corporation's credit risk arises on cash and accounts receivable. Cash is maintained at major financial institutions; therefore, the Property Corporation considers the risk of non-performance of these instruments to be remote. Accounts receivable mainly represent receivables from the government; management has assessed credit risk in respect of such receivables to be low.



METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2024

3. CAPITAL ASSETS

			July 31, 2024	December 31, 2023
	Cost	Accumulated Amortization	Net	Net
Land	\$ 1,621,791	\$ -	\$ 1,621,791	\$ 1,621,791
Building	16,594,672	5,740,899	10,853,774	11,095,779
Paving	1,185,381	1,081,186	104,195	112,565
Furniture and equipment	364,966	234,033	130,933	141,577
Audiovisual and lighting	410,455	403,931	6,524	10,675
	\$ 20,177,265	\$ 7,460,049	\$ 12,717,217	\$ 12,982,387

During the 7 month period ended July 31, 2024, amortization of capital assets amounted to \$265,172 (12 month period ended December 31, 2023 - \$454,099).

4. GOVERNMENT REMITTANCES

Government remittances owing are \$nil as at July 31, 2024 (December 31, 2023 - nil).

5. RELATED PARTY BALANCES AND TRANSACTIONS

The Ministry and the Property Corporation are entities under common control as the members of both corporations, who elect their respective Boards of Directors for each corporation, are in common.

All rental income is derived from the Ministry, and the Ministry is responsible for operating costs. The Ministry also donated \$19,389 (2023 - \$68,027) to the Building Fund. These transactions are recorded at the exchange amount, which is the amount established and agreed to by related parties involved.

Accounts receivable includes \$2,675 due from the Ministry (2023 - \$1,926 due from the Ministry).

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.

