

METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2022



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 December 31, 2022, and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, 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 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.

Other matter

The financial statements for the year ended December 31, 2021, were audited by another auditor who expressed a qualified opinion on those financial statement on May 5, 2022.

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.

OHCID LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

March 28, 2023

METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	General Fund	Building Fund	2022	2021
ASSETS				
CURRENT				
Cash	\$ -	\$ 344,356	\$ 344,356	\$ 168,546
Accounts receivable	-	436	436	926
	-	344,792	344,792	169,472
CAPITAL ASSETS (note 3)	13,397,982	-	13,397,982	13,862,896
	13,397,982	\$ 344,792	\$ 13,742,774	\$ 14,032,368
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$ -	\$ 6,610	\$ 6,610	\$ -
FUND BALANCES				
General Fund	13,397,982	-	13,397,982	13,862,896
Building Fund	-	338,182	338,182	169,472
	13,397,982	338,182	13,736,164	14,032,368
	\$ 13,397,982	\$ 344,792	\$ 13,742,774	\$ 14,032,368

Approved on behalf of the Board:



Director



Director

METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Building Fund	2022	2021
REVENUE				
Donations	\$ -	\$ 36,993	\$ 36,993	\$ 34,162
Interest income	-	7	7	6
Rental income	155,000	-	155,000	140,000
	155,000	37,000	192,000	174,168
EXPENSE				
Administration and professional fees	23,290	-	23,290	17,255
Amortization of capital assets	464,914	-	464,914	519,620
	488,204	-	488,204	536,875
NET REVENUE (EXPENSE) FOR THE YEAR	(333,204)	37,000	(296,204)	(362,707)
Fund Balance - Beginning of Year	13,862,896	169,472	14,032,368	14,395,075
Transfers from (to)	(131,710)	131,710	-	-
FUND BALANCE - END OF YEAR	\$ 13,397,982	\$ 338,182	\$ 13,736,164	\$ 14,032,368

METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net expense for the year	\$ (296,204)	\$ (362,707)
Items not requiring cash:		
Amortization of capital assets	464,914	519,620
Change in operating components of working capital:		
Accounts receivable	490	18,960
Accounts payable and accrued liabilities	6,610	(15,649)
	175,810	160,224
Financing activities		
Repayments of notes payable	-	(50,000)
	-	(50,000)
CHANGE IN CASH FOR THE YEAR	175,810	110,224
Cash beginning of the year	168,546	58,322
CASH END OF YEAR	\$ 344,356	\$ 168,546

METROPOLITAN BIBLE CHURCH PROPERTY CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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 Corporations Act and is a charitable organization within the meaning of the Income Tax Act (Canada).

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 costs.

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
DECEMBER 31, 2022

(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

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

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
DECEMBER 31, 2022

3. CAPITAL ASSETS

			2022	2021
	Cost	Accumulated Amortization	Net	Net
Land	\$ 1,621,791	\$ -	\$ 1,621,791	\$ 1,621,791
Building	16,556,167	5,084,507	11,471,660	11,885,563
Paving	1,185,381	1,058,468	126,913	141,262
Furniture and equipment	364,966	205,140	159,826	178,074
Audiovisual and lighting	410,455	392,663	17,792	36,206
	\$ 20,138,760	\$ 6,740,778	\$ 13,397,982	\$ 13,862,896

During the year, amortization of capital assets amounted to \$464,914 (2021 - \$519,620).

4. GOVERNMENT REMITTANCES

Government remittances owing are nil as at December 31, 2022 (2021 - 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 \$28,399 (2021 - \$26,818) 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 payable includes \$1,100 due to the Ministry (2021 - accounts receivable \$106 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.

