

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

FINANCIAL STATEMENTS

JULY 31, 2025



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 July 31, 2025, 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 July 31, 2025, 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 year ended July 31, 2025 and the seven month period ended July 31, 2024, current assets as at July 31, 2025 and July 31, 2024 and fund balances as at August 1, 2024 and January 1, 2024. Our audit opinion on the financial statements for the year ended July 31, 2024 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.

Emphasis of matter

In the previous year, the Entity changed its fiscal year-end from December 31 to July 31. As a result, the financial statement comparative figures cover the 7-month period from January 1, 2024, to July 31, 2024. Our opinion is not modified in respect of this matter.

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.

OHC&D LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants
Ottawa, Ontario
December 10, 2025

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

STATEMENT OF FINANCIAL POSITION AS AT JULY 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 180,234	\$ 71,439
Short-term investments (note 3)	435,194	269,549
Accounts receivable	49,589	74,507
Prepaid expense	10,972	34,386
Current portion of loan receivable from employee (note 4)	2,400	200
	678,389	450,081
LOAN RECEIVABLE FROM EMPLOYEE (note 4)	97,400	99,800
INVESTMENTS (note 3)	300,000	600,000
CAPITAL ASSETS (note 5)	361,078	204,687
	\$ 1,436,867	\$ 1,354,568
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 181,339	\$ 191,908
Deferred contributions (note 7)	23,838	19,546
	205,177	211,454
FUND BALANCES		
General Fund	776,148	586,416
Internally restricted funds	277,820	277,820
Externally restricted funds (note 8)	177,722	278,878
	1,231,690	1,143,114
	\$ 1,436,867	\$ 1,354,568

Approved on behalf of the Board:

AM Hanover
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The accompanying notes are an integral part of these financial statements

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED JULY 31, 2025

	Balance - Beginning of year	Net revenue for the year	Transfers to (from)	Balance- End of year
General Fund	\$ 586,416	\$ 346,610	\$ (156,878)	\$ 776,148
Internally Restricted Funds				
Reserve Fund	277,820	-	-	277,820
Ministry Initiatives Fund	-	-	-	-
	277,820	-	-	277,820
Externally Restricted Funds				
Missions Fund	-	6	65,229	65,235
Capital Fund	-	-	-	-
Benevolent Fund	63,841	19,517	734	84,092
Memorial Fund	54,980	1,265	(55,516)	729
Scholarship Fund	8,229	2,126	-	10,355
Vision Fund	151,828	-	(134,517)	17,311
Encounter the Truth Fund	-	(280,948)	280,948	-
	278,878	(258,034)	156,878	177,722
	\$ 1,143,114	\$ 88,576	\$ -	\$ 1,231,690

The accompanying notes are an integral part of these financial statements



METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2025

	General Fund	2024			2025		
		Missions Fund	Capital Fund	Benevolent Fund	Memorial Fund	Scholarship Fund	Vision Fund
REVENUE							
Donations Specific	\$ 307,284	\$ 85,196	\$ 56,935	\$ 110,915	\$ 1,272	\$ 3,126	\$ 139,738
Church program	4,294,482	-	-	-	-	-	\$ 704,466
Rental income	38,289	-	-	-	-	-	4,294,482
Accounting services (note 6)	7,500	-	-	-	-	-	38,289
CSU Wage Subsidy	15,000	-	-	-	-	-	7,500
Interest	33,588	-	-	-	-	-	-
Ministries	255,392	-	-	-	-	-	15,000
	4,951,535	85,196	56,935	110,915	1,272	3,126	139,738
							5,348,717
							2,759,483
EXPENSE							
Administration	169,024	1,212	667	1,664	7	-	1,123
Pastoral support	119,122	-	-	-	-	-	173,697
Facility	579,031	-	-	-	-	-	119,122
Personnel	2,350,983	-	-	-	-	-	579,031
Living community	20,253	-	-	-	-	-	2,350,983
Regional outreach	17,362	-	-	-	-	-	1,393,530
Children's ministries	94,481	-	-	-	-	-	20,253
Youth ministries	160,937	-	-	-	-	-	50,960
Adult ministries	97,957	-	-	-	-	-	17,362
Missions	700,958	83,978	9,800	-	-	-	11,929
ETT expenses	-	-	-	-	-	-	94,481
Other	17,397	-	-	-	-	-	77,950
Scholarship	-	-	-	-	-	-	160,937
Rent (note 6)	195,000	-	-	-	-	-	87,019
Donation to Property Corporation (note 6)	-	-	56,268	-	-	-	97,957
Social assistance	-	-	-	79,934	-	-	22,034
Cyber attack loss (note 9)	82,420	-	-	-	-	-	794,736
	4,604,925	85,190	56,935	91,398	7	1,000	442,046
							419,563
							419,563
NET REVENUE (EXPENSE) FOR THE YEAR	\$ 346,610	\$ 6	\$ -	\$ 19,517	\$ 1,265	\$ 2,126	\$ (280,948)
							5,260,141
							3,092,035
							\$ 88,576
							\$ (332,552)

The accompanying notes are an integral part of these financial statements

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JULY 31, 2025

	2025 (12 months)	2024 (7 months)
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ 88,576	\$ (332,552)
Items not requiring cash:		
Amortization of capital assets	97,953	35,675
In-kind donated investments	(11,872)	(7,686)
Accretion of interest	(32,122)	(34,199)
Loss on sale of capital assets	-	6,818
Change in operating components of working capital:		
Accounts receivable	24,918	(2,513)
Prepaid expense	23,414	(21,510)
Due from ETT	-	6,620
Accounts payable and accrued liabilities	(10,569)	37,669
Deferred contributions	4,292	(17,967)
	184,590	(329,645)
INVESTING ACTIVITIES		
Change in investments	178,349	(828)
Net purchase of capital assets	(254,344)	(44,982)
	(75,995)	(45,810)
FINANCING ACTIVITIES		
Loan receivable from employee	200	-
CHANGE IN CASH FOR THE YEAR	108,795	(375,455)
Cash beginning of the year	71,439	446,894
CASH END OF YEAR	\$ 180,234	\$ 71,439

The accompanying notes are an integral part of these financial statements

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS JULY 31, 2025

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.

During the previous fiscal year the Ministry changed its fiscal year from December 31st to July 31st. As a result, the comparative figures in these financial statements report on the seven month period ended July 31, 2024. The current year figures are for the year ended July 31, 2025.

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. Other revenue is recognized in the period in which it relates.

(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, loan receivable from employee and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS JULY 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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 year. 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 year in which they become known.

2. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, accounts receivable, loan receivable from employee, investments and accounts payable and accrued liabilities. The Ministry is exposed to and manages various risks resulting from its financial instruments.

Market Risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, other price risk and currency and liquidity risk. The Ministry is exposed mainly to interest rate risk and other price risk. There have been no changes in the Ministry's risk exposures from the prior year.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Ministry is exposed to interest rate risk on investments.

Other Price Risk

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risk, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Ministry is exposed to other price risk through its investments.

Currency Risk

It is management's opinion that the Ministry is not exposed to significant currency risk arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS JULY 31, 2025

3. INVESTMENTS

Investments are recorded at amortized cost. The Guaranteed Investment Certificates bear interest between 4.15% and 4.98% per annum and mature between March 2026 and March 2028. The high-interest savings account earns interest at 2.45% (2024 - 4.55%) per annum.

	2025	2024
Guaranteed investment certificates	\$ 600,000	\$ 700,000
High-interest savings accounts	135,194	169,549
	<hr/>	<hr/>
Short-term investments	735,194	869,549
	<hr/>	<hr/>
Investments	\$ 300,000	\$ 600,000
	<hr/>	<hr/>

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.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net	2025	2024
Furniture and equipment	\$ 992,502	\$ 656,362	\$ 336,140	\$ 179,546	
Leasehold improvements	141,477	116,539	24,938		25,141
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,133,979	\$ 772,901	\$ 361,078	\$ 204,687	

During the year, amortization of capital assets amounted to \$97,953 (2024 - \$35,675).

6. RELATED PARTY TRANSACTIONS

The Ministry and the Metropolitan Bible Church Property Corporation (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 July 31, 2025, rent expense of \$195,000 was charged to the Ministry (2024 - \$113,750) and accounting services revenue of \$7,500 was received from the Property Corporation (2024 - \$4,375).

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2025

6. RELATED PARTY TRANSACTIONS (continued)

During the year, the Ministry donated \$56,268 (2024 - \$19,389) to the Building Fund of the Property Corporation.

Accounts receivable includes \$625 due from the Property Corporation (2024 - \$1,450).

Accounts payable includes \$4,885 due to the Property Corporation (2024 - \$2,675).

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.

Encounter the Truth, with separate legal entities in Canada and the US, are entities under common influence, as the corporations have some board members in common. During the year, the Ministry spent \$102,197 for US broadcasting excluding production costs (2024 - \$105,160). ETT US sourced donations were received by the US corporation.

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent contributions received for the Ministry's Syrian Refugee Project, Youth Missions, and Camps.

	2025	2024
Balance, beginning of year	\$ 19,546	\$ 37,513
Less: amount recognized as revenue during the year	-	(17,967)
Plus: amount received related to the following year	4,292	-
Balance, end of year	<u>\$ 23,838</u>	<u>\$ 19,546</u>

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 Property Corporation's capital projects (note 6) as well as other capital projects.

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

METROPOLITAN BIBLE CHURCH MINISTRY CORPORATION

NOTES TO FINANCIAL STATEMENTS JULY 31, 2025

8. EXTERNALLY RESTRICTED FUNDS (continued)

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

9. CYBER ATTACK LOSS

On July 8, 2025, the Ministry experienced a cyber attack incident involving unauthorized electronic transactions through a compromised bank account. The Ministry incurred a financial loss of \$82,420, this amount has been recognized as an expense in the Statement of Operations.