

BIC CANADA-GLOBAL
Financial Statements
December 31, 2019

BIC CANADA-GLOBAL
Index to Financial Statements
Year Ended December 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

INDEPENDENT AUDITOR'S REPORT

To the Members of BIC Canada-Global

Qualified Opinion

We have audited the financial statements of BIC Canada-Global (the "Organization"), which comprise the statement of financial position as at December 31, 2019, 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 Organization as at December 31, 2019, 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 charitable organizations, the Organization derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses, and cash flows for the year ended December 31, 2019, current assets as at December 31, 2019, and fund balances as at January 1 and December 31, 2019. We were not engaged to audit, review, or apply any procedures to the financial statements of the Organization for the year ended December 31, 2018.

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 Organization 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements for the year ended December 31, 2018 were reviewed by another independent practitioner who expressed an unmodified conclusion on those financial statements on August 13, 2019. As such, the 2018 figures are marked as unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

(continues)

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Toronto, Ontario
April 23, 2020

Hogg, Shain & Scheck PC
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

BIC CANADA-GLOBAL
Statement of Financial Position
As at December 31, 2019

	2019	2018 <i>(Unaudited)</i>
ASSETS		
Current		
Cash	\$ 29,260	\$ 71,890
Harmonized Sales Tax recoverable	7,489	2,407
Due from Be In Christ Church Canada <i>(Note 3)</i>	-	97,945
	<u>36,749</u>	172,242
Investments <i>(Note 4)</i>		
Global Ministries Fund	100,414	132,415
Heise Scholarship Fund	24,928	24,192
Other restricted investments	113,082	141,139
	<u>\$ 275,173</u>	<u>\$ 469,988</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 34,104	\$ 65,638
Deferred support <i>(Note 5)</i>	81,539	149,776
Due to Be In Christ Church Canada <i>(Note 3)</i>	9,188	-
	<u>124,831</u>	<u>215,414</u>
FUND BALANCES		
General Fund	25,000	97,967
Global Ministries Fund <i>(Note 2)</i>	100,414	132,415
Heise Scholarship Fund <i>(Note 2)</i>	24,928	24,192
	<u>150,342</u>	<u>254,574</u>
	<u>\$ 275,173</u>	<u>\$ 469,988</u>

APPROVED ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See the accompanying notes to these financial statements

BIC CANADA-GLOBAL
Statement of Operations
Year Ended December 31, 2019

	Total 2019	Total 2018 <i>(Unaudited)</i>
REVENUES		
Designated contributions		
BIC Global Projects	\$ 167,898	\$ 90,486
BIC World Missions Partnership projects	49,023	94,862
Self-supporting relationships	<u>166,595</u>	163,139
	383,516	348,487
Contributions from Be In Christ Church Canada <i>(Note 3)</i>	146,464	155,200
International BIC Association Conference	59,992	-
General giving	39,100	133,764
Team trips	35,444	37,534
Investment and other income	<u>11,471</u>	10,883
	<u>675,987</u>	685,868
EXPENSES		
Designated expenses		
BIC Global Projects	247,994	180,483
BIC World Missions Partnership projects	49,023	97,590
Self-supporting relationships	<u>166,595</u>	163,139
	463,612	441,212
Ministry and administration staff	155,034	152,225
International BIC Association Conference and support	80,556	28,042
Mennonite World Conference	11,481	21,619
Administration and support	30,638	30,879
Team expenses	<u>38,898</u>	22,892
	<u>780,219</u>	696,869
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (104,232)</u>	<u>\$ (11,001)</u>

See the accompanying notes to these financial statements

BIC CANADA-GLOBAL
Statement of Changes in Fund Balances
Year Ended December 31, 2019

	General Fund	Global Ministries Fund <i>(Note 2)</i>	Heise Scholarship Fund <i>(Note 2)</i>	Total 2019	Total 2018 <i>(Unaudited)</i>
BALANCES - BEGINNING OF YEAR	\$ 97,967	\$ 132,415	\$ 24,192	\$ 254,574	\$ 265,575
Excess (deficiency) of revenues over expenses	(110,104)	5,136	736	(104,232)	(11,001)
Interfund transfers	37,137	(37,137)	-	-	-
BALANCES - END OF YEAR	\$ 25,000	\$ 100,414	\$ 24,928	\$ 150,342	\$ 254,574

See the accompanying notes to these financial statements

BIC CANADA-GLOBAL
Statement of Cash Flows
Year Ended December 31, 2019

	2019	2018 <i>(Unaudited)</i>
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	<u>\$ (104,232)</u>	<u>\$ (11,001)</u>
Changes in non-cash working capital:		
Harmonized Sales Tax recoverable	(5,082)	(928)
Accounts payable and accrued liabilities	(31,534)	(40,206)
Deferred support	<u>(68,237)</u>	<u>10,874</u>
	<u>(104,853)</u>	<u>(30,260)</u>
Cash flows used by operating activities	<u>(209,085)</u>	<u>(41,261)</u>
INVESTING ACTIVITY		
Change in investments (net)	<u>59,322</u>	<u>40,490</u>
FINANCING ACTIVITY		
Advances from related party	<u>107,133</u>	<u>31,561</u>
NET INCREASE (DECREASE) IN CASH FLOWS	(42,630)	30,790
CASH - BEGINNING OF YEAR	<u>71,890</u>	<u>41,100</u>
CASH - END OF YEAR	<u>\$ 29,260</u>	<u>\$ 71,890</u>

See the accompanying notes to these financial statements

BIC CANADA-GLOBAL
Notes to Financial Statements
Year Ended December 31, 2019

1. NATURE AND PURPOSE OF ORGANIZATION

BIC Canada-Global (the "Organization"), formerly Brethren in Christ World Missions, is an unincorporated registered charity. The Organization's purpose is to support and extend their ministry by partnering and labouring cross-culturally with other Christian believers to share faith, disciple, teach, train, serve, minister to humanity's needs, and plant churches.

As a charitable organization, the Organization is exempt from income taxes under section 149(1) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook and include the following significant accounting policies.

Fund accounting

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

General Fund

The General Fund accounts for the Organization's ministry delivery and administrative activities. This fund reports special projects including non-budgeted items taken from the Partnership Handbook, internally and externally restricted resources for which there is no separate funds, and direct giving.

Global Ministries Fund

The Global Ministries Fund reports unrestricted bequests received from various estates.

Heise Scholarship Fund

The Heise Scholarship Fund is an endowment fund, for which the interest earned is restricted for leadership training in India.

Interfund transfers

Transfers between funds are made when resources of one fund have been authorized to finance activities and acquisitions in another fund.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues as the related expenses are incurred. If a project or mission for which funds had been contributed is overfunded or ceases, then the funds can be utilized at the discretion of the Organization. Unrestricted contributions are recognized as revenues in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increase in fund balances in the year received.

Investment and other income is recognized as earned.

(continues)

BIC CANADA-GLOBAL
Notes to Financial Statements
Year Ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Organization's financial instruments are comprised of cash, investments, and accounts payable.

Financial instruments are initially recorded at their fair value. The Organization subsequently measures its financial instruments at their amortized cost. Investments are recorded at cost plus any accrued interest.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in the year in which they become known. Actual results could differ from these estimates.

3. DUE FROM (TO) RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Be in Christ community includes a number of entities that have common objectives but that are governed by independent boards of directors.

Related party balances are non-interest bearing and have no fixed terms of repayment.

Be In Christ Church Canada

The Organization is commonly controlled by Be In Christ Church Canada ("BIC") which serves as the denominational headquarters for the Be in Christ Churches in Canada, providing oversight and assistance to them.

During the year, BIC contributed \$146,464 (2018 - \$155,200) of shared funds to the Organization.

As at December 31, 2019, the Organization has a balance due to BIC in the amount of \$9,188 (receivable in 2018 - \$97,945).

4. INVESTMENTS

Investments include funds held for deferred support, and the Global Ministries Fund and Heise Scholarship Fund, and are invested with the BIC Fund.

The BIC Fund (formerly The Brethren in Christ Fund), is a separately incorporated entity, governed by an independent board. The BIC Fund is a loan fund which manages invested funds and provides lending to Be in Christ churches and ministries.

Investments are held in demand deposits which earn interest at 3% per annum and have no maturity dates.

BIC CANADA-GLOBAL
Notes to Financial Statements
Year Ended December 31, 2019

5. DEFERRED SUPPORT

Deferred support represents contributions collected specifically for self support and team based support missions during the year, that relate to future periods. Recognition of these amounts as revenues is deferred to periods when the specified expenditures are incurred.

	<u>2019</u>	<u>2018</u>
Deferred support, beginning of year	\$ 149,776	\$ 138,902
Add: Support received during the year	171,508	149,327
Less: Amounts disbursed during the year	<u>(239,745)</u>	<u>(138,453)</u>
Deferred support, end of year	<u>\$ 81,539</u>	<u>\$ 149,776</u>

6. FINANCIAL RISKS

It's management's opinion that the Organization is not exposed to significant credit or liquidity risks.

The Organization is subject to interest rate risk as the value its investments might be adversely affected by a change in the market interest rates.

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
