

BIC CANADA-GLOBAL

Financial Statements

December 31, 2020

(Unaudited)

BIC CANADA-GLOBAL
Index to Financial Statements
Year Ended December 31, 2020
(Unaudited)

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

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of BIC Canada-Global

We have reviewed the accompanying financial statements of BIC Canada-Global (the "Organization") which comprise the statement of financial position as at December 31, 2020 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, the Organization derives revenues from contributions, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained 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, deficiency of revenues over expenses, and cash flows for the years ended December 31, 2020 and 2019, or assets and fund balances as at December 31, 2020 and 2019 and January 1, 2020 and 2019.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of BIC Canada-Global as at December 31, 2020, 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.

Toronto, Ontario
March 25, 2021

Hogg, Shain & Scheck PC

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

BIC CANADA-GLOBAL
Statement of Financial Position
As at December 31, 2020
(Unaudited)

	2020	2019
ASSETS		
Current		
Cash	\$ 69,967	\$ 29,260
Accounts receivable	245	-
Harmonized Sales Tax recoverable	6,450	7,489
	76,662	36,749
Investments <i>(Note 3)</i>		
Global Ministries Fund	40,000	100,414
Heise Scholarship Fund	25,688	24,928
Other restricted investments	136,081	113,082
	\$ 278,431	\$ 275,173
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 30,445	\$ 34,104
Deferred support <i>(Note 4)</i>	70,004	81,539
Due to Be In Christ Church Canada <i>(Note 5)</i>	27,294	9,188
	127,743	124,831
Canada Emergency Business Account loan payable <i>(Note 6)</i>	60,000	-
	187,743	124,831
FUND BALANCES		
General Fund	25,000	25,000
Global Ministries Fund <i>(Note 2)</i>	40,000	100,414
Heise Scholarship Fund <i>(Note 2)</i>	25,688	24,928
	90,688	150,342
	\$ 278,431	\$ 275,173

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, 2020
(Unaudited)

	2020	2019
REVENUES		
Designated contributions		
BIC Global Projects	\$ 160,980	\$ 167,898
BIC World Mission Partnership projects	57,675	49,023
Self-supporting relationships	53,947	166,595
	<u>272,602</u>	383,516
Contributions from BIC Canada	133,633	146,464
General giving	16,455	39,100
Investment and other income	8,939	11,471
Team trips	3,007	35,444
IBICA Conference revenue	-	59,992
	<u>434,636</u>	675,987
EXPENSES		
Designated expenses		
BIC Global projects	213,535	247,994
BIC World Mission Partnership projects	57,675	49,023
Self-supporting relationships	53,947	166,595
	<u>325,157</u>	463,612
Ministry and administration staff	111,566	155,034
Administration and support	34,920	30,638
International BIC Association Conference and support	10,000	80,556
Mennonite World Conference	10,000	11,481
Team expenses	2,647	38,898
	<u>494,290</u>	780,219
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (59,654)</u>	<u>\$ (104,232)</u>

See the accompanying notes to these financial statements

BIC CANADA-GLOBAL
Statement of Changes in Fund Balances
Year Ended December 31, 2020
(Unaudited)

	General Fund	Global Ministries Fund <i>(Note 2)</i>	Heise Scholarship Fund <i>(Note 2)</i>	Total 2020	Total 2019
BALANCES - BEGINNING OF YEAR	\$ 25,000	\$ 100,414	\$ 24,928	\$ 150,342	\$ 254,574
Excess (deficiency) of revenues over expenses	(3,650)	(56,764)	760	(59,654)	(104,232)
Interfund transfers	3,650	(3,650)	-	-	-
BALANCES - END OF YEAR	\$ 25,000	\$ 40,000	\$ 25,688	\$ 90,688	\$ 150,342

See the accompanying notes to these financial statements

BIC CANADA-GLOBAL
Statement of Cash Flows
Year Ended December 31, 2020
(Unaudited)

	2020	2019
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (59,654)	\$ (104,232)
Changes in non-cash working capital:		
Accounts receivable	(245)	-
Harmonized Sales Tax recoverable	1,039	(5,082)
Accounts payable and accrued liabilities	(3,659)	(31,534)
Deferred support	(11,535)	(68,237)
	<u>(14,400)</u>	<u>(104,853)</u>
Cash flows used by operating activities	<u>(74,054)</u>	<u>(209,085)</u>
INVESTING ACTIVITY		
Change in investments (net)	<u>36,655</u>	59,322
FINANCING ACTIVITIES		
Advances from related party (net)	18,106	107,133
Proceeds from Canada Emergency Business Account loan payable	60,000	-
Cash flows from financing activities	<u>78,106</u>	<u>107,133</u>
NET INCREASE (DECREASE) IN CASH FLOWS	40,707	(42,630)
CASH - BEGINNING OF YEAR	<u>29,260</u>	<u>71,890</u>
CASH - END OF YEAR	<u>\$ 69,967</u>	<u>\$ 29,260</u>

See the accompanying notes to these financial statements

BIC CANADA-GLOBAL
Notes to Financial Statements
Year Ended December 31, 2020
(Unaudited)

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 its 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).

Impact of COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that were put in place to combat the spread of the virus.

The duration and impact of COVID-19 are unknown at this time. It is not possible to reliably estimate the impact that the length and severity these developments will have on the financial results and conditions of the Organization in future periods. The Organization continues to closely monitor and assess the impact on its operations. It is management's opinion that the Organization will have sufficient resources to mitigate the uncertainty due to COVID-19 in 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under 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.

(continues)

BIC CANADA-GLOBAL
Notes to Financial Statements
Year Ended December 31, 2020
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 over-funded 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 a direct increase in fund balances in the year received.

Investment and other income is recognized as earned.

Financial instruments

The Organization's financial instruments are comprised of cash, accounts receivable, investments, accounts payable, and the Canada Emergency Business Account loan 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 amounts 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. 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, 2020
(Unaudited)

4. 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.

	2020	2019
Deferred support, beginning of year	\$ 81,539	\$ 149,776
Add: Support received during the year	112,373	171,508
Less: Amounts disbursed during the year	(123,908)	(239,745)
Deferred support, end of year	\$ 70,004	\$ 81,539

5. DUE TO BE IN CHRIST CHURCH CANADA 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 \$133,633 (2019 - \$146,464) of shared funds to the Organization.

As at December 31, 2020, the Organization has a balance due to BIC in the amount of \$27,294 (2019 - \$9,188).

6. CANADA EMERGENCY BUSINESS ACCOUNT LOAN PAYABLE

As a result of the global pandemic, on December 29, 2020, the Organization received the Canada Emergency Business Account ("CEBA") loan, which is an interest-free loan of \$60,000 to assist with the operating cash flow needs of the Organization. The loan is interest-free for the initial term up to December 31, 2022. As part of the program, \$20,000 of the loan will be forgiven if \$40,000 is repaid in full on, or before, December 31, 2022. From the period commencing December 31, 2022 to the extended term date of December 31, 2025, the loan bears an annual interest rate of 5%.

7. FINANCIAL RISKS

The Organization's main financial instrument risk exposure is as follows:

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and amount due to Be In Christ Church Canada.

(continues)

BIC CANADA-GLOBAL
Notes to Financial Statements
Year Ended December 31, 2020
(Unaudited)

7. FINANCIAL RISKS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. 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.

It is management's opinion that the Organization is not exposed to significant credit or currency risks arising from its financial instruments.
