

BIC CANADA-GLOBAL

Financial Statements

Year ended December 31, 2021

(Unaudited)

BIC CANADA-GLOBAL
Index to Financial Statements
December 31, 2021

	PAGE
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT.....	1 - 2
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 - 11



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") that comprise the statement of financial position as at December 31, 2021, and the statement 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

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, 2021 and 2020, or assets and fund balances as at December 31, 2021 and 2020 and January 1, 2021 and 2020.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT - cont'd

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion and Emphasis of Matter paragraphs, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of BIC Canada-Global as at December 31, 2021, 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.

Emphasis of Matter

We draw attention to Note 3 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2020 has been restated. Our conclusion is not modified in respect of this matter.

Other Matter

The financial statements of BIC Canada-Global for the year ended December 31, 2020 were reviewed by another practitioner who expressed a qualified conclusion on those financial statements on March 25, 2021.

Adams & Miles LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 19, 2022

BIC CANADA-GLOBAL**Statement of Financial Position****December 31, 2021**

(Unaudited)

	2021	2020 <i>(As restated - Note 3)</i>
Assets		
Current		
Cash	\$ 272,681	\$ 69,967
Accounts receivable	746	245
Harmonized Sales Tax recoverable	1,267	6,450
Due from Be In Christ Church of Canada (Note 4)	2,400	-
	277,094	76,662
Investments (Note 5)		
Global Ministries Fund	-	40,000
Heise Scholarship Fund	-	25,688
Other restricted investments	-	136,081
	\$ 277,094	\$ 278,431
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 22,106	\$ 30,445
Deferred support (Note 6)	129,750	89,806
Due to Be In Christ Church of Canada (Note 4)	-	27,294
	151,856	147,545
Canada Emergency Business Account loan payable (Note 7)	60,000	60,000
	211,856	207,545
Fund Balances		
General Fund	65,238	25,000
Global Ministries Fund (Note 2)	-	20,198
Heise Scholarship Fund (Note 2)	-	25,688
	65,238	70,886
	\$ 277,094	\$ 278,431

Approved on behalf of the Board:

Judy Maranta Director
Stephen Roy Director

BIC CANADA-GLOBAL**Statement of Operations****Year ended December 31, 2021**

(Unaudited)

	2021	2020 <i>(As restated - Note 3)</i>
Revenues		
Designated contributions		
Projects	\$ 146,985	\$ 149,373
People	85,473	103,427
	232,458	252,800
Contributions from BIC Canada (Note 4)	99,826	133,633
General giving	40,114	16,455
Investment and other income	1,814	8,939
Team trips	-	3,007
	374,212	414,834
Expenses		
Designated expenses		
Projects	166,720	213,535
People	85,473	111,622
	252,193	325,157
Ministry and administration staff	94,640	111,566
Administration and support	13,027	34,920
International BIC Association Conference and support	10,000	10,000
Mennonite World Conference	10,000	10,000
Team expenses	-	2,647
	379,860	494,290
Deficiency of revenues over expenses	\$ (5,648)	\$ (79,456)

BIC CANADA-GLOBAL**Statement of Changes in Fund Balances**

Year end December 31, 2021

(Unaudited)

	General Fund	Global Ministries Fund (Note 2)	Heise Scholarship Fund (Note 2)	Total 2021	Total 2020
Balance, beginning of year	\$ 25,000	\$ 40,000	\$ 25,688	\$ 90,688	\$ 150,342
Accounting changes (Note 3)	-	(19,802)	-	(19,802)	-
As restated	25,000	20,198	25,688	70,886	150,342
Deficiency of revenues over expenses	(5,648)	-	-	(5,648)	(79,456)
Interfund transfers	45,886	(20,198)	(25,688)	-	-
Balance, end of year	\$ 65,238	\$ -	\$ -	\$ 65,238	\$ 70,886

BIC CANADA-GLOBAL**Statement of Cash Flows****Year ended December 31, 2021**

(Unaudited)

	2021	2020 <i>(As restated - Note 3)</i>
Cash provided by (used in)		
Operating activities		
Deficiency of revenues over expenses	\$ (5,648)	\$ (79,456)
Changes in		
Accounts receivable	(501)	(245)
Harmonized Sales Tax recoverable	5,183	1,039
Accounts payable and accrued liabilities	(8,339)	(3,659)
Deferred support	39,944	8,267
	30,639	(74,054)
Investing activity		
Change in investments (net)	201,769	36,655
Financing activities		
Advances from (to) Be in Christ Church of Canada (net)	(29,694)	18,106
Proceeds from Canada Emergency Business Account loan payable	-	60,000
	(29,694)	78,106
Increase in cash	202,714	40,707
Cash, beginning of year	69,967	29,260
Cash, end of year	\$ 272,681	\$ 69,967

BIC CANADA-GLOBAL

Notes to Financial Statements

Year ended December 31, 2021

(Unaudited)

1. Nature and purpose of operations

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

The duration and impact of COVID-19 are still unknown at this time. As such, it is not possible to reliably estimate the impact of the ongoing COVID-19 pandemic on the financial results of the Organization in future periods. The Organization continues to closely monitor and assess the impact on operations.

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 reported unrestricted bequests received from various estates. In 2021, the balance was transferred to the General Fund and this fund was closed.

BIC CANADA-GLOBAL

Notes to Financial Statements

Year ended December 31, 2021

(Unaudited)

2. Summary of significant accounting policies - cont'd

Heise Scholarship Fund

The Heise Scholarship Fund was recorded as an endowment fund, for which the interest earned was restricted for leadership training in India. In 2021, management determined that the fund did not meet the legal definition of endowments, and made the decision to transfer the balance to the General Fund, and this fund was then closed.

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, due from (to) Be in Christ Church of Canada, 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 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 year. 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.

BIC CANADA-GLOBAL

Notes to Financial Statements

Year ended December 31, 2021

(Unaudited)

3. Accounting changes

During the year, management identified that amounts that were not yet spent were incorrectly recognized as project revenues in the prior year instead of as deferred support.

Accordingly, this error was corrected by management by restating the comparative amounts for 2020, as follows:

Statement of Financial Position as at December 31, 2020

	As previously stated	Adjustment	As restated
Deferred support	\$ 70,004	\$ 19,802	\$ 89,806
Global Ministries Fund	40,000	(19,802)	20,198

Statement of Operations for the year ended December 31, 2020

	As previously stated	Adjustment	As restated
Designated contributions - projects	\$ 169,175	\$ (19,802)	\$ 149,373
Deficiency of revenues over expenses	(59,654)	(19,802)	(79,456)

BIC CANADA-GLOBAL

Notes to Financial Statements

Year ended December 31, 2021

(Unaudited)

4. Be In Christ Church of 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.

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

During the year, BIC contributed \$99,826 (2020 - \$133,633) of shared funds to the Organization.

As at December 31, 2021, the Organization has a balance due from BIC in the amount of \$2,400 (2020 - due to BIC of \$27,294). Related party balances are non-interest bearing and have no fixed terms of repayment.

Transactions with BIC are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the parties.

5. Investments

Investments consisted of funds held for deferred support, and the Global Ministries Fund and Heise Scholarship Fund, and were 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 were held in demand deposits which earned interest at 3% per annum and had no maturity dates.

In April 2021, investments with the BIC Fund were withdrawn and were not reinvested.

6. Deferred support

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

BIC CANADA-GLOBAL**Notes to Financial Statements****Year ended December 31, 2021**

(Unaudited)

6. Deferred support - cont'd

	2021	2020 <i>(As restated - Note 3)</i>
Deferred support, beginning of year	\$ 89,806	\$ 81,539
Add: Support received during the year	177,508	112,373
Less: Amounts disbursed during the year	(137,564)	(104,106)
Deferred support, end of year	\$ 129,750	\$ 89,806

7. Canada Emergency Business Account loan payable

In 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, 2023. 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, 2023. From the period commencing December 31, 2023 to the extended term date of December 31, 2025, the loan will bear an annual interest rate of 5%.

8. Financial instrument risks

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

9. Comparative amounts

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation.