

# **BE IN CHRIST CHURCH OF CANADA**

**Financial Statements**

**Year ended December 31, 2023**



**BE IN CHRIST CHURCH OF CANADA**  
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**December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Be In Christ Church of Canada

### *Qualified Opinion*

We have audited the financial statements of Be In Christ Church of Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2023, 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 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, 2023, and its results of 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 revenues 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 from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and fund balances as at January 1 and December 31, 2023 and 2022. Our opinion on the financial statements for the year ended December 31, 2022 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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### *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.

In preparing the financial statements, management is responsible for assessing the Organization'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 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.

## INDEPENDENT AUDITOR'S REPORT - cont'd

### *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.

*Adams & Miles LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
March 22, 2024



**BE IN CHRIST CHURCH OF CANADA**

**Statement of Financial Position**

**December 31, 2023**

	2023	2022
<b>Assets</b>		
Current		
Cash (Note 5)	\$ 99,739	\$ 1,655,389
Short term investments (Note 3)	1,381,832	-
Accounts receivable	93,166	73,563
Harmonized Sales Tax recoverable	10,637	16,424
Prepaid expenses and advance payments	10,625	29,001
	<b>1,595,999</b>	<b>1,774,377</b>
Investments (Note 3)	2,450,876	2,544,385
Church properties (Note 4)	2	2
	<b>\$ 4,046,877</b>	<b>\$ 4,318,764</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 108,270	\$ 117,728
Canada Emergency Business Account loan payable (Note 6)	-	60,000
	<b>108,270</b>	<b>177,728</b>
<b>Fund Balances</b>		
General Fund	661,361	785,789
Internally Restricted Funds (Note 7)	3,167,589	3,246,618
Endowment Funds (Note 7)	109,657	108,629
	<b>3,938,607</b>	<b>4,141,036</b>
	<b>\$ 4,046,877</b>	<b>\$ 4,318,764</b>

Approved on behalf of the Board:

Stephen Roy Director  
Doug Braun Director



**BE IN CHRIST CHURCH OF CANADA**

**Statement of Operations**

**Year ended December 31, 2023**

	General Fund	Restricted Funds	Total 2023	Total 2022
<b>Revenues</b>				
Shared contributions	\$ 743,967	\$ -	\$ 743,967	\$ 967,475
Contributions for Network Churches	-	153,468	153,468	136,349
Investment income	52,217	132,297	184,514	10,849
Designated contributions	-	1,465	1,465	1,755
Other (Note 6)	20,600	-	20,600	51,930
	816,784	287,230	1,104,014	1,168,358
<b>Expenses</b>				
Denomination leadership	483,680	736	484,416	715,822
Church planting and partnerships	32,300	168,181	200,481	207,098
Pastoral and congregational services	105,642	50,084	155,726	113,180
General and administration	139,637	-	139,637	148,344
Next Generation Ministries	68,017	-	68,017	56,394
Global Ministry (Note 8)	40,000	3,295	43,295	80,000
Camp Kahquah support (Note 9)	25,000	-	25,000	48,000
	894,276	222,296	1,116,572	1,368,838
<b>Excess (deficiency) of revenues over expenses from operations</b>	(77,492)	64,934	(12,558)	(200,480)
<b>Other income (disbursements)</b>				
Funds returned to churches (Note 3)	-	(189,871)	(189,871)	(169,139)
Proceeds from property sales (Note 4)	-	-	-	1,425,997
	-	(189,871)	(189,871)	1,256,858
<b>Excess (deficiency) of revenues over expenses</b>	\$ (77,492)	\$ (124,937)	\$ (202,429)	\$ 1,056,378



**BE IN CHRIST CHURCH OF CANADA**  
**Statement of Changes in Fund Balances**  
**Year ended December 31, 2023**

	General Fund	Internally Restricted Funds	Endowment Funds	<b>Total 2023</b>	Total 2022
<b>Balance, beginning of year</b>	\$ 785,789	\$ 3,246,618	\$ 108,629	\$ <b>4,141,036</b>	\$ 3,084,658
Excess (deficiency) of revenues over expenses	(77,492)	(125,965)	1,028	<b>(202,429)</b>	1,056,378
Interfund transfers (Note 7)	(46,936)	46,936	-	-	-
<b>Balance, end of year</b>	\$ 661,361	\$ 3,167,589	\$ 109,657	\$ <b>3,938,607</b>	\$ 4,141,036



# BE IN CHRIST CHURCH OF CANADA

## Statement of Cash Flows

December 31, 2023

	Total 2023	Total 2022
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses	\$ (202,429)	\$ 1,056,378
Accrued interest on investments	(59,970)	-
Unrealized (gain) loss on marketable securities	(52,217)	43,415
CEBA loan forgiveness	(20,000)	-
Changes in		
Accounts receivable	(19,603)	(20,713)
Harmonized Sales Tax recoverable	5,787	142,834
Prepaid expenses and advance payments	18,376	(6,421)
Accounts payable and accrued liabilities	(9,458)	(30,300)
	<b>(339,514)</b>	1,185,193
<b>Investing activity</b>		
Change in investments (net)	(1,176,136)	103,423
<b>Financing activities</b>		
Repayment of CEBA loan	(40,000)	-
<b>Net change in cash</b>	<b>(1,555,650)</b>	1,288,616
<b>Cash, beginning of year</b>	<b>1,655,389</b>	366,773
<b>Cash, end of year</b>	<b>\$ 99,739</b>	<b>\$ 1,655,389</b>





# BE IN CHRIST CHURCH OF CANADA

## Notes to Financial Statements

Year ended December 31, 2023

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### 1. Nature and purpose of operations

Be In Christ Church of Canada (the "Organization") was federally incorporated without share capital under the Canada Not-for-profit Corporations Act and is a registered charity, exempt from income taxes under Section 149(1) of the Income Tax Act (Canada).

The Organization serves as the denominational headquarters for the Be In Christ Churches in Canada, providing oversight and assistance to them. The continued operations of the Organization is dependent on the continued support of its members.

#### BIC Canada-Global

The Organization and BIC Canada-Global (formerly Brethren in Christ World Missions) are commonly controlled by the same Board of Directors. BIC Canada-Global is an unincorporated registered charity. Its 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. Summary financial information is disclosed in Note 8.

#### Camp Kahquah

The Organization is the beneficial owner of Camp Kahquah Corporation Limited (the "Camp"), which was incorporated under the Ontario Business Corporations Act on May 31, 1963, and continued under the Ontario Not-for-Profit Corporations Act when it came into effect on October 19, 2021. The Camp, a registered charity, operates on the shores of Ahmic Lake, near Magnetawan, Ontario. Summary financial information is included in Note 9

### 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:



# BE IN CHRIST CHURCH OF CANADA

## Notes to Financial Statements

Year ended December 31, 2023

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### 2. Summary of significant accounting policies - cont'd

#### **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 consists of unrestricted contributions and other revenue and related expenses for the program delivery, administrative activities, and working capital requirements of the Organization.

#### *Internally Restricted Funds*

The Organization has a number of internally restricted funds held for various projects and initiatives (Note 7). The use of these funds is at the discretion of the Board of Directors.

#### *Endowment Funds*

The Endowment Funds report funds donated by individuals to be held in perpetuity, as well as accumulated investment income designated by the donors.

#### **Interfund transfers**

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

#### **Revenue recognition**

The Organization follows the restricted fund method of accounting for contributions.

Externally restricted contributions are recognized as revenues of the appropriate restricted fund in the year received. Other externally restricted contributions are recorded in the General Fund as deferred revenues and subsequently recognized as revenues as the related expenses are incurred. If a project or mission for which funds had been contributed is overfunded or ceases, the funds are 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 revenues of the appropriate endowment fund in the year received.



## BE IN CHRIST CHURCH OF CANADA

### Notes to Financial Statements

Year ended December 31, 2023

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## 2. Summary of significant accounting policies - cont'd

### Revenue recognition - cont'd

Investment and other income is recognized as earned.

Government assistance in the form of the forgivable portion of the CEBA loan (Note 6) was recognized in 2023 when the minimum payment was made.

### Financial instruments

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

Financial instruments are initially recorded at their fair value. The Organization subsequently measures its financial instruments at their amortized cost, except for marketable securities, which are measured at their fair value. Unrealized gains or losses in the fair value of investments are recorded in the statement of operations. Accrued interest earned on Guaranteed Investment Certificates is recorded with accounts receivable.

### Church properties

The Organization has title to, but no beneficial interest in, church properties of its members. Accordingly, the value of these properties is recorded in the financial statements of the Organization at a nominal amount, even when the church property has been purchased by the Organization on a member church's behalf. When it is determined that a member church is not continuing operations, the beneficial ownership of the property will pass to the Organization.

Proceeds from property sales (purchases of property) on behalf of member churches are recorded in the statement of operations as other income (disbursements) in the year in which they occur.

### Impairment of long-lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of long-lived assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.



## BE IN CHRIST CHURCH OF CANADA

### Notes to Financial Statements

Year ended December 31, 2023

#### 2. Summary of significant accounting policies - cont'd

##### Use of estimates

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.

#### 3. Investments

	2023	2022
Fixed-interest earning deposits	\$ 1,570,827	\$ 1,712,961
Guaranteed Investment Certificates	1,381,832	-
Marketable securities	723,641	831,424
Investment savings account	156,408	-
	<u>3,832,708</u>	<u>2,544,385</u>
Less: short-term investments	(1,381,832)	-
Long-term investments	<u>\$ 2,450,876</u>	<u>\$ 2,544,385</u>

Investments consist of funds held in support of the restricted funds and the General Fund.

In addition to the portfolio of marketable securities invested in the stock market, the fixed-interest earning deposits of \$1,570,827 (2022 - \$1,712,961) are invested with the BIC Fund, earning interest of 4.00% (2022 - 3.00% - 4.00%) per annum and having no maturity dates. The BIC Fund (formerly The Brethren in Christ Fund) is a separately incorporated entity, governed by an independent board, and is a loan fund that manages invested funds and provides lending to Be In Christ churches and ministries.

The Guaranteed Investment Certificates are invested at a major Canadian chartered bank earning interest in the range of 3.80% to 4.86% per annum, and maturing between February 2024 and March 2024. The investment savings account invested at the same bank earns interest calculated daily, paid monthly, subject to change at any time without notice.



## BE IN CHRIST CHURCH OF CANADA

### Notes to Financial Statements

Year ended December 31, 2023

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#### 3. Investments - cont'd

Of the investments held for network churches, \$189,871 (2022 - \$169,139) was returned to churches during the year, and recorded in the statement of operations as a disbursement.

#### 4. Church properties

The Organization has title to the following church properties (as described in Note 2):

Boyle, St. Ann's, ON  
Camp Kahquah, Magnetawan, ON  
Clearview, Kindersley, SK  
Covenant Church, Penetang, ON  
Crossroads, Puslinch, ON  
Delisle BIC, Delisle, SK  
Fallsview, Niagara Falls, ON  
Fordwich BIC, Fordwich, ON  
Heise Hill, Gormley, ON  
Kirkland Lake, Kirkland Lake, ON  
Massey Place BIC, Saskatoon, SK  
New Life, Collingwood, ON  
New Life Christian Church, Toronto, ON  
Oak Ridges, Richmond Hill, ON  
Orchard Creek, Thorold, ON  
Port Colborne BIC, Port Colborne, ON  
Riverside, Fort Erie, ON  
Rosebank, New Dundee, ON  
Sauble Christian Fellowship, Sauble Beach, ON  
Stayner BIC, Stayner, ON  
The Dwelling Place, Springvale, ON  
The Meeting House Sandbanks, Sandbanks, ON  
The Mission, Houghton, ON  
Trinitylife, Sherkston, ON  
Wainfleet BIC, Wainfleet, ON  
Westheights BIC, Kitchener, ON  
Welland BIC, Welland, ON

There were no property transactions in 2023. During 2022, on January 31, 2022 the Organization sold the property of New Hope Church for net proceeds of \$874,085, and on November 15, 2022, the Organization sold the property of Pathway Community Church for net proceeds of \$551,912.



## **BE IN CHRIST CHURCH OF CANADA**

### **Notes to Financial Statements**

**Year ended December 31, 2023**

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#### **5. Pension**

The Organization and its member churches participate in the Canadian Council of Christian Charities ("CCCC") Employees' Pension Plan. As a service to its churches, the Organization handles the collection of all pension contributions and remits them on their behalf to the CCCC. Included in cash and accounts payable and accrued liabilities is \$42,983 (2022 - \$51,271) in pension contributions collected.

The CCCC plan is a defined contribution plan under which the employer contributes 8% of the participant's gross pay and the participants contribute 5% of their gross pay. Participants are able to provide voluntary contributions in addition to the above-defined contributions.

The employees of the Organization also participate in the pension plan. The total pension expense for the year was \$35,385 (2022 - \$59,829).

#### **6. Canada Emergency Business Account loan payable**

In 2020, the Organization received the Canada Emergency Business Account ("CEBA") loan, which was an interest-free loan of \$60,000 to assist with the operating cash flow needs of the Organization during the COVID-19 pandemic. During 2023, the Organization repaid the minimum amount of \$40,000 of the original loan, and as a result, the remaining \$20,000 was forgiven under the CEBA terms, and has been recognized in other revenue in the statement of operations.



**BE IN CHRIST CHURCH OF CANADA**

**Notes to Financial Statements**

**Year ended December 31, 2023**

**7. Restricted Funds**

	Balances, beginning of year	Excess (deficiency) of revenues over expenses	Interfund Transfers	Balances, end of year
<b>Internally Restricted Funds</b>				
Funds Held for Member				
Churches	\$ 2,593,101	\$ (68,015)	\$ 1,500	\$ 2,526,586
Group Health Contingency Fund	547,173	(28,343)	-	518,830
Historical Society Fund	1,811	674	-	2,485
Bethel Cemetery Fund	14,815	(15,251)	436	-
Network Churches				
Belleville Fund	61,336	(10,523)	20,000	70,813
Alliston Fund	9,208	15,329	10,000	34,537
Brockville Fund	19,174	(20,016)	15,000	14,158
Kirkland Fund	-	180	-	180
	3,246,618	(125,965)	46,936	3,167,589
<b>Endowment Funds</b>	108,629	1,028	-	109,657
<b>Total Restricted Funds</b>	<b>\$ 3,355,247</b>	<b>\$ (124,937)</b>	<b>\$ 46,936</b>	<b>\$ 3,277,246</b>



## BE IN CHRIST CHURCH OF CANADA

### Notes to Financial Statements

Year ended December 31, 2023

#### 8. BIC Canada-Global

Summary financial information for BIC Canada-Global's fiscal year ended December 31, 2023 is as follows:

	2023 (Unaudited)	2022 (Unaudited)
Financial position:		
Assets	\$ 241,114	\$ 278,753
Liabilities	(143,800)	(209,758)
Fund balances	\$ 97,314	\$ 68,995
Results of operations:		
Revenues	\$ 339,146	\$ 414,800
Expenses	(310,827)	(411,043)
Excess of revenues over expenses	\$ 28,319	\$ 3,757
Cash flows:		
Cash flows from operating activities	\$ 2,638	\$ 3,236
Cash flows from (used in) financing activities	(39,940)	2,340
Net increase (decrease) in cash	\$ (37,302)	\$ 5,576

During the year, the Organization contributed \$40,000 (2022 - \$80,000) of shared funds to BIC Canada-Global.

Transactions with BIC Canada-Global 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 related parties.





## BE IN CHRIST CHURCH OF CANADA

### Notes to Financial Statements

Year ended December 31, 2023

#### 9. Camp Kahquah

The following summary financial information for the Camp for the year ended December 31, 2023 has been prepared by the Camp's management, is presented for information purposes only, has not been audited, and is not covered by the independent auditor's report.

	2023 <i>(Unaudited)</i>	2022 <i>(Unaudited)</i>
<b>Financial position:</b>		
Assets	\$ 1,438,825	\$ 1,256,929
Liabilities	(330,590)	(221,755)
<b>Fund balances</b>	<b>\$ 1,108,235</b>	<b>\$ 1,035,174</b>
<b>Results of operations:</b>		
Revenues	\$ 822,972	\$ 719,534
Expenses	(749,911)	(666,225)
<b>Excess of revenues over expenses</b>	<b>\$ 73,061</b>	<b>\$ 53,309</b>
<b>Cash flows:</b>		
Cash flows from operating activities	\$ 97,535	\$ 138,694
Cash flows used in investing activities	(115,113)	(179,143)
Cash flows from financing activities	123,057	5,873
<b>Net increase (decrease) in cash</b>	<b>\$ 105,479</b>	<b>\$ (34,576)</b>

During the year, the Organization contributed \$25,000 (2022 - \$48,000) to the camp.

Transactions with the Camp 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 related parties.



## BE IN CHRIST CHURCH OF CANADA

### Notes to Financial Statements

Year ended December 31, 2023

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#### 10. Financial instrument risks

The Organization's main financial instrument risk exposures, which remain consistent with the prior year, are as follows:

##### *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 market interest rates. The Organization is exposed to interest rate risk with respect to its fixed income investments.

##### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those 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 Organization is exposed to other price risk with respect to its investments in marketable securities.

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

#### 11. Contingency

The Organization is subject to a legal class action related to Timber Bay Children's Home, the outcome of which is not determinable at this time. Accordingly, no amount has been recorded in these financial statements.

#### 12. Comparative amounts

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

