

**LAKESIDE BIBLE CHURCH**  
**Financial Statements**  
**Year Ended December 31, 2021**

**LAKESIDE BIBLE CHURCH**  
**Index to Financial Statements**  
**Year Ended December 31, 2021**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenue and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Lakeside Bible Church

### *Opinion*

We have audited the financial statements of Lakeside Bible Church (the church), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of revenue and expenditures, changes in net assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the church as at December 31, 2021 and 2020, and the results of its operations and cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

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 church in accordance with 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 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 ASNPO, 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 church'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 church or to cease operations, or has no realistic alternative but to do so.

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

*(continues)*

Independent Auditor's Report to the Members of Lakeside Bible Church *(continued)*

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 church'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 church'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 church 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.

Guelph, Ontario  
April 1, 2022

*Curtis-Villar LLP*

**CURTIS-VILLAR LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

**LAKESIDE BIBLE CHURCH**  
**Statement of Financial Position**  
**As at December 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 60,666	\$ 113,462
Harmonized sales tax recoverable	16,459	17,348
Prepaid expenses	2,287	-
Due from related parties (Note 8)	58,121	71,883
Government assistance receivable (Note 4)	-	9,995
	<u>137,533</u>	212,688
PROPERTY, PLANT AND EQUIPMENT (Note 5)	3,743,694	3,895,534
CASH - INTERNALLY RESTRICTED	<u>289,415</u>	327,500
	<u>\$ 4,170,642</u>	<u>\$ 4,435,722</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 63,756	\$ 85,039
Current portion of long term debt (Note 10)	87,199	82,904
	<u>150,955</u>	167,943
LONG TERM DEBT (Note 10)	1,809,256	1,897,493
DEFERRED REVENUE (Note 7)	<u>8,576</u>	3,774
	<u>1,968,787</u>	2,069,210
<b>NET ASSETS</b>		
General Purpose Fund (Note 2)	61,135	111,195
Capital Assets Fund (Note 2)	1,847,241	1,915,138
Working Capital Fund (Note 2)	289,415	327,500
Mission Purposes Fund (Note 2)	4,064	12,679
	<u>2,201,855</u>	2,366,512
	<u>\$ 4,170,642</u>	<u>\$ 4,435,722</u>

See notes to financial statements

**LAKESIDE BIBLE CHURCH**  
**Statement of Revenue and Expenditures**  
**Year Ended December 31, 2021**

	2021	2020
	2021	2020
<b>REVENUE</b>		
Lakeside Central - General donations <i>(Note 13)</i>	\$ 1,145,023	\$ 1,299,181
Self supporting ministries	75,877	79,208
Lakeside Downtown <i>(Note 13)</i>	57,248	72,539
Rental revenue	42,630	31,296
Lakeside Central - Missions donations <i>(Note 13)</i>	16,136	16,148
Lakeside Central - Community impact donations <i>(Note 13)</i>	9,758	8,608
Miscellaneous	9,668	7,680
Lakeside Central - Building donations <i>(Note 13)</i>	1,000	11,600
Lakeside Outpost	-	32,000
	<u>1,357,340</u>	<u>1,558,260</u>
<b>EXPENDITURES</b>		
Program, ministry and salaries <i>(Note 4)</i>	765,111	872,472
Property	258,443	255,782
Self supporting ministries	73,344	79,457
Administration	43,366	44,343
Lakeside Downtown	43,261	28,588
Missions	24,751	24,787
Community impact	10,550	8,858
Community care and integration	9,356	13,180
Youth ministries	3,503	7,944
Lakeside kids	3,430	4,344
Maturity	598	253
Lakeside Outpost	-	38,981
	<u>1,235,713</u>	<u>1,378,989</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	<u>121,627</u>	<u>179,271</u>
<b>OTHER INCOME</b>		
Gain on disposal of property, plant and equipment	-	185,220
Interest on long term debt	(97,094)	(115,017)
Amortization	(189,190)	(194,802)
	<u>(286,284)</u>	<u>(124,599)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ (164,657)</u>	<u>\$ 54,672</u>

See notes to financial statements

**LAKESIDE BIBLE CHURCH**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2021**

	General Purpose Fund <i>(Unrestricted)</i>	Capital Assets Fund <i>(Internally restricted)</i>	Working Capital Fund <i>(Internally restricted)</i>	Mission Purposes Fund <i>(Externally restricted)</i>	<b>2021</b> <b>Total</b>	2020 Total
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 111,195	\$ 1,915,138	\$ 327,500	\$ 12,679	\$ <b>2,366,512</b>	\$ 2,311,840
Deficiency of revenue over expenditures	(164,657)	-	-	-	<b>(164,657)</b>	54,672
Interfund transfers <i>(Note 12)</i>	114,597	(67,897)	(38,085)	(8,615)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 61,135</b>	<b>\$ 1,847,241</b>	<b>\$ 289,415</b>	<b>\$ 4,064</b>	<b>\$ 2,201,855</b>	<b>\$ 2,366,512</b>

See notes to financial statements

**LAKESIDE BIBLE CHURCH**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	\$ (164,657)	\$ 54,672
Items not affecting cash:		
Amortization of property, plant and equipment	189,190	194,802
Gain on disposal of property, plant and equipment	-	(191,120)
	<u>24,533</u>	<u>58,354</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(21,282)	(19,135)
Prepaid expenditures	(2,287)	321
Harmonized sales tax payable	889	2,071
Deferred revenue	4,802	(12,660)
Government assistance receivable	9,995	(9,995)
	<u>(7,883)</u>	<u>(39,398)</u>
Cash flow from operating activities	<u>16,650</u>	<u>18,956</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(37,351)	(90,901)
Proceeds on disposal of property, plant and equipment	-	1,100,000
Cash flow from (used by) investing activities	<u>(37,351)</u>	<u>1,009,099</u>
<b>FINANCING ACTIVITIES</b>		
Advances from related parties	13,762	(4,508)
Repayment of long term debt	(83,942)	(731,644)
Cash flow used by financing activities	<u>(70,180)</u>	<u>(736,152)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(90,881)</b>	<b>291,903</b>
Cash - beginning of year	<u>440,962</u>	<u>149,059</u>
<b>CASH - END OF YEAR</b>	<b>\$ 350,081</b>	<b>\$ 440,962</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 60,666	\$ 113,462
Cash - restricted	<u>289,415</u>	<u>327,500</u>
	<b>\$ 350,081</b>	<b>\$ 440,962</b>

See notes to financial statements



**LAKESIDE BIBLE CHURCH**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

1. DESCRIPTION OF BUSINESS

Lakeside Bible Church is a not-for-profit organization incorporated without share capital and is a registered charity. The church's primary purpose is to promote and teach the gospel of Jesus Christ to the world.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are GICs and are valued at cost plus accrued interest. Restricted cash consists of funds that have been designated as restricted for future use by the board, to be used only with the approval of the board.

Fund accounting

Lakeside Bible Church follows the deferral method of accounting for contributions.

The General Purpose Fund accounts for the church's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Assets Fund reports the assets, liabilities, revenue and expenditures related to Lakeside Bible Church's capital assets.

The Working Capital Fund consists of funds that have been designated as restricted for future use by the board, to be used only with the approval of the board.

The Mission Purposes Fund reports revenue and expenditures for the church's mission activities.

*(continues)*

**LAKESIDE BIBLE CHURCH**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

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

Revenue recognition

Lakeside Bible Church follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. 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.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Lakeside Central and Lakeside Downtown consist of restricted and non-restricted donations and fundraising amounts and are recorded when received. Restricted amounts related to future fiscal years are recorded as deferred revenue.

Missions fundraising consists of fundraising for missions trips in the year the trips occur and are recorded when received.

Lakeside Outpost consists of donations from other charities and are recorded when received.

Self supporting ministries consists of revenue for various programming and are recorded when received. Amounts related to future fiscal years are recorded as deferred revenue.

Rental revenue is recorded when received. Amounts related to future fiscal years are recorded as deferred revenue.

Miscellaneous revenue consists of interest income and donations in kind and are recorded when received.

Gain on disposal of assets consists of the difference in proceeds and the net book value from the disposal of 75 Norfolk St.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Measurement uncertainty exists for amortization. Actual results could differ from these estimates.

*(continues)*

**LAKESIDE BIBLE CHURCH**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Buildings	5%	declining balance method
Furniture and equipment	20%	declining balance method
Computer equipment	55%	declining balance method
Paving	8%	declining balance method

The church regularly reviews its property, plant and equipment to eliminate obsolete items.

3. CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
One year cashable GIC, interest calculated at 0.35%, maturing June 20, 2022	\$ 201,500	\$ -
One year cashable GIC, interest calculated at 0.35%, maturing September 20, 2022	8,112	-
One year cashable GIC, interest calculated at 0.75%, maturing June 18, 2021	-	200,000
One year cashable GIC, interest calculated at 0.20%, maturing September 20, 2021	-	8,096
	<u>\$ 209,612</u>	<u>\$ 208,096</u>

4. GOVERNMENT ASSISTANCE

During 2020, the Government of Canada created a program for organizations and businesses to apply for a wage subsidy, to help continue to pay their employees despite no work or less work due to COVID-19. One of the programs is the Temporary Wage Subsidy which allows eligible employers to reduce the amount of payroll deductions they need to remit and is equal to 10% of the remuneration paid from March 18 - June 19, 2020, up to \$1,375 for each eligible employee. The subsidy has been credited to Program, ministries, and salaries and is not expected to be repaid.

Another program is the Canadian Emergency Wage Subsidy for 75% of employee wages is to help prevent further jobs losses and better position organizations to resume normal operations following the crisis and began on March 15, 2020. The program ended October 23, 2021 and the organization has received all eligible subsidy claims as of December 31, 2021. The subsidy has been credited to Program, ministries, and salaries and is not expected to be repaid.

	<u>2021</u>	<u>2020</u>
Temporary Wage Subsidy	\$ -	\$ 19,464
Canadian Emergency Wage Subsidy	81,189	61,235
	<u>\$ 81,189</u>	<u>\$ 80,699</u>

**LAKESIDE BIBLE CHURCH**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Buildings	\$ 7,362,925	\$ 4,165,932	\$ 3,196,993	\$ 3,365,256
Land	450,000	-	450,000	450,000
Furniture and equipment	1,037,585	946,292	91,293	76,868
Computer equipment	6,600	2,756	3,844	1,710
Paving	8,452	6,888	1,564	1,700
	<b>\$ 8,865,562</b>	<b>\$ 5,121,868</b>	<b>\$ 3,743,694</b>	<b>\$ 3,895,534</b>

6. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	2021	2020
Health taxes	\$ 955	\$ 11,449
Employee deductions payable	15,897	19,687
	<b>\$ 16,852</b>	<b>\$ 31,136</b>

7. DEFERRED REVENUE

Deferred revenue consists of restricted donations for Celebrate Recovery, and rent for facilities in the next fiscal year.

	2021	2020
Deferred revenue - opening balance	\$ 3,774	\$ 16,434
Less: amount recognized as revenue in the year	(2,393)	(12,900)
Add: amount received for the subsequent year	7,195	240
Deferred revenue - ending balance	<b>\$ 8,576</b>	<b>\$ 3,774</b>

8. DUE FROM RELATED PARTIES

	2021	2020
Lakeside Child Care Centre	\$ 121	\$ 9,883
Lakeside Child Care Centre - Demand loan	58,000	62,000
	<b>\$ 58,121</b>	<b>\$ 71,883</b>

Lakeside Child Care Centre is a related party as it is a division of the church. The demand loan bears no interest and has no set repayment terms. The balance is due 7 days after demand. All other balances receivable are non-interest bearing and have no set repayment terms. These other balances have been repaid in 2022 and are therefore classified as current. Loans are not in the normal course of operations and are recorded at cost.

**LAKESIDE BIBLE CHURCH**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

9. RELATED PARTY TRANSACTIONS

The following is a summary of the church's related party transactions:

	2021	2020
Board of Directors and Executive Director <i>(Members of the Board of Directors for Lakeside Bible Church and management)</i>		
Donations	<b>\$ 46,550</b>	<b>\$ 48,722</b>
Lakeside Child Care Centre <i>(Lakeside Child Care Centre is a division of Lakeside Bible Church)</i>		
Child care fees transferred	<b>\$ (148,894)</b>	<b>\$ (112,655)</b>
HST rebate reimbursement	<b>(550)</b>	<b>(2,787)</b>
Admin wage reimbursement	<b>22,960</b>	<b>16,572</b>
Rent	<b>12,000</b>	<b>6,000</b>
Supplies and equipment expense reimbursement	<b>4,379</b>	<b>5,114</b>
Facilities and equipment expense reimbursement	<b>15,809</b>	<b>2,213</b>
Bank charges reimbursement	<b>1,998</b>	<b>2,145</b>
Insurance reimbursement	<b>1,935</b>	<b>1,743</b>
EHT reimbursement	<b>306</b>	<b>189</b>
Loan repayments	<b>(4,000)</b>	<b>-</b>
	<b>\$ (94,057)</b>	<b>\$ (81,466)</b>

Donations made by board members and rent are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All other transactions are not in the normal course of operations and are recorded at cost.

10. LONG TERM DEBT

	2021	2020
Mortgage payable loan bearing interest at 5% per annum, repayable in monthly blended payments of \$15,003. The mortgage matures on January 1, 2022 and is secured by real property with a carrying value of \$3,196,994.	<b>\$ 1,896,455</b>	<b>\$ 1,980,397</b>
Amounts payable within one year	<b>(87,199)</b>	<b>(82,904)</b>
	<b>\$ 1,809,256</b>	<b>\$ 1,897,493</b>

Principal repayment terms are approximately:

2022	\$ 87,199
2023	91,660
2024	96,108
2025	101,267
2026	106,448
Thereafter	1,413,773
	<b>\$ 1,896,455</b>

**LAKESIDE BIBLE CHURCH**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

11. LEASE COMMITMENTS

The church has a long term lease with respect to its premises at 75 Norfolk Street. The lease matures April 30, 2025 and contains renewal options. The church also has a lease for three printers that mature December 31, 2024. Future minimum lease payments as at December 31, 2021, are as follows:

	75 Norfolk St	Printer lease
2022	\$ 35,556	\$ 9,788
2023	38,889	9,788
2024	40,000	9,788
2025	13,333	-
	\$ 127,778	\$ 29,364

12. INTERFUND TRANSFERS

The Capital Assets Fund transferred \$67,897 to the General Purpose Fund to account for amortization, the purchase of assets, and mortgage payments during the year. The Mission Purposes Fund transferred \$8,615 to the General Purpose Fund for the deficiency of revenue over expenditures related to mission activities. There was also a transfer of \$38,085 from the Working Capital Fund to the General Purpose Fund for repairs and maintenance during the year.

13. MAJOR CONTRIBUTIONS

Major contributions consists of donations from individual donors over performance materiality.

	2021	2020
Individual donors	\$ 80,315	\$ 48,550

14. FINANCIAL INSTRUMENTS

The church is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the church's risk exposure and concentration as of December 31, 2021.

**(a) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The church is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, contributions, GICs, and accounts payable.

**(b) Market risk**

Market risk is the risk that 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: currency rate risk, interest rate risk and other price risk. The church is mainly exposed to interest rate risk.

*(continues)*

**LAKESIDE BIBLE CHURCH**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

---

14. FINANCIAL INSTRUMENTS *(continued)*

*(c) 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. In seeking to minimize the risks from interest rate fluctuations, the church manages exposure through its normal operating and financing activities. The church is exposed to interest rate risk primarily through its long-term debt.

Unless otherwise noted, it is management's opinion that the church is not exposed to significant other price risks arising from these financial instruments.

15. COVID-19 IMPLICATIONS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at March 18, 2020, the church is aware of changes in its operations as a result of the COVID-19 crisis, including the closure of its facilities by provincial decree. In 2021, the church closed its facilities to adhere to provincial lockdown restrictions from the beginning of January to mid February as well as mid April to mid June. While the church reopened the facilities in June, capacity was reduced due to the health and safety restrictions in place by the government.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the church's operations as at the date of these financial statements.