



LAKESIDE BIBLE CHURCH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lakeside Bible Church:

Qualified Opinion

We have audited the financial statements of Lakeside Bible Church (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, operations 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* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and its financial performance 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 not-for-profit organizations, the Organization derives revenues from various sources, the completeness of which is not susceptible to satisfactory audit verification. Due to nature of transactions involving cash transactions it is impractical through auditing procedures to determine that accounting records include all cash donations in revenue. Our verification of the revenues was limited to the amounts recorded in the records for Lakeside Bible Church. Accordingly, we were not able to determine whether any adjustments might be necessary to revenues from various sources, excess (deficiency) of revenues over expenses and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024 and net assets as at January 1, 2025 and 2024 and December 31, 2025 and 2024.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Other Matter

The financial statements of the Organization for the year ended December 31, 2024, were audited by another firm of Chartered Professional Accountants who expressed a qualified opinion on those financial statements on June 12, 2025 for the reason described in the Basis for Qualified Opinion paragraph.

Responsibilities of Management and Those Charged with Governance 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.

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

Those charged with governance are responsible for overseeing 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 Organization'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 Organization'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 Organization 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, Canada
May 27, 2026

*Embree Thomas & Co.
LLP*

EMBREE THOMAS & CO LLP
Chartered Professional Accountants
Licensed Public Accountants

LAKESIDE BIBLE CHURCH
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 87,713	\$ 80,087
Guaranteed investment certificates (note 2)	49,440	82,663
Accounts receivable	11,520	12,932
Interest receivable	652	1,297
Government remittances recoverable	13,275	13,674
Prepaid expenses	<u>5,053</u>	<u>2,410</u>
	167,653	193,063
PROPERTY AND EQUIPMENT (note 4)	<u>3,135,617</u>	<u>3,283,040</u>
	<u>\$ 3,303,270</u>	<u>\$ 3,476,103</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 63,508	\$ 74,685
Government remittances payable	12,762	10,228
Mortgage payable (note 7)	104,719	99,622
Deferred contributions (note 5)	<u>45,341</u>	<u>44,115</u>
	226,330	228,650
LONG-TERM		
Mortgage payable (note 7)	1,448,291	1,554,011
Deferred capital contributions (note 6)	<u>7,108</u>	<u>8,349</u>
	<u>1,681,729</u>	<u>1,791,010</u>
NET ASSETS		
GENERAL PURPOSE FUND (UNRESTRICTED)	(13,819)	(31,066)
CAPITAL ASSETS FUND (INTERNALLY RESTRICTED)	1,582,608	1,629,407
WORKING CAPITAL FUND (INTERNALLY RESTRICTED)	<u>52,752</u>	<u>86,752</u>
	<u>1,621,541</u>	<u>1,685,093</u>
	<u>\$ 3,303,270</u>	<u>\$ 3,476,103</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

_____ Director

_____ Director

(See accompanying notes to financial statements)

LAKESIDE BIBLE CHURCH
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Purpose Fund (Unrestricted)	Capital Assets Fund (Internally Restricted)	Working Capital Fund (Internally Restricted)	2025 TOTAL	2024 TOTAL
NET ASSETS - BEGINNING OF THE YEAR	\$ (31,066)	\$ 1,629,407	\$ 86,752	\$ 1,685,093	\$ 1,843,566
Excess of expenses over revenues	(63,552)			(63,552)	(158,473)
Invested in property and equipment	46,799	(46,799)	-	-	-
Interfund transfers	34,000	-	(34,000)	-	-
NET ASSETS (DEFICIT) - END OF THE YEAR	<u>\$ (13,819)</u>	<u>\$ 1,582,608</u>	<u>\$ 52,752</u>	<u>\$ 1,621,541</u>	<u>\$ 1,685,093</u>

(See accompanying notes to financial statements)
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LAKESIDE BIBLE CHURCH
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
REVENUES		
General donations (note 3)	\$ 821,780	\$ 888,369
Rental (note 3)	192,479	136,068
Self supporting ministries	76,005	80,990
Miscellaneous	26,151	24,113
Missions donations	2,600	-
Community impact donations	2,701	3,340
Building donations	<u>-</u>	<u>300</u>
	<u>1,121,716</u>	<u>1,133,180</u>
EXPENSES		
Program, ministry and salaries	550,738	641,657
Property	262,640	219,047
Self supporting ministries	66,877	71,393
Administration	42,051	37,987
Community care and integration	23,599	29,174
Community impact	2,155	3,700
Lakeside kids	2,125	1,857
Youth ministries	1,678	417
Maturity	<u>176</u>	<u>302</u>
	<u>952,039</u>	<u>1,005,534</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING	169,677	127,646
OTHER INCOME (EXPENSES)		
Amortization	(155,496)	(164,074)
Interest on mortgage payable (note 7)	(80,003)	(85,110)
Loan forgiveness (note 3)	-	(40,244)
Interest income	<u>2,270</u>	<u>3,309</u>
EXCESS OF EXPENSES OVER REVENUES	\$ <u>(63,552)</u>	\$ <u>(158,473)</u>

(See accompanying notes to financial statements)

LAKESIDE BIBLE CHURCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (63,552)	\$ (158,473)
Charges to expenses over revenues not requiring cash:		
Amortization	155,496	164,074
Deferred capital contributions	(1,401)	(993)
Loan forgiveness	<u>-</u>	<u>40,244</u>
	90,543	44,852
CHANGES IN NON-CASH WORKING CAPITAL		
Accounts receivable	1,413	5,990
Interest receivable	645	1,403
Government remittances recoverable	399	(1,661)
Prepaid expenses	(2,642)	(262)
Accounts payable and accrued liabilities	(11,177)	13,175
Government remittances payable	2,534	(3,359)
Deferred contributions	<u>1,226</u>	<u>9,986</u>
	<u>82,941</u>	<u>70,124</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage payable	(100,623)	(94,538)
Advance to related party	<u>-</u>	<u>(8,615)</u>
	<u>(100,623)</u>	<u>(103,153)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(8,075)	(22,690)
Purchases of guaranteed investment certificates	(26,777)	(28,560)
Proceeds on disposal of guaranteed investment certificates	60,000	25,000
Deferred capital contributions	<u>160</u>	<u>2,871</u>
	<u>25,308</u>	<u>(23,379)</u>
INCREASE (DECREASE) IN CASH	7,626	(56,408)
CASH, beginning	<u>80,087</u>	<u>136,495</u>
CASH, ending	<u>\$ 87,713</u>	<u>\$ 80,087</u>

(See accompanying notes to financial statements)

LAKESIDE BIBLE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Lakeside Bible Church (the "Organization") is a not-for-profit Organization incorporated without share capital and is a registered charity. The Organization's primary purpose is to promote and teach the gospel of Jesus Christ to the world. The Organization is registered with Canada Revenue Agency as a charitable organization and is therefore exempt from income taxes under section 149(1)(f) of the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

(a) Cash

Cash consists of cash balances on hand at financial institution net of outstanding cheques and outstanding deposits. It also consist of internally restricted cash that has been designated as restricted for future use by either the board or management, to be used only with approval of the board or management dependent on the nature of the funding.

Externally restricted cash consists of funds that have been designated as restricted by third parties, to be spent only for expenditures it is restricted to.

(b) Property and equipment

Property and equipment are recorded at cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis. Amortization is provided at the following annual rates:

Building	- 5% declining-balance basis
Furniture and equipment	- 20% declining-balance basis
Computer equipment	- 55% declining-balance basis
Paving	- 8% declining-balance basis

Amortization is calculated at one half of the normal rate in the year of acquisition.

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

(c) Fund accounting

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

The General Purpose Fund accounts for the Organization's program delivery and administrative activities.

The Capital Assets Fund reports the assets, liabilities, revenue and expenditures related to the Organization's property and equipment.

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.

continued....

LAKESIDE BIBLE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Externally restricted contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions for the purchase of capital assets are deferred and recognized as revenue over time on the same basis as the underlying capital assets are amortized.

Rental revenue is recognized as revenue over the term the service is provided.

Self-supporting ministries revenue are deferred and recognized as revenue when the related event has occurred.

(e) Contributed materials and services

Contributed materials and services are recognized in the financial statements only when fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would have otherwise been purchased.

(f) Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments comprise cash, guaranteed investment certificates, accounts receivable, accounts payable and mortgage payable.

Financial assets and liabilities obtained in arm's length transactions are initially recorded at their fair value and subsequently measured at amortized cost. Financial assets and liabilities in related party transactions are initially and subsequently measure at cost.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations.

(g) Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Management's estimates relate to estimated lives of the Organization's property and equipment.

These estimates are reviewed periodically and adjustments are made to the excess (deficiency) of revenues over expenses as appropriate in the year they become known.

LAKESIDE BIBLE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. GUARANTEED INVESTMENT CERTIFICATES

	2025	2024
Guaranteed investment certificate matured on June 4, 2025	-	\$ 56,663
Non-redeemable guaranteed investment certificate, interest rate calculated at 2.06% per annum maturing on June 4, 2026	\$ 23,440	-
Guaranteed investment certificate matured on June 3, 2025	-	26,000
Guaranteed investment certificate, interest rate calculated at 2.5% per annum, maturing on June 4, 2026	<u>26,000</u>	<u>-</u>
	<u>\$ 49,440</u>	<u>\$ 82,663</u>

3. RELATED PARTY TRANSACTIONS

Related party transaction includes transactions with:

Board of Directors -directors of the Organization
Lakeside Child Care Centre -common Board of Directors

The following related party transactions occurred:

	2025	2024
Donations received from Board members	\$ 54,037	\$ 56,490
Rental revenue	\$ -	\$ 9,000
Loan forgiveness	\$ -	\$ 40,244

These related party transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During 2024 Lakeside Child Care Centre closed its operations.

4. PROPERTY AND EQUIPMENT

	2025	2025	2024	2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 450,000	-	\$ 450,000	\$ 450,000
Building	7,371,015	4,760,281	2,610,734	2,748,141
Furniture and equipment	1,091,092	1,017,905	73,187	82,400
Computer equipment	12,937	12,361	576	1,281
Paving	<u>8,452</u>	<u>7,332</u>	<u>1,120</u>	<u>1,218</u>
	<u>\$ 8,933,496</u>	<u>\$ 5,797,879</u>	<u>\$ 3,135,617</u>	<u>\$ 3,283,040</u>

LAKESIDE BIBLE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of restricted donations for Celebrate Recovery and Grief Walk Golf donations as well as other externally restricted grants and contributions.

	2025	2024
Deferred contributions - opening balance	\$ 44,115	\$ 34,128
Less: amounts recognized as revenue in the year	(60,536)	(65,899)
Add: amounts received during the year	55,202	69,386
Add: rent received in advance	<u>6,560</u>	<u>6,500</u>
Deferred contributions - ending balance	<u>\$ 45,341</u>	<u>\$ 44,115</u>

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of internally restricted donations to offset the cost of future equipment purchases.

	2025	2024
Deferred capital contributions - opening balance	\$ 8,349	\$ 6,471
Less: amounts recognized as revenue in the year	(1,401)	(993)
Add: amounts received during the year	<u>160</u>	<u>2,871</u>
Deferred capital contributions - ending balance	<u>\$ 7,108</u>	<u>\$ 8,349</u>

7. MORTGAGE PAYABLE

	2025	2024
Stewards Canada's mortgage, bearing interest at 5% per annum, repayable in monthly blended payments of \$15,003. Due January 2027. Secured by real property with a carrying value of \$3,060,734	\$ 1,553,010	\$ 1,653,633
Less scheduled repayments due within one year	<u>104,719</u>	<u>99,622</u>
	<u>\$ 1,448,291</u>	<u>\$ 1,554,011</u>

Scheduled principal repayments are as follows:

2026	\$	104,719
2027		<u>1,448,291</u>
		<u>\$ 1,553,010</u>

LAKESIDE BIBLE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

8. FINANCIAL INSTRUMENT RISKS

(a) Credit risk

Credit risk is the risk that other parties may default on their financial obligations.

The Organization is exposed to credit risk on its cash, accounts receivable, other receivables and note receivable balances.

Credit risk associated with cash is minimized substantially by ensuring that the assets are invested with a major financial institution.

Credit risk associated with accounts receivable, other receivables and note receivable is minimized by not having significant exposure to any individual customer as the Organization has adopted credit policies that include the analysis of the amounts outstanding and regular review of the credit standings. Management has included adequate provision for doubtful accounts receivable in these financial statements of \$Nil (2024- \$Nil).

(b) Liquidity risk

Liquidity risk refers to the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Organization not being able to liquidate assets in a timely manner at a reasonable price.

The Organization meets its liquidity requirements by monitoring cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

The Organization is not exposed to significant liquidity risk. .

(c) Market risk

Market risk refers to the risk that the fair value of financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i. Currency risk:

Currency risk refers to the risk that the fair value of financial instruments will fluctuate in value relative to the Canadian dollar due to changes in foreign exchange rates.

The Organization is not exposed to currency risk.

ii. Interest rate risk

Interest rate risk refers to the risk that the fair value of the financial instruments will fluctuate due to changes in market interest rates.

The Organization is not exposed to significant interest rate risk.

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LAKESIDE BIBLE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

. FINANCIAL INSTRUMENT RISKS - continued

iii. Other price risk

Other price risk refers to 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 currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market.

The Organization is not exposed to significant other price risk.

The extent of the Organization's exposure to the above risks did not change significantly in 2025.

9. COMPARATIVE FIGURES

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