

**LAKESIDE BIBLE CHURCH**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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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 Church"), which comprise the statement of financial position as at December 31, 2024, 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 Church as at December 31, 2024, 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 charitable organizations, the Church derives revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Our verification of the donations was limited to the amounts recorded by Church. Accordingly, we were not able to determine whether any adjustments might be necessary to donations, excess (deficiency) of revenue over expenses and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023 and net assets as at January 1, 2024 and 2023 and December 31, 2024 and 2023. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of 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 Church 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 Church for the year ended December 31, 2023, were audited by another firm of Chartered Professional Accountant who expressed a qualified opinion on those financial statements dated April 29, 2024.

#### 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 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**

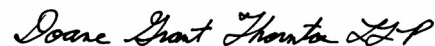
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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.

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, Canada  
June 12, 2025



Chartered Professional Accountants  
Licensed Public Accountants

**LAKESIDE BIBLE CHURCH**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 80,087	\$ 136,495
Guaranteed Investment Certificates (GICs) (note 2)	82,663	79,104
Accounts receivable	12,932	18,922
Interest receivable	1,297	2,701
Government remittances recoverable	13,674	12,013
Prepaid expenses and deposits	2,410	2,148
Due from Lakeside Child Care Centre (note 3)	<u>-</u>	<u>31,629</u>
	193,063	283,012
<b>PROPERTY AND EQUIPMENT</b> (note 4)	<u>3,283,040</u>	<u>3,424,423</u>
	<u><u>\$ 3,476,103</u></u>	<u><u>\$ 3,707,435</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 74,685	\$ 61,512
Government remittances payable	10,228	13,587
Mortgages payable (note 7)	99,622	94,539
Deferred contributions (note 5)	<u>44,115</u>	<u>34,128</u>
	228,650	203,766
<b>LONG-TERM</b>		
Mortgage payable (note 7)	1,554,011	1,653,632
Deferred capital contributions (note 6)	<u>8,349</u>	<u>6,471</u>
	<u>1,791,010</u>	<u>1,863,869</u>
<b>NET ASSETS</b>		
<b>GENERAL PURPOSE FUND (UNRESTRICTED)</b>	(31,066)	23,899
<b>CAPITAL ASSETS FUND (INTERNALLY RESTRICTED)</b>	1,629,407	1,676,252
<b>WORKING CAPITAL FUND (INTERNALLY RESTRICTED)</b>	<u>86,752</u>	<u>143,415</u>
	<u>1,685,093</u>	<u>1,843,566</u>
	<u><u>\$ 3,476,103</u></u>	<u><u>\$ 3,707,435</u></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, 2024**

	<b>General Purpose Fund (Unrestricted)</b>	<b>Capital Asset Fund (Internally Restricted)</b>	<b>Working Capital Fund (Internally Restricted)</b>	<b>2024 TOTAL</b>	<b>2023 TOTAL</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 23,899	\$ 1,676,252	\$ 143,415	\$ 1,843,566	\$ 1,949,365
Excess of expenses over revenue	(158,473)			(158,473)	(105,799)
Invested in capital assets	46,845	(46,845)	-	-	
Interfund transfers	56,663	-	(56,663)	-	-
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ (31,066)</u>	<u>\$ 1,629,407</u>	<u>\$ 86,752</u>	<u>\$ 1,685,093</u>	<u>\$ 1,843,566</u>

(See accompanying notes to financial statements)  
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**LAKESIDE BIBLE CHURCH**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>		
General donations (note 3)	\$ 888,369	\$ 976,300
Rental revenue (note 3)	136,068	78,599
Self supporting ministries	80,990	99,272
Miscellaneous	24,113	4,715
Community impact donations	3,340	8,030
Building donations	<u>300</u>	<u>10</u>
	<u>1,133,180</u>	<u>1,166,926</u>
<b>EXPENSES</b>		
Program, ministry and salaries	641,657	615,407
Property	219,047	222,127
Self supporting ministries	71,393	81,980
Administration	37,987	38,323
Community care and integration	29,174	17,489
Community impact	3,700	6,774
Lakeside kids	1,857	2,455
Youth ministries	417	2,547
Maturity	302	662
Building	<u>-</u>	<u>612</u>
	<u>1,005,534</u>	<u>988,376</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE THE FOLLOWING</b>	127,646	178,550
<b>OTHER INCOME (EXPENSES)</b>		
Amortization	(164,074)	(173,610)
Interest on mortgage payable	(85,110)	(96,130)
Loan forgiveness (note 3)	(40,244)	(20,000)
Interest income	<u>3,309</u>	<u>5,391</u>
<b>EXCESS OF EXPENSES OVER REVENUE</b>	<u>\$ (158,473)</u>	<u>\$ (105,799)</u>

(See accompanying notes to financial statements)

**LAKESIDE BIBLE CHURCH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024	2023
<b>INCREASE (DECREASE) IN:</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of expenses over revenue	\$ (158,473)	\$ (105,799)
Charges to expenses over revenue not requiring cash:		
Amortization	164,074	173,610
Deferred capital contributions	(993)	(2,549)
Loan forgiveness	<u>40,244</u>	<u>20,000</u>
	44,852	85,262
<b>CHANGES IN NON-CASH WORKING CAPITAL</b>		
Accounts receivable	5,990	(18,772)
Interest receivable	1,404	(2,265)
Government remittances recoverable	(1,661)	392
Prepaid expenses and deposits	(262)	(836)
Accounts payable and accrued liabilities	13,174	1,161
Government remittances payable	(3,359)	(4,259)
Deferred contributions	<u>9,986</u>	<u>5,835</u>
	<u>70,124</u>	<u>66,518</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of mortgage payable	(94,538)	(61,085)
Due from Lakeside Child Care Centre	<u>(8,615)</u>	<u>2,556</u>
	<u>(103,153)</u>	<u>(58,529)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(22,690)	(12,824)
Purchase of GICs	(28,560)	(54,104)
Proceeds from GICs	25,000	101,741
Deferred capital contributions	<u>2,871</u>	<u>8,395</u>
	<u>(23,379)</u>	<u>43,208</u>
<b>(DECREASE) INCREASE IN CASH</b>	(56,408)	51,197
<b>CASH, beginning</b>	<u>136,495</u>	<u>85,298</u>
<b>CASH, ending</b>	<u><u>\$ 80,087</u></u>	<u><u>\$ 136,495</u></u>

(See accompanying notes to financial statements)



**LAKESIDE BIBLE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Lakeside Bible Church ("the 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. The Church 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. The Church includes two divisions, the Church and the child care centre which operates as Lakeside Child Care Centre. These financial statements only include the Church division.

**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) 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

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.

**(b) Fund accounting**

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

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

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

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**LAKESIDE BIBLE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(c) Revenue recognition**

The Church 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.

**(d) 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 Church's operations and would have otherwise been purchased.

**(e) Financial instruments**

The Church considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Church's financial instruments comprise cash, guaranteed investment certificates (GICs), accounts receivable, due from Lakeside Child Care Centre, 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 Church regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations.

**(f) 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 the allowance for doubtful accounts, and estimated lives of the Church's property and equipment.

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

**LAKESIDE BIBLE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**2. GUARANTEED INVESTMENT CERTIFICATES (GICS)**

	<b>2024</b>	<b>2023</b>
One year cashable GIC, interest calculated at 4.75% per annum (2023 - 4.25% per annum), maturing June 4, 2025 (2023 - June 3, 2024)	\$ 56,663	\$ 54,104
One year redeemable GIC, interest calculated at 3.45% per annum, maturing June 3, 2025	26,000	-
One year non-redeemable GIC, interest calculated at 3.00% per annum, matured June 2, 2024 - redeemed during the year	<u>-</u>	<u>25,000</u>
	<u><u>\$ 82,663</u></u>	<u><u>\$ 79,104</u></u>

**3. RELATED PARTY TRANSACTIONS**

Related party transaction includes transactions with:

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

Due from related party:

	<b>2024</b>	<b>2023</b>
Lakeside Child Care Centre - demand loan	\$ -	\$ 30,000
Lakeside Child Care Centre - advances	<u>-</u>	<u>1,629</u>
	<u><u>\$ -</u></u>	<u><u>\$ 31,629</u></u>

Advances and the demand loan to the related party were non-interest bearing. The advances and the demand loan were settled by June 30, 2024. During the year, the Board of Directors resolved to forgive the related party advances and demand loan as the Lakeside Child Care Centre closed its operations as of June 30, 2024.

The following related party transactions occurred:

	<b>2024</b>	<b>2023</b>
Donations received from Board members	\$ 56,490	\$ 50,750
Rental revenue	\$ 9,000	\$ 16,800
Loan forgiveness	\$ 40,244	\$ 20,000

**4. PROPERTY AND EQUIPMENT**

		2024		2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 450,000	\$ -	\$ 450,000	\$ 450,000
Building	7,371,015	4,622,874	2,748,141	2,892,780
Furniture and equipment	1,083,017	1,000,617	82,400	77,473
Computer equipment	12,937	11,656	1,281	2,846
Paving	<u>8,452</u>	<u>7,234</u>	<u>1,218</u>	<u>1,324</u>
	<u>\$ 8,925,421</u>	<u>\$ 5,642,381</u>	<u>\$ 3,283,040</u>	<u>\$ 3,424,423</u>

**LAKESIDE BIBLE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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.

	<b>2024</b>	<b>2023</b>
Deferred contributions - opening balance	\$ 34,128	\$ 28,294
Less: amounts recognized as revenue in the year	(65,899)	(41,588)
Add: amounts received for the subsequent year	75,886	37,422
Add: an amount received for a government grant for the subsequent year	<u>-</u>	<u>10,000</u>
Deferred contributions - ending balance	<u>\$ 44,115</u>	<u>\$ 34,128</u>

**6. DEFERRED CAPITAL CONTRIBUTIONS**

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

	<b>2024</b>	<b>2023</b>
Deferred capital contributions - opening balance	\$ 6,471	\$ 625
Less: amounts recognized as revenue in the year	(993)	(2,549)
Add: amounts received for the subsequent year	<u>2,871</u>	<u>8,395</u>
Deferred capital contributions - ending balance	<u>\$ 8,349</u>	<u>\$ 6,471</u>

**7. MORTGAGE PAYABLE**

	<b>2024</b>	<b>2023</b>
Mortgage payable, 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 \$3,342,780.	\$ 1,653,633	\$ 1,748,171
Less scheduled repayments due within one year	<u>99,622</u>	<u>94,539</u>
	<u>\$ 1,554,011</u>	<u>\$ 1,653,632</u>

Scheduled principal repayments are as follows:

2025	\$ 99,622
2026	104,719
2027	<u>1,449,291</u>
	<u>\$ 1,653,632</u>

**LAKESIDE BIBLE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**8. FINANCIAL INSTRUMENT RISKS**

(a) Credit risk

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

The Church is exposed to credit risk on its GICs, accounts receivable and interest receivable.

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

Credit risk associated with accounts receivable and interest receivables is minimized by not having significant exposure to any individual customer as the Church 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 (2023 - \$Nil).

(b) Liquidity risk

Liquidity risk refers to the risk that the Church 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 Church not being able to liquidate assets in a timely manner at a reasonable price.

The Church 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 extent of the Church's exposure to liquidity risk did not change in 2024.

(c) 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 Church is exposed to interest rate risk on its GICs and mortgage payable.

The extent of the Church's exposure to the above risks did not change significantly in 2024.

**9. COMPARATIVE FIGURES**

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