

**THE FELLOWSHIP OF EVANGELICAL BAPTIST  
CHURCHES IN CANADA FOUNDATION**

**FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**THE FELLOWSHIP OF EVANGELICAL BAPTIST  
CHURCHES IN CANADA FOUNDATION**

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**DECEMBER 31, 2023  
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# THE FELLOWSHIP OF EVANGELICAL BAPTIST CHURCHES IN CANADA FOUNDATION

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## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING DECEMBER 31, 2023

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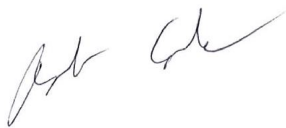
The accompanying financial statements and all other information contained in this annual report are the responsibility of the management of The Fellowship of Evangelical Baptist Churches in Canada Foundation. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and have been approved by the Board of Directors.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of The Fellowship of Evangelical Baptist Churches in Canada Foundation. Management maintains a system of internal accounting and administration controls which are designed to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial information. Such information also includes data based on management's best estimates and judgements. Management has determined that the enclosed financial statements are presented fairly and on a consistent basis with prior years, in all material respects.

The Board of Directors reviews and approves the annual financial statements. In addition, the Audit Committee meets with the management of The Fellowship of Evangelical Baptist Churches in Canada Foundation and the external auditors, and reports to the Board thereon. The Audit Committee also reviews the annual financial statements, including notes thereto, in their entirety.

The financial statements have been audited by the external auditors, Graham Mathew Professional Corporation, Chartered Professional Accountants authorized to practise public accounting by the Chartered Professional Accountants of Ontario, in accordance with Canadian generally accepted auditing standards. The external auditors have full and free access to management, the Audit Committee and the Board of Directors.

The Independent Auditors' Report, dated May 9, 2024, expresses their opinion on The Foundation's 2023 financial statements.



Rob Cole, CPA, CA  
Secretary/Treasurer

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**The Fellowship of Evangelical Baptist Churches in Canada Foundation**

### **Opinion**

We have audited the accompanying financial statements of **The Fellowship of Evangelical Baptist Churches in Canada Foundation** (the Foundation), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2023, 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 Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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 opinion.

### **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 Foundation'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 the Board of Directors either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

### **Auditors' 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 auditors' 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.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario  
May 9, 2024

Chartered Professional Accountants, authorized to practise public  
accounting by the Chartered Professional Accountants of Ontario

**THE FELLOWSHIP OF EVANGELICAL BAPTIST  
CHURCHES IN CANADA FOUNDATION**

**STATEMENT OF REVENUES AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2023**

	2023 \$	2022 \$
<b>Revenues</b>		
Unrealized investment gains (losses) (note 4)	54,431	( 36,915)
Management fees	40,729	32,778
Donations	94,957	7,301
Interest	663	67
	<b>190,780</b>	<b>3,231</b>
<b>Expenditures</b>		
Promotion	21,463	24,194
Ministry advancement	55,000	5,000
Interest and bank charges	9,950	6,106
Investment fees	14,011	18,680
Professional fees	6,756	3,898
Board expense	1,356	2,580
	<b>108,536</b>	<b>60,458</b>
<b>Excess (deficiency) of revenues over expenditures for year</b>	<b>82,244</b>	<b>( 57,227)</b>

**STATEMENT OF FUND BALANCES  
YEAR ENDED DECEMBER 31, 2023**

<b>Unrestricted General Fund</b>		
Balance, beginning of year	55,604	112,831
Excess (deficiency) of revenues over expenditures for year	82,244	( 57,227)
<b>Balance, end of year</b>	<b>137,848</b>	<b>55,604</b>
<b>Restricted Fund (note 9)</b>		
<b>Balance, beginning and end of year</b>	<b>23,262</b>	<b>23,262</b>

**THE FELLOWSHIP OF EVANGELICAL BAPTIST  
CHURCHES IN CANADA FOUNDATION**

**FINANCIAL POSITION  
DECEMBER 31, 2023**

	2023 \$	2022 \$
<b>ASSETS</b>		
Cash	27,457	26,794
Accounts receivable	42,624	34,190
Investments (note 4)	5,033,128	4,098,546
	<b>5,103,209</b>	<b>4,159,530</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 5)	6,899	4,500
Payable to related party, unsecured and non-interest bearing (note 8)	109,034	130,149
Note payable (note 7)	300,000	300,000
Funds held in trust (note 6)	4,526,166	3,646,015
	<b>4,942,099</b>	<b>4,080,664</b>
<b>FUND BALANCES</b>		
Unrestricted General Fund	137,848	55,604
Restricted Fund (note 9)	23,262	23,262
	<b>161,110</b>	<b>78,866</b>
	<b>5,103,209</b>	<b>4,159,530</b>

**APPROVED BY THE BOARD:**



Doug Blair, Chair



Rob Cole, Secretary/Treasurer

**THE FELLOWSHIP OF EVANGELICAL BAPTIST  
CHURCHES IN CANADA FOUNDATION**

**STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2023**

	2023 \$	2022 \$
<b>Cash flows from operating activities:</b>		
Excess (deficiency) of revenues over expenditures for year	82,244	( 57,227)
Item not involving cash:		
Unrealized investment losses (gains)	( 54,431)	36,915
	27,813	( 20,312)
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	( 8,434)	( 4,316)
Accounts payable and accrued liabilities	2,399	( 1)
	21,778	( 24,629)
<b>Cash flows from investment activities:</b>		
Change in investments	( 880,151)	368,884
Change in funds held in trust	880,151	( 368,884)
	NIL	NIL
<b>Cash flows from financing activities:</b>		
Advances from (to) related party	( 21,115)	24,662
<b>Net increase in cash</b>	<b>663</b>	<b>33</b>
Cash, beginning of year	26,794	26,761
<b>Cash, end of year</b>	<b>27,457</b>	<b>26,794</b>

The explanatory financial notes form an integral part of these financial statements.



# THE FELLOWSHIP OF EVANGELICAL BAPTIST CHURCHES IN CANADA FOUNDATION

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## EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2023

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### 1. Nature of Organization

The Foundation was incorporated without share capital under the Canada Not-for-Profit Corporations Act on October 26, 2012.

Its principal activity is to raise funds in support of The Fellowship of Evangelical Baptist Churches in Canada and other like-minded registered charities.

The Fellowship of Evangelical Baptist Churches in Canada Foundation is a registered charity under the Income Tax Act and is therefore exempt from paying income taxes and is eligible to issue official income tax receipts.

### 2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### (a) Use of estimates

The preparation of annual financial statements 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 expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### (b) Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the General Fund.

Gifts in kind are recognized at the time of receipt at fair market value. Management fees are recognized as revenue when they are received or receivable if the amount to be received can be estimated and collection is reasonably assured.

#### (c) Financial instruments

Investments are shown on the statement of financial position at their fair values at the year-end date, with changes in fair value recognized in the statement of revenues and expenditures unless otherwise noted. All other financial assets and liabilities are recorded at amortized cost less any discovered impairment.

#### (d) Fund accounting

To ensure observation of restrictions placed on the use of resources available to The Foundation, the accounts are maintained in accordance with the principles of fund accounting. The resources are classified for accounting and reporting purposes into the following funds which have been established according to their nature and purpose:

The **General fund**, accounts for The Foundation's unrestricted donations and administrative activities.

The **Restricted fund**, is an externally restricted fund to be used for church planting activities.

# THE FELLOWSHIP OF EVANGELICAL BAPTIST CHURCHES IN CANADA FOUNDATION

## EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2023

### 3. Financial Instrument Risk Management

The following sections detail the nature and extent of risks arising from financial instruments to which The Foundation is exposed at December 31, 2023.

#### Credit risk

Credit risk is minimized by diversifying the investment portfolio so to manage risk of poor performance on individual securities or overall economic conditions.

#### Market risk

##### (a) Currency risk

All investments are in Canadian funds with Canadian institutions. The Foundation is not subject to currency risk.

##### (b) Interest rate risk

The Foundation is not subject to significant interest rate risk.

##### (c) Other price risk

Other price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Foundation minimizes equity risk by diversifying the investment portfolio to manage risk of poor performance on individual securities or overall economic performance.

#### Liquidity risk

The Foundation monitors cash flow activities on a regular basis. Due to the nature of The Foundation's operations, cash inflows are generally known and major cash outflows relate mostly to member churches redeeming investments held on their behalf.

	2023 Fair value \$	2022 Fair value \$
<b>4. Investments</b>		
The investments held by The Foundation are comprised of the following:		
CI Canadian Balanced Fund	5,033,128	4,098,546

The market value of these investments is based on quoted market values. Investment income earned on Funds Held in Trust (note 6) is allocated to Funds Held in Trust and is not reflected in the Statement of Revenues and Expenditures.

### 5. Accounts Payable and Accrued Liabilities

There were no amounts payable with respect to government remittances as of the year end date.

**THE FELLOWSHIP OF EVANGELICAL BAPTIST  
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**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED DECEMBER 31, 2023**

	2023 \$	2022 \$
<b>6. Funds Held in Trust</b>		
WINGS Fellowship Ministries	1,249,750	1,115,567
Association D'Églises Baptistes Évangéliques au Québec	1,703,144	1,520,281
Eglise La Cite	924,308	838,526
S Cann Memorial		171,641
Eglise Baptiste Evangelique d'Ahuntsic	648,964	
	<b>4,526,166</b>	<b>3,646,015</b>

The Foundation has been entrusted with funds belonging to other Organizations. Since The Foundation does not have ownership of these funds, they are presented as a liability. Any investment income earned and changes in fair market value belong to these Organizations and are not reflected in the Statement of Revenues and Expenditures.

**7. Note Payable**

The note payable is from an unrelated party. The note is unsecured and was received in instalments. The first instalment was \$200,000 with interest payable at 3.4% per annum and maturing in July 2024. The second instalment was \$100,000 with interest payable at 3.15% per annum and maturing in March 2024.

**8. Related Party Transactions and Economic Interest**

The Fellowship of Evangelical Baptist Churches in Canada (The Fellowship) has an economic interest in The Foundation. The Fellowship loaned \$109,034 (\$130,149 in 2022) to The Foundation in order to fund operating expenses. These transactions are recorded at the exchange amount which approximates fair value.

**9. Restricted Fund**

The restricted fund is comprised of donations received for church planting initiatives in Ontario and Quebec.