



STEPHEN PF CHUI PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

MARKHAM CHINESE BAPTIST CHURCH

FINANCIAL STATEMENTS

DECEMBER 31, 2025



MARKHAM CHINESE BAPTIST CHURCH

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Markham Chinese Baptist Church

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Markham Chinese Baptist Church (the "Church"), which comprise the statement of financial position as at December 31, 2025, and the statement of revenue, expenses and fund balances, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my 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, 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Church in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

In common with many churches, the Church derives revenue primarily from offerings, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the records of the Church and I am not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and fund balances.



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 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Stephen Chui

Richmond Hill, Ontario
May 24, 2026

Stephen PF Chui Professional Corporation
Chartered Professional Accountant
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

獨立審計師審核報告 (INDEPENDENT AUDITOR'S REPORT)

獨立審計師報告是檢視教會年度財務狀況、內控制度與奉獻資金運用是否合規的正式文件，確保財務報表無重大錯誤，完整並符合審計準則，保障會友的信任。其核心目的為第三方專業人士檢視教會奉獻收入與支出，確保財務報表真實，公允地反映教會財務狀況，向會友與奉獻者交代資金流向，並符合政府對非營利組織或宗教團體的財務申報法規。

以下為標準報告書的必備內容與閱讀重點：

意見 (Opinion)

審計師已審核麥城華人浸信會的財務報表，此財務報表包括於 12/31/2025 資產負債表與截至該日止年度的全面收益表、基金變動表和現金流量表，以及主要審計政策概要及其他解釋資料。隨附的財務報表在所有重大方面公允地反映了教會截至 2025 年 12 月 31 日的財務狀況，以及其截至該日止年度的財務業績和現金流量，符合加拿大非營利組織審計準則。

保留意見的基礎 (Basis for Qualified Opinion)

審計師按照加拿大公認審計準則執行了審計工作。在這些準則下的責任在報告的「審計師對財務報表審計的責任」部分有更詳細的描述。根據加拿大相關職業道德要求，審計師獨立於教會，並已履行了符合這些要求的職業道德責任。審計師認為所取得的審計證據充分且適當，足以構成發表意見的基礎。與許多教會一樣，教會的收入主要來自奉獻，而奉獻的完整性無法透過審計核實來完全確認。因此，審計師對這部分收入的核實僅限於教會帳簿中記錄的金額，我無法確定是否需要對收入、收入超過支出的部分、資產和資金餘額進行任何調整。

理事會和管理層就財務報表須承擔的責任 (Responsibilities of Management and Those Charged with Governance for the Financial Statements)

管理階層負責依照加拿大非營利組織審計準則編制真實而公允列報財務報表，亦須負責其認為需要使財務報表編製不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部控制。

審計師的責任 (Auditor's responsibilities)

審計師已根據加拿大審計師公會頒佈的《審計準則》進行審核。這些準則要求審計師遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於審計師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，審計師考慮與教會編制真實而公允的綜合財務報表相關的內部控制，以設計適當的審核程序。審計師相信，所獲得的審核憑證是充足和適當地為審計師的審核意見提供基礎。



MARKHAM CHINESE BAPTIST CHURCH
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
Current:		
Cash	\$ 771,414	\$ 492,092
Short term investments	391,551	380,250
HST receivable	17,014	37,597
Loans receivable (note 4)	544	544
Other receivable	65,907	54,525
Prepaid expenses	<u>78,017</u>	<u>22,604</u>
	1,324,447	987,612
Capital assets (note 5)	<u>6,471,000</u>	<u>6,644,515</u>
	<u>\$ 7,795,447</u>	<u>\$ 7,632,127</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	\$ 29,176	\$ 22,933
Deferred revenue	<u>10,216</u>	<u>10,000</u>
	<u>39,392</u>	<u>32,933</u>
FUND BALANCES		
General fund	1,079,022	754,155
Mission fund	193,135	187,626
Charity fund	12,898	12,898
Capital assets fund	<u>6,471,000</u>	<u>6,644,515</u>
	<u>7,756,055</u>	<u>7,599,194</u>
	<u>\$ 7,795,447</u>	<u>\$ 7,632,127</u>

MARKHAM CHINESE BAPTIST CHURCH

SUMMARY STATEMENT OF REVENUE, EXPENSES AND FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025			2024		
	<u>General Fund</u>	<u>Mission Fund</u>	<u>Charity Fund</u>	<u>Capital Assets</u>		<u>Total</u>
				<u>Fund</u>	<u>Total</u>	
Revenue:						
Offerings	\$ 1,919,758	\$ 238,273	\$ -	\$ 3,126	\$ 2,161,157	\$ 1,993,015
Other income	98,283	-	-	-	98,283	108,455
	2,018,041	238,273	-	3,126	2,259,440	2,101,470
Expenses:						
General operations	169,967	-	-	-	169,967	178,450
Salaries and benefits	1,321,688	-	-	-	1,321,688	1,309,645
Ministry expenses	67,258	-	-	-	67,258	87,974
Repairs and maintenance	31,886	-	-	-	31,886	81,428
Amortization	-	-	-	279,016	279,016	299,731
Missions	-	232,764	-	-	232,764	222,098
Support	-	-	-	-	-	-
	1,590,799	232,764	-	279,016	2,102,579	2,179,326
Excess (deficiency) of revenue over expenses	427,242	5,509	-	(275,890)	156,861	(77,856)
Fund transfer	(102,375)	-	-	102,375	-	-
Fund balances, beginning of year	754,155	187,626	12,898	6,644,515	7,599,194	7,677,050
Fund balances, end of year	\$ 1,079,022	\$ 193,135	\$ 12,898	\$ 6,471,000	\$ 7,756,055	\$ 7,599,194



MARKHAM CHINESE BAPTIST CHURCH
STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

GENERAL FUND

	<u>2025</u>	<u>2024</u>
Revenue:		
Offerings	\$ 1,919,758	\$ 1,743,908
Other income	98,283	108,455
	<u>2,018,041</u>	<u>1,852,363</u>
Expenses:		
Advertising	1,974	1,914
Bank charges and interest	6,531	6,440
Baptist convention fee	-	10,000
Computer expenses	16,368	6,908
HST expenses	9,212	19,847
Insurance	22,276	19,131
Ministry expenses	67,258	87,974
Office and general	10,814	7,597
Professional fee	12,008	11,205
Repairs and maintenance	31,886	81,428
Salaries and benefits	1,321,688	1,309,645
Security monitoring charges	5,864	858
Staff professional development	7,046	10,879
Supplies and printing	17,098	20,831
Telephone	8,459	6,921
Utilities	52,317	55,919
	<u>1,590,799</u>	<u>1,657,497</u>
Excess of revenue over expenses	427,242	194,866
Transfer to Capital Assets Fund	(102,375)	(545,477)
Balance, beginning of year	<u>754,155</u>	<u>1,104,766</u>
Balance, end of year	<u>\$ 1,079,022</u>	<u>\$ 754,155</u>



MARKHAM CHINESE BAPTIST CHURCH
STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

MISSION FUND

	<u>2025</u>	<u>2024</u>
Revenue		
Offerings	\$ 238,273	\$ 247,586
Expenses:		
Missionary support	232,764	222,098
Excess of revenue over expenses	5,509	25,488
Balance, beginning of year	187,626	162,138
Balance, end of year	\$ 193,135	\$ 187,626



MARKHAM CHINESE BAPTIST CHURCH
STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

CHARITY FUND

	<u>2025</u>	<u>2024</u>
Revenue		
Offerings	\$ <u> -</u>	\$ <u> -</u>
Expenses:		
Support	<u> -</u>	<u> -</u>
Excess of revenue over expenses	-	-
Balance, beginning of year	<u> 12,898</u>	<u> 12,898</u>
Balance, end of year	<u><u> \$ 12,898</u></u>	<u><u> \$ 12,898</u></u>



MARKHAM CHINESE BAPTIST CHURCH
STATEMENT OF REVENUE, EXPENSES AND FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

CAPITAL ASSETS FUND

	<u>2025</u>	<u>2024</u>
Revenue	\$ <u>3,126</u>	\$ <u>1,521</u>
Expenses:		
Amortization of capital assets	<u>279,016</u>	<u>299,731</u>
Excess (deficiency) of revenue over expenses	(275,890)	(298,210)
Transfer from general fund	102,375	545,477
Balance, beginning of year	<u>6,644,515</u>	<u>6,397,248</u>
Balance, end of year	<u>\$ 6,471,000</u>	<u>\$ 6,644,515</u>



MARKHAM CHINESE BAPTIST CHURCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Excess (deficiency) of revenue over expenses	\$ 156,861	\$ (77,856)
Adjustments for items not requiring an outlay of cash:		
Amortization of capital assets	<u>279,016</u>	<u>299,731</u>
	435,877	221,875
Decrease (increase) in HST receivable	20,583	996
Decrease (increase) in loans receivable	-	-
Decrease (increase) in other receivable	(11,382)	(54,525)
Decrease (increase) in prepaid expense	(55,413)	32,197
Increase (decrease) in accounts payable and accrued liabilities	6,243	5,803
Increase (decrease) in deferred revenue	<u>216</u>	<u>(40,089)</u>
	<u>396,124</u>	<u>166,257</u>
Cash Flows from Investing Activities		
Decrease (increase) in short-term investments	(11,301)	87,326
Additions to capital assets	<u>(105,501)</u>	<u>(169,559)</u>
	<u>(116,802)</u>	<u>(82,233)</u>
Net increase in cash	279,322	84,024
Cash, beginning of year	<u>492,092</u>	<u>408,068</u>
Cash, end of year	<u>\$ 771,414</u>	<u>\$ 492,092</u>



MARKHAM CHINESE BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. Purpose of the Organization

Markham Chinese Baptist Church (the "Church") is an autonomous and independent local organization of believers in the Christian faith whose purposes are to preach the Gospel, to build up fellow believers, and to spread the love of God to our community, our country and the world. The Church is a registered charity under the Income Tax Act (Canada).

2. Summary of Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for Not-for-Profit Organizations (ASNPO). The following is a summary of the significant accounting policies under ASNPO.

Fund Accounting

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

The general fund reports contributions and expenses related to the operations and administration of the Church.

The mission fund reports the contributions and expenses for the support of missionary work.

The charity fund reports the contributions and expenses for support of charity work by other organizations and individuals.

The capital assets fund records the costs of the Church's capital assets and the related amortization.

Capital Assets

Capital assets are recorded at cost and are amortized over their estimated useful lives using the following methods and rates, and at half of these rates in the year of addition:

Building	4% per year declining balance
Furniture and equipment	20% per year declining balance
Computers	30% per year declining balance
Leasehold improvement	10 years straight line
Sign	20% per year declining balance
Paving	8% per year declining balance



MARKHAM CHINESE BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. Summary of Significant Accounting Policies (cont'd)

Revenue Recognition

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

Restricted contributions related to operations are recognized as revenue in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Contributed Services

The mission of the Church is dependent upon and thankful for the many hours contributed by its members and other volunteers. Due to the difficulties of determining their value, contributed services are not recognized in these financial statements.

Pension Plan

The Church participates in the Canadian Baptist Ministries Pension Plan administered by the Canadian Baptist Ministries Board (CBM Board). The plan provides pension and retirement benefits to ministers, executive staff and other employees. It is a defined contribution pension plan, 100% vested and locked-in. In 2025, the Church contributed 59,379 (2024 - \$61,223) to the plan.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The areas requiring the use of significant judgments are accounts payable and accrued liabilities, estimated useful lives of capital assets, and contingencies. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

3. Financial Instruments

The Church's financial instruments include cash, short term investments, HST receivable, loans and other receivable, accounts payables and accrued liabilities and bank loan. All the financial instruments are initially measured at costs and are subsequently measured at amortized costs except cash and short term investments which are measured at market. The fair values of the financial instruments approximate their carrying values.



MARKHAM CHINESE BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

3. Financial Instruments (cont'd)

Financial Risk Management

The Church actively manages its exposure to the risks associated with financial instruments that can potentially affect its operating and financial performances.

Credit and Currency Risk

The Church is not exposed to significant credit or currency risk.

Interest Rate Risk

The Church is not exposed to any interest rate risk.

Liquidity Risk

Liquidity risk is the risk of not having sufficient funds to meet its financial commitments. The Church manages this risk by closely monitoring its expenditures against the revenue received.

4. Loans Receivable

Loans receivable are interest free loans to students in pursuit of Christian studies and may be forgivable if the students engage in full time Christian services for two years after graduation.

5. Capital Assets

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,075,000	\$ -	\$ 1,075,000	\$ 1,075,000
Building - Phase I	2,194,546	1,501,627	692,919	721,791
Building - Phase II	8,895,614	4,706,940	4,188,674	4,363,201
Furniture and equipment	574,437	495,452	78,985	98,731
Computers	56,309	52,074	4,235	6,050
Leasehold improvement	544,655	166,488	378,167	321,857
Sign	19,800	18,243	1,557	1,946
Paving	100,102	48,639	51,463	55,939
	<u>\$ 13,460,463</u>	<u>\$ 6,989,463</u>	<u>\$ 6,471,000</u>	<u>\$ 6,644,515</u>