



Financial Statements

Community Bible Study Canada

June 30, 2021

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# Independent Practitioner's Review Engagement Report

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**Grant Thornton LLP**

Suite 200  
15 Allstate Parkway  
Markham, ON  
L3R 5B4

T +1 416 366 0100  
F +1 905 475 8906  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of  
[Community Bible Study Canada](#)

We have reviewed the accompanying financial statements of the Organization (the "Organization"), that comprise the statement of financial position as at June 30, 2021, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility 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.

## **Practitioner's responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## **Basis for qualified conclusion**

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donation revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended June 30, 2021 and 2020, current assets as at June 30, 2021 and 2020, and net assets as at July 1 and June 30 for both the 2021 and 2020 year ends.

**Qualified conclusion**

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Organization as at June 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Grant Thornton LLP*

Markham, Canada  
November 20, 2021

Chartered Professional Accountants  
Licensed Public Accountants

# Community Bible Study Canada

## Statement of Financial Position

June 30

2021

2020

### Assets

#### Current

Cash	\$ 44,141	\$ 50,692
Short-term investments (Note 3)	54,479	25,477
Amounts receivable	1,605	5,177
Prepaid expenses	<u>-</u>	<u>6,253</u>
	<b>100,225</b>	87,599

#### Long-term

Investments (Note 3)	<u>40,000</u>	<u>28,308</u>
	<b>\$ 140,225</b>	<b>\$ 115,907</b>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 4,200	\$ 15,294
Deferred revenue	<u>1,702</u>	<u>-</u>
	<b>5,902</b>	15,294

### Net assets

Ruth Barton Fund - externally restricted	6,824	7,161
National Teens Fund - internally restricted	1,147	1,136
Unrestricted	<u>126,352</u>	<u>92,316</u>
	<b>134,323</b>	100,613
	<b>\$ 140,225</b>	<b>\$ 115,907</b>

On behalf of the Board of Directors

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# Community Bible Study Canada

## Statement of Operations

Year ended June 30

	2021	2020
Revenue		
Classes	\$ 51,802	\$ 44,308
Donations	36,747	44,617
Interest	626	993
Interest - Ruth Barton Fund	68	156
Interest - National Teens Fund	11	25
Church class fees	-	1,800
	<u>89,254</u>	<u>91,899</u>
Expenses		
Office	22,200	29,820
Salaries	11,134	11,268
Professional fees	10,427	10,059
Lesson material	4,454	3,895
Training	3,000	-
Classes	2,026	930
Licenses and fees	1,494	1,502
Ruth Barton Fund programs	405	84
Promotion and development	311	547
National management	93	12,337
Retreat and teaching directors' conference	-	23,394
Community Bible Study International	-	11,000
National Teens Fund programs	-	26
	<u>55,544</u>	<u>104,862</u>
Excess (deficiency) of revenue over expenses	<u>\$ 33,710</u>	<u>\$ (12,963)</u>

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## Community Bible Study Canada

### Statement of Changes in Net Assets

Year ended June 30

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	Ruth Barton Fund	National Teens Fund	Unrestricted	Total 2021	Total 2020
Balance, beginning of year	\$ 7,161	\$ 1,136	\$ 92,316	\$ <b>100,613</b>	\$ 113,576
Excess (deficiency) of revenue over expenses	<u>(337)</u>	<u>11</u>	<u>34,036</u>	<u><b>33,710</b></u>	<u>(12,963)</u>
Balance, end of year	<u><b>\$ 6,824</b></u>	<u><b>\$ 1,147</b></u>	<u><b>\$ 126,352</b></u>	<u><b>\$ 134,323</b></u>	<u><b>\$ 100,613</b></u>

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# Community Bible Study Canada

## Statement of Cash Flows

Year ended June 30

2021

2020

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Increase (decrease) in cash

### Operating

Excess (deficiency) of revenue over expenses \$ 33,710 \$ (12,963)

Change in non-cash working capital items

Amounts receivable 3,572 (2,285)

Prepaid expenses 6,253 894

Accounts payable and accrued liabilities (11,094) (1,426)

Deferred revenue 1,702 (5,900)

34,143 (21,680)

### Investing

Purchase of investments (66,171) (53,785)

Proceeds from investments 25,477 52,631

(40,694) (1,154)

Decrease in cash

(6,551) (22,834)

Cash

Beginning of year 50,692 73,526

End of year \$ 44,141 \$ 50,692

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# Community Bible Study Canada

## Notes to the Financial Statements

June 30, 2021

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### 1. Nature of operations

Community Bible Study Canada (the "Organization") is organized for religious and educational purposes. These purposes are achieved through the establishment of Bible study classes including the provision of study and devotional materials. The Organization is affiliated with Community Bible Study International and Community Bible Study organizations in various parts of the world.

The Organization is incorporated under the Canada Not-for-Profit Corporations Act and is exempt from income taxes as a registered charity under the Income Tax Act (Canada).

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### 2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant accounting policies used are as follows:

#### 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.

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

#### Fund accounting

Separate funds are maintained to account for and to report on the separate activities or objectives as determined by donors or by resolution of the Board of Directors (the "Board").

##### *Ruth Barton Fund*

The Ruth Barton Fund is designated by donors in memory of Mrs. Ruth Barton to be used in the support of children's ministries in Canada.

##### *National Teens Fund*

The National Teens Fund is designated by the Board to support the teen ministry in Canada.

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# Community Bible Study Canada

## Notes to the Financial Statements

June 30, 2021

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### 2. Summary of significant accounting policies (continued)

#### Revenue recognition

Class fees are recognized as revenue in the period during which the course is held and collection is reasonably assured. Class fees received in advance are recorded as deferred revenue and recognized in revenue when the course is held. Individual classes also collect funds to offset their expenses for child-care and their children's ministry, and these transactions are not included in the revenue and expenses of the Organization.

The Organization follows the restricted fund method of accounting for donations. Unrestricted donations are recorded as revenue when received or receivable and collection is reasonably assured. Designated donations are recorded as revenue in the appropriate designated fund when received or receivable. The Organization does not solicit or receive pledges.

#### Contributed goods and services

Contributed goods, property donations and contributed services are not recorded in the accounts because of the difficulty in determining their fair market value.

#### Property and equipment

Property and equipment purchased during the fiscal year are charged to operations in the fiscal year as it is typically insignificant to the financial statements. No office equipment was purchased in fiscal 2021 and 2020.

#### Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments consists of cash, short-term investments, amounts receivable, investments and accounts payable.

Financial assets and financial liabilities are initially recognized at their fair value. Subsequent measurement is at amortized cost.

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### 3. Investments

Short-term investments consist of cashable Guaranteed Investment Certificates (GICs) at an interest rate of 0.25% to 1.10% (2020 - 1.50%) maturing August 2021 and February 2022 (2020 - February 2021). The GICs are cashable without penalty.

Investments consist of a cashable GIC at an interest rate of 0.55% (2020 - 1.10%) maturing August 2022 (2020 - August 2021). The GIC is cashable without penalty, although it is not intended to be cashed prior to maturity.

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# Community Bible Study Canada

## Notes to the Financial Statements

June 30, 2021

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#### 4. Financial instruments

Transactions in financial instruments may result in the Organization assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. There have been no changes in management's assessment of its financial instrument risks over the prior year.

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its funding obligations. This risk is mitigated by the Organization through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to accounts receivable is \$Nil (2020 - \$Nil).

##### *Liquidity risk*

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is therefore exposed to liquidity risk with respect to its accounts payable. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments are due and maintains adequate cash reserves to pay vendors. Included in accounts payable and accrued liabilities are government remittances owing of \$Nil (2020 - \$Nil).

##### *Interest rate price risk*

Interest rate price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate price risk with respect to investments with fixed interest rates.

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#### 5. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

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# Community Bible Study Canada

## Notes to the Financial Statements

June 30, 2021

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### 6. Impact of COVID-19

The outbreak of a novel strain of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. The Organization has experienced a decline in donations relative to historical trends. However, the Organization anticipates that available liquid assets and ongoing cost mitigation efforts will provide the necessary support to sustain the Organization. In the meantime, management continues to manage the budget and provide continuing levels of operations and service.