



Financial Statements

Community Bible Study Canada

June 30, 2022

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Independent Practitioner's Review Engagement Report

To the Members of
Community Bible Study Canada

We have reviewed the accompanying financial statements of Community Bible Study Canada (the "Organization") that comprise the statement of financial position as at June 30, 2022, 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 this revenue 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 of revenue over expenditures, and cash flows from operations for the years ended June 30, 2022 and 2021, current assets as at June 30, 2022 and 2021, and net assets as at July 1 and June 30 for both the 2022 and 2021 year ends.

Independent Practitioner's Review Engagement Report (continued)

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 Community Bible Study Canada as at June 30, 2022, 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.

Markham, Canada
November 12, 2022

Grant Thornton LLP


Chartered Professional Accountants
Licensed Public Accountants

Community Bible Study Canada
Statement of Financial Position

June 30

	2022	2021
Assets		
Current		
Cash	\$ 84,269	\$ 44,141
Short-term investments (Note 3)	94,816	54,479
Accounts receivable	1,451	1,605
Prepaid expenses	<u>3,130</u>	<u>-</u>
	<u>183,666</u>	<u>100,225</u>
Long-term		
Investments (Note 3)	<u>-</u>	<u>40,000</u>
	<u>\$ 183,666</u>	<u>\$ 140,225</u>
<hr/>		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 18,494	\$ 4,200
Deferred revenue	<u>1,155</u>	<u>1,702</u>
	<u>19,649</u>	<u>5,902</u>
Net assets		
Ruth Barton Fund - externally restricted	6,083	6,824
National Teens Fund - internally restricted	1,151	1,147
Unrestricted	<u>156,783</u>	<u>126,352</u>
	<u>164,017</u>	<u>134,323</u>
	<u>\$ 183,666</u>	<u>\$ 140,225</u>

On behalf of the Board of Directors


 Florence Chong (Dec 20, 2022 00:22 EST)

Director



Director

Community Bible Study Canada

Statement of Operations

Year ended June 30	2022	2021
Revenue		
Donations	\$ 70,569	\$ 68,459
Classes	19,355	20,090
Interest and sundry income	317	626
Interest - Ruth Barton Fund	25	68
Interest - National Teens Fund	4	11
	90,270	89,254
Expenditures		
Office	24,483	22,200
Donation to Community Bible Study International	13,285	-
Professional fees	10,137	10,427
Salaries	8,529	11,134
Lesson material	3,900	4,454
National management	230	93
Classes	12	2,026
Training	-	3,000
Licenses and fees	-	1,494
Ruth Barton Fund programs	-	405
Promotion and development	-	311
	60,576	55,544
Excess of revenue over expenditures	\$ 29,694	\$ 33,710

Community Bible Study Canada
Statement of Changes in Net Assets
Year ended June 30

	Ruth Barton Fund	National Teens Fund	Unrestricted	Total 2022	Total 2021
Balance, beginning of year	\$ 6,824	\$ 1,147	\$ 126,352	\$ 134,323	\$ 100,613
Excess (deficiency) of revenue over expenditures	<u>(741)</u>	<u>4</u>	<u>30,431</u>	<u>29,694</u>	<u>33,710</u>
Balance, end of year	<u>\$ 6,083</u>	<u>\$ 1,151</u>	<u>\$ 156,783</u>	<u>\$ 164,017</u>	<u>\$ 134,323</u>

Community Bible Study Canada
Statement of Cash Flows

Year ended June 30	2022	2021
Increase (decrease) in cash		
Operating		
Excess of revenue over expenditures	\$ 29,694	\$ 33,710
Change in non-cash working capital items		
Accounts receivable	154	3,572
Prepaid expenses	(3,130)	6,253
Accounts payable and accrued liabilities	14,294	(11,094)
Deferred revenue	(547)	1,702
	<u>40,465</u>	<u>34,143</u>
Investing		
Purchase of investments	(54,816)	(66,171)
Proceeds on sale of investments	<u>54,479</u>	<u>25,477</u>
	<u>(337)</u>	<u>(40,694)</u>
Increase (decrease) in cash	40,128	(6,551)
Cash		
Beginning of year	<u>44,141</u>	<u>50,692</u>
End of year	<u>\$ 84,269</u>	<u>\$ 44,141</u>

Community Bible Study Canada

Notes to the Financial Statements

June 30, 2022

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).

2. 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 of revenue over expenditures 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.

Community Bible Study Canada
Notes to the Financial Statements
June 30, 2022

2. 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 expenditures for child-care and their children's ministry, and these transactions are not included in the revenue and expenditures 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 services

Contributed goods, property donations and contributed services are not recorded in the accounts because of the difficulty in determining their fair 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. The Organization's property and equipment consist of office and computer equipment. In the current year, computer equipment purchases were \$4,934 (2021 - \$Nil).

Financial instruments

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

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

3. Investments

Short-term investments consist of cashable Guaranteed Investment Certificates (GICs) at an interest rate of 0.40% to 0.60% (2021 - 0.25% to 1.10%) maturing between August 2022 and February 2023 (2021 - August 2021 and February 2022). The GICs are cashable without penalty.

In prior year, investments consisted of a cashable GIC at an interest rate of 0.55% maturing August 2022. Since the investment is due within the year it has been classified with the above short-term investments.

Community Bible Study Canada
Notes to the Financial Statements
June 30, 2022

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.

(a) 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 obligation. 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 (2021 - \$Nil).

(b) 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 (2021 - \$Nil).

(c) 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.

5. Comparative figures

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

Community Bible Study Canada
Notes to the Financial Statements
June 30, 2022

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.