



## Financial Statements

Community Bible Study Canada

June 30, 2023

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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, 2023, 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, 2023 and 2022, current assets as at June 30, 2023 and 2022, and net assets as at July 1 and June 30 for both the 2023 and 2022 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, 2023, 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 11, 2023

Chartered Professional Accountants  
Licensed Public Accountants

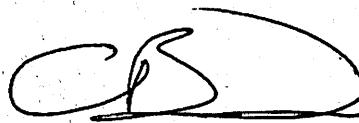
**Community Bible Study Canada**  
**Statement of Financial Position**

June 30	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 73,189	\$ 84,269
Short-term investments (Note 3)	115,143	94,816
Accounts receivable	4,651	1,451
Prepaid expenses	<u>1,597</u>	<u>3,130</u>
	<b>\$ 194,580</b>	<b>\$ 183,666</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 31,115	\$ 18,494
Deferred revenue	<u>3,750</u>	<u>1,155</u>
	<b>34,865</b>	<b>19,649</b>
<b>Net assets</b>		
Ruth Barton Fund - externally restricted	5,739	6,083
National Teens Fund - internally restricted	1,187	1,151
Unrestricted	<u>152,789</u>	<u>156,783</u>
	<b>159,715</b>	<b>164,017</b>
	<b>\$ 194,580</b>	<b>\$ 183,666</b>

On behalf of the Board of Directors



Director



Director

## Community Bible Study Canada Statement of Operations

Year ended June 30	2023	2022
<b>Revenue</b>		
Donations	\$ 61,999	\$ 70,569
Classes	17,500	19,355
Interest and sundry income	3,098	317
Interest - Ruth Barton Fund	193	25
Interest - National Teens Fund	36	4
	<b>82,826</b>	<b>90,270</b>
<b>Expenditures</b>		
Donation to Community Bible Study International	21,615	13,285
Office	14,503	24,483
Professional fees	12,027	10,137
Salaries	11,267	8,529
Lesson material	9,997	3,900
National management	6,195	230
Retreat and teaching directors' conference	4,579	-
Promotion and development	3,059	-
Classes	2,784	12
Licenses and fees	565	-
Ruth Barton Fund programs	537	-
	<b>87,128</b>	<b>60,576</b>
(Deficiency) excess of revenue over expenditures	<b>\$ (4,302)</b>	<b>\$ 29,694</b>

**Community Bible Study Canada**  
**Statement of Changes in Net Assets**

Year ended June 30

	<b>Ruth Barton Fund</b>	<b>National Teens Fund</b>	<b>Unrestricted</b>	<b>Total 2023</b>	<b>Total 2022</b>
Balance, beginning of year	\$ 6,083	\$ 1,151	\$ 156,783	\$ 164,017	\$ 134,323
(Deficiency) excess of revenue over expenditures	<u>(344)</u>	<u>36</u>	<u>(3,994)</u>	<u>(4,302)</u>	<u>29,694</u>
Balance, end of year	<u>\$ 5,739</u>	<u>\$ 1,187</u>	<u>\$ 152,789</u>	<u>\$ 159,715</u>	<u>\$ 164,017</u>

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**Community Bible Study Canada**  
**Statement of Cash Flows**

Year ended June 30	2023	2022
Increase (decrease) in cash		
<b>Operating</b>		
(Deficiency) excess of revenue over expenditures	\$ (4,302)	\$ 29,694
Change in non-cash working capital items		
Accounts receivable	(3,200)	154
Prepaid expenses	1,533	(3,130)
Accounts payable and accrued liabilities	12,621	14,294
Deferred revenue	<u>2,595</u>	<u>(547)</u>
	<u>9,247</u>	<u>40,465</u>
<b>Investing</b>		
Purchase of investments	(115,143)	(54,816)
Proceeds on sale of investments	<u>94,816</u>	<u>54,479</u>
	<u>(20,327)</u>	<u>(337)</u>
(Decrease) increase in cash	(11,080)	40,128
<b>Cash</b>		
Beginning of year	<u>84,269</u>	<u>44,141</u>
End of year	<u>\$ 73,189</u>	<u>\$ 84,269</u>

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# **Community Bible Study Canada**

## **Notes to the Financial Statements**

June 30, 2023

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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. 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 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").

##### *Unrestricted*

The unrestricted fund relates to the normal operations of the Organization.

##### *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, 2023

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### **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 \$Nil (2022 - \$4,934).

#### **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 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 3.00% to 4.30% (2022 - 0.40% to 0.60%) maturing between October 2023 and February 2024 (2022 - August 2022 and February 2023). The GICs are cashable without penalty.

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## **Community Bible Study Canada**

### **Notes to the Financial Statements**

June 30, 2023

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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.

(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 (2022 - \$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 (2022 - \$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.