



Financial Statements

Classis Niagara Of The Christian Reformed
Church Of North America

December 31, 2020

Contents

	Page
Independent Practitioner's Review Engagement Report	1 - 2
Statement of Financial Position	3
Statement of Receipts and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9
Schedule of Expenses	10

Independent Practitioner's Review Engagement Report

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To the Board of Directors of
Classis Niagara Of The Christian Reformed Church Of North America

We have reviewed the accompanying financial statements of Classis Niagara Of The Christian Reformed Church Of North America that comprise the statement of financial position as at December 31, 2020, and the statements of receipts and expenses, 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.

Independent Practitioner's Review Engagement Report (continued)

Conclusion

Based on our review, 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 Classis Niagara Of The Christian Reformed Church Of North America as at December 31, 2020, 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

St. Catharines, Canada
April 7, 2021

Chartered Professional Accountants
Licensed Public Accountants

Classis Niagara Of The Christian Reformed Church Of North America
Statement of Financial Position

December 31

2020

2019

Assets

Current

Cash	\$ 274,758	\$ 233,840
Accounts receivable	1,493	1,824
Sales tax recoverable	<u>156</u>	<u>257</u>
	<u>\$ 276,407</u>	<u>\$ 235,921</u>

Liabilities

Current

Prepaid Classis shares	\$ 1,631	\$ -
Deferred Resonate grant funding	4,000	-
Deferred revenue (Brock University Campus)	<u>37,734</u>	<u>39,100</u>
	<u>43,365</u>	<u>39,100</u>

Net Assets

Fund balances

Disciples Making New Disciples	102,259	101,663
Leadership Development	108,657	71,758
Covenantal Relationships	11,070	18,146
Authentic Community	10,042	3,046
Prayerful Dependence on God	1,014	501
Classis Expenses	<u>-</u>	<u>1,707</u>
	<u>233,042</u>	<u>196,821</u>
	<u>\$ 276,407</u>	<u>\$ 235,921</u>

On behalf of the board

_____ Director _____ Director

Classis Niagara Of The Christian Reformed Church Of North America

Statement of Receipts and Expenses

Year ended December 31

2020

2019

Receipts

Shares income - Disciples Making New Disciples	\$ 132,639	\$ 101,273
Resonate and other grants - Brock Campus	5,200	8,000
Shares income - Leadership Development	41,010	68,336
Shares income - Covenantal Relationships	26,821	25,851
Shares income - Authentic Community	6,996	7,940
Shares income - Prayerful Dependence on God	513	501
Shares income - Classis Expenses	21,387	27,031
Shalom Manor - Other contributions	450	927
Classis - Interest and other income	2,584	2,790
Government wage subsidy	1,375	-
	238,975	242,649

Expenses

Disciples Making New Disciples		
Brock Campus Ministry (Schedule)	97,575	73,514
The Bridge Church and Mission Development	35,000	25,000
Resonate grant expenditures	4,668	-
Leadership Development (Schedule)	3,894	31,386
Covenantal Relationships (Schedule)	33,897	33,794
Authentic Community - Travel and retreat expenses	-	5,894
Classis Expenses		
The Bridge App	4,677	4,500
Clerk and treasurer remuneration	13,000	13,000
Delegates meals and mileage	652	2,451
Ministers and Classis retreats	-	939
Liability insurance	1,552	1,652
Printing, paper and postage	554	1,960
Professional fees	3,003	3,091
Website and other costs	4,282	521
	202,754	197,702

Excess of receipts over expenses	36,221	44,947
Net assets, beginning of year	196,821	151,874
Net assets, end of year	\$ 233,042	\$ 196,821

Classis Niagara Of The Christian Reformed Church Of North America
Statement of Changes in Net Assets (Fund Balances)

Year ended December 31

2020

2019

Disciples Making New Disciples

Balance, beginning of year	\$ 101,663	\$ 90,904
Net receipts	<u>596</u>	<u>10,759</u>
Balance, end of year	<u>\$ 102,259</u>	<u>\$ 101,663</u>

Leadership Development

Balance, beginning of year	\$ 71,758	\$ 34,808
Net receipts	37,116	36,950
Transfer to Classis Expenses	<u>(217)</u>	<u>-</u>
Balance, end of year	<u>\$ 108,657</u>	<u>\$ 71,758</u>

Covenantal Relationships

Balance, beginning of year	\$ 18,146	\$ 25,162
Net receipts (expense)	<u>(7,076)</u>	<u>(7,016)</u>
Balance, end of year	<u>\$ 11,070</u>	<u>\$ 18,146</u>

Authentic Community

Balance, beginning of year	\$ 3,046	\$ 1,000
Net receipts	<u>6,996</u>	<u>2,046</u>
Balance, end of year	<u>\$ 10,042</u>	<u>\$ 3,046</u>

Prayerful Dependence On God

Balance, beginning of year	\$ 501	\$ -
Net receipts	<u>513</u>	<u>501</u>
Balance, end of year	<u>\$ 1,014</u>	<u>\$ 501</u>

Classis Expenses

Balance, beginning of year	\$ 1,707	\$ -
Net receipts (expense)	(1,924)	1,707
Transfer from Leadership Development	<u>217</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 1,707</u>

Classis Niagara Of The Christian Reformed Church Of North America

Statement of Cash Flows

Year ended December 31

2020

2019

Operating		
Excess of receipts over expenses	<u>\$ 36,221</u>	<u>\$ 44,947</u>
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	331	26,768
Sales tax recoverable	101	(126)
Prepaid expenses	-	4,500
Prepaid Classis shares	1,631	-
Deferred Resonate grant funding	4,000	-
Deferred revenue (Brock University Campus)	<u>(1,366)</u>	<u>39,100</u>
	<u>40,918</u>	<u>115,189</u>
Net increase in cash for year	40,918	115,189
Cash, beginning of year	<u>233,840</u>	<u>118,651</u>
Cash. end of year	<u>\$ 274,758</u>	<u>\$ 233,840</u>

Classis Niagara Of The Christian Reformed Church Of North America

Notes to the Financial Statements

Year ended December 31, 2020

1. Scope of operations

Classis Niagara Of The Christian Reformed Church Of North America is a non-profit organization, which sponsors and funds specific ministry programs, primarily, on behalf of its member churches.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

General

The organization accounts for its different activities using a fund accounting approach which allocates and budgets the revenue and expenses among its programs including, Disciples Making New Disciples, Leadership Development, Covenantal Relationships, Authentic Community, Prayerful Dependence on God and Classis Expenses.

Financial Instruments

The organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

The organization's financial instruments consist of cash, accounts receivable, sales tax recoverable, accounts payable and deferred revenue and are initially measured at their fair value. The organization subsequently measures its financial assets and liabilities at amortized cost.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Revenue Recognition

The organization follows the deferral method of accounting for contributions.

Revenue from shares income is recorded as assessed for the year based on likelihood of collection. All other non restricted contributions and interest income are recorded as received. Restricted contributions are recognized only to the extent that the funds have been expended and used for its intended purpose. Restricted donations that are not utilized are recorded as deferred revenue.

Classis Niagara Of The Christian Reformed Church Of North America

Notes to the Financial Statements

Year ended December 31, 2020

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and term deposits with maturities of three months or less.

Forgivable Loans

Under the Classis Ministry Leadership Team, the organization provides funding to students which is secured by a forgivable loan agreement. The organization records these payments to candidates as an expenditure in the year they are made.

These forgivable loans are interest free and will be repayable only if the candidates discontinue their educational program or do not accept a position to serve in a congregation of the Christian Reformed Church for not less than five years. Classis Niagara has agreed to annually forgive 20% of the total borrowed by the candidate, during the five year commitment period. The loans are recorded as receivable only when the terms and conditions of the agreement are no longer met and collection is likely.

At December 31, 2020 the cumulative balance of the forgivable loans is \$112,748 (2019 - \$125,636).

Use of Estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of actions. Actual results could differ from those estimates.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known. Significant estimates and assumptions are used when accounting for items such as fair value of asset, revenue recognition and deferred revenue.

3. Financial risks

It is management's opinion that the organization is not exposed to currency, liquidity or credit risks arising from its financial instruments. The Organization has no significant receivables, payables or debt and has no assets and liabilities that would be subject to market interest rate or price risk.

There has been no change to risk exposure from the prior year.

Classis Niagara Of The Christian Reformed Church Of North America

Notes to the Financial Statements

Year ended December 31, 2020

4. Subsequent events

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Fortunately, the Organization experienced little negative impact from COVID-19 with continued strong support from its churches. Management believes that this support will continue throughout the duration of the pandemic

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.

Classis Niagara Of The Christian Reformed Church Of North America

Schedule of Expenses

Year ended December 31

2020

2019

Disciples Making New Disciples (Brock Ministry)

Salary and housing allowance	\$ 72,875	\$ 52,298
Pension	9,840	4,920
Employee deductions	4,097	3,675
Group medical insurance	5,226	3,739
Travel and car allowance	294	1,080
Professional development	570	892
Brock ministry office & telephone	1,508	2,541
Meals and hospitality	672	1,227
Student resources and retreats	261	411
Other expenses	<u>2,232</u>	<u>2,731</u>

\$ 97,575 **\$ 73,514**

Leadership Development

Tuition payments (CMLT)	\$ -	\$ 26,697
Youth Champion support	3,000	2,000
Youth Champion retreat	-	400
Youth conference and retreat	-	907
Books and resource materials	254	1,382
General expenses	<u>640</u>	<u>-</u>

\$ 3,894 **\$ 31,386**

Covenantal Relationships

Shalom Manor chaplaincy support	\$ 33,897	\$ 32,520
Regional pastors	-	274
Conferences and retreats (Muskoka)	<u>-</u>	<u>1,000</u>

\$ 33,897 **\$ 33,794**