



## Financial Statements

Classis Niagara Of The Christian Reformed  
Church Of North America

December 31, 2021

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# 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, 2021, 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, 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.

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

St. Catharines, Canada  
February 23, 2022

Chartered Professional Accountants  
Licensed Public Accountants

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# Classis Niagara Of The Christian Reformed Church Of North America

## Statement of Financial Position

December 31

2021

2020

### Assets

Current

Cash	\$ 285,537	\$ 274,758
Accounts receivable	1,334	1,493
Sales tax recoverable	1,390	156
Prepaid expenses	<u>748</u>	<u>-</u>
	<b><u>\$ 289,009</u></b>	<b><u>\$ 276,407</u></b>

### Liabilities

Current

Prepaid Classis shares	\$ -	\$ 1,631
Deferred Resonate grant funding	10,566	4,000
Deferred revenue (Brock University Campus)	<u>37,734</u>	<u>37,734</u>
	<b><u>48,300</u></b>	<b><u>43,365</u></b>

### Net Assets

Fund balances

Disciples Making New Disciples	95,901	102,259
Leadership Development	127,784	108,657
Covenantal Relationships	5,726	11,070
Authentic Community	10,042	10,042
Prayerful Dependence on God	<u>1,256</u>	<u>1,014</u>
	<b><u>240,709</u></b>	<b><u>233,042</u></b>
	<b><u>\$ 289,009</u></b>	<b><u>\$ 276,407</u></b>

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

2021

2020

Receipts

Shares income - Disciples Making New Disciples	\$ 136,906	\$ 132,639
Resonate and other grants - Brock Campus	1,660	5,200
Shares income - Leadership Development	26,277	41,010
Shares income - Covenantal Relationships	27,196	26,821
Shares income - Authentic Community	-	6,996
Shares income - Prayerful Dependence on God	242	513
Shares income - Classis Expenses	26,712	21,387
Shalom Manor - Other contributions	134	450
Classis - Interest and other income	2,603	2,584
Government wage subsidy	-	1,375
	<b>221,730</b>	<b>238,975</b>

Expenses

Disciples Making New Disciples		
Brock Campus Chaplain (Schedule)	96,167	97,575
The Bridge Church and Mission Development	45,000	35,000
Niagara International Student Ministry	2,097	-
Resonate grant expenditures	1,660	4,668
Leadership Development (Schedule)	6,410	3,894
Covenantal Relationships (Schedule)	32,540	33,897
Classis Expenses		
The Bridge App	6,548	4,677
Clerk and treasurer remuneration	14,500	13,000
Delegates meals and mileage	1,993	652
Ministers and Classis retreats	1,350	-
Liability insurance	1,791	1,552
Printing, paper and postage	266	554
Professional fees	3,274	3,003
Website and other costs	467	4,282
	<b>214,063</b>	<b>202,754</b>

Excess of receipts over expenses	7,667	36,221
Net assets, beginning of year	<b>233,042</b>	<b>196,821</b>
Net assets, end of year	<b>\$ 240,709</b>	<b>\$ 233,042</b>

# Classis Niagara Of The Christian Reformed Church Of North America

## Statement of Changes in Net Assets (Fund Balances)

Year ended December 31

2021

2020

### Disciples Making New Disciples

Balance, beginning of year	\$ 102,259	\$ 101,663
Net receipts (expense)	<u>(6,358)</u>	<u>596</u>
Balance, end of year	<u>\$ 95,901</u>	<u>\$ 102,259</u>

### Leadership Development

Balance, beginning of year	\$ 108,657	\$ 71,758
Net receipts	19,867	37,116
Transfer to Classis Expenses	<u>(740)</u>	<u>(217)</u>
Balance, end of year	<u>\$ 127,784</u>	<u>\$ 108,657</u>

### Covenantal Relationships

Balance, beginning of year	\$ 11,070	\$ 18,146
Net receipts (expense)	<u>(5,344)</u>	<u>(7,076)</u>
Balance, end of year	<u>\$ 5,726</u>	<u>\$ 11,070</u>

### Authentic Community

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

### Prayerful Dependence On God

Balance, beginning of year	\$ 1,014	\$ 501
Net receipts	<u>242</u>	<u>513</u>
Balance, end of year	<u>\$ 1,256</u>	<u>\$ 1,014</u>

### Classis Expenses

Balance, beginning of year	\$ -	\$ 1,707
Net receipts (expense)	(740)	(1,924)
Transfer from Leadership Development	<u>740</u>	<u>217</u>
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

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# Classis Niagara Of The Christian Reformed Church Of North America

## Statement of Cash Flows

Year ended December 31

2021

2020

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Operating		
Excess of receipts over expenses	<u>\$ 7,667</u>	<u>\$ 36,221</u>
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	159	331
Sales tax recoverable	(1,234)	101
Prepaid expenses	(748)	-
Prepaid Classis shares	(1,631)	1,631
Deferred Resonate grant funding	6,566	4,000
Deferred revenue (Brock University Campus)	-	(1,366)
	<u>10,779</u>	<u>40,918</u>
Net increase in cash for year	10,779	40,918
Cash, beginning of year	<u>274,758</u>	<u>233,840</u>
Cash. end of year	<u>\$ 285,537</u>	<u>\$ 274,758</u>



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# **Classis Niagara Of The Christian Reformed Church Of North America**

## **Notes to the Financial Statements**

Year ended December 31, 2021

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### **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.

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### **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.

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# **Classis Niagara Of The Christian Reformed Church Of North America**

## **Notes to the Financial Statements**

Year ended December 31, 2021

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### **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, 2021 the cumulative balance of the forgivable loans is \$87,120 (2020 - \$112,748).

#### **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 revenue recognition and deferred revenue.

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### **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.

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# **Classis Niagara Of The Christian Reformed Church Of North America**

## **Notes to the Financial Statements**

Year ended December 31, 2021

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#### **4. COVID-19**

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.

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## Classis Niagara Of The Christian Reformed Church Of North America

### Schedule of Expenses

Year ended December 31

2021

2020

#### Disciples Making New Disciples (Brock Ministry)

Salary and housing allowance	\$ 68,858	\$ 72,875
Pension	9,840	9,840
Employee deductions	4,412	4,097
Group medical insurance	5,247	5,226
Travel and car allowance	344	294
Professional development	1,359	570
Brock ministry office & telephone	1,480	1,508
Meals and hospitality	1,094	672
Student resources and retreats	490	261
Other expenses	<u>3,043</u>	<u>2,232</u>
	<u>\$ 96,167</u>	<u>\$ 97,575</u>

#### Leadership Development

Tuition payments (CMLT)	\$ 3,020	\$ -
Youth Champion support	3,000	3,000
Books and resource materials	140	254
General expenses	<u>250</u>	<u>640</u>
	<u>\$ 6,410</u>	<u>\$ 3,894</u>

#### Covenantal Relationships

Shalom Manor support	<u>\$ 32,540</u>	<u>\$ 33,897</u>
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