



Financial Statements

The Bible League of Canada

August 31, 2021

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# Independent Auditor's Report

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To the Members of  
The Bible League of Canada

## Opinion

We have audited the financial statements of The Bible League of Canada, (the "Organization") which comprise the statement of financial position as at August 31, 2021, and the statements of revenue and expenditures and changes in fund balances and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

St. Catharines, Canada  
November 16, 2021

Chartered Professional Accountants  
Licensed Public Accountants

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# The Bible League of Canada

## Statements of Revenue and Expenditures and Changes in Fund Balances

Year ended August 31	2021	2020
<b>Revenue</b>		
Contributions	\$ 6,240,287	\$ 6,430,582
BFM Foundation (Canada) Thrift Stores contributions	5,610,781	6,245,000
Canada Emergency Wage Subsidy ("CEWS")	497,396	647,170
Publication sales	177,491	204,929
Interest and other revenue	<u>4,805</u>	<u>27,641</u>
	<b><u>12,530,760</u></b>	<b><u>13,555,322</u></b>
<b>Expenditures</b>		
International Ministry (Notes 7, 8, 9 and 10) (Schedule)	9,175,547	11,138,295
Administration	1,231,677	1,284,153
Fundraising	<u>991,320</u>	<u>1,236,115</u>
	<b><u>11,398,544</u></b>	<b><u>13,658,563</u></b>
Excess (deficiency) of revenue over expenditures	<b><u>\$ 1,132,216</u></b>	<b><u>\$ (103,241)</u></b>
<hr/>		
Fund balances, beginning of year	\$ 2,319,091	\$ 2,422,332
Excess (deficiency) of revenue over expenditures	<u>1,132,216</u>	<u>(103,241)</u>
Fund balances, end of year	<b><u>\$ 3,451,307</u></b>	<b><u>\$ 2,319,091</u></b>

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# The Bible League of Canada

## Statement of Financial Position

August 31

2021

2020

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### Assets

#### Current

Cash	\$ 1,484,428	\$ 127,803
Accounts receivable	811,224	688,958
BFM Foundation (Canada) receivable (Note 3)	-	200,000
Harmonized sales tax receivable	10,028	9,548
Inventories	83,654	90,767
Prepaid expenses	9,444	12,200

**2,398,778** 1,129,276

Property and equipment and intangible assets (Note 4) **1,489,946** 1,526,484

**\$ 3,888,724** **\$ 2,655,760**

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### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 437,417	\$ 336,669
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### Fund balances

Unrestricted	1,961,361	792,607
Invested in property and equipment and intangible assets	1,489,946	1,526,484

**3,451,307** 2,319,091

**\$ 3,888,724** **\$ 2,655,760**

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Commitments (Note 5)

On behalf of the Board of Directors



Director



Director

# The Bible League of Canada

## Statement of Cash Flows

Year ended August 31

2021

2020

Increase (decrease) in cash

### Operating

Excess (deficiency) of revenue over expenditures	\$ 1,132,216	\$ (103,241)
Item not affecting cash		
Amortization of property and equipment and intangible assets	<u>63,622</u>	<u>101,891</u>
	<b>1,195,838</b>	<b>(1,350)</b>
Change in non-cash working capital items		
Accounts receivable	(122,266)	244,638
Harmonized sales tax receivable	(480)	15,400
Inventories	7,113	(8,269)
Prepaid expenses	2,756	(954)
Accounts payable and accrued liabilities	100,748	(284,964)
Deferred revenue	<u>-</u>	<u>(3,706)</u>
	<b>1,183,709</b>	<b>(39,205)</b>

### Investing

Receipt of repayment of BFM Foundation (Canada) receivable	200,000	200,000
Purchase of property and equipment and intangible assets	<u>(27,084)</u>	<u>(58,836)</u>
	<b>172,916</b>	<b>141,164</b>

Increase in cash

**1,356,625**      101,959

Cash

Beginning of year	<u>127,803</u>	<u>25,844</u>
End of year	<b>\$ 1,484,428</b>	<b>\$ 127,803</b>

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# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

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### 1. Nature of operations

The purpose of The Bible League of Canada (the "Organization") is to provide Scriptures and training worldwide so that people prepared by the Holy Spirit will be brought into fellowship with Christ and His Church. It was founded in 1948 and was incorporated without share capital by letters patent under the Canada Corporations Act in 1971. The corporation transitioned to the Canada Not-for-Profit Corporations Act in 2014.

The Organization is a registered charity within the meaning of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

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### 2. Summary of significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

The significant accounting policies used are as follows:

#### Revenue recognition

The Organization follows the deferral method of accounting for restricted contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Gifts-in-kind are valued at fair value at the date of contribution and included as revenue and assets of the Organization. When distributed, gifts-in-kind are expensed.

Revenue from the sale of publications is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collection is reasonably assured.

Canada Emergency Wage Subsidy ("CEWS") is government assistance and is recognized in the statement of revenue and expenditures when received or receivable in the year to which it relates.

#### Contributed services

The work of the Organization is supplemented by the voluntary service of many people. Since these services are not normally purchased by the Organization and because of the difficulty in determining their fair market value, contributed services are not recognized in these financial statements.

#### Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments are comprised of cash, accounts receivable, harmonized sales tax receivable, BFM Foundation (Canada) receivable and accounts payable.

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

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# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

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

#### Inventories

Inventories consist of books and publications held for resale. Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable. The amount of any write-downs of inventories are recognized as an expense in the period the write-downs or losses occurs.

#### Property and equipment and intangible assets

Property and equipment and intangible assets are recorded at cost less accumulated amortization. Property and equipment and intangible assets are amortized at the following annual rates over their estimated useful lives:

Building	40 years straight-line
Computer equipment - servers and firewalls	5 years straight-line
Computer equipment - laptops and tablets	3 years straight-line
Furniture and equipment	5 years straight-line
Computer software	10 years straight-line
Website	3 years straight-line
Computer database	10 years straight-line

Property and equipment and intangible assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of revenue and expenditures. Any impairment recognized is not reversed.

#### 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 the excess or deficiency of revenue over expenditures as appropriate in the year they become known.

#### Allocation of expenses

The Organization engages in international ministry, as well as fundraising activities. Governance and general management expenses are not allocated. Salaries and benefits are allocated based on the hours incurred in undertaking each function (Note 6).

# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

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

#### Foreign currency translation

The Organization translates all of its foreign currency transactions using the temporal method. Monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current year's statement of revenue and expenditures are translated at the exchange rate prevailing at the date on which the transaction took place. Exchange gains and losses are included in the statement of revenue and expenditures.

### 3. BFM Foundation (Canada)

The Organization is in joint ministry with BFM Foundation (Canada). All net revenue generated by each of the member BFM Foundation (Canada) Thrift Stores is to be for the beneficial interest of the Organization per BFM Foundation (Canada)'s charter. In the event that BFM Foundation (Canada) is dissolved, the residual assets are required to be given to the Organization.

The receivable from BFM Foundation (Canada) was non-interest bearing and was repaid in full on October 6, 2020.

At August 31, 2021 the current accounts receivable balance included \$773,950 (2020 - \$539,654) receivable from BFM Foundation (Canada). This amount represents contributions from BFM Foundation (Canada) which were received in September 2021.

### 4. Property and equipment and intangible assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
<i>Property and equipment</i>				
Land	\$ 600,000	\$ -	\$ 600,000	\$ 600,000
Buildings	923,149	167,853	755,296	778,373
Computer equipment	204,982	146,000	58,982	51,365
Furniture and equipment	119,585	119,585	-	11,619
	<u>1,847,716</u>	<u>433,438</u>	<u>1,414,278</u>	<u>1,441,357</u>
<i>Intangible assets</i>				
Computer software	292,078	292,078	-	-
Website	108,750	108,750	-	-
Computer database	94,586	18,918	75,668	85,127
	<u>495,414</u>	<u>419,746</u>	<u>75,668</u>	<u>85,127</u>
	<u>\$ 2,343,130</u>	<u>\$ 853,184</u>	<u>\$ 1,489,946</u>	<u>\$ 1,526,484</u>

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# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

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#### 4. Property and equipment and intangible assets (continued)

Amortization of \$63,622 (2020 - \$101,891) is included in administration.

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#### 5. Commitments

The Organization has the following annual commitments for the next four fiscal years with respect to equipment leases:

2022	\$	56,640
2023		26,660
2024		15,740
2025		<u>770</u>
	\$	<u>99,810</u>

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#### 6. Salaries and benefits

Salaries and benefits have been allocated as follows:

	<u>2021</u>	<u>2020</u>
International Ministry	\$ 1,378,214	\$ 1,416,271
Administration	858,097	819,775
Fundraising	<u>638,576</u>	<u>708,263</u>
	<u>\$ 2,874,887</u>	<u>\$ 2,944,309</u>

# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

### 7. Serve Eurasia (formerly Serve Asia)

The Organization controls Serve Eurasia (formerly Serve Asia), an Ontario unincorporated not-for-profit venture with Reach A Village as of September 1, 2017, by virtue of voting control over the entity's strategic policies. The entity was established to carry on the ministry activities pursuant to a joint ministry agreement.

Serve Eurasia (formerly Serve Asia) has not been consolidated in the Organization's financial statements. A financial summary of the entity as at August 31, 2021 and for the year ended August 31, 2021 is as follows:

#### Statement of financial position

	<u>2021</u>	<u>2020</u>
Total assets	\$ 268,590	\$ 121,205
Total liabilities	<u>-</u>	<u>-</u>
Net assets	<u>\$ 268,590</u>	<u>\$ 121,205</u>

#### Statement of revenue and expenses

	<u>2021</u>	<u>2020</u>
Total revenue	\$ 1,968,090	\$ 1,861,640
Total expenses	<u>(1,820,705)</u>	<u>(1,937,363)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 147,385</u>	<u>\$ (75,723)</u>

#### Statement of cash flows

	<u>2021</u>	<u>2020</u>
Deficiency of revenue over expenses	\$ 147,385	\$ (75,723)
Cash flows from operating activities	<u>(95,428)</u>	<u>-</u>
Cash, beginning of year	<u>121,205</u>	<u>196,928</u>
Cash, end of year	<u>\$ 173,162</u>	<u>\$ 121,205</u>

Included in International Ministry expenditures is \$1,346,153 (2020 - \$1,233,689) related to disbursements provided by the Organization to Serve Eurasia (formerly Serve Asia).

Included in accounts payable and accrued liabilities is \$95,703 (2020 - \$Nil) payable from the Organization to Serve Eurasia (formerly Serve Asia).

# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

### 8. Serve Africa

The Organization controls Serve Africa, an Ontario unincorporated not-for-profit venture with Alkebu Leadership Development Centre as of September 1, 2019, by virtue of voting control over the entity's strategic policies. The entity was established to carry on the ministry activities pursuant to a joint ministry agreement.

Serve Africa has not been consolidated in the Organization's financial statements. A financial summary of the entity as at August 31, 2021 and for the year ended August 31, 2021 is as follows:

#### Statement of financial position

	<u>2021</u>	<u>2020</u>
Total assets	\$ 213,371	\$ 95,214
Total liabilities	<u>-</u>	<u>-</u>
Net assets	<u>\$ 213,371</u>	<u>\$ 95,214</u>

#### Statement of revenue and expenses

	<u>2021</u>	<u>2020</u>
Total revenue	\$ 1,186,357	\$ 1,254,530
Total expenses	<u>(1,064,177)</u>	<u>(1,159,316)</u>
Excess of revenue over expenses	<u>\$ 122,180</u>	<u>\$ 95,214</u>

#### Statement of cash flows

	<u>2021</u>	<u>2020</u>
Excess of revenue over expenses	\$ 122,180	\$ 95,214
Cash flows from operating activities	<u>(43,223)</u>	-
Cash, beginning of year	<u>95,214</u>	<u>-</u>
Cash, end of year	<u>\$ 174,171</u>	<u>\$ 95,214</u>

Included in International Ministry expenditures is \$1,085,185 (2020 - \$1,254,566) related to disbursements provided by the Organization to Serve Africa.

Included in accounts payable and accrued liabilities is \$43,336 (2020 - \$Nil) payable from the Organization to Serve Africa.

# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

### 9. Serve Latin America

The Organization controls Serve Latin America, an Ontario unincorporated not-for-profit venture with Multiplication Network Ministries as of September 1, 2019, by virtue of voting control over the entity's strategic policies. The entity was established to carry on the ministry activities pursuant to a joint ministry agreement.

Serve Latin America has not been consolidated in the Organization's financial statements. A financial summary of the entity as at August 31, 2021 and for the year ended August 31, 2021 is as follows:

#### Statement of financial position

	<u>2021</u>	<u>2020</u>
Total assets	\$ 33,154	\$ 3,359
Total liabilities	<u>(3,154)</u>	<u>(3,359)</u>
Net assets	<u>\$ 30,000</u>	<u>\$ -</u>

#### Statement of revenue and expenses

	<u>2021</u>	<u>2020</u>
Total revenue	\$ 689,186	\$ 1,060,782
Total expenses	<u>(689,186)</u>	<u>(1,060,782)</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>

#### Statement of cash flows

	<u>2021</u>	<u>2020</u>
Excess of revenue over expenses	\$ -	\$ -
Cash, beginning of year	<u>3,358</u>	<u>3,358</u>
Cash, end of year	<u>\$ 3,358</u>	<u>\$ 3,358</u>

Included in International Ministry expenditures is \$360,000 (2020 - \$721,032) related to disbursements provided by the Organization to Serve Latin America.

Included in accounts payable and accrued liabilities is \$30,000 (2020 - \$Nil) payable from the Organization to Serve Latin America.

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# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

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### 10. Serve India

The Organization is a related party to Serve India, an unincorporated US not-for-profit venture with Mission India and Mission India (UK) by virtue of significant voting authority of the entity's strategic policies. The entity was established to carry on the ministry activities pursuant to a joint ministry agreement.

Included in International Ministry expenditures is \$1,495,000 (2020 - \$2,026,880) related to disbursements provided by the Organization to Serve India.

Included in accounts payable and accrued liabilities is \$200,000 (2020 - \$Nil) payable from the Organization to Serve India.

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### 11. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments. It is management's opinion that the Organization is not exposed to significant risk arising from its financial instruments. There have been no changes in the nature of risks from prior year.

#### Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with the Organization. The Organization's main credit risks relate to its accounts receivable and BFM Foundation (Canada) receivable.

The Organization provides for its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at August 31, 2021, allowance for doubtful accounts is \$Nil (2020 - \$2,500).

#### Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

The Organization manages its liquidity risk by maintaining adequate cash levels to meet its liquidity requirements at any point in time.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is exposed to changes in the exchange rate as it receives contributions, pays for expenditures, and provides grants in various foreign currencies.

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# The Bible League of Canada

## Notes to the Financial Statements

August 31, 2021

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### 12. Credit facilities

The Organization has negotiated a credit facility consisting of a revolving line of credit in the amount of \$500,000. This facility bears interest at prime plus 1.50% and is secured by a general security agreement. The balance outstanding on this facility on August 31, 2021 was \$Nil (2020 - \$Nil).

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### 13. 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 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 of the Organization for future periods. In March 2020, the Organization dramatically curtailed its operations in order to limit the exposure of the virus. The Organization has successfully applied for government incentives available to assist with the decline in revenue resulting from the pandemic. As at the audit report date, the Organization has experienced a decline in revenue 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.

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# The Bible League of Canada

## Schedule to the Financial Statements

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Year ended August 31

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### Schedule of International Ministry

	<b>2021</b>	<b>2020</b>
Canadian Ministry	<b>\$ 1,849,919</b>	\$ 2,112,629
India (Note 10)	<b>1,495,000</b>	2,026,879
Eurasia (Note 7)	<b>1,346,153</b>	1,233,689
Persecuted Church	<b>1,232,469</b>	1,026,433
Latin America (Note 9)	<b>1,229,067</b>	1,551,481
Africa (Note 8)	<b>1,085,185</b>	1,335,368
Multi-region	<b><u>937,754</u></b>	<u>1,851,816</u>
	<b><u>\$ 9,175,547</u></b>	<u>\$ 11,138,295</u>

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