

CENTRE FOR CHRISTIAN STUDIES CANADA INC.
Financial Statements
Year Ended December 31, 2021

CENTRE FOR CHRISTIAN STUDIES CANADA INC.
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Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Centre for Christian Studies Canada Inc.

Opinion

We have audited the financial statements of Centre for Christian Studies Canada Inc. (the CCS), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, changes in net assets 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 CCS as at December 31, 2021, and the results of its operations and 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 CCS in accordance with 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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 CCS'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 CCS or to cease operations, or has no realistic alternative but to do so.

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

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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 CCS'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 CCS'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 CCS 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.

Winnipeg, MB
March 2, 2022


Rawluk & Robert Chartered Professional Accountants Inc.
Chartered Professional Accountants

CENTRE FOR CHRISTIAN STUDIES CANADA INC.
Statement of Financial Position
As at December 31, 2021

	Operating Fund	Endowment Fund	Total Unrestricted	Bursary Fund	Total 2021	Total 2020
ASSETS						
CURRENT						
Cash and cash equivalents	\$ 142,660	\$ -	\$ 142,660	\$ 7,079	\$ 149,739	\$ 150,700
Investments (Note 3)	-	2,623,250	2,623,250	1,006,084	3,629,334	3,229,180
Accounts receivable (Note 4)	3,087	-	3,087	-	3,087	67,190
Prepaid expenses	2,368	-	2,368	-	2,368	-
	148,115	2,623,250	2,771,365	1,013,163	3,784,528	3,447,070
CASH SURRENDER VALUE OF LIFE INSURANCE (Note 5)	-	25,628	25,628	-	25,628	23,264
CAPITAL ASSETS (Note 6)	61,945	-	61,945	-	61,945	64,002
	\$ 210,060	\$ 2,648,878	\$ 2,858,938	\$ 1,013,163	\$ 3,872,101	\$ 3,534,336
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable and accrued liabilities	\$ 14,144	\$ -	\$ 14,144	\$ -	\$ 14,144	\$ 14,755
Deferred contributions (Note 7)	2,301	-	2,301	10,000	12,301	39,736
Tuition received in advance	830	-	830	-	830	-
	17,275	-	17,275	10,000	27,275	54,491
NET ASSETS	192,785	2,648,878	2,841,663	1,003,163	3,844,826	3,479,845
	\$ 210,060	\$ 2,648,878	\$ 2,858,938	\$ 1,013,163	\$ 3,872,101	\$ 3,534,336

ON BEHALF OF THE BOARD

_____ Director

_____ Director

The accompanying notes are an integral part of this statement

CENTRE FOR CHRISTIAN STUDIES CANADA INC.
Statement of Revenues and Expenditures
Year Ended December 31, 2021

	Operating Fund	Endowment Fund	Total Unrestricted	Bursary Fund	Total 2021	Total 2020
REVENUES						
Donations	\$ 152,473	\$ 28,169	\$ 180,642	\$ 400	\$ 181,042	\$ 192,632
Program revenue (Schedule 2)	136,813	-	136,813	-	136,813	114,785
Investment income	-	77,274	77,274	28,119	105,393	102,432
Operating (Schedule 1)	99,899	-	99,899	-	99,899	116,767
Realized capital gains/(losses)	-	64,328	64,328	33,248	97,576	33,331
Contributions and other aid - UCC	-	-	-	30,440	30,440	33,580
Bequests	-	18,584	18,584	-	18,584	13,290
Increase in value of life insurance	-	2,364	2,364	-	2,364	1,750
	<u>389,185</u>	<u>190,719</u>	<u>579,904</u>	<u>92,207</u>	<u>672,111</u>	<u>608,567</u>
EXPENSES						
Amortization	3,363	-	3,363	-	3,363	3,786
Bursaries	2,830	-	2,830	57,093	59,923	49,302
Governance (Schedule 3)	138	-	138	-	138	558
Life insurance	-	2,364	2,364	-	2,364	1,750
Management fees	-	22,405	22,405	8,739	31,144	27,998
Operating (Schedule 1)	335,213	-	335,213	-	335,213	317,902
Programming (Schedule 2)	275,407	-	275,407	-	275,407	267,280
	<u>616,951</u>	<u>24,769</u>	<u>641,720</u>	<u>65,832</u>	<u>707,552</u>	<u>668,576</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(227,766)</u>	<u>165,950</u>	<u>(61,816)</u>	<u>26,375</u>	<u>(35,441)</u>	<u>(60,009)</u>
OTHER INCOME						
Change in fair value of investments	-	263,133	263,133	98,329	361,462	(178,638)
Subsidies and grants	38,960	-	38,960	-	38,960	73,755
	<u>38,960</u>	<u>263,133</u>	<u>302,093</u>	<u>98,329</u>	<u>400,422</u>	<u>(104,883)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (188,806)</u>	<u>\$ 429,083</u>	<u>\$ 240,277</u>	<u>\$ 124,704</u>	<u>\$ 364,981</u>	<u>\$ (164,892)</u>

The accompanying notes are an integral part of this statement

CENTRE FOR CHRISTIAN STUDIES CANADA INC.
Statement of Changes in Net Assets
Year Ended December 31, 2021

	Operating Fund	Endowment Fund	Total Unrestricted	Bursary Fund	Total 2021	Total 2020
NET ASSETS - BEGINNING OF YEAR	\$ 250,786	\$ 2,360,806	\$ 2,611,592	\$ 868,253	\$ 3,479,845	\$ 3,644,737
Excess/(deficiency) of revenues over expenses	(188,806)	429,083	240,277	124,704	364,981	(164,892)
Transfers to (from) funds	130,805	(141,011)	(10,206)	10,206	-	-
NET ASSETS - END OF YEAR	\$ 192,785	\$ 2,648,878	\$ 2,841,663	\$ 1,003,163	\$ 3,844,826	\$ 3,479,845

The accompanying notes are an integral part of this statement

CENTRE FOR CHRISTIAN STUDIES CANADA INC.

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 364,981	\$ (164,892)
Items not affecting cash:		
Amortization of capital assets	3,363	3,786
Increase in value of life insurance policy	(2,364)	(1,750)
Reinvested investment income	(400,154)	297,399
	<u>(34,174)</u>	<u>134,543</u>
Changes in non-cash working capital:		
Accounts receivable	64,103	(64,947)
Prepaid expenses	(2,368)	50
Accounts payable and accrued liabilities	(611)	750
Deferred contributions	(27,435)	3,860
Tuition received in advance	830	(2,628)
	<u>34,519</u>	<u>(62,915)</u>
Cash flow from operating activities	<u>345</u>	<u>71,628</u>
INVESTING ACTIVITY		
Purchase of capital assets	(1,306)	-
Cash flow from (used by) investing activity	<u>(1,306)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	(961)	71,628
Cash - beginning of year	<u>150,700</u>	<u>79,072</u>
CASH - END OF YEAR	\$ 149,739	\$ 150,700
CASH CONSISTS OF:		
Cash and cash equivalents	<u>\$ 149,739</u>	<u>\$ 150,700</u>

The accompanying notes are an integral part of this statement

CENTRE FOR CHRISTIAN STUDIES CANADA INC.

Notes to Financial Statements

Year Ended December 31, 2021

1. PURPOSE OF THE ORGANIZATION

Centre for Christian Studies Canada Inc. ("CCS") was established as a result of the amalgamation of The Anglican Women's Training College and Covenant College in 1969 and from thereon operated under the name Centre for Christian Studies. The application for letters patent of amalgamation was filed May 29, 1991 and became official November 26, 1991. CCS was incorporated under the Corporations Act of Manitoba, without share capital, on August 4, 1998 with the name being officially changed to Centre for Christian Studies Canada Inc.

CCS is a Registered Charity under the Income Tax Act, and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act are met. CCS operates a theological education centre and offers a four year diploma in Diaconal Ministries: Studies in Transformation and Action and accepts students from the United Church of Canada and the Anglican Church of Canada. Upon completion of their studies, students may be commissioned or ordained in their respective denomination. In March of each fiscal year, students are invited to apply for bursaries and they are awarded based on need and previous awarded bursaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in credit union shares and are valued at cost. The carrying amounts approximate fair value because they can be redeemed in less than ninety days.

Goods and Services Tax

Goods and services tax paid on purchased materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Other investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

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CENTRE FOR CHRISTIAN STUDIES CANADA INC.

Notes to Financial Statements

Year Ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Land	N/A
Building	5% declining balance method
Computer equipment	30% declining balance method
Equipment and sign	20% declining balance method
Furniture and fixtures	20% declining balance method

CCS regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use. In the year of acquisition, half the stated rate is used.

Fund accounting

Operating Fund (unrestricted):

CCS accounts for the general revenues and expenditures such as general donations, rental income and contributions from The United Church of Canada in the Operating Fund.

Endowment Fund (unrestricted):

The Endowment Fund was established to sustain the operations of CCS. The investment income earned on the investments is intended to support the annual operation of CCS and its programs.

Bursary Fund (restricted):

The Bursary Fund is maintained for specific purposes including awards to students in financial need. The funds are disbursed at the discretion of the Bursary Working Group. The Bursary Fund is designated into three categories as illustrated in note 7.

Revenue recognition

CCS follows the restricted fund method of accounting for contributions.

Restricted contributions related to the Operating Fund and the Endowment Fund are recognized as revenue in the appropriate fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Bequests, donations and grant contributions are recorded when the amount is received.

Tuition and bursary revenue is recorded in the period for which the services are provided.

Investment income and realized gains and losses are recorded in the period that they are earned.

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CENTRE FOR CHRISTIAN STUDIES CANADA INC.

Notes to Financial Statements

Year Ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value on initial recognition. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenue and expense items are translated at the exchange rate in effect at the time of the transaction.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

3. INVESTMENTS

	2021	2020
	<i>Market value</i>	<i>Market value</i>
<u>Endowment Fund</u>		
Cash and short term investments	\$ 114,387	\$ 143,378
Common and preferred shares	2,064,668	1,725,684
Fixed income	444,195	468,480
Total cost \$2,055,108 (2020 - \$2,033,398)	\$ 2,623,250	\$ 2,337,542
<u>Bursary Fund</u>		
Cash and short term investments	\$ 65,504	\$ 31,708
Common and preferred shares	826,652	706,244
Fixed income	113,928	153,686
Total cost \$773,850 (2020 - \$758,558)	\$ 1,006,084	\$ 891,638

CENTRE FOR CHRISTIAN STUDIES CANADA INC.

Notes to Financial Statements

Year Ended December 31, 2021

4. ACCOUNTS RECEIVABLE

	2021	2020
Canada Emergency Wage Subsidy	\$ -	\$ 64,130
Tuition receivable	1,735	-
GST recoverable	1,352	3,060
	\$ 3,087	\$ 67,190

5. CASH SURRENDER VALUE OF LIFE INSURANCE POLICY

The ownership of two life insurance policies was donated to CCS and recorded as donations in the years donated. The ongoing premiums paid by the insured are recorded as donation revenue and insurance premium expense.

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value
Land	\$ 25,000	\$ -	\$ 25,000
Building	104,307	73,184	31,123
Computer equipment	38,514	35,438	3,076
Equipment and sign	38,810	36,578	2,232
Furniture and fixtures	25,874	25,360	514
	\$ 232,505	\$ 170,560	\$ 61,945

	Cost	Accumulated amortization	2020 Net book value
Land	\$ 25,000	\$ -	\$ 25,000
Building	104,307	71,546	32,761
Computer equipment	37,208	34,399	2,809
Equipment and sign	38,810	36,021	2,789
Furniture and fixtures	25,874	25,231	643
	\$ 231,199	\$ 167,197	\$ 64,002

CENTRE FOR CHRISTIAN STUDIES CANADA INC.

Notes to Financial Statements

Year Ended December 31, 2021

7. DEFERRED CONTRIBUTIONS

Deferred contributions relate to amounts received in the current year and relate to expenditures to be incurred in a future year or to grants received in the current year but earned in a future year.

	<u>2021</u>	<u>2020</u>
Balance beginning of the year	\$ 39,741	\$ 35,881
Amounts received during the year	10,000	37,435
	<u>49,741</u>	73,316
Less amounts recognized as revenue during the year	<u>(37,440)</u>	<u>(33,580)</u>
Balance, end of the year	<u>\$ 12,301</u>	<u>\$ 39,736</u>

8. BURSARY FUND BALANCES

The Bursary Fund balance is comprised of three components. A portion of the funds has been designated by certain donors and is permanent. This portion of the Bursary Fund is referred to as the Permanent Designated Fund. A second portion of the funds has been designated by donors and can be used to provide bursaries to students. This portion is referred to as the Expendable Designated Fund. The final remaining category balance is the Non-Designated Fund which represents the accrued earnings of the fund and is expendable.

Each bursary fund will be accorded a pro-rata value in the general fund for accounting purposes. In a year when a given bursary is partially awarded or not awarded at all, the capital value will increase by its excess earnings in that year. Should the Fund's performance exceed the target income of 5% or the need for bursaries is less than 5% of the then current value of the Fund, the excess funds shall be added to the General Bursary Fund.

CENTRE FOR CHRISTIAN STUDIES CANADA INC.

Notes to Financial Statements

Year Ended December 31, 2021

9. FINANCIAL INSTRUMENTS

CCS is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about CCS's risk exposure and concentration as of December 31, 2021.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. CCS is exposed to market risk through its investments in publicly traded securities which are subject to fluctuations due to price changes in the market. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. CCS is mainly exposed to currency risk and interest rate risk.

(b) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. CCS is exposed to foreign currency exchange risk on its investments held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

	<u>2021</u> <u>CAD</u>	<u>2020</u> <u>CAD</u>
Investments denominated in U.S. dollars (Bursary)	\$ 340,090	\$ 293,692
Investments denominated in U.S. dollars (Endowment)	<u>765,259</u>	<u>647,188</u>
Concentration of currency risk	<u>\$ 1,105,349</u>	<u>\$ 940,880</u>

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, CCS manages exposure through its normal operating and financing activities. CCS is exposed to interest rate risk primarily through its investments.

Unless otherwise noted, it is management's opinion that CCS is not exposed to significant other price risks arising from these financial instruments.

CENTRE FOR CHRISTIAN STUDIES CANADA INC.
Operating Fund - Operating Revenues and Expenses *(Schedule 1)*
Year Ended December 31, 2021

	2021	2020
Operating revenue		
Contribution - United Church of Canada	\$ 73,340	\$ 105,000
Other contributions	26,002	11,535
Rental and other miscellaneous	557	232
	<u>\$ 99,899</u>	<u>\$ 116,767</u>
Operating expenses		
Administration and office	\$ 51,172	\$ 41,784
Building	30,127	21,314
Promotion and recruitment	16,086	24,516
Salaries and wages	237,828	230,288
	<u>\$ 335,213</u>	<u>\$ 317,902</u>

The accompanying notes are an integral part of this statement

CENTRE FOR CHRISTIAN STUDIES CANADA INC.
Operating Fund - Program Revenue and Expenses
Year Ended December 31, 2021

(Schedule 2)

	2021	2020
Program revenue		
Tuition	\$ 120,908	\$ 107,755
Other	<u>15,905</u>	<u>7,030</u>
	<u>\$ 136,813</u>	<u>\$ 114,785</u>
Program expenses		
Copyright	\$ 179	\$ 194
Honoraria	2,655	1,200
Other projects and programs	1,518	546
Rent	750	-
Salaries and wages	268,164	265,340
Travel and accommodation	<u>2,141</u>	<u>-</u>
	<u>\$ 275,407</u>	<u>\$ 267,280</u>

The accompanying notes are an integral part of this statement

CENTRE FOR CHRISTIAN STUDIES CANADA INC.

Operating Fund - Governance Expenses

(Schedule 3)

Year Ended December 31, 2021

	2021	2020
Governance Expenditures		
Annual service of celebration	\$ 138	\$ 500
Finance committee	-	58
	\$ 138	\$ 558

The accompanying notes are an integral part of this statement