

COMMISSION TO EVERY NATION CANADA

Financial Statements

December 31, 2020



Baker Tilly Trillium LLP

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Commission To Every Nation Canada

We have reviewed the accompanying financial statements of Commission To Every Nation Canada that comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, revenues and expenditures 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.

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 Commission To Every Nation Canada 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.

Baker Tilly Trillium LLP

Chartered Professional Accountants

Licensed Public Accountants

Essex, Ontario

April 7, 2021

AUDIT • TAX • ADVISORY

Baker Tilly Trillium LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

COMMISSION TO EVERY NATION CANADA
Statement of Financial Position
As at December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 665,698	\$ 384,623
Investments (Note 3)	458,233	457,193
Accounts receivable	20,936	-
HST recoverable	570	482
	<u>\$ 1,145,437</u>	<u>\$ 842,298</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 532,088	\$ 432,638
Payroll liabilities	118,169	97,531
	650,257	530,169
NET ASSETS	<u>495,180</u>	<u>312,129</u>
	<u>\$ 1,145,437</u>	<u>\$ 842,298</u>

ON BEHALF OF THE BOARD

_____ *Chief Financial Director*

COMMISSION TO EVERY NATION CANADA
Statement of Changes in Net Assets
For the Year Ended December 31, 2020

	2020	2019
NET ASSETS, BEGINNING OF YEAR	\$ 312,129	\$ 242,040
Excess of revenues over expenditures	<u>183,051</u>	<u>70,089</u>
NET ASSETS, END OF YEAR	<u>\$ 495,180</u>	<u>\$ 312,129</u>

See accompanying notes to the financial statements

COMMISSION TO EVERY NATION CANADA
Statement of Revenues and Expenditures
For the Year Ended December 31, 2020

	2020	2019
REVENUES		
Donations	\$ 3,706,412	\$ 3,523,020
Investment income	1,040	5,949
Temporary Wage Subsidy	25,000	-
	<u>3,732,452</u>	<u>3,528,969</u>
EXPENDITURES		
Accounting and legal	7,543	6,479
Advertising and promotion	1,458	6,378
Gifts in kind	11,686	10,656
Insurance	1,897	2,589
Interest and bank charges	37,034	29,627
Missionary ministry expenses	1,513,725	1,382,582
Missionary support and wages	1,715,030	1,802,391
Office	10,613	9,694
Other missionary projects	239,627	197,558
Rent (<i>Note 4</i>)	8,000	8,000
Telephone and utilities	2,788	2,926
	<u>3,549,401</u>	<u>3,458,880</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 183,051</u>	<u>\$ 70,089</u>

See accompanying notes to the financial statements

COMMISSION TO EVERY NATION CANADA
Statement of Cash Flows
For the Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 183,051	\$ 70,089
Changes in non-cash working capital:		
Accounts receivable	(20,936)	-
HST recoverable	(88)	1,706
Government remittances recoverable	-	514
Accounts payable and accrued liabilities	99,450	135,033
Payroll liabilities	20,638	(7,767)
	<u>99,064</u>	<u>129,486</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	282,115	199,575
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>841,816</u>	<u>642,241</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,123,931</u>	<u>\$ 841,816</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 665,698	\$ 384,623
Investments	458,233	457,193
	<u>\$ 1,123,931</u>	<u>\$ 841,816</u>

See accompanying notes to the financial statements

COMMISSION TO EVERY NATION CANADA

Notes to Financial Statements

Year Ended December 31, 2020

1. NATURE OF OPERATIONS

Commission to Every Nation Canada ("the organization") is a registered charity, provincially incorporated on September 16, 2005 without share capital. Commission to Every Nation Canada is exempt from income tax due to its registered charity status. Commission to Every Nation Canada is a servant organization which helps missionaries fulfill their duties by providing administrative support and pastoral care.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less at acquisition.

(b) Revenue recognition

The organization uses the deferral method of revenue recognition. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is recognized on the accrual basis as earned.

Revenue from government subsidies is recognized when the organization has fulfilled the requirements for program eligibility and the amount can be reasonably estimated.

(c) 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. Significant items subject to such estimates and assumptions include valuation of accounts receivable. Actual results could differ from these estimates.

(d) Financial Instruments

The organization's financial assets consist of cash, investments and accounts receivable. The organizations financial liabilities consist of accounts payable and accrued liabilities and payroll liabilities. These financial instruments are measured at amortized cost, evaluated for impairment at each balance sheet date with any write down recorded in net income. Impairment reversals may occur and the asset can be written up to its original cost. Investments in equity instruments, which are quoted in an active market, are measured at fair value. Changes in fair value are recognized in net income.

COMMISSION TO EVERY NATION CANADA
Notes to Financial Statements
Year Ended December 31, 2020

3. INVESTMENTS

	2020	2019
BMO high interest savings	\$ 458,233	\$ 457,193

Amount represents cash with BMO. This amount is available for use for investing purpose at any time.

4. RELATED PARTY TRANSACTIONS

During the year, the organization paid rent to the treasurer \$6,000 (2019- \$6,000) and to the assistance treasurer \$2,000 (2019- \$2,000).

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks.

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 discharge an obligation. The organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The organization does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash available to meet operational and financial obligations.

6. UNUSUAL EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the organization's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the organization's operations. The extent of the impact of this outbreak and related containment measures on the organization's operations cannot be reliably estimated at this time.