Canadian Bible Society
La Société biblique canadienne

Financial statements

February 28, 2021

Building a better working world

Independent auditor's report

To the Members of
Canadian Bible Society – La Société biblique canadienne

Opinion

We have audited the financial statements of **Canadian Bible Society – La Société biblique canadienne** [the "Society"], which comprise the statement of financial position as at February 28, 2021 and the statement of operations, statement of changes in net assets and statement of 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 Society as at February 28, 2021 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Society 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 Canadian generally accepted 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.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 9, 2021

Canadian Bible Society
La Société biblique canadienne

Statement of financial position

[amounts in thousands]

As at February 28

	2021	2020
	$	$
Assets		
Current		
Cash	**2,624**	1,496
Short-term investments, amortized cost *[note 7[a]]*	**—**	1,000
Receivables *[notes 3 and 17]*	**681**	596
Inventories *[note 4]*	**1,378**	1,088
Prepaid expenses	**120**	198
Assets held for sale *[note 6]*	**941**	166
Total current assets	**5,744**	4,544
Capital assets, net *[note 5]*	**1,244**	2,226
Assets held for sale *[note 6]*	**—**	27
Investments, fair value *[note 7[b]]*	**31,588**	26,547
Receivable, annuities insured *[note 8]*	**1,711**	2,049
Collections *[note 9]*	**1**	1
	40,288	35,394
Liabilities and net assets		
Current		
Payables and accruals	**747**	594
Deferred contributions *[note 10]*	**190**	195
Total current liabilities	**937**	789
Post-retirement benefits *[note 11]*	**3,882**	4,156
Annuities outstanding *[note 8]*	**1,711**	2,049
Total liabilities	**6,530**	6,994
Commitments *[note 15]*		
Net assets		
Unrestricted	**7,975**	6,694
Board-designated reserves *[note 12]*	**24,635**	20,558
Endowments	**1,148**	1,148
Total net assets	**33,758**	28,400
	40,288	35,394

See accompanying notes

On behalf of the Board:

Director

Director

Canadian Bible Society
La Société biblique canadienne

Statement of operations

[amounts in thousands]

Year ended February 28

	2021	2020
	$	$
Revenue		
Contributions	**7,247**	6,302
Contributions – Government funding *[note 17]*	**1,398**	—
Legacies	**2,484**	2,306
Bible sales	**1,332**	1,803
Investment income	**749**	1,017
Rental and other income	**17**	104
	13,227	11,532
Expenses		
National ministries *[notes 4 and 13]*	**5,582**	5,779
World ministries	**1,874**	2,088
Fund development *[note 13]*	**1,380**	1,264
Administration *[note 13]*	**2,146**	2,140
Amortization of capital assets	**234**	254
	11,216	11,525
Excess of revenue over expenses before undernoted items	**2,011**	7
Other income (expenses)		
Gain on sale of capital assets *[note 5]*	**1,699**	—
Unrealized gain (loss) on investments	**1,396**	(451)
Excess (deficiency) of revenue over expenses for the year	**5,106**	(444)

See accompanying notes

Canadian Bible Society
La Société biblique canadienne

Statement of changes in net assets

[amounts in thousands]

Year ended February 28

	2021			
	Unrestricted	Board-designated reserves	Endowments	Total
	$	$	$	$
Net assets, beginning of year	**6,694**	**20,558**	**1,148**	**28,400**
Excess of revenue over expenses for the year	**5,106**	**—**	**—**	**5,106**
Transfer from unrestricted to board-designated reserves *[note 12]*	**(4,077)**	**4,077**	**—**	**—**
Remeasurement of post-retirement benefits obligations and other items	**252**	**—**	**—**	**252**
Net assets, end of year	**7,975**	**24,635**	**1,148**	**33,758**

	2020			
	Unrestricted	Board-designated reserves	Endowments	Total
	$	$	$	$
Net assets, beginning of year	18,478	8,739	1,148	28,365
Deficiency of revenue over expenses for the year	(444)	—	—	(444)
Transfer from unrestricted to board-designated reserves *[note 12]*	(11,819)	11,819	—	—
Remeasurement of post-retirement benefits obligations and other items	479	—	—	479
Net assets, end of year	6,694	20,558	1,148	28,400

See accompanying notes

Canadian Bible Society
La Société biblique canadienne

Statement of cash flows

[amounts in thousands]

Year ended February 28

	2021	2020
	$	$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	**5,106**	(444)
Add (deduct) items not involving cash		
Amortization of capital assets	**234**	254
Gain on sale of capital assets	**(1,699)**	—
Unrealized loss (gain) on investments	**(1,396)**	451
Post-retirement benefits expenses	**169**	253
	2,414	514
Changes in non-cash working capital balances related to operations		
Receivables	**(85)**	11
Inventories	**(290)**	(87)
Prepaid expenses	**78**	(61)
Payables and accruals	**153**	(10)
Deferred contributions	**(5)**	1
Post-retirement benefits payments	**(191)**	(186)
Cash provided by operating activities	**2,074**	182
Investing activities		
Purchase of capital assets	**(200)**	(73)
Proceeds from sale of capital assets	**1,899**	—
Net change in investments	**(2,645)**	(1,407)
Cash used in investing activities	**(946)**	(1,480)
Net increase (decrease) in cash during the year	**1,128**	(1,298)
Cash, beginning of year	**1,496**	2,794
Cash, end of year	**2,624**	1,496

See accompanying notes

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

1. Purpose of organization

The Canadian Bible Society – La Société biblique canadienne [the "Society"] is incorporated and has continued under the *Canada Not-for-profit Corporations Act* as a corporation without share capital. The Society is registered as a charitable organization under the *Income Tax Act* (Canada) and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes.

As a national religious charitable organization, the purposes of the Society are to translate without doctrinal note, publish and distribute the Christian Scriptures, and to promote and encourage the use of the Bible, throughout Canada and worldwide in cooperation with members of the United Bible Societies ["UBS"] and other organizations.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

Revenue recognition

Contributions and legacies

The Society follows the deferral method of accounting for contributions, which include bequests and other donations. Bequests are recorded in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions, except endowment contributions, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Externally restricted endowment contributions are recognized as direct increases in net assets in the year in which they are received or receivable.

Bible sales

Bible sales are recognized at point of sale when the customer receives and pays for the goods, or when goods are delivered to the customers. Revenue is stated net of discounts and returns and includes freight charges.

Investment income

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds and realized and unrealized gains and losses, is recognized in the statement of operations, except to the extent that it is externally restricted, in which case it is added to or deducted from endowment net assets or other restricted balances.

Rental and other income

Rental and other income is recorded at point of sale for goods or when services have been provided.

Notes to financial statements

[dollar amounts in thousands]

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Financial instruments

Investments reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds and any investments in fixed income securities that the Society designates upon purchase to be measured at fair value. Transaction costs are recognized in the statement of operations in the period during which they are incurred.

Investments in fixed income securities not designated to be measured at fair value are initially recorded at fair value net of transaction costs and are subsequently measured at amortized cost using the straight-line method, less any provision for impairment.

All transactions are recorded on a trade date basis.

Other financial instruments, including receivables and payables and accruals, are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

Inventories

Inventories for sale are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of operations less the estimated costs necessary to make the sale.

Inventories for distribution at no charge are measured at the lower of cost and replacement cost, with cost being determined using the first-in, first-out method.

The cost of inventory for sale comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase comprise the purchase price, import duties, non-recoverable taxes, transport, handling and other costs directly attributable to the acquisition of inventory.

Collections

The Society records its collection of 389 rare Bibles and Scripture portions at a nominal amount on the statement of financial position. Purchased collections are expensed in the year they are acquired. For items donated to the Society collections, revenue, and the corresponding expense, are recorded in the year received at fair value based on independent appraisals received.

When collections are deaccessioned and then sold, proceeds from the sale are used either to acquire new items for the collection or for the direct care of the collection, including the cost of insurance, clean ng, restoration and conservation of works in the collection. Proceeds from the sale of collection items that are subject to external restrictions are deferred when initially recorded in the account and recognized as revenue in the year in which the related expenses are recognized.

Notes to financial statements

[dollar amounts in thousands]

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Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Building and improvements	10–40 years
Computer hardware and software	3 years
Equipment	10 years

When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any write-downs recognized are not reversed. On disposition of these assets, the resulting gain or loss is recorded in the statement of operations.

Assets held for sale

Long-lived assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. A long-lived asset is classified as held for sale at the point in time when it is available for immediate sale, management has committed to a plan to sell and is actively locating a purchaser at a sales price that is reasonable in relation to its current estimated fair value, and the sale is expected to be completed within a one-year period. Long-lived assets held for sale are carried at the lower of their carrying amounts and estimated fair value less costs to sell. Assets classified as held for sale are not amortized.

Post-retirement benefits

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees.

The Society accounts for current service costs and finance costs under the post-retirement benefit plan through the statement of operations. Remeasurements and other items are accounted for through the statement of changes in net assets and include actuarial gains and losses, past service costs and gains and losses arising from settlements.

Annuities

Annuities are recorded at the net present value of the future obligations as determined by an actuary.

Contributed materials and services

Contributed materials and services are recognized at their fair value in the financial statements when the amount can be reasonably estimated and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

Many volunteers are actively involved in assisting the Society in carrying out its mission. Because of the difficulty of determining the hours involved and their fair value, contributed materials and services are not recognized in the financial statements.

World ministries

Disbursements made to UBS are recognized in the statement of operations when funds are remitted. To the extent UBS reporting indicates unspent funds at the end of the fiscal year, the Society records these funds as prepaid expenses and applies them against the following year's commitment.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect as at the statement of financial position date. Non-monetary assets and liabilities are translated at the historic rate. Revenue and expenses are translated at the exchange rate in effect at the transaction date. Exchange gains and losses are included in the statement of operations.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each year-end date to assess the need for revision or any possibility of impairment. Many 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 in the statement of operations as appropriate in the year they become known.

Items subject to significant management estimates include the allowance for doubtful accounts, inventory obsolescence, amortization of capital assets, post-retirement benefits liability, and annuities outstanding and insured.

Allocation of expenses

The Society classifies its expenditures by function. The cost of each function includes the cost of personnel, premises and other expenses that are directly related to that particular function. The Society allocates the costs of its direct mail fundraising campaigns to Fund Development, National Ministries or Administration based on whether the nature of the materials distributed further the objectives of the Society or provide direction on how to contribute to the Society, respectively. Further, the Society allocates the cost of its premises based on the payroll expenses incurred within a function. Corporate governance, general management and support service expenses [Accounting, Human Resources and Information Technology] are not allocated.

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

3. Contribution receivable

As at February 28, 2021, receivables include $261 [2020 – $290] representing payments with respect to bequests that were received subsequent to year-end.

4. Inventories

Inventories consist of the following:

	2021 $	2020 $
Finished goods for sale	**1,135**	919
Finished goods for distribution at no charge	**243**	169
	1,378	1,088

The cost of inventory recognized in cost of goods sold amounts to $931 [2020 – $1,019] and is recorded in national ministries in the statement of operations. Included in this amount is an increase in the provision for inventory obsolescence of $52 [2020 – decrease of $167].

5. Capital assets

	2021		
	Cost $	Accumulated amortization $	Net book value $
Land	**349**	**—**	**349**
Building and improvements	**3,108**	**2,363**	**745**
Computer hardware and software	**1,247**	**1,179**	**68**
Equipment	**247**	**165**	**82**
	4,951	**3,707**	**1,244**

	2020		
	Cost $	Accumulated amortization $	Net book value $
Land	349	—	349
Building and improvements	3,962	2,328	1,634
Computer hardware and software	1,227	1,088	139
Equipment	284	180	104
	5,822	3,596	2,226

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

The Board of Governors approved the sale of a property owned by the Society on October 29, 2020 [2020 – two properties on October 17, 2019 and February 2020, respectively]. As at that date, amortizat on on these assets ceased and building and improvements with a net book value of $941 [2020 – $193] have been classified as held for sale *[note 6]*.

Assets in remote offices were sold and resulted in a loss of $4 [2020 – nil]. Fully amortized assets of $26 were written off during 2020. No fully amortized assets were written off in 2021.

6. Assets held for sale and subsequent events

Assets held for sale consist of the following:

	2021	**2020**
	$	$
Land, building and improvements – Vancouver property	**941**	—
Land, building and improvements – Edmonton property	—	166
Land, building and improvements – Ottawa property	—	27
	941	193

The Board of Governors approved the sale of the Bible store property in Vancouver during their October 2020 meeting. On March 4, 2021, subsequent to year-end, the property was sold resulting in a gain of $454.

The Edmonton property was sold on March 2, 2020 and resulted in a gain of $730. The Ottawa property was sold on November 13, 2020 and resulted in a gain of $973.

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

7. Investments

[a] Short-term investments consist of a guaranteed investment certificate with interest rate of 2.2% [2020 – 2.2%] and matured on October 29, 2020 [2020 – October 29, 2020].

[b] The Society's portfolio of non-current investments are as follows:

	2021 $	2020 $
Unrestricted		
Cash and money market funds	**7,297**	662
Term deposits, with interest rates of 0.55% to 0.60%, maturing between November 29, 2021 and February 4, 2022 [2020 – interest rates of 2.08% to 2.90%, maturing between July 27, 2020 and February 1, 2021]	**6,000**	12,234
Canadian equities	**6,770**	4,807
US/International equity pooled funds	**2,591**	541
Preferred shares, with interest rates of 3.66% to 5.85% [2020 – 3.70% to 5.85%]	**7,782**	7,155
	30,440	25,399
Endowments		
Cash and money market funds	**573**	—
Term deposits, with interest rates of 2.10% to 2.60%, maturing between September 28, 2020 and October 2, 2020 [2020 – interest rates of 2.10% to 2.60%, maturing between September 28, 2020 and October 2, 2020]	—	716
Preferred shares, with interest rates of 3.70% to 4.45% [2020 – 3.70% to 4.45%]	**575**	432
	1,148	1,148
	31,588	26,547

8. Annuities outstanding

In February 2011, the Society's annuity portfolio in its entirety was insured through Desjardins Financial ["Desjardins"], whereby a sum of $6,626 had been paid to Desjardins as consideration for future cash flows to match annuity payments as they come due. The Society remains the primary obligor to annuitants; therefore, the payment to Desjardins is recorded as an asset [receivable, annuities insured] in the exact amount of the annuities obligation [annuities outstanding].

Starting November 2020, Desjardins began making payments directly to annuitants. Total payments made by the Society to annuitants under annuity contracts from March 2020 to October 2020 were $207 [2020 – $288]. The payments for the current year are not reflected as expenses as the amounts were recovered from Desjardins in accordance with the group annuity agreement.

[dollar amounts in thousands]

The obligations to annuitants cease upon their deaths, and their annuity contracts will be removed from the annuity portfolio.

The assumptions used in the actuarial valuation includes the discount rate of 2.3% per annum [2020 – 2.30%] based on the February 26, 2021 [2020 – February 29, 2020] Canadian AAA/AA Corporate Bonds yield. The estimated mortality of the annuitants was based on the 2014 Canadian Pensioners' Mortality Table adjusted at 85% [2020 – 75%], with generational projection using CPM improvement Scale B. The change in the mortality table adjustment from 75% to 85% resulted in a decrease in the actuarial liability at February 28, 2021 of $131, 7.1% of liabilities.

9. Collection of rare Bibles

The Society has a collection of 389 rare Bibles and Scripture portions, which were historically donated to the Society. No collections were purchased by or donated to the Society during the year [2020 – nil] and there were no disposals of collection items during the year [2020 – nil]. As at February 28, 2021, there are no amounts of proceeds received and not yet spent from disposals of collection items [2020 – nil].

10. Deferred contributions

	2021 $	2020 $
Balance, beginning of year	**195**	194
Amounts received in the year	**2,688**	2,889
Amounts recognized as revenue in the year	**(2,693)**	(2,888)
Balance, end of year	**190**	195

11. Post-retirement benefits

The Society has a pension plan covering substantially all its employees and provides employees who qualify with other retirement benefits.

Pension plan

The pension plan is a defined contribution pension plan, which provides for pensions based on the accumulated contributions by both the employee and the Society. Pension costs related to current service are expensed in the current period.

Liabilities related to the pension plan are limited to the net assets in the plan. The pension expense for the year ended February 28, 2021 was $63 [2020 – $85].

Other retirement benefits

The Society provides employees who started before June 1, 2018 and retire with at least 10 years of service with defined health, life insurance and retirement allowance benefits. The cost of these benefits is unfunded and requires partial contributions from qualified retirees.

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

The Society's liabilities for the post-retirement benefit plan equal the defined benefit obligation of $3,882 [2020 – $4,156] as per the most recent actuarial valuation as at February 28, 2021, extrapolated from the most recent full valuation performed as at February 29, 2020.

The total benefit cost recognized for the year is as follows:

	2021 $	2020 $
Current year benefit cost	**63**	85
Interest on accrued benefit obligation	**106**	168
Employee future benefits expense	**169**	253

The amount of benefits paid by the Society during the year was $191 [2020 – $186].

The economic assumptions used in this actuarial valuation represent the Society's best estimates of expected rates for:

	2021 %	2020 %
Discount rate – obligation	**3.0% per annum**	2.6% per annum
Discount rate – cost	**2.6% per annum**	3.7% per annum
Salary increase rate	**3.5% per annum**	3.5% per annum
Health care cost trends		
Prescription drug	**6.5% per annum**	6.6% per annum
Vision care	**4.0% per annum**	4.0% per annum
Other	**4.0% per annum**	4.0% per annum
Dental	**4.0% per annum**	4.0% per annum
Retirement rates	**100% at age 63**	100% at age 63
Administrative expenses	**12% health and dental, 5% for life**	12% health and dental, 5% for life
Participation	**100% of members assumed to participate**	100% of members assumed to participate

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

12. Board-designated reserves

Board-designated reserves are amounts that have been internally restricted by the Board of Governors. These reserves are not available for use without prior approval of the Board.

The Board-designated reserves consist of the following:

	2021 $	2020 $
Capital	**2,500**	1,808
Real estate	**3,135**	2,239
General contingency	**19,000**	16,511
	24,635	20,558

The Capital reserve represents funds available for large capital improvement projects. The Real estate reserve represents funds available for future property purchases. The General contingency reserve represents funds for approximately 18 months of operations to provide a financial fallback for the Society during times of unforeseen circumstances.

In 2021, the Board of Governors approved an interfund transfer from unrestricted to Board-designated reserves net assets of $4,077 [2020 – $11,819].

13. Allocation of costs

Certain premises and direct mail campaign costs are allocated to functions reported in the statement of operations as follows:

	2021 $	2020 $
National ministries	**886**	799
Fund development	**15**	15
Administration	**167**	157
	1,068	971

14. Additional information

In 2021, $1,235 [2020 – $965] was paid as remuneration to employees whose principal duties involve fund-raising. This additional information is presented for compliance with the disclosure requirements of the *Charitable Fund-raising Act and Regulation* of the Province of Alberta. Information disclosed relates to operations Canada-wide.

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

15. Commitments

The Society has entered into operating leases for various facilities. Total future lease payments over the remaining years are as follows:

	$
2022	112
2023	44
2024	41
	197

The above-noted lease payments include its share of estimated operating costs, which fluctuate year to year.

The Society has committed $1,875 in support of World Ministries through UBS for fiscal year-end 2022.

16. Financial instrument risks

The Society is exposed to various financial risks through transactions in financial instruments. The Society is not expected to be significantly impacted by these financial risks.

Credit risk

The Society is exposed to credit risk in connection with its receivables and its short-term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

Liquidity risk

The Society is exposed to the risk that it will encounter difficulty in meeting obligations associated with its liabilities. Liquidity risk is managed by ensuring the Society invests in high-quality investments, easily disposed of in an active market.

Foreign currency risk

The Society is exposed to foreign currency risk with respect to receivables, investments, including underlying investments of its pooled funds, payables and accruals denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to changes in the relative value of foreign currencies against the Canadian dollar.

Interest rate risk

The Society is exposed to interest rate risk with respect to its investments in fixed income investments and pooled funds that hold fixed income securities because the fair value will fluctuate due to changes in market interest rates.

Notes to financial statements

[dollar amounts in thousands]

February 28, 2021

Other price risk

The Society is exposed to other price risk through changes in market prices [other than changes arising from interest rate or foreign currency risks] in connection with its investments in equity securities and pooled funds.

17. COVID-19

As a result of the COVID-19 pandemic, there has been a general economic decline, which has had a negative impact on the Society's Bible sales.

In terms of the Society's investments, global financial markets experienced significant volatility in both equity and fixed income securities prices but have recently stabilized. However, the outcome and timeframe of a recovery from the current pandemic is highly unpredictable and as such the valuation of investments could greatly vary until the current uncertainty is resolved.

The Society continues to update its ministry delivery as local and provincial restrictions allow.

New revenues from government measures included Federal wage subsidies. During the year, the Society received $25 through the Temporary Wage Subsidy for Employers ["TWS"] program and $1,373 from the Canada Emergency Wage Subsidy ["CEWS"] program, of which $191 is included in accounts receivable at year-end. The TWS was a three-month measure that allowed eligible employers to reduce the amount of payroll deductions needed to remit to the Canada Revenue Agency during March 18, 2020 to June 19,2020. CEWS was introduced to prevent further job losses, encourage employers to quickly rehire workers previously laid off as a result of COVID-19, and help better position the Canadian economy. The CEWS revenue included in the fiscal year is for the period from March 15, 2020 to February 28, 2021.

With the exception of Bible sales, we don't anticipate any impact on the financial position and financial results of the Society in future periods.