



**COMMUNITY**  
BIBLE STUDY

## COMMUNITY BIBLE STUDY

Financial Statements  
With Independent Auditors' Report

June 30, 2022 and 2021

# COMMUNITY BIBLE STUDY

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Community Bible Study  
Colorado Springs, Colorado

### *Opinion*

We have audited the accompanying financial statements of Community Bible Study, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Bible Study as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Community Bible Study and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Bible Study's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Trustees  
Community Bible Study  
Colorado Springs, Colorado

***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Community Bible Study's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Bible Study's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Capin Crouse LLP*

Colorado Springs, CO  
September 27, 2022

# COMMUNITY BIBLE STUDY

## Statements of Financial Position

	June 30,	
	<u>2022</u>	<u>2021</u>
<b>ASSETS:</b>		
General cash and cash equivalents	\$ 12,507,508	\$ 10,657,460
Class cash and cash equivalents	1,186,999	1,224,585
Total cash and cash equivalents	<u>13,694,507</u>	<u>11,882,045</u>
Board-designated cash	687,316	641,519
Contributions receivable	40,000	-
Inventory	399,729	128,389
Prepaid expenses and other assets	143,837	102,060
Endowment investments	126,717	100,109
Beneficial interest in life estate	344,484	332,692
Land, building, equipment, and software-net	<u>3,639,716</u>	<u>4,010,297</u>
Total Assets	<u>\$ 19,076,306</u>	<u>\$ 17,197,111</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and other liabilities	\$ 1,047,850	\$ 320,188
Deferred revenue	1,137,063	994,662
Total liabilities	<u>2,184,913</u>	<u>1,314,850</u>
Net assets:		
Without donor restrictions	12,173,172	11,457,027
With donor restrictions	4,718,221	4,425,234
Total net assets	<u>16,891,393</u>	<u>15,882,261</u>
Total Liabilities and Net Assets	<u>\$ 19,076,306</u>	<u>\$ 17,197,111</u>

See notes to financial statements

# COMMUNITY BIBLE STUDY

## Statements of Activities

	Year Ended June 30,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 6,246,181	\$ 4,213,656	\$ 10,459,837	\$ 5,571,137	\$ 2,484,122	\$ 8,055,259
Class registrations	2,408,952	-	2,408,952	2,160,543	-	2,160,543
Conferences and other income	70,249	26,608	96,857	121,636	109	121,745
<b>Total Support and Revenue</b>	<b>8,725,382</b>	<b>4,240,264</b>	<b>12,965,646</b>	<b>7,853,316</b>	<b>2,484,231</b>	<b>10,337,547</b>
<b>NET ASSETS RELEASED:</b>						
Purpose restrictions	3,947,277	(3,947,277)	-	2,056,417	(2,056,417)	-
<b>EXPENSES:</b>						
Program services:						
Bible study classes	6,478,405	-	6,478,405	3,800,718	-	3,800,718
International classes	2,875,273	-	2,875,273	1,937,580	-	1,937,580
Leadership conference/ training	928,027	-	928,027	774,531	-	774,531
Other programs	319,029	-	319,029	119,492	-	119,492
	10,600,734	-	10,600,734	6,632,321	-	6,632,321
Supporting activities:						
General and administrative	1,298,407	-	1,298,407	1,100,038	-	1,100,038
Fundraising	57,373	-	57,373	41,435	-	41,435
<b>Total Expenses</b>	<b>11,956,514</b>	<b>-</b>	<b>11,956,514</b>	<b>7,773,794</b>	<b>-</b>	<b>7,773,794</b>
Change in Net Assets	716,145	292,987	1,009,132	2,135,939	427,814	2,563,753
Net Assets, Beginning of Year	11,457,027	4,425,234	15,882,261	9,321,088	3,997,420	13,318,508
Net Assets, End of Year	<u>\$ 12,173,172</u>	<u>\$ 4,718,221</u>	<u>\$ 16,891,393</u>	<u>\$ 11,457,027</u>	<u>\$ 4,425,234</u>	<u>\$ 15,882,261</u>

See notes to financial statements

# COMMUNITY BIBLE STUDY

## Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services					Supporting Activities		Total Expenses
	Bible Study Classes	International Entity Support	Leadership Conference/ Training	Other Programs	Total Program Services	General and Administrative	Fundraising	
Office, curriculum, and supplies	\$ 3,483,291	\$ 172,471	\$ 159,214	\$ 38,833	\$ 3,853,809	\$ 252,703	\$ 24,393	\$ 4,130,905
Salaries and benefits	1,421,619	649,465	420,375	99,224	2,590,683	620,371	25,802	3,236,856
Services and professional fees	1,354,273	633,868	83,500	11,785	2,083,426	225,553	5,563	2,314,542
Grants to others	-	1,214,580	-	163,298	1,377,878	-	-	1,377,878
Depreciation and amortization	139,712	33,931	169,871	-	343,514	126,931	-	470,445
Travel and meals	59,326	158,510	26,758	4,948	249,542	40,198	-	289,740
Occupancy	20,184	12,448	68,309	941	101,882	32,651	1,615	136,148
	<u>\$ 6,478,405</u>	<u>\$ 2,875,273</u>	<u>\$ 928,027</u>	<u>\$ 319,029</u>	<u>\$ 10,600,734</u>	<u>\$ 1,298,407</u>	<u>\$ 57,373</u>	<u>\$ 11,956,514</u>

See notes to financial statements

# COMMUNITY BIBLE STUDY

## Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services					Supporting Activities		Total Expenses
	Bible Study Classes	International Entity Support	Leadership Conference/ Training	Other Programs	Total Program Services	General and Administrative	Fundraising	
Salaries and benefits	\$ 1,219,410	\$ 556,514	\$ 360,211	\$ 85,173	\$ 2,221,308	\$ 485,475	\$ 21,439	\$ 2,728,222
Services and professional fees	1,346,720	565,862	73,190	14,306	2,000,078	321,050	6,093	2,327,221
Office, curriculum, and supplies	869,114	86,505	113,452	10,833	1,079,904	122,498	10,988	1,213,390
Grants to others	-	594,007	-	5,963	599,970	307	-	600,277
Depreciation and amortization	132,226	32,113	160,769	-	325,108	120,130	-	445,238
Occupancy	216,821	18,998	57,876	1,698	295,393	40,773	2,915	339,081
Travel and meals	16,427	83,581	9,033	1,519	110,560	9,805	-	120,365
	\$ 3,800,718	\$ 1,937,580	\$ 774,531	\$ 119,492	\$ 6,632,321	\$ 1,100,038	\$ 41,435	\$ 7,773,794

See notes to financial statements



# COMMUNITY BIBLE STUDY

## Statements of Cash Flows

	Year Ended June 30,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,009,132	\$ 2,563,753
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Reinvested dividends	(1,551)	-
Depreciation and amortization	470,445	445,238
Contribution of endowment investments	-	(100,000)
Change in beneficial interest in life estate	(11,792)	(19,327)
Changes in operating assets and liabilities:		
Contributions receivable	(40,000)	-
Inventory	(271,340)	(65,076)
Prepaid expenses and other assets	(41,777)	20,484
Accounts payable and other liabilities	727,662	21,681
Deferred revenue	142,401	35,366
Net Cash Provided by Operating Activities	1,983,180	2,902,119
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of endowment investments	(25,057)	(100,109)
Purchases of land, building, equipment, and software	(99,864)	(89,143)
Net Cash Used by Investing Activities	(124,921)	(189,252)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contribution of endowment investments	-	100,000
Net Cash Provided by Financing Activities	-	100,000
Net Change in Cash and Cash Equivalents and Board-Designated Cash	1,858,259	2,812,867
Cash and Cash Equivalents and Board-Designated Cash, Beginning of Year	12,523,564	9,710,697
Cash and Cash Equivalents and Board-Designated Cash, End of Year	\$ 14,381,823	\$ 12,523,564
<b>CASH, CASH EQUIVALENTS AND BOARD-DESIGNATED CASH CONSIST OF:</b>		
General cash and cash equivalents	\$ 12,507,508	\$ 10,657,460
Class cash and cash equivalents	1,186,999	1,224,585
Board-designated cash	687,316	641,519
	\$ 13,694,507	\$ 11,882,045

See notes to financial statements

# COMMUNITY BIBLE STUDY

## Notes to Financial Statements

June 30, 2022 and 2021

1. NATURE OF ORGANIZATION:

Community Bible Study (CBS), is a Virginia corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, CBS is subject to federal income tax on any unrelated business taxable income. In addition, CBS is not classified as a private foundation within the meaning of Section 509(a) of the IRC. Contributions are CBS' primary source of support and revenue.

The focus and purpose of the organization is to transform lives through the Word of God, by making disciples of the Lord Jesus Christ in our communities through caring, in-depth Bible studies, available to all. In addition to activities in the United States, it has established Bible study classes in approximately 121 countries and translated Bible study lessons into 82 languages. Globally, CBS has approximately 29,000 classes and over 764,000 participants, including almost 580 classes and about 84,000 participants in the United States. Volunteer national leadership teams initiate and monitor program policy for the organization. The Ministry Service Center located in Colorado Springs provides the support structure necessary to write, edit, print, record, translate, teach, and distribute Bible lesson materials as well as train and coordinate the local volunteer leadership teams for the classes.

CBS supports numerous international legal entities which carry out a common mission around the world providing training, funding, and other resources, including curricula. However, CBS has no direct ownership or control over these legal entities which operate independently and under the legal jurisdiction of the country or countries in which they reside. As a result, the financial statements of CBS do not include the financial position or results of operations of such entities. Additionally, CBS hosts online and in-person leadership conferences and trainings that provide a time of connecting, equipping, and encouragement for the men and women who lead the local classes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

CBS maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

# COMMUNITY BIBLE STUDY

## Notes to Financial Statements

June 30, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### GENERAL AND CLASS CASH AND CASH EQUIVALENTS

General and class cash and cash equivalents includes cash and short-term, highly liquid investments with an original maturity term of generally three months or less. As of June 30, 2022 and 2021, cash and cash equivalents also include approximately \$5,114,000 and \$3,594,000, respectively, in certificates of deposit, which are reported at cost. While the certificates of deposit have original maturities of greater than three months, management can withdraw the cash at any time without incurring a penalty. Accordingly, they have been classified as readily available cash equivalents.

The various cash accounts, at times, have exceeded federally insured limits. Cash and cash equivalents exceeded federally insured limits by approximately \$5,804,000 and \$7,495,000, as of June 30, 2022 and 2021, respectively. CBS has not experienced any losses on such accounts, and management believes it is not exposed to any significant credit risk on cash.

#### BOARD-DESIGNATED CASH

Board-designated cash consists of cash and cash equivalents restricted by the board for reserves, as described below.

#### ENDOWMENT INVESTMENTS

Endowment investments consist of mutual funds and are stated at fair value.

#### INVENTORY

Inventory consists of books and is recorded at the lower of cost or net realizable value for the years ended June 30, 2022 and 2021. Inventory is used to support the Bible studies. Management periodically reviews the value of items in inventory and obsolete inventory. No allowance was recorded as of June 30, 2022 and 2021.

#### CONTRIBUTIONS RECEIVABLE

Contributions receivable that are expected to be received within one year are recorded at their net realizable value at the time that CBS has met the conditions of the gift. As of June 30, 2022, the conditions associated with \$40,000 were met and therefore included as contributions receivable on the statements of financial position.

#### BENEFICIAL INTEREST IN LIFE ESTATE

As of June 30, 2022 and 2021, the beneficial interest in life estate is an irrevocable agreement for a 50% remainderman interest in real estate, which is not trusted by CBS. CBS' interest is measured at the estimated present value of future cash receipts, using approved life expectancy tables and a discount rate of 6.00%. The resulting actuarial change, and an increase in the asset, is recorded as contributions with donor restrictions in the statements of activities for the years ending June 30, 2022 and 2021.

# COMMUNITY BIBLE STUDY

## Notes to Financial Statements

June 30, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### LAND, BUILDING, EQUIPMENT, AND SOFTWARE—NET

Land, building, equipment, and software are recorded at cost if purchased or fair value if contributed, and include improvements that significantly add to utility or extend useful lives. Costs of maintenance and repairs are charged to expense as incurred. Depreciation and amortization is initiated once the asset is placed in service, which is determined once the asset is being used in operations. Depreciation and amortization expense is recorded using the straight-line method over the estimated useful lives, which range from four to forty years. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in support and revenue for the period. Purchases in excess of \$1,500 are capitalized.

Capitalization of software development costs begins with costs incurred during the application development stage for software programs to be used solely to meet CBS' internal needs and ends when all substantial testing has been completed. Capitalization costs include third-party development, software purchase costs, and travel costs related to development work.

#### CLASSES OF NET ASSETS

The net assets of CBS are reported in the following classes:

*Net assets without donor restrictions* are currently available at the discretion of the board for use in CBS' operations. Board designated amounts remain unrestricted and are amounts set aside for specific purposes identified by the trustees. Board designated amounts can only be used for these purposes unless they are formally released from the designation through a board resolution.

Board designations are as follows:

	June 30,	
	2022	2021
Building reserve	\$ 426,775	\$ 375,599
Contingency reserve	250,000	250,000
Ezekiel 34 reserve	10,541	15,920
Total board designated net assets	<u>\$ 687,316</u>	<u>\$ 641,519</u>

# COMMUNITY BIBLE STUDY

## Notes to Financial Statements

June 30, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CLASSES OF NET ASSETS, continued

*Net assets with donor restrictions* include resources restricted by donors primarily for use with certain projects and time restrictions related to the beneficial interest in life estate. These also include donor restrictions requiring net assets to be maintained in perpetuity. Net assets with donor restrictions include amounts received with donor restrictions requiring the original gifts to be maintained in perpetuity. The income from these endowments is restricted until appropriated for use through the spending policy. The disclosures required by the Reporting Endowment Funds topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) have not been included in these financial statements due to immateriality.

#### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. CBS reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

CBS has adopted the simultaneous release option for funds received through conditional grants. Therefore, all conditional grants received for which CBS has met the barriers for revenue recognition have been treated as grants without donor restrictions in the statements of activities.

Class registrations income is recorded in the reporting period in which the classes are delivered. Any amounts received in advance of the annual class startup are recorded as deferred revenue.

Conferences and other income are recognized when earned or when the conference begins and consists of conference fees and investment income. Any conference fee income received prior to the start of the conference is recorded as deferred revenue.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The statements of functional expenses report certain categories of expenses that are attributable to program support of CBS. These expenses include depreciation, amortization, and occupancy, which are allocated based on square footage of occupancy. Costs of other categories are allocated based on the estimated amount of time and effort.

Program expenses of CBS include amounts spent to further the ministry through Bible study classes, conferences and trainings, international classes, and other programs.

# COMMUNITY BIBLE STUDY

## Notes to Financial Statements

June 30, 2022 and 2021

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects CBS' financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	June 30,	
	<u>2022</u>	<u>2021</u>
Financial assets:		
General cash and cash equivalents	\$ 12,507,508	\$ 10,657,460
Class cash and cash equivalents	1,186,999	1,224,585
Restricted cash	687,316	641,519
Endowment investments	126,717	100,109
Contributions receivable	40,000	-
Financial assets, at year-end	<u>14,548,540</u>	<u>12,623,673</u>
Less those unavailable for general expenditure within one year due to:		
Net assets with donor restrictions not expected to be spent within one year	-	(1,841,886)
Net assets with donor restrictions in perpetuity	(126,717)	(100,109)
Board designated amounts	<u>(687,316)</u>	<u>(641,519)</u>
	<u>\$ 13,734,507</u>	<u>\$ 10,040,159</u>

CBS structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows closely through monthly reviews and semi-annual board meetings. At the discretion of the board and through official action of the board, management may use designated funds listed above as needed. CBS also has a line of credit in the amount of \$300,000, which it could draw upon as needed.

# COMMUNITY BIBLE STUDY

## Notes to Financial Statements

June 30, 2022 and 2021

#### 4. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure Topic* of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of unadjusted quoted prices in active markets for assets similar in nature that are not actually readily determinable. Level 3 inputs are based on other observable inputs and have the lowest priority. When available, CBS measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The beneficial interest in life estate is reported at fair value based on observable inputs other than quoted prices included in Level 1 and thus is based on appraisals and market comparisons of similar properties, which is Level 2 of the fair value hierarchy established under *The Fair Value Measurements and Disclosure Topic* of the FASB ASC. Endowment investments fair values for mutual funds are determined by quoted market prices in active markets for identical assets, which is Level 1 of the hierarchy.

#### 5. LAND, BUILDING, EQUIPMENT, AND SOFTWARE–NET:

Land, building, equipment, and software–net consist of:

	June 30,	
	2022	2021
Land and improvements	\$ 618,153	\$ 618,153
Building and improvements	4,507,164	4,444,666
Furniture and fixtures	302,011	302,011
Computer software	1,886,831	1,825,869
Computers and other equipment	643,870	633,914
	<u>7,958,029</u>	<u>7,824,613</u>
Accumulated depreciation and amortization	(4,346,813)	(3,875,689)
	<u>3,611,216</u>	<u>3,948,924</u>
Projects in progress	28,500	61,373
	<u>\$ 3,639,716</u>	<u>\$ 4,010,297</u>

# COMMUNITY BIBLE STUDY

## Notes to Financial Statements

June 30, 2022 and 2021

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	June 30,	
	2022	2021
Restricted by purpose or time:		
International regions	\$ 1,614,351	\$ 1,479,530
Class operations	1,104,061	1,151,962
Ambassador projects	511,199	462,680
National children's fund	487,766	439,849
In-prison program	359,509	303,654
Time restricted: beneficial interest in life estate	344,484	332,692
Curriculum	95,200	-
International children's fund	74,934	66,893
Student ministries and other projects	-	87,865
	<u>4,591,504</u>	<u>4,325,125</u>
Restricted in perpetuity	<u>126,717</u>	<u>100,109</u>
	<u>\$ 4,718,221</u>	<u>\$ 4,425,234</u>

7. RETIREMENT PLAN:

CBS maintains a 403(b) defined contribution retirement plan. Immediately upon hire, all full-time employees who have obtained the age of twenty-one are eligible to receive an employer match up to 5% of their base employee compensation. During the years ended June 30, 2022 and 2021, CBS' expenses associated with the 403(b) plan were \$113,030 and \$154,013, respectively.

8. LINE OF CREDIT:

CBS has a revolving, unsecured \$300,000 line of credit with a financial institution, with floating interest at the Wall Street prime rate plus 1% or the floor rate of 5%. As of June 30, 2022 and 2021, the line of credit was not drawn upon. Amounts outstanding under the line of credit, if any, are to be paid in full on the expiration date, December 30, 2023.

9. RISKS AND UNCERTAINTIES:

In March 2021, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the world. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of CBS for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.



# COMMUNITY BIBLE STUDY

## Notes to Financial Statements

June 30, 2022 and 2021

10. SUBSEQUENT EVENTS:

Subsequent events were evaluated through September 27, 2022, which is the date the financial statements were available to be issued.