

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA  
Financial Statements  
Year Ended December 31, 2023**

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA  
Index to Financial Statements  
Year Ended December 31, 2023**

---

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10

# Etter MacLeod & Associates Inc.,

## Chartered Professional Accountants

David L. Etter, FCPA  
1388 Purcells Cove Road, Suite 1204  
Halifax, NS B3P 0K8  
(902) 456-1031  
david@davidetter.ca

Andrew G. MacLeod, CPA  
5625 Drummond Court  
Halifax, NS B3K 3Z3  
(902) 497-1494  
andrew@ettermacleod.ca

---

### INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Church Extension Board of Region 15 of the United Church of Canada

We have reviewed the accompanying financial statements of Church Extension Board of Region 15, of the United Church of Canada, (the organization) that comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, changes in net assets 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 (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.

#### *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 Church Extension Board of Region 15 of the United Church of Canada as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

*Etter MacLeod & Associates Inc.*


Halifax, Nova Scotia  
March 21, 2024

Chartered Professional Accountants

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA  
Statement of Financial Position  
December 31, 2023**

	2023 \$	2022 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	670	9,992
Interest receivable	-	466
Current portion of loans and notes receivable (Note 5)	23,644	22,946
Prepaid expenses	1,267	1,095
	<b>25,581</b>	<b>34,499</b>
LOANS AND NOTES RECEIVABLE (Note 5)	140,398	163,633
LONG TERM INVESTMENTS (Note 8)	1,262,765	1,167,010
<b>TOTAL ASSETS</b>	<b>1,428,744</b>	<b>1,365,142</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	4,175	4,018
<b>NET ASSETS</b>		
Externally restricted net assets	1,424,569	1,361,124
<b>LIABILITIES AND NET ASSETS</b>	<b>1,428,744</b>	<b>1,365,142</b>

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA  
Statement of Revenues and Expenditures  
Year Ended December 31, 2023**

	2023	2022
	\$	\$
<b>REVENUES</b>		
Dividend income	14,364	14,076
Realized capital gains	-	30,414
Other investment income	7,986	6,862
Total investment income	22,350	51,352
Loan interest income	5,226	5,987
	<b>27,576</b>	<b>57,339</b>
<b>EXPENSES</b>		
Bank charges	841	813
Business taxes, licenses and memberships	31	31
Directors & Officer insurance	957	891
Crime insurance	1,305	1,258
Grants (Note 9)	1,638	1,847
Office	(203)	247
Professional fees	3,967	4,018
	<b>8,536</b>	<b>9,105</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>19,040</b>	<b>48,234</b>
<b>OTHER INCOME (EXPENSES)</b>		
Unrealized gain (loss) on marketable securities	44,405	(30,357)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>63,445</b>	<b>17,877</b>

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA  
Statement of Changes in Net Assets  
Year Ended December 31, 2023**

	2023 \$	2022 \$
<b>EXTERNALLY RESTRICTED NET ASSETS - BEGINNING OF YEAR</b>	<b>1,361,124</b>	<b>1,343,247</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>63,445</b>	<b>17,877</b>
<b>EXTERNALLY RESTRICTED NET ASSETS - END OF YEAR</b>	<b>1,424,569</b>	<b>1,361,124</b>

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA**

**Statement of Cash Flows  
Year Ended December 31, 2023**

	2023 \$	2022 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	63,445	17,877
Item not affecting cash:		
Non-cash (gain) loss on securities	(44,405)	30,357
	<b>19,040</b>	<b>48,234</b>
Changes in non-cash working capital:		
Interest receivable	-	87
Accounts payable and accrued liabilities	156	568
Prepaid expenses	(172)	(270)
	<b>(16)</b>	<b>385</b>
Cash flow from operating activities	<b>19,024</b>	<b>48,619</b>
<b>INVESTING ACTIVITIES</b>		
Additions to long term investments	(51,350)	(76,352)
Repayment of loans and notes receivable	23,004	34,612
Cash flow used by investing activities	<b>(28,346)</b>	<b>(41,740)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(9,322)</b>	<b>6,879</b>
Cash - beginning of year	9,992	3,113
<b>CASH - END OF YEAR</b>	<b>670</b>	<b>9,992</b>
<b>CASH CONSISTS OF:</b>		
Cash	670	9,992

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA**

**Notes to Financial Statements  
Year Ended December 31, 2023**

---

**1. PURPOSE OF THE ORGANIZATION**

The Church Extension Board is an incorporated ministry of the United Church of Canada and an incorporated entity (Province of Nova Scotia) within Region 15 of the United Church of Canada. On October 16, 2020 the name of the organization changed from Church Extension Board of Halifax Presbytery of the United Church of Canada to Church Extension Board of Region 15 of the United Church of Canada. Since its inception in 1955, the Board has given loans to build, repair and expand member churches. The organization primarily provides loans for capital projects and while not always the main lender, the organization provides encouragement for the dreams and aspirations of our member churches through its financial support, especially when projects need additional funding support from Region 15 or The United Church of Canada and to assist in such other aspects of The United Church of Canada work as may be requested from time to time by the Regional Council and approved by the Board.

The Organization is a non-profit organization under paragraph 149(1)(l) of the Income Tax Act and, as such, is not subject to federal or provincial income taxes.

---

**2. BASIS OF PRESENTATION**

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

---

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash equivalents**

Includes cash and highly liquid investments with maturities of one year or less at date of purchase are classified as cash and cash equivalents.

**Financial instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets (investments) with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments (loans to related parties) are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

**Measurement uncertainty**

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as allowance for doubtful loans, asset impairments, and legal contingencies.

*(continues)*

---

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA**

**Notes to Financial Statements  
Year Ended December 31, 2023**

---

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

**Net assets**

Externally restricted net assets are restricted by The United Church of Canada for the purpose of providing seed capital loans for capital projects and other grants within the bounds of the Region 15.

**Revenue recognition**

Church Extension Board of Region 15 follows the deferred fund method of accounting for contributions. Interest income on loans receivable is recognized as revenue in the year received or receivable based upon the loan contract and collection is reasonably assured. Investment income/losses are recorded in the period it was realized. Unrealized gains and losses are recorded as a adjustment to market value at year end.

**Contributed services**

The operations of the organization depend on both the contribution of time by volunteers. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

**Equipment**

In common with many non-profit organizations, with average annual revenues in the current and prior year of less than \$500,000, expenditures for computers, software, furniture and equipment are expensed as incurred rather than capitalized and amortized over their useful lives.

---

**4. 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. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2023.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. The concentration of credit risk are financial assets measured at amortized cost being loans receivables of \$140,398 (2022 - \$163,633).

**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. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The concentration of market risk are financial assets measured at fair value being investments of \$1,262,765 (2022 -\$1,167,010).

**Currency risk**

Currency risk is the risk to the organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization has all of its cash and investments in Canadian dollars, so there is little to no currency exposure.

*(continues)*

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

**4. FINANCIAL INSTRUMENTS (continued)**

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, the organization manages exposure through its normal operating and financing activities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investment in marketable securities.

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

**5. LOANS AND NOTES RECEIVABLE**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Bedford United Church loan receivable bearing interest at 3% per annum, repayable in monthly blended payments of \$966. The loan matures on April 1, 2029 and is unsecured.	<b>56,992</b>	66,573
Knox United loan receivable bearing interest at 3% per annum, repayable in monthly blended payments of \$421. The loan matures on March 1, 2035 and is unsecured.	<b>48,234</b>	51,667
St. Luke's loan receivable bearing interest at 3% per annum, repayable in monthly blended payments of \$966. The loan matures on June 1, 2029 and is unsecured.	<b>58,816</b>	68,339
	<b>164,042</b>	186,579
Amounts receivable within one year	<b>(23,644)</b>	(22,946)
	<b>140,398</b>	163,633

Principal repayment terms are approximately:

	<b>\$</b>	
2024		23,644
2025		24,363
2026		25,104
2027		25,868
2028		26,655
Thereafter		38,408
		164,042

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA**

**Notes to Financial Statements  
Year Ended December 31, 2023**

**6. MEASUREMENT OF UNCERTAINTY**

The nature of loans receivable is that there is uncertainty regarding collection . Management is of the opinion that all the loans receivable are fully collectable

**7. RELATED PARTY TRANSACTIONS**

The following is a summary of the organization's related party transactions:

	2023 \$	2022 \$
Bedford United Church		
Loan repayment	9,723	9,436
Interest	1,864	2,128
	11,587	11,564
Cole Harbour/Woodside United Church		
Loan repayment	-	12,343
Interest	-	82
	-	12,425
Knox United Church		
Loan repayment	3,554	3,449
Interest	1,501	1,598
	5,055	5,047
St. Luke's United Church		
Loan repayment	9,669	9,384
Interest	1,918	2,179
	11,587	11,563
St Andrews United energy study grant	1,637	-
Bridgewater United energy study grant	-	1,847
<b>Total related party transactions</b>	<b>29,866</b>	<b>42,446</b>

These transactions are measured at amortized cost. The parties are related because they are member churches of the United Church of Canada.

**8. LONG TERM INVESTMENTS**

	2023 \$	2022 \$
CANOE asset allocation portfolio class Series D; With a carrying value of \$1,058,914 (2022 -\$988,659)	1,262,765	1,167,010

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

---

**9. GRANTS**

Energy Management Pilot Project Grant -The pilot was initiated by the organization in cooperation with the Region and Faithful Footprints. St. Andrew's United, Halifax and Bridgewater United were chosen for this pilot and agreed to participate under the Region's auspices. The pilot's engineering partner, CBCL, completed the audits and are now in receipt of the CBCL audit report. In accordance with the pilot partnership arrangement, the organization supplemented the Region's grant for energy audit fees in excess of \$7,500.

---