

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

**Financial Statements**

**Year Ended December 31, 2021**

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

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Year Ended December 31, 2021

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PROFESSIONAL STRENGTH  
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PRACTICAL SOLUTIONS

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**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, 2021, 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.

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Independent Practitioner's Review Engagement Report to the Members of Church Extension Board of Region 15 *(continued)*

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 as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.



Halifax, Nova Scotia  
March 18, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

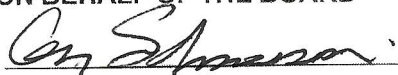
CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA

Statement of Financial Position

December 31, 2021

	2021	2020
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	3,113	59,417
Interest receivable	553	657
Current portion of loans and notes receivable (Note 6)	30,939	19,362
Prepaid expenses	825	638
	<b>35,430</b>	<b>80,074</b>
LOANS AND NOTES RECEIVABLE (Note 6)	<b>190,252</b>	<b>243,593</b>
LONG TERM INVESTMENTS	<b>1,121,014</b>	<b>781,042</b>
	<b>1,346,696</b>	<b>1,104,709</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	3,450	16,173
NET ASSETS	<b>1,343,246</b>	<b>1,088,536</b>
LIABILITIES AND NET ASSETS	<b>1,346,696</b>	<b>1,104,709</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, 2021**

	2021	2020
	\$	\$
<b>INCOME</b>		
Loan interest income	7,139	5,036
Dividend income	12,018	7,932
Realized capital gains (losses)	48,594	(1,194)
Other investment income	5,648	3,802
Donation - Investment partner	250	-
	<b>73,649</b>	<b>15,576</b>
<b>EXPENSES</b>		
Bank charges	722	1,046
Business taxes, licenses and memberships	44	44
Crime insurance	1,197	1,095
Insurance	835	745
Office	987	515
Professional fees	3,450	3,450
Sales commissions	850	-
	<b>8,085</b>	<b>6,895</b>
<b>EXCESS OF INCOME OVER EXPENSES FROM OPERATIONS</b>	<b>65,564</b>	<b>8,681</b>
<b>OTHER INCOME</b>		
Grants - Region 15	-	50,260
Camp Kidston grant distribution	-	(50,260)
Increase in FMV of investments	189,146	45,342
	<b>189,146</b>	<b>45,342</b>
<b>EXCESS OF INCOME OVER EXPENSES</b>	<b>254,710</b>	<b>54,023</b>

See notes to financial statements

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA  
Statement of Changes in Net Assets  
Year Ended December 31, 2021**

	2021 \$	2020 \$
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>1,088,536</b>	<b>1,034,513</b>
<b>EXCESS OF INCOME OVER EXPENSES</b>	<b>254,710</b>	<b>54,023</b>
<b>NET ASSETS - END OF YEAR</b>	<b>1,343,246</b>	<b>1,088,536</b>

See notes to financial statements

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

**Statement of Cash Flows  
Year Ended December 31, 2021**

	2021 \$	2020 \$
<b>OPERATING ACTIVITIES</b>		
Excess of income over expenses	254,710	54,023
Changes in non-cash working capital:		
Interest receivable	104	(657)
Accounts payable	(12,721)	12,082
Deferred income	-	(12,506)
Prepaid expenses	(187)	(89)
	<b>(12,804)</b>	<b>(1,170)</b>
Cash flow from operating activities	<b>241,906</b>	<b>52,853</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of investments	56,680	20,000
Additions to long investments	(207,507)	-
Repayment of loans and notes receivable	41,763	132,968
Addition to loans and notes receivable	-	(100,000)
Unrealized change in market value of securities	(189,146)	(60,152)
Cash flow used by investing activities	<b>(298,210)</b>	<b>(7,184)</b>
<b>FINANCING ACTIVITIES</b>		
Camp Kidston grants received	-	62,856
Deferred income write-off - Camp Kidston	-	(12,506)
Camp Kidston loans retired	-	(50,260)
Cash flow from financing activities	-	90
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(56,304)</b>	<b>45,759</b>
Cash - beginning of year	59,417	13,658
<b>CASH - END OF YEAR</b>	<b>3,113</b>	<b>59,417</b>
<b>CASH CONSISTS OF:</b>		
Cash	3,113	59,417

See notes to financial statements



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

**Notes to Financial Statements**

**Year Ended December 31, 2021**

*(Unaudited)*

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**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 (ASNPO).

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**Property, plant and 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, 2021.

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.

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

**Notes to Financial Statements  
Year Ended December 31, 2021  
(Unaudited)**

**4. FINANCIAL INSTRUMENTS (continued)**

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.

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. The organization has all of its cash and investments in Canadian dollars so there is little to no currency exposure.

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. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Other price risk

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. MARKETABLE SECURITIES**

	2021 \$	2020 \$
Brookfield renewable pwr pfd eqI Inc 4.351% cum rt rst pf ser-3 CI-A	-	42,120
Canoe asset allocation portfolio class series D	1,121,014	738,922
	<b>1,121,014</b>	<b>781,042</b>
Cost	<b>1,003,112</b>	<b>795,605</b>

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

**Notes to Financial Statements  
Year Ended December 31, 2021**

*(Unaudited)*

6. LOANS AND NOTES RECEIVABLE	2021 \$	2020 \$
Bedford United 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.	76,009	85,167
Cole Harbour/Woodside loan receivable bearing interest at 3% per annum, repayable in monthly blended payments of \$744. The loan matures on May 1, 2023 and is unsecured.	12,343	20,758
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.	55,116	58,463
St. Lukes 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.	77,723	98,567
	221,191	262,955
Amounts receivable within one year	(30,939)	(19,362)
	190,252	243,593

Principal repayment terms are approximately:

	\$
2022	30,939
2023	26,617
2024	23,644
2025	24,363
2026	25,104
Thereafter	90,524
	221,191

**7. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). On November 24, 2021, South Africa reported the identification of a new SARS-CoV-2 variant, B.1.1.529, to the World Health Organization (WHO). This new variant of the virus known as the Omicron (B.1.1.529) has been identified with a natural ability to spread. According to the CTV news, published Monday, January 10, 2022 there have been 777,609 confirmed new infections since the first case of Omicron was detected in Canada on Nov. 29, 2021. The situation is constantly evolving, and these new variants are having multiple impacts on local, provincial, national and global economies.

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CHURCH EXTENSION BOARD OF REGION 15  
(OF THE UNITED CHURCH OF CANADA)

Notes to Financial Statements

Year Ended December 31, 2021

(Unaudited)

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**7. SUBSEQUENT EVENTS (continued)**

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

The overall effect of these events on the organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.