

**Church Extension Board of Halifax Presbytery
of The United Church of Canada**

Financial Statements

(Unaudited)

December 31, 2015

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Review Engagement Report

To the Board of Directors
Church Extension Board of Halifax Presbytery of the United Church of Canada

I have reviewed the statement of financial position of Church Extension Board of Halifax Presbytery of the United Church of Canada as at December 31, 2015 and the statements of operations, changes in fund balance and cash flow for the year ended December 31, 2015. My review was made in accordance with Canadian generally accepted standards for review engagements, and consisted primarily of inquiry, analytical procedures, and discussion related to information supplied to me by the society.

A review does not constitute an audit, and consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

February 26, 2016

Dartmouth, Nova Scotia



Paul Roderick
Chartered Professional Accountant/
Certified General Accountant

Church Extension Board of Halifax Presbytery of the United Church of Canada

STATEMENT OF FINANCIAL POSITION


STATEMENT 1

(Unaudited)

As at December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets		
Cash	\$ 48,093	\$ 30,319
Investments	658,861	623,027
Deposits	200	-
Prepaid expenses	352	371
Current portion of loans receivable	<u>23,604</u>	<u>26,790</u>
	<u>731,110</u>	<u>680,507</u>
Loans receivable (Note 3)	<u>151,490</u>	<u>182,996</u>
	<u>\$ 882,600</u>	<u>\$ 863,503</u>
 LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,597	\$ 2,819
Deferred revenue	<u>12,506</u>	<u>10,159</u>
	<u>16,103</u>	<u>12,978</u>
 Fund balances		
Unrestricted	<u>866,497</u>	<u>850,525</u>
	<u>\$ 882,600</u>	<u>\$ 863,503</u>

On behalf of the Board



Director



Director

The attached notes are an integral part of these financial statements.

Church Extension Board of Halifax Presbytery of the United Church of Canada
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES **STATEMENT 2**
(Unaudited)
For The Year Ended December 31,

	<u>2015</u>	<u>2014</u>
Revenue		
Mortgage interest	\$ 5,829	\$ 6,207
Dividend income	7,113	8,949
Investment interest	12,516	8,736
	<u>25,458</u>	<u>23,892</u>
Expenses		
Bank charges and interest	477	63
Dues	67	30
Insurance	664	309
Office supplies	621	2,192
Professional fees	1,645	1,153
	<u>3,474</u>	<u>3,747</u>
Excess of revenues over expenses before other revenues	<u>21,984</u>	<u>20,145</u>
Other revenues (expenses)		
NCD grants	9,000	15,000
NCD loan interest rebates	-	1,833
NCD grant disbursements	(9,000)	(15,000)
NCD loan interest rebates disbursed	(2,066)	(3,035)
Gain on disposal of investments	14,037	
Decrease in fair market value of investments	(17,983)	
	<u>(6,012)</u>	<u>(1,202)</u>
Excess of revenues over expenses	15,972	18,943
Fund balance, beginning of year	850,525	833,415
Reserve transfer NCD interest rebate	-	(1,833)
	<u>-</u>	<u>(1,833)</u>
Fund balance, end of year	<u>\$ 866,497</u>	<u>\$ 850,525</u>

The attached notes are an integral part of these financial statements.

Church Extension Board of Halifax Presbytery of the United Church of Canada
STATEMENT OF CASH FLOWS **STATEMENT 3**
(Unaudited)
For The Year Ended December 31,

	2015	2014
Operating activities		
Excess of revenues over expenses	\$ 15,972	\$ 18,943
Items not requiring and outlay of funds		
Gain on disposal of investments	(14,037)	-
Decline in fair market value of investments	17,983	
	19,918	18,943
Changes in non-cash working capital		
Loans receivable	34,692	(9,975)
Deposits	(200)	
Accounts receivable	-	(1,833)
Prepaid expenses	19	(371)
Accounts payable and accrued liabilities	779	2,818
Deferred revenue	2,347	294
	57,555	9,876
Investing activities		
Maturity (purchase) of investments	(39,780)	(13,935)
	(39,780)	(13,935)
Increase (decrease) in cash during the year	17,775	(4,059)
Cash, beginning of year	30,318	34,377
Cash, end of year	\$ 48,093	\$ 30,318

The attached notes are an integral part of these financial statements.

Church Extension Board of Halifax Presbytery of the United Church of Canada
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
December 31, 2015

1. PURPOSE OF THE ASSOCIATION

The Church Extension Board, the "Board", is an independent incorporated board within Presbytery. It is incorporated under the Nova Scotia Societies Act and is supervised by Conference. Since inception, in the 1950's, the Board has given loans to Applicants; to build, to repair, to expand. The Board is not intended to be the main lender in major projects. It is intended to provide seed money and encouragement for the dreams and aspirations of the member churches and to show financial support, especially when projects need additional money from the National Church. The Board is intended to further the work of the United Church of Canada within Presbytery.

The Board has the sole purpose of holding funds, in Trust, for the United Church of Canada and using these funds to make loans to Applicants from within the bounds of Presbytery.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The general fund accounts for the organizations' program delivery and administrative activities.

Revenue and expense recognition

Revenues and expenses are recorded on the accrual basis whereby obligations and entitlements existing as at the year end are included in the determination of the unrestricted fund.

Tangible Capital Assets

The Association qualifies as a "small" not-for-profit organization and is not required to capitalize and amortize tangible capital assets when acquired. Tangible capital assets not recorded in the statement of financial position comprise of a computer and related equipment. \$1,454 in tangible capital assets was expensed in the statement of operations in the current year.

Contributed services

Volunteers contribute their time to assist the Society in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Church Extension Board of Halifax Presbytery of the United Church of Canada
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
December 31, 2015

3. LOANS' RECEIVABLE	2015	2014
Camp Kidston, repayable in blended monthly instalments of \$811 including interest at 3%, matured December, 2014	\$ 79,519	\$ 77,172
Cole Harbour/Woodside, repayable in blended monthly instalments of \$555 including interest at 6% maturing November, 2022	7,615	20,216
Port Wallis, repayable in blended monthly instalments of \$295 including interest at 6%, maturing August, 2022	3,959	10,469
St. John, (Beaverbank), repayable in blended monthly instalments of \$148 including interest at 6%, maturing June, 2015	-	732
Knox United, repayable in blended monthly instalments of \$386 including interest at 3%, maturing January, 2016	387	4,935
St. John's (Halifax), repayable in blended monthly instalments of \$482 including interest at 3%, maturing December, 2018	16,601	21,812
St. Paul's, repayable in blended monthly instalments of \$386 including interest at 3%, maturing September, 2020	20,546	24,451
St. Lukes, repayable in blended monthly instalments of \$555 including interest at 6%, maturing December, 2024	46,468	50,000
	<u>175,094</u>	<u>209,787</u>
Less current portion	23,604	26,790
	<u>\$ 151,490</u>	<u>\$ 182,997</u>

Church Extension Board of Halifax Presbytery of the United Church of Canada
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

December 31, 2015

4. FINANCIAL INSTRUMENTS

The organizations financial instruments consist of receivables and payables. Unless otherwise noted, it is the boards opinion that the society is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

Credit risk

The organizations credit risk consists principally of cash and accounts receivable. Cash was maintained with reputable and major financial institutions.