

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

Financial Statements

Year Ended December 31, 2020

**CHURCH EXTENSION BOARD OF REGION 15
OF THE UNITED CHURCH OF CANADA
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Year Ended December 31, 2020**

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PROFESSIONAL STRENGTH
PERSONAL SERVICE
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, 2020, 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 as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Halifax, Nova Scotia
March 6, 2021

CHARTERED PROFESSIONAL ACCOUNTANT

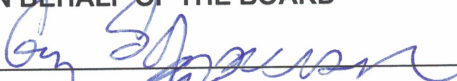
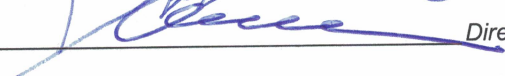
**CHURCH EXTENSION BOARD OF REGION 15
OF THE UNITED CHURCH OF CANADA**

Statement of Financial Position

December 31, 2020

	2020 \$	2019 \$
ASSETS		
CURRENT		
Cash	59,417	13,658
Interest receivable	657	-
Current portion of loans and notes receivable (Note 6)	19,362	22,240
Prepaid expenses	638	549
	80,074	36,447
LOANS AND NOTES RECEIVABLE (Note 6)	243,593	273,683
LONG TERM INVESTMENTS (Note 5)	781,042	740,980
TOTAL ASSETS	1,104,709	1,051,110
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	16,173	4,091
Deferred income	-	12,506
TOTAL LIABILITIES	16,173	16,597
NET ASSETS	1,088,536	1,034,513
TOTAL LIABILITIES AND NET ASSETS	1,104,709	1,051,110

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, 2020**

	2020 \$	2019 \$
INCOME		
Loan interest income	5,036	3,244
Dividend income	7,932	7,960
Realized capital gains (losses)	(1,194)	6,370
Other investment income	3,802	5,950
	15,576	23,524
EXPENSES		
Bank charges	1,046	816
Business taxes, licenses and memberships	44	31
Directors liability insurance	745	670
Interest and bank charges	(1)	-
Crime insurance	1,095	1,095
Office	516	633
Professional fees	3,450	4,140
	6,895	7,385
EXCESS OF INCOME OVER EXPENSES FROM OPERATIONS	8,681	16,139
OTHER INCOME		
Grant - Region 15	50,260	-
Camp Kidston grant distribution	(50,260)	-
Increase (decrease) in FMV of investments	45,342	77,475
	45,342	77,475
EXCESS OF INCOME OVER EXPENSES	54,023	93,614

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

Statement of Changes in Net Assets

Year Ended December 31, 2020

	2020 \$	2019 \$
NET ASSETS - BEGINNING OF YEAR	1,034,513	940,899
EXCESS OF INCOME OVER EXPENSES	54,023	93,614
NET ASSETS - END OF YEAR	1,088,536	1,034,513

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

**Statement of Cash Flows
Year Ended December 31, 2020**

	2020 \$	2019 \$
OPERATING ACTIVITIES		
Excess of income over expenses	54,023	93,614
Changes in non-cash working capital:		
Interest receivable	(657)	-
Accounts payable	12,082	2,446
Deferred income	(12,506)	-
Prepaid expenses	(89)	-
	(1,170)	2,446
Cash flow from operating activities	52,853	96,060
INVESTING ACTIVITIES		
Proceeds on disposal of investments	20,000	-
Repayment proceeds from loans and notes receivable	132,968	12,755
Addition to loans and notes receivable	(100,000)	(238,000)
Unrealized change in market value of securities	(60,152)	129,439
Cash flow used by investing activities	(7,184)	(95,806)
FINANCING ACTIVITIES		
Kidston grants received	62,856	-
Deferred income write off - Camp Kidston	(12,506)	-
Kidston loans retired	(50,260)	-
Cash flow from financing activities	90	-
INCREASE IN CASH FLOW	45,759	254
Cash - beginning of year	13,658	13,404
CASH - END OF YEAR	59,417	13,658
CASH CONSISTS OF:		
Cash	59,417	13,658

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

**Notes to Financial Statements
Year Ended December 31, 2020**

(Unaudited)

1. PURPOSE OF THE ORGANIZATION

The Church Extension Board is an incorporated ministry of the United Church of Canada and an incorporated Society (Province of Nova Scotia) within Region 15 of the United Church of Canada. On October 16, 2020 the name of the Society 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 Board is not intended to be the main lender in major projects. It is intended to provide seed money and encouragement for dreams and aspirations of our 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 the boundaries of the former Halifax Presbytery.

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).

Some users may require further information as these statements have not been prepared for general purposes.

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, 2020.

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 borrowers. In order to reduce its credit risk, the organization reviews a new borrower's credit history before extending credit and conducts regular reviews of its existing borrowers' credit performance. Management does not believe this risk to be significant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its borrowers and accounts payable.

Market risk

(continues)

**CHURCH EXTENSION BOARD OF REGION 15
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Notes to Financial Statements

Year Ended December 31, 2020

(Unaudited)

4. FINANCIAL INSTRUMENTS (continued)

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 organization is mainly exposed to \$781,042 in market risk.

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 not exposed to significant interest rate risk.

5. MARKETABLE SECURITIES

	2020 \$	2019 \$
Brookfield renewable pwr pfd eql Inc 4.351% cum rt rst pf ser-3 Cl- A	42,120	35,180
Canoe asset allocation portfolio class series D	738,922	705,800
	781,042	740,980
Cost	795,605	763,291

6. LOANS AND NOTES RECEIVABLE

	2020 \$	2019 \$
Camp Kidston loan receivable was retired In December 2020 after Region 15 deemed that all the conditions necessary to retire this loan had been met. Accordingly, and in keeping with the terms of the Stakeholder's Agreement, Region 15 released funds to retire the remaining principal outstanding on the debt, \$46,013. Further, and in keeping with the terms of the Stakeholder's Agreement, the Church Extension Board wrote off the accumulated interest in arrears, \$12,506.	-	62,766
St. Paul's United loan receivable bearing interest at 3% per annum, repayable in monthly blended payments of \$386. The loan matured on December 1, 2020 and was unsecured.	-	3,442
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.	85,167	92,087
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.	20,758	76,568
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.	58,463	61,060
St. Lukes loan receivable bearing interest at 3% per annum,		

(continues)

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

Notes to Financial Statements

Year Ended December 31, 2020

(Unaudited)

6. LOANS AND NOTES RECEIVABLE (continued)

repayable in monthly blended payments of \$966. The loan matures on October 1, 2030 and is unsecured.	98,567	-
Amounts receivable within one year	262,955	295,923
	(19,362)	(22,240)
	243,593	273,683

Principal repayment terms are approximately:

	\$
2021	19,362
2022	19,943
2023	20,541
2024	21,158
2025	21,792
Thereafter	160,159
	262,955

7. COVID -19 ACTIONS

The organization committed to allocate \$315,000 of deployable capital to the UCC Region 15 Covid-19 Emergency Loan Program and to be made available to UCC ministries within the Halifax Region. Further, these loans to be in individual amounts no greater than \$10,000 for each Pastoral Charge and interest free until December 31, 2020. No loans were made during the year.

In addition, due to Covid-19, the organization suspended the loan payments for months of May, June and July. This arrangement did not result in any penalty or interest being calculated or applied during the deferral period from May 1st to July 31st, 2020.

8. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

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.