

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

Financial Statements

(Unaudited)

December 31, 2017

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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, 2017 and the statements of operations, changes in fund balance and cash flow for the year ended December 31, 2017. 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.

March 7, 2018

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
(Unaudited)
As at December 31,

STATEMENT 1

ASSETS	<u>2017</u>	<u>2016</u>
Current Assets		
Cash	\$ 18,691	\$ 4,845
Investments	865,520	789,769
Prepaid expenses	549	510
Current portion of loans receivable	<u>23,557</u>	<u>16,394</u>
	908,317	811,518
 Loans receivable (Note 3)	 <u>84,106</u>	 <u>112,052</u>
	\$ <u>992,423</u>	\$ <u>923,570</u>
 LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,996	\$ 3,026
Deferred revenue	<u>12,506</u>	<u>12,506</u>
	14,502	15,532
 Fund balances		
Unrestricted	<u>977,921</u>	<u>908,038</u>
	\$ <u>992,423</u>	\$ <u>923,570</u>

On behalf of the Board

Diana Dalton
Director

Alan Ellis
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
(Unaudited)

For The Year Ended December 31,

STATEMENT 2

	<u>2017</u>	<u>2016</u>
Revenue		
Loan interest	\$ 1,582	\$ 3,046
Dividend income	2,200	2,200
Investment interest	11,698	21,182
	<u>15,480</u>	<u>26,428</u>
Expenses		
Bank charges and interest	502	576
Dues	31	31
Insurance	1,726	1,532
Office supplies	429	1,744
Professional fees	6,495	1,495
	<u>9,183</u>	<u>5,378</u>
Excess of revenues over expenses before other revenues	6,297	21,050
Other revenues (expenses)		
NCD grants	10,000	10,000
NCD grant distributions	(10,000)	(10,000)
NCD loan interest rebates disbursed	(468)	(1,067)
Increase in fair market value of investments	64,054	21,485
	<u>63,586</u>	<u>20,418</u>
Excess of revenues over expenses	69,883	41,468
Fund balance, beginning of year	<u>908,038</u>	<u>866,570</u>
Fund balance, end of year	<u>\$ 977,921</u>	<u>\$ 908,038</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 FLOW
(Unaudited)
For The Year Ended December 31,

STATEMENT 3

	<u>2017</u>	<u>2016</u>
Operating activities		
Excess of revenues over expenses	\$ 69,883	\$ 41,468
Changes in non-cash working capital		
Loans receivable	14,727	39,438
Deposits	(549)	200
Prepaid expenses	510	(145)
Accounts payable and accrued liabilities	(1,030)	(571)
Current Portion of loans receivable	6,056	7,270
	<u>19,714</u>	<u>46,192</u>
	89,597	87,660
Investing activities		
Maturity (purchase) of investments	<u>(75,751)</u>	<u>(130,908)</u>
Increase (decrease) in cash during the year	13,846	(43,248)
Cash, beginning of year	4,845	48,093
Cash, end of year	<u>\$ 18,691</u>	<u>\$ 4,845</u>

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, 2017

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.

Financial Instruments

The Association measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association's financial assets measured at fair value include quoted shares.

Church Extension Board of Halifax Presbytery of the United Church of Canada
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont'd

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.

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.

3. LOANS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Camp Kidston, repayable in 10 annual instalments of \$7,952, due December 31, 2026. Interest at 0%	\$ 79,519	\$ 79,519
St. Paul's, repayable in blended monthly instalments of \$386 including interest at 3%, maturing September, 2020	12,250	16,461
St. Lukes, repayable in blended monthly instalments of \$555 including interest at 6%, maturing December, 2024	<u>15,894</u>	<u>32,466</u>
	<u>107,663</u>	<u>128,446</u>
LESS: Current Portion	<u>23,557</u>	<u>16,394</u>
	<u>\$ 84,106</u>	<u>\$ 112,052</u>

Camp Kidston Loan

In November 2016, the United Church of Canada stakeholders, Halifax Presbytery, Maritime Conference and the Church Extension Board all have agreed that the Halifax Presbytery will guarantee the principal amount advanced to Camp Kidston should certain conditions be met.

In October 2017, the Church Extension Board agreed to extend the due date of the first principal payment from December 31, 2017 to April 30, 2018.

Church Extension Board of Halifax Presbytery of the United Church of Canada
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
December 31, 2017

4. FINANCIAL INSTRUMENTS

The organizations' financial instruments consist of 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. Cash was maintained with reputable and major financial institutions.