

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA  
Financial Statements  
Year Ended December 31, 2022**

**CHURCH EXTENSION BOARD OF REGION 15  
OF THE UNITED CHURCH OF CANADA  
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Year Ended December 31, 2022**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**PROFESSIONAL STRENGTH  
PERSONAL SERVICE  
PRACTICAL SOLUTIONS**

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**Independent  
Member Firm of  
Porter Héту International**

### **Member Offices**

**Nova Scotia**  
Dartmouth, NS  
Halifax, NS

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New Brunswick  
Nova Scotia  
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Manitoba  
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British Columbia

**International**  
Lebanon  
SFAI (125 member firms)

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, 2022, 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Bedford, Nova Scotia  
March 15, 2023

Chartered Professional Accountants

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

**Statement of Financial Position**

**December 31, 2022**

	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	9,992	3,113
Interest receivable	466	553
Current portion of loans and notes receivable <i>(Note 5)</i>	22,946	30,939
Prepaid expenses	1,095	825
	<b>34,499</b>	35,430
LOANS RECEIVABLE FROM RELATED PARTIES <i>(Note 5)</i>	163,633	190,252
LONG TERM INVESTMENTS <i>(Note 7)</i>	1,167,010	1,121,014
<b>TOTAL ASSETS</b>	<b>1,365,142</b>	<b>1,346,696</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	4,018	3,449
<b>NET ASSETS</b>	<b>1,361,124</b>	<b>1,343,247</b>
<b>LIABILITIES AND NET ASSETS</b>	<b>1,365,142</b>	<b>1,346,696</b>

**ON BEHALF OF THE BOARD**

*Hana Dalton* \_\_\_\_\_ Director

*Greg Schneider* \_\_\_\_\_ 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, 2022**

	2022	2021
	\$	\$
<b>REVENUES</b>		
Dividend income	14,076	12,018
Realized capital gains	30,414	48,594
Other investment income	6,862	5,648
Total investment income	51,352	66,260
Loan interest income	5,987	7,139
Donation - Investment partner	-	250
	<b>57,339</b>	<b>73,649</b>
<b>EXPENSES</b>		
Bank charges	813	722
Business taxes, licenses and memberships	31	44
Sales commissions	-	850
Directors & Officer insurance	891	835
Crime insurance	1,258	1,197
Grants (Note 8)	1,847	-
Office	247	987
Professional fees	4,018	3,450
	<b>9,105</b>	<b>8,085</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>48,234</b>	<b>65,564</b>
OTHER INCOME (EXPENSES)		
Unrealized gain (loss) on marketable securities	(30,357)	189,146
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>17,877</b>	<b>254,710</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, 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>EXTERNALLY RESTRICTED NET ASSETS - BEGINNING OF YEAR</b>	<b>1,343,247</b>	<b>1,088,537</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>17,877</b>	<b>254,710</b>
<b>EXTERNALLY RESTRICTED NET ASSETS - END OF YEAR</b>	<b>1,361,124</b>	<b>1,343,247</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, 2022**

	2022	2021
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	17,877	254,710
Item not affecting cash:		
Unrealized (gain) loss on marketable securities	30,357	(189,146)
	<b>48,234</b>	<b>65,564</b>
Changes in non-cash working capital:		
Interest receivable	87	104
Accounts payable and accrued liabilities	568	(12,721)
Prepaid expenses	(270)	(187)
	<b>385</b>	<b>(12,804)</b>
Cash flow from operating activities	<b>48,619</b>	<b>52,760</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of investments	-	56,680
Additions to long term investments	(76,352)	(207,507)
Repayment of loans and notes receivable	34,612	41,763
Cash flow used by investing activities	<b>(41,740)</b>	<b>(109,064)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>6,879</b>	<b>(56,304)</b>
Cash - beginning of year	<b>3,113</b>	<b>59,417</b>
<b>CASH - END OF YEAR</b>	<b>9,992</b>	<b>3,113</b>
<b>CASH CONSISTS OF:</b>		
Cash	<b>9,992</b>	<b>3,113</b>

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, 2022**

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**1. PURPOSE OF THE ORGANIZATION**

The Church Extension Board is an incorporated ministry within Region 15 of the United Church of Canada and it is incorporated under the Nova Scotia Societies Act. 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.

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**2. BASIS OF PRESENTATION**

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

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash equivalents**

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.

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

**Notes to Financial Statements**

**Year Ended December 31, 2022**

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**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.

**Contributed services**

The operations of the organization depend on 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.

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**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, 2022.

**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.

**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 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.

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

**Year Ended December 31, 2022**

**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 RECEIVABLE FROM RELATED PARTIES**

	2022 \$	2021 \$
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.	66,573	76,009
Cole Harbour/Woodside loan receivable bearing interest at 3% per annum, repayable in monthly blended payments of \$744. The loan was early retired on April 11, 2022 with a lump sum payout.	-	12,343
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.	51,667	55,116
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.	68,339	77,723
	<b>186,579</b>	<b>221,191</b>
Amounts receivable within one year	<b>(22,946)</b>	<b>(30,939)</b>
	<b>163,633</b>	<b>190,252</b>

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**CHURCH EXTENSION BOARD OF REGION 15  
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Notes to Financial Statements  
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**5. LOANS RECEIVABLE FROM RELATED PARTIES (continued)**

Principal repayment terms are approximately:

	\$
2023	22,946
2024	23,644
2025	24,363
2026	25,104
2027	25,868
Thereafter	64,654
	186,579

**6. RELATED PARTY TRANSACTIONS**

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

	2022 \$	2021 \$
Bedford United Church		
Loan repayment	9,436	9,158
Interest	2,128	2,407
	11,564	11,565
Cole Harbour/Woodside United Church		
Loan repayment	12,343	8,415
Interest	82	487
	12,425	8,902
Knox United Church		
Loan repayment	3,449	3,347
Interest	1,598	1,700
	5,047	5,047
St. Lukes United Church		
Loan repayment	9,384	20,844
Interest	2,179	2,545
	11,563	23,389
<b>Total related party transactions</b>	<b>40,599</b>	<b>48,903</b>

**7. LONG TERM INVESTMENTS**

	2022 \$	2021 \$
Canoe asset allocation portfolio class series D	1,167,010	1,121,014
Cost	1,079,464	1,003,112

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

**Year Ended December 31, 2022**

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**8. 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 Bridgewater United energy audit 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.

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