

**FUNDY ST. LAWRENCE DAWNING WATERS  
REGIONAL COUNCIL**

**Financial Statements**

**Year Ended December 31, 2020**

Prepared by	Reviewed by	Reviewed by	Peer
TR 4/26/21			

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Schedule of Internally Restricted Funds (Schedule 1)	11 - 12
Schedule of Externally Restricted Funds (Schedule 2)	13

## Independent Auditor's Report

---

To the Members of Fundy St. Lawrence Dawning Waters Regional Council:

### Qualified Opinion

We have audited the financial statements of Fundy St. Lawrence Dawning Waters Regional Council (the "Council"), which 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Council derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Council. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2020, current assets and net assets as at December 31, 2020.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Other Matter

The financial statements of the Council for the year ended December 31, 2019 were audited by Winsor Coombs of Mount Pearl, Newfoundland and Labrador, Canada, prior to its merger with MNP LLP. Winsor Coombs expressed a qualified opinion on those statements on May 7, 2020 for the reasons described in the Basis for Qualified opinion paragraph.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of

these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mount Pearl, Newfoundland and Labrador

Chartered Professional Accountants

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 291,218	\$ 498,494
Short-term investments	770,000	1,528,631
Accounts receivable	2,475	16,016
Prepaid expenses	4,714	205
Due from related parties (Note 5)	140,814	-
	1,209,221	2,043,346
LONG TERM INVESTMENTS (Note 3)	73,888	73,888
	\$ 1,283,109	\$ 2,117,234
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 39,668	\$ 37,448
Due to related parties (Note 5)	5,073	1,005,485
Funds held in trust (Note 4)	28,917	46,999
	73,658	1,089,932
<b>NET ASSETS</b>		
Operating Fund - Unrestricted	286,636	213,385
Internally Restricted Funds (Schedule 1)	820,079	714,891
Externally Restricted Funds (Schedule 2)	102,736	99,026
	1,209,451	1,027,302
	\$ 1,283,109	\$ 2,117,234

ON BEHALF OF THE BOARD

 Director  
 Director

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL****Statement of Changes in Net Assets****Year Ended December 31, 2020**

	2019 Balance	Excess of revenues over expenditures	Net Additions	2020 Balance
Operating Fund - Unrestricted	\$ 213,385	\$ 73,251	\$ -	\$ 286,636
Internally Restricted Funds (Schedule 1)	714,891	-	105,188	820,079
Externally Restricted Funds (Schedule 2)	99,026	-	3,710	102,736
	\$ 1,027,302	\$ 73,251	\$ 108,898	\$ 1,209,451

	2018 Balance	Excess of revenues over expenditures	Net Additions	2019 Balance
Operating Fund - Unrestricted	\$ 171,792	\$ 41,593	\$ -	\$ 213,385
Internally Restricted Funds (Schedule 1)	267,582	32,125	415,184	714,891
Externally Restricted Funds (Schedule 1)	98,051	975	-	99,026
	\$ 537,425	\$ 74,693	\$ 415,184	\$ 1,027,302

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL****Statement of Revenues and Expenditures****Year Ended December 31, 2020**

	General Fund 2020	Total 2019
<b>REVENUES</b>		
Grant - United Church of Canada	\$ 586,680	\$ 591,219
Miscellaneous revenue	37,462	50,766
Interest income	-	35,256
	624,142	677,241
<b>EXPENDITURES</b>		
Administration	6,923	8,529
Mission and Support Services	192,217	191,439
Office operating expense	43,711	57,495
Other	19,700	26,811
Regional Council Executive	9,638	1,889
Staff salaries and travel	256,611	255,183
Standing Committees	22,091	61,202
	550,891	602,548
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 73,251</b>	<b>\$ 74,693</b>

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 73,251	\$ 74,693
Changes in non-cash working capital:		
Accounts receivable	13,541	(16,016)
Accounts payable	2,220	37,446
Prepaid expenses	(4,509)	(205)
Funds held in trust	(18,082)	46,999
	(6,830)	68,224
Cash flow from operating activities	66,421	142,917
<b>INVESTING ACTIVITY</b>		
Long term Investments	-	(73,888)
Cash flow from (used by) investing activity	-	(73,888)
<b>FINANCING ACTIVITIES</b>		
Advances from related parties	(1,141,226)	1,005,485
Net assets transferred from Maritime Conference	-	294,610
Unrestricted funds transferred from Maritime Conference	-	120,980
Received from Presbyteries for internally restricted funds	-	126,837
Internal transfer to Learning Grants program	-	(5,000)
Net additions from internally restricted funds	105,188	415,184
Net additions from externally restricted funds	3,710	-
Cash flow from (used by) financing activities	(1,032,328)	1,958,096
<b>INCREASE (DECREASE) IN CASH FLOW</b>	(965,907)	2,027,125
Cash - beginning of year	2,027,125	-
<b>CASH - END OF YEAR</b>	\$ 1,061,218	\$ 2,027,125
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ -	\$ (35,256)
<b>CASH CONSISTS OF:</b>		
Cash	\$ 291,218	\$ 498,494
Short-term investments	770,000	1,528,631
	\$ 1,061,218	\$ 2,027,125



# FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL

## Notes to Financial Statements

Year Ended December 31, 2020

---

### 1. PURPOSE OF THE COUNCIL

The Fundy St. Lawrence Dawning Waters Regional Council is a Council of the United Church of Canada. Its principal activities include the provision of services to the Pastoral Charges affiliated with the United Church of Canada in New Brunswick, Prince Edward Island and Gaspé, Quebec.

The Fundy St. Lawrence Dawning Waters Regional Council is a registered charity under the Income Tax Act and not subject to income tax.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

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

#### Fund accounting

Fundy St. Lawrence Dawning Waters Regional Council follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Council's delivery of services and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Internally Restricted Funds consist of funds maintained by the Council for various purposes and are restricted in their purpose and cannot be used for general operations of the Council.

The Externally Restricted Funds consist of funds restricted outside of the Regional Council to be used for specific purposes and cannot be used for general operations of the Council. These funds include the Bequest Fund and the Special Fund. The Bequest Fund reports the assets, liabilities, revenues, and expenditures related to the assets bequeathed to the Council. The Special Funds report the assets, liabilities, revenues and expenditures related to the Council's funds that have been set up for a specific purpose.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits. Bank borrowings are considered to be financing activities.

#### Investments

Long term investments, which consist primarily of term certificates are carried at market value.

#### Revenue recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund in the year in which the contribution is received or receivable. All restricted contributions for which there is no specific restricted fund are recognized as revenues when the related expenses are incurred in the general fund.

Unrestricted contributions are recognized as revenue of the general fund when received or receivable if the amount can be reasonably estimated and receipt is reasonably assured.

Investment income earned on restricted investments is recognized as revenue as it is earned in the appropriate fund. Other investment income is recognized in the general fund statement of operations.

(continues)

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL****Notes to Financial Statements****Year Ended December 31, 2020****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Post retirement benefit plan

The employees of the Council participate in a defined benefit plan administered and held nationally by The United Church of Canada. The Council is not responsible for the obligations due for the employees under this benefit plan.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealised gains and losses reported to income. All other financial instruments 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.

**3. LONG TERM INVESTMENTS**

The investments are investment certificates issued and held in trust by Financial Services, Maritime Conference of the United Church of Canada.

	2020	2019
Investment - interest for distribution as bursaries for ministerial candidates		
Aitken Memorial Trust	\$ 2,500	\$ 2,500
Vera Dickey Bequest	8,807	8,807
Wesley Memorial United Church	1,000	1,000
	12,307	12,307
Investment - interest for distribution as support for special projects		
MacRae Belliveau	4,070	4,070
William A. Crawford Trust	988	988
Metzler Bequest	411	411
Agnes J. Ross Bequest	36,383	36,383
J. Oscar Young Bequest	19,500	19,500
Robert Wells Bequest	229	229
	61,581	61,581
	\$ 73,888	\$ 73,888

**4. FUNDS HELD IN TRUST**

	2020	2019
Church funds held in trust:		
McKinleville NB United Church	\$ -	\$ 14,952
Milltown NB United Church	28,917	32,047
	\$ 28,917	\$ 46,999

During prior years, the former Maritime Conference of the United Church of Canada received proceeds from pastoral charges as a result of their disbandment. These funds are held in trust until the distribution is approved by the Council Executive.

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**5. DUE FROM (TO) RELATED PARTIES**

	2020	2019
General Council of the United Church of Canada	\$ 140,814	\$ -
	2020	2019
Regional Council 15	\$ 1,478	\$ 991,524
First Dawn Eastern Edge Regional Council	3,595	13,961
	\$ 5,073	\$ 1,005,485

Advances from related parties are non-interest bearing and have no set repayment. These related parties are Regional Councils of the United Church of Canada.

**6. FINANCIAL INSTRUMENTS**

The Council considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Council's financial instruments consist of cash and cash equivalents, accounts receivable, restricted cash, accounts payable, investments and funds held in trust.

The Council initially measures its financial assets and liabilities at fair value adjusted for transaction costs. Transaction costs related to financial instruments subsequently measured at fair value are recorded in the statement of revenues and expenditures on initial measurement. The Council subsequently measures all of its financial instruments at amortized cost.

The risks that arise from financial instruments include liquidity risk, market risk and interest rate risk. Unless otherwise noted, it is management's opinion that the Council is not exposed to other price risks arising from financial instruments.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Council is exposed to this risk mainly in respect of its payments of expenditures.

**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. The Council is mainly exposed to interest rate 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 Council manages exposure through its normal operating and financing activities. The Council is exposed to interest rate risk primarily through its long-term investments.

**7. VARIOUS FUNDS ANNUAL SURPLUS**

These amounts represent the excess of revenues over expenditures for the year ended December 31, 2020 related to those specific funds disclosed in schedules 1 and 2.

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

---

**8. RELATED PARTY TRANSACTIONS**

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

	2020	2019
United Church of Canada General Council ( <i>Governing body of the Council</i> )		
Grants - United Church of Canada less amount deferred for		
Mission and Support grants unexpended	\$ 586,680	\$ 591,219
Office operating expense paid to	18,000	18,000

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**9. ECONOMIC DEPENDENCE**

The Council receives 100% of its operating funds under a grant from the United Church of Canada. If this situation should change in the future, management is of the opinion that continued viable operations would be doubtful.

**10. COVID 19**

Since March 12, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may cause the cancellation of operating events and increased government regulations or interventions, all of which may negatively impact the operations or financial condition of the Council. The duration and impact of the COVID-19 outbreak is unknown at this time and is not possible to reliably estimate the length and severity of these developments.

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL  
SCHEDULE OF INTERNALLY RESTRICTED FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE 1**

11

	Balance Opening Jan. 01/20	Additions in the year	Deductions in the year	Net Additions	Balance Ending Dec. 31/20
Archives	\$ 1,656	\$ 10,836	-	\$ 10,836	\$ 12,492
Building Maintenance	60,973	138	-	138	61,111
Camping Ministry	87,005	-	18,000	(18,000)	69,005
Chaplaincy - Moncton	25,784	18,441	21,852	(3,411)	22,373
Church Properties	1,914	-	-	-	1,914
CLG Projects	1,649	-	-	-	1,649
Conflict Resolution - Legal	12,000	-	-	-	12,000
Discretionary Fund	274,940	-	3,000	(3,000)	271,940
Be Ministry	8,542	-	-	-	8,542
Disaster Relief	100	-	-	-	100
UCC Emergency Fund	696	-	-	-	696
Fresh Start Program	-	15,000	-	15,000	15,000
Intermediates at Conference	1,564	-	-	-	1,564

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL  
SCHEDULE OF INTERNALLY RESTRICTED FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE 1  
12**

	Balance Opening Jan. 01/20	Additions in the year	Deductions in the year	Net Additions	Balance Ending Dec. 31/20
Investment Funds		3,037		3,037	3,037
New Ministries	1,222	19,711		19,711	20,933
Refugee Support	42,714		-		42,714
Youth Forum Fundraiser	1,291				1,291
Youth Opportunities	31,533	-	-	-	31,533
Youth Social Justice Development	336				336
Internship Sites	37,000		1,000	(1,000)	36,000
Learning Grants	9,424	5,127	290	4,837	14,261
Mission Support Grant	89,781	94,320	15,700	78,620	168,400
Generosity Fund	1,818				1,818
Personnel Emergency Fund	22,949	920	2,500	(1,580)	21,369
<b>Total</b>	<b>\$ 714,891</b>	<b>\$ 167,530</b>	<b>\$ 62,342</b>	<b>\$ 105,188</b>	<b>\$ 820,079</b>

**FUNDY ST. LAWRENCE DAWNING WATERS REGIONAL COUNCIL  
SCHEDULE OF EXTERNALLY RESTRICTED FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE 2  
13**

	Balance Opening Jan. 01/20	Additions in the year	Deductions in the year	Net Additions	Balance Ending Dec. 31/20
Bequest Funds	\$ 73,888	-	-	\$ -	\$ 73,888
Special Funds	25,138	3,710	-	3,710	28,848
<b>Total</b>	<b>\$ 99,026</b>	<b>\$ 3,710</b>	<b>\$ -</b>	<b>\$ 3,710</b>	<b>\$ 102,736</b>