

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**  
**Non-Consolidated Financial Statements**  
**Year Ended December 31, 2023**

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**

**Index to Non-Consolidated Financial Statements**

**Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of First Dawn Eastern Edge Regional Council

### *Opinion*

I have audited the non-consolidated financial statements of First Dawn Eastern Edge Regional Council (the "Regional Council"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Regional Council as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Regional Council in accordance with ethical requirements that are relevant to my audit of the non-consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Regional 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 Regional Council or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements*

My objectives are to obtain reasonable assurance about whether the non-consolidated 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 my 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 non-consolidated financial statements.

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

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Independent Auditor's Report to the Members of First Dawn Eastern Edge Regional Council (*continued*)

- Identify and assess the risks of material misstatement of the non-consolidated 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 my 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 Regional 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 Regional Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Regional Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

St. John's, NL  
April 9, 2024



Brian T. Scammell Professional Corporation  
Chartered Professional Accountant

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**

**Statement of Financial Position**

**December 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 402,860	\$ 547,340
Term deposits <i>(Note 3)</i>	364,350	350,000
Accounts receivable	75,332	48,679
Current portion of loans and notes receivable	19,457	18,997
Harmonized sales tax recoverable	16,782	15,449
Due from related parties <i>(Note 4)</i>	171	29,764
	878,952	1,010,229
LOANS AND NOTES RECEIVABLE <i>(Note 5)</i>	283,602	280,147
LONG TERM INVESTMENTS <i>(Note 6)</i>	8,139,649	7,448,350
CAPITAL ASSETS <i>(Note 7)</i>	153,536	159,311
	\$ 9,455,739	\$ 8,898,037
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accruals	\$ 93,353	\$ 52,628
Due to related parties <i>(Note 4)</i>	21,430	1,225
Due to United Church Bookstore	70,000	85,000
	184,783	138,853
<b>NET ASSETS</b>		
Operating Fund - Unrestricted	1,344,827	1,288,513
Internally Restricted Fund (Schedule 1)	6,218,669	5,775,192
Externally Restricted Fund (Schedule 2)	1,707,460	1,695,479
	9,270,956	8,759,184
	\$ 9,455,739	\$ 8,898,037

**ON BEHALF OF THE BOARD**

Faith March-MacCuish Director

Roy West Director

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**  
**Statement of Operations**  
**Year Ended December 31, 2023**

	Operating Fund - Unrestricted	Internally Restricted Fund	Externally Restricted Fund	2023	2022
<b>REVENUES</b>					
Grant - United Church of Canada <i>(Note 4)</i>	\$ 644,983	\$ -	\$ -	\$ 644,983	\$ 667,975
Property sales	9,963	31,823	-	41,786	295,335
United Church bookstore	21,700	-	-	21,700	21,700
Miscellaneous	-	9,260	550	9,810	9,509
Loan interest and Pitts fund	1,699	-	-	1,699	1,057
Student assistance repayment	-	-	1,450	1,450	2,800
Donation	-	260	-	260	205
	678,345	41,343	2,000	721,688	998,581
<b>EXPENSES</b>					
Salaries and wages	386,068	-	-	386,068	346,443
Mission and Support Services	215,017	-	-	215,017	198,991
Other	-	54,337	38,796	93,133	240,065
Office operating	51,457	38,792	-	90,249	134,425
Professional fees	12,335	1,638	-	13,973	32,230
Executive	13,741	-	-	13,741	5,963
Amortization	10,760	-	-	10,760	9,147
Donation	-	10,000	-	10,000	35,000
Regional Council	8,193	-	-	8,193	9,142
Scholarships	-	8,100	-	8,100	7,500
Student assistance	-	-	5,500	5,500	4,500
Division of Human Resources	3,526	-	-	3,526	3,594
Annual meeting	3,123	-	-	3,123	4,145
Division of Faith, Support and Planning	559	-	-	559	1,001
Division of Finance and Administrative Resources	494	-	-	494	1,053
	705,273	112,867	44,296	862,436	1,033,199
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>					
<b>FROM OPERATIONS</b>	<b>(26,928)</b>	<b>(71,524)</b>	<b>(42,296)</b>	<b>(140,748)</b>	<b>(34,618)</b>

*(continues)*

See notes to non-consolidated financial statements

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**  
**Statement of Operations** *(continued)*  
**Year Ended December 31, 2023**

	Operating Fund - Unrestricted	Internally Restricted Fund	Externally Restricted Fund	2023	2022
<b>OTHER INCOME (EXPENSES)</b>					
Unrealized gain (loss) on investments	367,268	-	-	367,268	(813,220)
Investment income	335,164	-	-	335,164	292,058
Interest on term deposits	16,259	-	-	16,259	8,582
Gain (loss) on sale of investments	(12,334)	-	-	(12,334)	15,722
Investment management fees	(53,837)	-	-	(53,837)	(53,760)
	652,520	-	-	652,520	(550,618)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 625,592	\$ (71,524)	\$ (42,296)	\$ 511,772	\$ (585,236)

See notes to non-consolidated financial statements

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2023**

	Operating Fund - Unrestricted	Internally Restricted Fund	Externally Restricted Fund	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,288,513	\$ 5,775,192	\$ 1,695,479	\$ 8,759,184	\$ 9,344,420
Excess of revenues over expenses	625,592	(71,524)	(42,296)	511,772	(585,236)
Interfund transfers <i>(Note 11)</i>	(569,278)	515,001	54,277	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 1,344,827	\$ 6,218,669	\$ 1,707,460	\$ 9,270,956	\$ 8,759,184

See notes to non-consolidated financial statements

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**

**Statement of Cash Flows**

**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 511,772	\$ (585,236)
Items not affecting cash:		
Amortization of capital assets	10,760	9,147
Unrealized gain (loss) on investments	(367,268)	(463,772)
	<b>155,264</b>	<b>(1,039,861)</b>
Changes in non-cash working capital:		
Accounts receivable	(26,653)	68,374
Prepaid expenses	-	500
Accounts payable and accruals	40,724	41,848
Harmonized sales tax payable	(1,333)	(11,895)
	<b>12,738</b>	<b>98,827</b>
Cash flow from (used by) operating activities	<b>168,002</b>	<b>(941,034)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of term deposits	(14,350)	(350,000)
Repayment of loans and notes receivable	16,490	36,589
Addition to loans and notes receivable	(20,404)	(80,056)
Purchase of investments	(324,031)	631,658
Purchase of capital assets	(4,985)	(11,941)
Cash flow from (used by) investing activities	<b>(347,280)</b>	<b>226,250</b>
<b>FINANCING ACTIVITY</b>		
Advances from related parties	34,798	(4,084)
Cash flow from (used by) financing activity	<b>34,798</b>	<b>(4,084)</b>
<b>DECREASE IN CASH FLOW</b>	<b>(144,480)</b>	<b>(718,868)</b>
Cash - beginning of year	547,340	1,266,208
<b>CASH - END OF YEAR</b>	<b>\$ 402,860</b>	<b>\$ 547,340</b>

See notes to non-consolidated financial statements

# FIRST DAWN EASTERN EDGE REGIONAL COUNCIL

## Notes to Non-consolidated Financial Statements

Year Ended December 31, 2023

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### 1. PURPOSE OF THE REGIONAL COUNCIL

First Dawn Eastern Edge Regional Council (the "Regional Council") is a Regional Council of the United Church of Canada operating in Newfoundland and Labrador. Its principal activities include the provision of services to the pastoral charges and incorporated ministries affiliated with the United Church of Canada in Newfoundland and Labrador.

The Regional Council is a registered charity under the Income Tax Act and is not subject to income tax.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of presentation*

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

#### *Fund accounting*

The Operating Fund accounts for the Regional Council's administrative activities. This fund reports unrestricted resources and restricted operating grants, as well as externally restricted contributions for which there is no corresponding restricted fund.

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

The Externally Restricted Funds are funds that have been established to honour the restricted purposes of the donors as set out in the Schedule of Externally Restricted Funds. Generally, only the income earned by the trusts may be expended.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, balances with banks, and short-term investments with maturities of three months or less.

#### *Investments*

Long term investments, which consist primarily of equities, bonds, mortgage-backed securities, term certificates and cash are carried at market value.

#### *Capital assets*

Capital assets are stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Buildings	5%	declining balance method
Furniture and fixtures	20%	declining balance method
Alarm system	20%	declining balance method

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

#### *Financial instruments*

The Regional Council recognizes its financial instruments when the Regional Council becomes party to the contractual provisions of the financial instrument.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable, amounts due from related parties, and some long-term investments. Long-term investments held with RBC Phillips, Hager & North Investment Counsel are measured at fair value.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and amounts due to related parties.

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FIRST DAWN EASTERN EDGE REGIONAL COUNCIL

Notes to Non-consolidated Financial Statements

Year Ended December 31, 2023

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

*Arm's length financial instruments*

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Council may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Council has made such an election during the year with respect to the investments held with RBC Phillips, Hager & North Investment Counsel.

The Council subsequently measures all financial assets and liabilities at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

*Related party financial instruments*

The Council initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market.
- Debt instruments quoted in an active market.
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly).
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 4).

At initial recognition, the Council may elect to subsequently measure the related party debt instruments that are quoted in an active market, or that have observable inputs significant to the determination of fair value, at fair value. The Council has not made such an election during the year; thus all such related party debt instruments are subsequently measured at amortized cost.

The Council subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

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# FIRST DAWN EASTERN EDGE REGIONAL COUNCIL

## Notes to Non-consolidated Financial Statements

Year Ended December 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *Financial asset impairment*

The Council assesses impairment of all its financial assets measured at cost or amortized cost. The Council groups assets for impairment testing when 1) available information is not sufficient to permit identification of each individually impaired financial asset in the group, 2) there are numerous assets affected by the same factor, 3) no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Council determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments initially measured at cost, the Council reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of the financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Council reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

For related party debt instruments initially measured at cost, the Council reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Council reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

#### *Post retirement benefit plan*

The employees of the Council participate in a defined benefit pension plan administered and held nationally by the United Church of Canada. Defined contribution plan accounting is applied to this multi-employer contributory defined benefit. The Regional Council is not responsible for this obligation due to the employees under this benefit plan.

#### *Revenue recognition*

First Dawn Eastern Edge Regional Council follows the restricted fund method of accounting for contributions.

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 revenue in the operating fund when the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the operating fund when received or receivable if the amount can be reasonably estimated and collection 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 operating fund.

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**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**

**Notes to Non-consolidated Financial Statements**

**Year Ended December 31, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Measurement uncertainty*

The preparation of non-consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets is based on the estimated useful lives of capital assets.

By their nature, these judgements are subject to measurement uncertainty, and the effect on the non-consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the years in which they become known.

*Contributed services*

A number of volunteers contribute their time each year to the Regional Council. Due to the difficulty of determining the fair value of these items, no amounts are recognized in the financial statements.

**3. TERM DEPOSIT**

	<b>2023</b>	<b>2022</b>
Royal Bank of Canada, one year non-redeemable GIC at 5.300%, maturing on July 26, 2024	\$ 264,350	\$ -
Royal Bank of Canada, one year redeemable GIC, with a variable rate, maturing on July 26, 2024	100,000	-
Royal Bank of Canada, one year non-redeemable GIC at 4.100%, matured on July 26, 2023	-	350,000
	<b>\$ 364,350</b>	<b>\$ 350,000</b>

**4. DUE TO RELATED PARTIES**

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

	<b>2023</b>	<b>2022</b>
<u>Related party transactions</u>		
<b>General Council of the United Church of Canada</b>		
<i>(Governing body of the Regional Council)</i>		
Grants - operational	\$ 404,983	\$ 427,975
Grants - mission work	240,000	240,000
Salaries expenses	(423,886)	(384,800)
Office expenses	(5,552)	(5,062)
Mission & support grants	(142,000)	(142,000)
Reimbursements	(92,356)	(137,184)
	<b>\$ (18,811)</b>	<b>\$ (1,071)</b>

*(continues)*

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**

**Notes to Non-consolidated Financial Statements**

**Year Ended December 31, 2023**

**4. DUE TO RELATED PARTIES (continued)**

	<b>2023</b>	<b>2022</b>
<i>Related party transactions (continued)</i>		
<b>Fundy St. Lawrence Dawning Waters Regional Council</b>		
<i>(Related through common control)</i>		
Expenses paid by the Regional Council on behalf of Fundy St. Lawrence Dawning Waters	\$ 22,096	\$ 19,091
Funds paid to the Regional Council by Fundy St. Lawrence Dawning Waters	(20,867)	(12,272)
Funds deposited by the Regional Council due to Fundy St. Lawrence Dawning Waters	(240)	(180)
Expenses paid by Fundy St. Lawrence Dawning Waters on behalf of the Regional Council	(8,641)	(1,595)
Funds deposited by Fundy St. Lawrence Dawning Waters due to the Regional Council	776	-
Copying fees charged by Fundy St. Lawrence Dawning Waters to the Council	(3)	-
	<b>\$ (6,879)</b>	<b>\$ 5,044</b>
<b>Regional Council 15</b>		
<i>(Related through common control)</i>		
Expenses paid by the Regional Council on behalf of Regional Council 15	\$ 18,823	\$ 15,387
Funds paid to the Regional Council by Regional Council 15	(16,492)	(13,674)
Funds deposited by the Regional Council due to Regional Council 15	(1,343)	(180)
Expenses paid by Regional Council 15 on behalf of the Council	(5,267)	-
	<b>\$ (4,279)</b>	<b>\$ 1,533</b>
<b>United Church Bookstore</b>		
<i>(Controlled by the Council)</i>		
Administration income	\$ 20,000	\$ 20,000
Expenses paid by the Regional Council on behalf of the United Church Bookstore	13,153	6,345
Funds paid to the Regional Council by the United Church Bookstore	(53,153)	(27,767)
	<b>\$ (20,000)</b>	<b>\$ (1,422)</b>

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.

Related party balances

	<b>2023</b>	<b>2022</b>
Current portion due from related parties		
Fundy St. Lawrence Dawning Waters Regional Council	\$ -	\$ 6,547
Regional Council 15	-	3,217
United Church Bookstore	-	20,000
Other	171	-

*(continues)*

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**

**Notes to Non-consolidated Financial Statements**

**Year Ended December 31, 2023**

**4. DUE TO RELATED PARTIES (continued)**

	2023	2022
	\$ 171	\$ 29,764
	2023	2022
Current portion due to related parties		
General Council of the United Church of Canada	\$ 20,036	\$ 1,225
Fundy St. Lawrence Dawning Waters Regional Council	332	-
Regional Council 15	1,062	-
	\$ 21,430	\$ 1,225

Advances to and from related parties are non-interest bearing and are expected to be repaid within the next fiscal year.

**5. LOANS AND NOTES RECEIVABLE**

The Regional Council lends money to various organizations affiliated with The United Church of Canada. These loans are repayable in varying monthly installments at an interest rate of 2% per year. The \$283,602 (2022 - \$280,147) in loans and notes receivable include \$198,371 (2022 - \$198,371) due from Cochrane Community Outreach and Performance Centre Inc (CCOPC). There is an agreement that all interest and principal payments due from the CCOPC will be deferred until 2025.

**6. LONG TERM INVESTMENTS**

	2023	2022
Equities	\$ 3,258,543	\$ 3,123,314
Fixed income	3,547,711	2,951,429
Other	1,333,395	1,373,607
	\$ 8,139,649	\$ 7,448,350

All these investments are presented at fair value. For the year ended December 31, 2023, the increase in the unrealized gain of \$383,295 was recorded in income in the Discretionary Fund. There was an unrealized loss for the year ended December 31, 2022 which was recorded in expense in the Discretionary Fund.

**7. CAPITAL ASSETS**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 1	\$ -	\$ 1	\$ 1
Buildings	546,313	403,981	142,332	149,823
Computer equipment	4,985	1,371	3,614	-
Alarm system	8,070	2,260	5,810	7,263
Furniture and fixtures	162,947	161,168	1,779	2,224
	\$ 722,316	\$ 568,780	\$ 153,536	\$ 159,311

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**

**Notes to Non-consolidated Financial Statements**

**Year Ended December 31, 2023**

**8. DUE TO UNITED CHURCH BOOKSTORE**

The amount due of \$70,000 (2022 - \$85,000) is payable to the United Church Bookstore which is controlled by the Regional Council. Interest is charged on the amount at the same rate as the other trust funds (2023 - 4%, 2022 - 4%).

**9. INSURANCE ASSESSMENT RESERVE**

In prior years, the Regional Council had a self-insurance program whereby a portion of the insurance premium levied to each pastoral charge was used for self-insurance. All claims by the pastoral charges under a specific amount were paid from the self-insurance funds. At the end of each fiscal year, the funds remaining in the self-insurance plan, if applicable, would be refunded to the Regional Council for use in future years, if the need arises. The balance of \$141,955 (2022 - \$175,537) represents the cumulative amount of self-insurance premiums of prior years, funds transferred from MacPherson School Fund, plus allocated income and expenses as disclosed in Schedule 1. The Regional Council no longer uses a self-insurance program and insurance costs are passed on to the individual pastoral charges. The balance remaining in the account will be used for insurance expenditures as determined by the Council's Executive.

Transactions in the reserve included:

	2023	2022
Interest earned	\$ 7,021	\$ 6,884
Insurance expenses	(37,092)	(59,505)
Administration fee to Regional Council	(3,511)	(3,442)
Excess of revenue over expenses	(33,582)	(56,063)
Insurance reserve, beginning of year	175,537	81,600
Transfer from Discretionary Fund	-	-
Transfer from McPherson School Fund	-	150,000
Insurance reserve, end of year	\$ 141,955	\$ 175,537

**10. FINANCIAL INSTRUMENTS**

The Regional Council 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 Regional Council's risk exposure and concentration as of December 31, 2023.

***Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Regional Council is exposed to credit risk from its accounts receivable and its loan and notes receivable. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Regional Council is also exposed to concentration risk as 44% of accounts receivable relates to Little Bay Islands Pastoral Charge; this concentration risk is mitigated since the amount will be collected when the property in Little Bay Islands is sold.

***Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Regional Council is exposed to this risk mainly in respect of its receipt of funds from its charges and payments of its expenses.

*(continues)*

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**

**Notes to Non-consolidated Financial Statements**

**Year Ended December 31, 2023**

**10. FINANCIAL INSTRUMENTS (continued)**

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

*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 Regional Council is exposed to other price risk through its investment in quoted shares.

**11. INTERFUND TRANSFERS**

	Operating Fund - Unrestricted	Internally Restricted Fund	Externally Restricted Fund	2023
Transfer of administration surplus	\$ (600,609)	\$ 600,609	\$ -	\$ -
Transfer of Mission and Support surplus	(24,984)	24,984	-	-
Interest allocated from discretionary fund	-	(68,635)	68,635	-
Interest allocated from discretionary fund to other internally restricted funds	-	(98,375)	-	(98,375)
Interest allocated to other internally restricted funds from discretionary fund	-	98,375	-	98,375
Transfer of administration fees from externally restricted funds and internally restricted funds to operating fund	130,540	(96,222)	(34,318)	-
Other transfers	(74,225)	54,265	19,960	-
	<b>\$ (569,278)</b>	<b>\$ 515,001</b>	<b>\$ 54,277</b>	<b>\$ -</b>

**12. ECONOMIC DEPENDENCE**

The Regional Council received a significant portion of its operating revenue from the General Council of the United Church of Canada. Should the General Council of the United Church of Canada reduce its grants to the Regional Council, management is of the opinion that continued viable operations would be doubtful.

**13. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**  
**Schedule of Internally Restricted Funds**  
**Schedule 1**  
**Year Ended December 31, 2023**

	Balance Opening Jan. 1/23	Revenue	Expenses	Excess (Deficiency) of Revenue over Expenses	Interfund Transfers	Balance Ending Dec. 31/23
Archives	\$ 91,211	\$ 2,414	\$ 5,297	\$ (2,883)	\$ -	\$ 88,328
Chaplaincy Fund	69,522	260	9,000	(8,740)	-	60,782
Compassionate Assistance Fund	108,048	-	4,000	(4,000)	2,161	106,209
Coughlan College Trust Fund	1,613,166	8,145	24,632	(16,487)	32,253	1,628,932
Discretionary Fund	2,518,661	-	-	-	386,605	2,905,266
Explorer Program	7,153	-	-	-	-	7,153
Insurance Assessment Reserve Fund (Note 9)	175,537	-	37,092	(37,092)	3,511	141,955
Intentional Interim Ministry Refresher	6,216	-	-	-	-	6,216
Mission Support Held	118,119	-	1,000	(1,000)	24,983	142,102
New Church Development	13,326	-	-	-	15,567	28,893
New Ministry Initiatives	311,324	4,828	8,000	(3,173)	-	308,152
Post-Graduate Education Fund For Ministry Personnel	65,807	-	2,000	(2,000)	21,716	85,523
Property Reserve Fund	214,102	24,582	19,066	5,515	19,225	238,842
Social Ministries Trust	362,892	1,116	-	1,116	7,280	371,288
Summerside Church	80,108	-	1,080	(1,080)	-	79,028
Syrian Refugee	20,000	-	-	-	-	20,000
United Church Bookstore	-	-	1,700	(1,700)	1,700	-
<b>Grand Total</b>	<b>\$ 5,775,192</b>	<b>\$ 41,343</b>	<b>\$ 112,867</b>	<b>\$ (71,524)</b>	<b>\$ 515,001</b>	<b>\$ 6,218,669</b>

**FIRST DAWN EASTERN EDGE REGIONAL COUNCIL**  
**Schedule of Externally Restricted Funds**  
**Schedule 2**  
**Year Ended December 31, 2023**

	Balance Opening Jan. 1/23	Revenue	Expenses	Excess (Deficiency) of Revenue over Expenses	Interfund Transfers	Balance Ending Dec. 31/23
Agnes Pratt Home Fund	\$ 79,003	\$ -	\$ 1,580	\$ (1,580)	\$ 1,580	\$ 79,003
Ministers' Children Attending Post Secondary Education	25,145	-	1,800	(1,800)	20,903	44,248
Loon Bay Camp Fund	1,040	-	61	(61)	21	1,000
Carmanville Church Fund	5,000	-	500	(500)	500	5,000
Curling Memorial Church Fund	18,041	-	361	(361)	361	18,041
Blackhead Historic Site Fund	2,600	-	52	(52)	52	2,600
Gulliford Bequest - CNIB	600	-	-	-	12	612
Pelley Estate Fund	851,329	-	12,500	(12,500)	9,909	848,738
Red Harbour (Port Elizabeth) Fund	205	-	-	-	4	209
William Seeley Mercer Memorial	6,600	-	132	(132)	132	6,600
Emmanuel House Fund	51,003	-	1,020	(1,020)	1,020	51,003
Methodist College Fund	230,000	-	4,600	(4,600)	4,600	230,000
Pine Hill Bursary Fund	10,000	-	200	(200)	200	10,000
Student Assistance Fund	133,175	1,450	6,100	(4,650)	2,274	130,799
Retired Ministers' Fund	48,479	414	8,600	(8,186)	8,086	48,379
Hant's Harbour Fund	1,020	-	-	-	20	1,040
Holy Land Visit Fund	47,512	-	3,000	(3,000)	950	45,462
Burry Heights Fund	44,003	-	880	(880)	880	44,003
Cochrane Street Fund	42,003	-	840	(840)	840	42,003
Greenspond Fund	10,000	-	200	(200)	200	10,000
Captain & Mrs. Leslie Winsor Fund	10,000	-	200	(200)	200	10,000
Prince of Wales Colligate Fund	7,400	-	148	(148)	148	7,400
Senior Citizens' Home Beatrice Gear Fund	7,000	-	140	(140)	140	7,000
Grates Cove United Church Fund	6,777	136	271	(136)	136	6,777
Elsie M. Oldford Trust	2,000	-	-	-	-	2,000
Wallace & Muriel Baker Trust	5,000	-	100	(100)	100	5,000
John T. Murphy Memorial Trust	50,544	-	1,011	(1,011)	1,011	50,544
<b>Grand Total</b>	<b>\$ 1,695,479</b>	<b>\$ 2,000</b>	<b>\$ 44,296</b>	<b>\$ (42,296)</b>	<b>\$ 54,277</b>	<b>\$ 1,707,460</b>