

**Northern Spirit Executive Minutes  
April 25, 2023 via Zoom**

- EXECUTIVE PRESENT** Helen Reed (Chair), Gord Waldie, Mary Annan, Alistair MacKay, Leslie Penny, Peter Chynoweth, Donna Kline
- A quorum was present.
- REGRETS** Margaret-Anne Hall
- STAFF PRESENT** Shannon McCarthy (Executive Minister); Heather Dootoff (Finance Administrator), Chloe Burns (Administrative Support); Chantal Winslow (Executive Assistant & Recording Secretary)
- CALL TO ORDER** Helen called the meeting to order at 9:33 am. She led us in reflection & prayer.
- APPROVAL OF AGENDA** We reviewed the agenda.
- AUDIT** Heather presented us with the audit statements.
- 044-2022/2023** **It was agreed by consensus:  
That Northern Spirit Regional Council Executive approve the audited statements as presented.**
- SOUTH COOKING LAKE** Letter received from South Cooking Lake United Church asking for permission to sell the property and then disband within 6 months after the sale is completed.
- 045-2022/2023** **It was agreed by consensus:  
That Northern Spirit Regional Council Executive approve the sale of South Cooking Lake United Church.**
- 046-2022/2023** **It was agreed by consensus:  
That Northern Spirit Regional Council Executive approve the disbanding of South Cooking Lake United Church congregation, the date of which is 6 months after the sale of the property, pending the completion of all paperwork.**
- VEGREVILLE** Vegreville is reaching out to the Executive to advise that they are in serious financial difficulty. They have been operating on a month-to-month basis for the past year.
- Does Community of Faith Support Committee feel this is a viable pastoral charge? They aren't sure. It just went to the Community of Faith group at the same time that we received this.
- The minister should be paid first. Not everybody knows that.

We can float a loan, up to \$15,000 (or a grant?) to them to make sure that the minister is paid. They should provide 90 days notice to their Minister. This would give them 3 months to work with the Community of Faith Support Committee.

Concerned that if we give them a loan, that they would be paying their debts and not their minister. In the manual there is a very clear list of who gets paid in what order.

#### G.4.2.4 Disbursement of Funds—Order of Priority

The governing body is responsible for ensuring all funds received for the ministry of the congregation or pastoral charge are disbursed in the following order of priority:

- a) the remuneration of the ministry personnel serving the pastoral charge;
- b) the assessments payable to the United Church pension fund and the group insurance plan;
- c) the salaries of other staff of the congregation or pastoral charge;
- d) the assessment for the costs of governance and support services for the denomination; and
- e) other capital and current expenses of the congregation or pastoral charge.

Regardless of a loan/grant, we need to have a difficult conversation with them. Need to bring Community of Faith Support, Executive, and the congregation together to assess.

#### **047-2022/2023**

**It was agreed by consensus:**

**That Northern Spirit Regional Council Executive approve a grant to cover the payroll of Rev. Pamela Milton for the month of May, and any payroll arrears for April and approve a potential loan to be offered once we meet with the congregation and determine their viability.**

#### **ANNUAL MEETING**

Registration deadline has passed but still receiving applications. Can we shut down registration? Getting difficult to sort out tables, chairs, meals etc.

Registrations must be in by Thursday at 4:30 pm. Chloe can send out a note.

Chloe can change the registration to say 'Closed'. If somebody still wants to attend, they can pay their fee and just not get any meals.

#### **OTHER**

Paid position for somebody to take care of amalgamation and disbanding

Thank you to Alistair and Gord for their wisdom and offerings on the Executive. This will be their last meeting.

Pastoral Care Minister has been hired. More information to come at the Annual Gathering.

#### **NEXT MEETING**

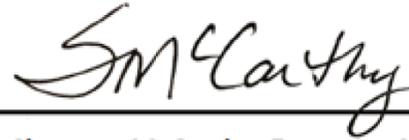
Next meeting will be May 10, 2023 at 9:30 am.

#### **ADJOURNMENT**



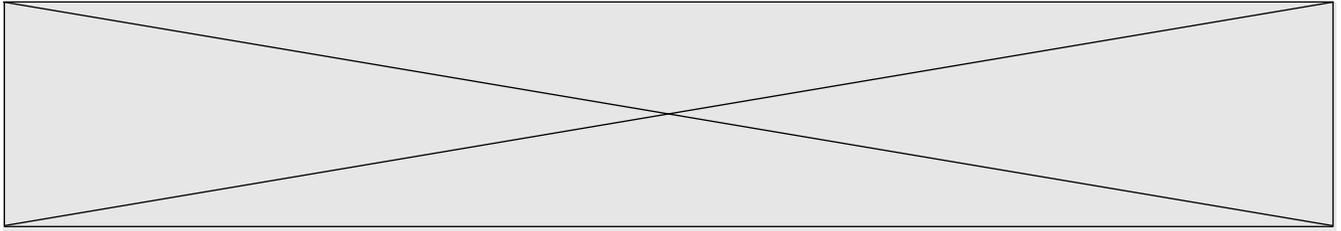
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**Helen Reed, Chairperson**



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**Shannon McCarthy, Executive Minister**





# Northern Spirit Regional Council

Final Report to the Executive Committee  
For the Year Ended December 31, 2022

START

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# To Executive of Northern Spirit Regional Council

We are pleased to provide you with the results of our audit of Northern Spirit Regional Council (the "Council") financial statements for the year ended December 31, 2022.

The enclosed final report includes our approach to your audit, including: significant risks identified and the nature, extent, and results of our audit work. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.

During the course of our audit, management made certain representations to us—in discussions and in writing. We documented these representations in the audit working papers.

The business environment has changed for us all during the time of COVID-19. Cash flow, strategy, operations: each has received a rethink. As your auditors, we have relied on our digital audit suite to stay connected—among ourselves, with management, and with you.

We look forward to discussing our audit conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP  
Chartered Professional Accountants





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# Audit at a glance

Preliminary materiality was \$29,000. Final materiality remained unchanged from our preliminary assessment.

We are not aware of any fraud affecting the Council. If you have become aware of changes to processes or are aware of any instances of actual, suspected, or alleged fraud since our discussions held at planning, please let us know.

Our annual letter confirming our independence was previously provided to you as part of our Audit Planning Report to Executive for the year ended December 31, 2022. We know of no circumstances that would cause us to amend the previously provided letter.

<b>LEAD PARTNER ON YOUR AUDIT</b>	Chris Kauenhofen, CPA, CA	<b>START DATE</b>	February 2023	<b>END DATE</b>	April 2023
	Email: ckauenhofen@bdo.ca				
	Direct: 204 926 7216				



# Status of the audit

We have substantially completed our audit of the year ended December 31, 2022 financial statements, pending completion of the following items:

- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to the financial statements approval date
- ▶ Approval of financial statements by Executive

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement.

The scope of the work performed was substantially the same as that described in our Planning Report to the Executive for the year ended December 31, 2022.





# Audit findings

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Council's accounting practices, including accounting policies, accounting estimates and financial statements disclosures. We look forward to exploring these topics in depth and answering your questions. A summary of the key discussion points are below:

Financial statement areas	Risks noted	Audit findings
Revenue	Per Canadian Auditing Standard 240, "the auditor's responsibilities relating to fraud in an audit of financial statements," the auditor shall always presume that there are risks of fraud in revenue recognition unless the Council does not have revenue or deferred revenue.	There were no issues were noted in respect of revenue recognition.
Risk of Management Override of Controls	Per CAS 240.32, audit procedures are required in order to mitigate any potential risk of management override of controls. This is considered a significant risk because it could have a pervasive impact on the financial statements.	There were no issues were noted in respect of management override of controls.



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## Internal control matters

During the audit, we performed the following procedures regarding the Council's internal control environment:

- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.

We considered the results of these procedures in determining the extent and nature of audit testing required.



We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.

A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that merits the attention of those charged with governance.

The audit expresses an opinion on the Council's financial statements. As a result, it does not cover every aspect of internal controls—only those relevant to preparing the financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.



# Adjusted and unadjusted differences

## Summary of adjusted differences

Adjusting entries were proposed during the audit to adjust accruals, investment income, related party balances and opening retained earnings. Each of these items has been discussed with and recorded by management.

- To adjust year end accrued interest on GIC's.
- To record Frontier investment activity in the year.
- To record effects of Living Skies Regional Council clearout of General Holding Account.
- To record adjustment to year end vacation accrual.
- To record allocation to designated funds at year end.

## Summary of unadjusted differences

There are no unadjusted differences at the conclusion of our audit.



# Other required communications

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

Issue	BDO response
Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.	We have reviewed meeting minutes for any discussions regarding possible legal issues and reviewed legal invoices. No legal claims were noted during and subsequent to year end.
Material uncertainties related to events and conditions that may cast significant doubt on the Council's ability to continue as a going concern.	We did not note any events that may cast significant doubt on the Council's ability to continue as a going concern.
Disagreements with management about matters that, individually or in the aggregate, could be significant to the Council's financial statements or our audit report.	We have not had any disagreements with management that could be significant to the Council's financial statements.
Matters involving non-compliance with laws and regulations.	We have found no instances of non-compliance with laws and regulations.
Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.	We have found no significant related party transactions not in the course of normal operations.
The management representation letter.	We will obtain a signed representation letter from management once the draft financial statements have been approved by Executive.
Significant accounting policies, estimates and judgments.	We have reviewed accounting policies, estimates and judgments for consistency and appropriateness.

**NORTHERN SPIRIT REGIONAL COUNCIL**  
**Statement of Financial Position**

As at December 31

					2022	2021
	<u>Externally Restricted Funds</u>					
	Operating Fund	Ann Mazur Fund	Other Externally Restricted	Internally Restricted	Total	Total
<b>Assets</b>						
<b>Current Assets</b>						
Cash	\$ 223,014	\$ -	\$ -	\$ -	\$ 223,014	\$ 174,332
Short-term investments (Note 3)	1,049,637	-	-	-	1,049,637	937,050
Accounts receivable (Note 4)	997	-	-	-	997	1,856
Accrued interest	9,452	-	-	-	9,452	3,565
Interfund accounts	(921,888)	172,078	226,671	523,139	-	-
	<u>361,212</u>	<u>172,078</u>	<u>226,671</u>	<u>523,139</u>	<u>1,283,100</u>	<u>1,116,803</u>
Long-term investments (Note 2)	-	-	137,848	-	137,848	135,338
Loans receivable (Note 5)	77,292	16,000	-	-	93,292	49,576
	<u>\$ 438,504</u>	<u>\$ 188,078</u>	<u>\$ 364,519</u>	<u>\$ 523,139</u>	<u>\$ 1,514,240</u>	<u>\$ 1,301,717</u>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities	\$ 11,269	\$ -	\$ -	\$ -	\$ 11,269	\$ 9,715
Due to related parties (Note 6)	3,721	-	-	-	3,721	1,495
	<u>14,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,990</u>	<u>11,210</u>
<b>Net assets</b>	<u>423,514</u>	<u>188,078</u>	<u>364,519</u>	<u>523,139</u>	<u>1,499,250</u>	<u>1,290,507</u>
	<u>\$ 438,504</u>	<u>\$ 188,078</u>	<u>\$ 364,519</u>	<u>\$ 523,139</u>	<u>\$ 1,514,240</u>	<u>\$ 1,301,717</u>

Approved by the Regional Council Executive:

\_\_\_\_\_ Executive Minister

\_\_\_\_\_ Treasurer