

**NORTHERN SPIRIT REGIONAL COUNCIL**

**Financial Statements**  
For the year ended December 31, 2023

# **NORTHERN SPIRIT REGIONAL COUNCIL**

## **Financial Statements** **For the year ended December 31, 2023**

**Contents**

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<b>Independent Auditor's Report</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	<b>4</b>
Statement of Operations	<b>5</b>
Statement of Changes in Net Assets	<b>6</b>
Statement of Cash Flows	<b>7</b>
Notes to Financial Statements	<b>8</b>
<b>Schedule of Funds (Unaudited)</b>	<b>18</b>

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## Independent Auditor's Report

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### To the Executive of Northern Spirit Regional Council

#### Opinion

We have audited the financial statements of **Northern Spirit Regional Council** (the "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 financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2023 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.

#### Basis for Opinion

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 opinion.

#### Other Matters

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedule on page 18 of the Council's financial statements.

#### Responsibilities of Management and Those Charged with Governance 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, 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 Responsibility 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.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba

April 18, 2024

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

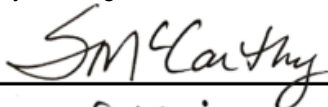

As at December 31

2023

2022

	<u>Externally Restricted Funds</u>				Total	Total
	Operating Fund	Ann Mazur Fund	Other Externally Restricted	Internally Restricted		
<b>Assets</b>						
<b>Current Assets</b>						
Cash	\$ 144,654	\$ -	\$ -	\$ -	\$ 144,654	\$ 223,014
Short-term investments (Note 3)	982,444	-	-	-	982,444	1,049,637
Accounts receivable (Note 4)	3,492	-	-	-	3,492	997
Accrued interest	36,125	-	-	-	36,125	9,452
Demand loan (Note 5)	50,000	-	-	-	50,000	50,000
Interfund accounts	(745,265)	(14,095)	208,606	550,754	-	-
Due from related parties (Note 7)	939	-	-	-	939	-
	<b>472,389</b>	<b>(14,095)</b>	<b>208,606</b>	<b>550,754</b>	<b>1,217,654</b>	<b>1,333,100</b>
<b>Long-term investments</b> (Note 3)	-	-	347,192	-	347,192	137,848
<b>Loans receivable</b> (Note 5)	21,740	14,095	-	-	35,835	43,292
	<b>\$ 494,129</b>	<b>\$ -</b>	<b>\$ 555,798</b>	<b>\$ 550,754</b>	<b>\$ 1,600,681</b>	<b>\$ 1,514,240</b>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities	\$ 5,681	\$ -	\$ -	\$ -	\$ 5,681	\$ 11,269
Due to related parties (Note 7)	2,373	-	-	-	2,373	3,721
	<b>8,054</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,054</b>	<b>14,990</b>
<b>Net assets</b>	<b>486,075</b>	<b>-</b>	<b>555,798</b>	<b>550,754</b>	<b>1,592,627</b>	<b>1,499,250</b>
	<b>\$ 494,129</b>	<b>\$ -</b>	<b>\$ 555,798</b>	<b>\$ 550,754</b>	<b>\$ 1,600,681</b>	<b>\$ 1,514,240</b>

Approved by the Regional Council Executive:

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

## NORTHERN SPIRIT REGIONAL COUNCIL Statement of Operations

For the year ended December 31

2023

2022

	Budget	Operating Fund	Externally Restricted	Internally Restricted	Total	Total
<b>Revenue</b>						
United Church of Canada grants	\$ 631,000	\$ 641,375	\$ -	\$ -	\$ 641,375	\$ 655,775
Donations	-	61,816	20,429	-	82,245	488,250
Event Fees	25,000	28,447	-	-	28,447	-
Investment Income	-	45,927	2,483	-	48,410	19,778
Other Income	5,000	1,275	-	-	1,275	1,196
	<b>661,000</b>	<b>778,840</b>	<b>22,912</b>	<b>-</b>	<b>801,752</b>	<b>1,164,999</b>
<b>Expenditures</b>						
Grants and payments to programs	170,000	206,158	17,659	5,459	229,276	520,856
Annual meeting	60,000	40,045	-	-	40,045	958
General fund	43,105	27,240	-	-	27,240	24,473
Office and administration	53,648	42,990	-	-	42,990	48,101
Staffing costs	395,483	370,575	-	-	370,575	358,222
	<b>722,236</b>	<b>687,008</b>	<b>17,659</b>	<b>5,459</b>	<b>710,126</b>	<b>952,610</b>
<b>Excess (deficiency) of revenue over expenditures before other item</b>	<b>(61,236)</b>	<b>91,832</b>	<b>5,253</b>	<b>(5,459)</b>	<b>91,626</b>	<b>212,389</b>
<b>Other Item</b>						
Unrealized gain (loss) on investments	-	-	5,554	-	5,554	(3,646)
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (61,236)</b>	<b>\$ 91,832</b>	<b>\$ 10,807</b>	<b>\$ (5,459)</b>	<b>\$ 97,180</b>	<b>\$ 208,743</b>

**NORTHERN SPIRIT REGIONAL COUNCIL**  
**Statement of Changes in Net Assets**

**For the year ended December 31**

**2023**

**2022**

	Operating Fund	Externally Restricted	Internally Restricted	Total	Total
<b>Net assets, beginning of year</b>	\$ 423,514	\$ 552,597	\$ 523,139	\$ 1,499,250	\$ 1,290,507
<b>Excess (deficiency) of revenue over expenditures</b>	91,832	10,807	(5,459)	97,180	208,743
<b>Internal transfers (Note 9)</b>	(29,271)	(7,606)	33,074	(3,803)	-
<b>Net assets, end of year</b>	\$ 486,075	\$ 555,798	\$ 550,754	\$ 1,592,627	\$ 1,499,250

The accompanying notes are an integral part of these financial statements.

## NORTHERN SPIRIT REGIONAL COUNCIL Statement of Cash Flows

For the year ended December 31	2023	2022
<b>Cash Flows from (to) Operating Activities</b>		
Excess of revenue over expenditures	\$ 97,180	\$ 208,743
Adjustments for		
Unrealized (gain) loss on investments	(5,554)	4,001
	<u>91,626</u>	212,744
Adjustments for non-cash items		
Accounts receivable	(2,495)	859
Accrued interest	(26,673)	(5,887)
Loan receivable	7,457	(43,716)
Due from related parties	(939)	-
Accounts payable and accrued liabilities	(5,588)	1,554
Due to related parties	(1,348)	2,226
	<u>62,040</u>	167,780
<b>Cash Flows to Investing and Financing Activities</b>		
Proceeds of disposal of investments	1,055,191	186,778
Purchase of investments	(1,191,788)	(305,876)
Decrease in externally restricted funds	(3,803)	-
	<u>(140,400)</u>	(119,098)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(78,360)</b>	<b>48,682</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>223,014</b>	<b>174,332</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 144,654</b>	<b>\$ 223,014</b>



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# NORTHERN SPIRIT REGIONAL COUNCIL

## Notes to Financial Statements

For the year ended December 31, 2023

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### 1. Nature of the Operations

The Northern Spirit Regional Council (the "Council") is composed of Communities of Faith of The United Church of Canada within Northern Alberta, and parts of Northern British Columbia and the Northwest Territories. The Regional Council of The United Church of Canada is a decision making body responsible to serve and support Communities of Faith within its bounds and provide necessary oversight. The Council is a registered charity under the Income Tax Act. It is exempt from income taxes under section 149(1) of the Income Tax Act.

The purpose of the Council is:

- Provide support advice and services to Communities of Faith in the areas of human resources, property, archives, leadership training.
- Provide oversight of Communities of Faith and supporting them in their life and work and ensure compliance with the policies and polity of the United Church.
- To ordain and commission members of the order of ministry, recognize Designated Lay Minister, and celebrate admission and re-admissions into the order of ministry.
- To speak both pastorally and prophetically while providing education and advocacy on issues that affect the health of our communities.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Fund Accounting

The Council follows the restricted fund method of accounting for contributions. Interest revenue is recognized as income when the Council becomes entitled to such earning.

#### Externally Restricted Funds

##### *Ann Mazur Memorial Fund*

In 1982, the Conference received a bequest from the Estate of Ann Mazur with the stipulation that the funds were to be used to provide capital assistance for new church development. Accordingly, the bequest was used to establish the Ann Mazur Memorial Fund. Loans are made from the fund for specific capital projects and are repayable over a period of up to 10 years from the date of the loan, with interest rates up to 5%. This fund was transferred from the Alberta and Northwest Conference of the United Church of Canada.

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## NORTHERN SPIRIT REGIONAL COUNCIL Notes to Financial Statements

**For the year ended December 31, 2023**

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### 2. Summary of Significant Accounting Policies (continued)

#### Externally Restricted Designated Funds (continued)

The Council has received certain contributions which are to be used for specific purposes as instructed by the donors. Interfund accounts are due on demand and non-interest bearing.

#### *Archive Trust Fund*

This fund was established to fund the preservation and maintenance of archival records to the national archival standard for both the Council and the Chinook Winds Regional Council. This fund was transferred from the Alberta and Northwest Conference of the United Church of Canada. Once this fund is depleted, the Chinook Winds Regional Council will cover its own archive costs and the Council's archive costs will be covered by the Regional Archive Fund.

#### *Emergency Relief Trust Fund*

This fund was established to receive donations for the assistance of those affected by recent emergencies in the Province of Alberta, Northeastern BC and the Northwest Territories. During 2018, funds were disbursed on the authority of one of the Conference Co-Executive Secretaries to provide recovery assistance and post-disaster counselling and pastoral support for the people of Fort McMurray affected by the wildfire there in 2016. This fund has been made available to help Communities of Faith affected by the pandemic. This fund was transferred from the Alberta and Northwest Conference of the United Church of Canada.

#### *Reclaiming the Mission Fund*

This fund was made available to each Conference by the General Council Executive for the purposes of raising awareness and promotion of the Mission and Service Fund, encouraging wider use of stewardship materials and the development thereof, and education/awareness building for ministry personnel in areas of Stewardship and Mission and Service. The overarching intent is to realize an increase in revenue generation for the Mission and Service Fund to build a more secure base for the ministry and mission of the United Church of Canada. This fund was transferred from the Alberta and Northwest Conference of the United Church of Canada.

#### *Special Conflict Resolution Trust Fund*

This fund was established in December 2018 by an allocation from the Conference Net Assets to cover expenditures relating to a specific conflict involving ministry personnel at a pastoral charge. As the pastoral charge is located in the Northern Spirit Region at January 1, 2019, the balance of this fund was transferred to the Northern Spirit Regional Council. Once the issue has been resolved, the Northern Spirit Regional Council will transfer 50% of any funds remaining to the Chinook Wind Regional Council. This fund was transferred from the Alberta and Northwest Conference of the United Church of Canada.

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## NORTHERN SPIRIT REGIONAL COUNCIL Notes to Financial Statements

**For the year ended December 31, 2023**

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### 2. Summary of Significant Accounting Policies (continued)

#### Externally Restricted Designated Funds (continued)

##### *Student Bursary Fund*

In 2021 the Alberta and Northwest Conference Student Bursary Fund Society was voluntarily dissolved and transferred their assets to the Northern Spirit Regional Council. The Northern Spirit Regional Council will use these funds to continue to support candidates for ministry in Northern Spirit Regional Council and Chinook Winds Regional Council. A student can be in the ordained, diaconal or lay ministry educational streams as well as candidates for admission from other denominations.

##### *Regional Archive Fund*

This fund was established to fund the Council's archive costs and will be used once the Archive Trust Fund is depleted. The Council requires Communities of Faith which are disbanding to make contributions to this Fund.

#### Internally Restricted Funds

##### *Conflict Resolution Trust Fund*

The Conflict Resolution Trust Fund was established to cover costs associated with conflicts involving Communities of Faith and Ministry personnel.

##### *Pastoral Relations Emergency Fund*

The Pastoral Relations Emergency Fund was established to assist Communities of Faith and ministry personnel with costs incurred during personnel emergencies.

##### *Legacy Fund*

This fund was created from money transferred from the former Conference and Presbyteries. Money from this fund will be available for grants in the area of mission and ministry work, criteria and procedures to be established by the Legacy Support Committee.

##### *Contingency Reserve Fund*

The fund is to help the Council strive to maintain sufficient operating reserves to provide for significant unanticipated costs, including, but not limited to, natural disasters or other catastrophic events, lawsuits or other legal or regulatory proceedings, and major changes to the governance and/or funding policies of The United Church of Canada.

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## NORTHERN SPIRIT REGIONAL COUNCIL Notes to Financial Statements

**For the year ended December 31, 2023**

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### 2. Summary of Significant Accounting Policies (continued)

#### Internally Restricted Funds (continued)

##### *Annual Meeting Fund*

This fund was established to help the Council budget for the in-person Regional meetings which are held every three years. During the year, this fund was transferred to the Future Programming Fund.

##### *Future Programming Fund*

The fund was established to set money aside for the in-person Regional Meetings which occur every three years as well as other specific future events and activities. During the year this Fund received the balance from the Annual Meeting Fund.

#### Revenue Recognition

The Council follows the restricted fund method of accounting for contributions.

*Grants and Assessments* - These revenues are recognized as revenue in the period for which the assessment is made based on the approved budget of the Council.

*Interest* - Interest revenue is recognized as income when the Council becomes entitled to such earnings.

*Contributions* - Contributions restricted for particular purposes are recognized as revenue in the related fund when received.

*Donations* - Donation revenue is recorded when received. Donation revenue received for specific purposes is restricted and will be used at the discretion of the Council. The Council's practice is to allocate these funds as per the donor's request.

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# NORTHERN SPIRIT REGIONAL COUNCIL

## Notes to Financial Statements

For the year ended December 31, 2023

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### 2. Summary of Significant Accounting Policies (continued)

#### Financial Instruments

Arm's length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

#### Post Retirement Benefit Plan

The employees of the Council participate in a contributory, multi-employer pension plan administered nationally by The United Church of Canada, where benefits are based upon career contributions. Defined contribution plan accounting is applied to this pension plan.

#### Contributed Services

The Council benefits greatly from the work of volunteers who contribute countless hours of service to enable the Council to fulfill its mandate. Because it is not possible to determine the fair value of these services, they are not recognized in these financial statements.

#### Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

## NORTHERN SPIRIT REGIONAL COUNCIL Notes to Financial Statements

**For the year ended December 31, 2023**

### 3. Investments

	2023	2022
Conexus CU GIC - 4.25%, maturing January 13, 2025	\$ 201,519	\$ -
Conexus CU GIC - 4.05%, maturing March 11, 2024	187,035	-
Conexus CU GIC - 4.00%, maturing January 13, 2024	170,078	-
Conexus CU GIC - 4.40%, maturing July 13, 2024	154,147	-
Conexus CU GIC - 4.05%, maturing March 11, 2024	136,485	-
Conexus CU GIC - 4.40%, maturing July 13, 2024	120,000	-
Conexus CU GIC - 4.75%, maturing September 27, 2024	114,699	-
Conexus CU GIC - 3.78%, maturing January 14, 2024	100,000	-
Conexus CU GIC - 0.90%, maturing March 11, 2023	-	200,000
Conexus CU GIC - 1.10%, maturing March 11, 2023	-	185,000
Conexus CU GIC - 0.90%, maturing March 11, 2023	-	168,796
Conexus CU GIC - 3.48%, maturing September 26, 2023	-	150,000
Conexus CU GIC - 1.10%, maturing March 11, 2023	-	135,000
Conexus CU GIC - 3.48%, maturing September 26, 2023	-	110,841
Conexus CU GIC - 3.00%, maturing June 27, 2023	-	100,000
Portfolio investments	145,673	137,848
	<b>1,329,636</b>	1,187,485
Less due within one year	<b>(982,444)</b>	(1,049,637)
	<b>\$ 347,192</b>	\$ 137,848

### 4. Accounts Receivable

	2023	2022
GST receivable	\$ 696	\$ 648
Other receivables	2,796	349
	<b>\$ 3,492</b>	\$ 997

## NORTHERN SPIRIT REGIONAL COUNCIL Notes to Financial Statements

**For the year ended December 31, 2023**

### 5. Demand Loan

The Council has a \$50,000 demand loan due from the Edmonton Korean United Church. The loan is due on demand and is non-interest bearing.

### 6. Loans Receivable

	2023	2022
St. Stephen's College, Edmonton - 10 year loan due March 31, 2026. Interest free for three years to March 14, 2021, then interest at 5%. Repayable in semi-annual principle only payments of \$3,000 to March 14, 2021, then semi-annual blended payments of \$3,424 to maturity.	\$ 21,740	\$ 27,292
Kirk United Church Centre - 10 year loan due June 1, 2030. Interest free to June 1, 2023, then interest at 3%. Repayable in semi-annual principle only payments of \$1,000 to June 1, 2023, the semi-annual blended payments of \$1,116 to maturity. The loan was issued on June 1, 2020.	14,095	16,000
	\$ 35,835	\$ 43,292

### 7. Related Parties

The following table summarizes the Council's related party transactions for the year:

	2023	2022
Grants from the United Church of Canada	\$ 641,375	\$ 655,775

These transactions are in the normal course of operations and are measured at the exchange value, which is the amount agreed upon by the two parties.

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## NORTHERN SPIRIT REGIONAL COUNCIL Notes to Financial Statements

**For the year ended December 31, 2023**

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### 7. Related Parties (continued)

The amounts due (to) from related parties at year end are as follows:

	<u>2023</u>	<u>2022</u>
Due (to) from Living Skies Regional Council	\$ 391	\$ (397)
Due to Prairie to Pine Regional Council	(2,373)	(5,501)
Due from United Church of Canada	548	2,177
	<u>\$ (1,434)</u>	<u>\$ (3,721)</u>

These transactions are measured at the exchange amount, which is the amount agreed upon by the two parties. These amounts are non-interest bearing and have no specific terms of repayment.

Living Skies Regional Council and Prairie to Pine Regional Council are also United Church Regional Councils with similar purposes, goals and policies. These regions share employees and accounting with the Northern Spirit Regional Council.

United Church of Canada is the governing body for all Regional Council's in Canada and they provide grants and assistance to each region.

### 8. Pension Plan

Retirement benefits for employees of the Council are provided through the pension plan of The United Church of Canada (the "Plan"). The Plan is a multi-employer pension plan which provides pensions for members of the Ministry Personnel and lay employees of the Offices of the General Council, Regional Council, or Community of Faith of The United Church of Canada. The Plan is a contributory defined benefit pension plan which is financed by contributions from participating employers and employees, and by the investment earnings of the Plan. The Plan is registered under the Pension Benefits Act, (Ontario), Registration #0355230.

At the date of the last actuarial valuations and publicly available financial information, there were no unfunded liabilities related to either past service or to amendments to the Plan.

During the year, the Council made employer contributions to the plan of approximately \$24,156 (\$24,322 in 2022).



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# NORTHERN SPIRIT REGIONAL COUNCIL

## Notes to Financial Statements

**For the year ended December 31, 2023**

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### 9. Internal Transfers

During the year, the Executive had authorized a transfer of \$29,271 from the Operating Fund to Internally Restricted Funds (\$25,000 in 2022). This includes transfers of \$20,818 and \$700 to top-up the Conflict Resolution Trust Fund and Pastoral Relations Emergency Fund, respectively.

### 10. Financial Risk Instruments

The Council is exposed to different types of risk in the normal course of operations. The Council's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Council's activities.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments that potentially subject the Council to significant concentrations of credit risk consist primarily of cash and bank, investments and accounts receivable. The Council is not exposed to significant credit risk as the accounts receivable have typically been paid when due, and investments are diversified.

(b) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and equity prices. The Council holds a portfolio of equity and interest bearing investments and is exposed to market risk through this portfolio of investments.

(c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Council is not exposed to significant interest rate risk as its cash and cash equivalents are held in short-term investments or variable rate products. The risk has not changed in the year.

(d) Foreign Currency Risk

The Council is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency and the number of transactions in foreign currency are minimal. The risk has not changed in the year.

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**NORTHERN SPIRIT REGIONAL COUNCIL**  
**Notes to Financial Statements**

**For the year ended December 31, 2023**

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**11. Comparative Amounts**

Certain of the comparative amounts have been restated to conform to the current year's presentation.

**Northern Sprit Regional Council**  
**Schedule of Funds**  
For the year ended December 31, 2023  
(Unaudited)

	Opening Balance	Receipts	Expense	Internal Transfers	Closing Balance
<b>Externally Restricted</b>					
Ann Mazur Fund	\$ 188,078	\$ 210	\$ -	\$ -	\$ 188,288
Archive Trust Fund	107,676	-	(5,259)	-	102,417
Reclaiming the Mission Fund	24,160	-	-	-	24,160
Emergency Relief Trust Fund	13,912	4,543	-	-	18,455
Regional Archive Fund	34,312	8,481	-	-	42,793
Special Conflict Resolution Trust Fund	7,606	-	-	(7,606)	-
Student Bursary Fund	176,854	15,232	(12,400)	-	179,686
	<u>552,597</u>	<u>28,466</u>	<u>(17,659)</u>	<u>(7,606)</u>	<u>555,798</u>
<b>Internally Restricted</b>					
Legacy Fund	331,697	-	-	3,803	335,500
Contingency Reserve Fund (Finance Policy 3.1.1)	150,000	-	-	-	150,000
Conflict Resolution Trust Fund	13,941	-	(4,759)	20,818	30,000
Annual Meeting Fund	17,500	-	-	(17,500)	-
Pastoral Relations Emergency Fund	10,000	-	(700)	700	10,000
Future Programming	-	-	-	25,253	25,253
	<u>523,139</u>	<u>-</u>	<u>(5,459)</u>	<u>33,074</u>	<u>550,754</u>
<b>Total Funds</b>	<u>\$ 1,075,736</u>	<u>\$ 28,466</u>	<u>\$ (23,118)</u>	<u>\$ 25,468</u>	<u>\$ 1,106,552</u>