



CAPSTICK
McCOLLUM
& ASSOCIATES

December 5, 2024

Janet MacDonald
Canadian Shield Regional Council
395 Lakeshore Drive
North Bay, Ontario
P1A 2C5

Dear Janet:

We have prepared the financial statements for Canadian Shield Regional Council for the year ended December 31, 2023 and have attached the documents herewith.

The ***Filing Information and Instructions*** provides information required for each form. Prior to signing the documents, please review the attached material to ensure that, to the best of your knowledge, there are no omissions or inaccuracies.

Please send copies of all assessment notices, as soon as received, to our attention. This will enable us to advise you promptly if any action is required.

Should you have any queries on the enclosures or regarding any of the above matters, please do not hesitate to contact us.

Yours very truly,
CAPSTICK MCCOLLUM & ASSOCIATES
LICENSED PUBLIC ACCOUNTANTS

A handwritten signature in dark ink, reading 'Tracy Capstick', written in a cursive style.

Tracy Capstick, CPA, CA, LPA



CAPSTICK
McCOLLUM
& ASSOCIATES

Filing Information and Instructions *Canadian Shield Regional Council* *Year ended December 31, 2023*

Trial Balances and Year End Journal Entries

- Initial each page where indicated and return the signed copies to us.

CANADIAN SHIELD REGIONAL COUNCIL
FINANCIAL STATEMENTS
DECEMBER 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Shield Regional Council

Opinion

We have audited the accompanying financial statements of Canadian Shield Regional Council, which comprise the statement of financial position as at December 31, 2023 and the statements of operations and changes in fund balance - general fund, the statement of operations and changes in fund balances - designated funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Shield Regional 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 responsibility 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 Region 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 obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of 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 the Region Council 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, the management is responsible for assessing the Region'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 Region or to cease operations, or has no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT

(continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements - continued

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

Auditors' 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 auditors' 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 Region's internal control.



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INDEPENDENT AUDITORS' REPORT

(continued)

Auditors' Responsibilities for the Audit of the Financial Statements - continued

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 Region'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 the auditors' report. However, future events or conditions may cause the Region 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.

CAPSTICK MCCOLLUM & ASSOCIATES

Capstick McCollum & Associates

Oakville, Ontario
December 5, 2024

Chartered Professional Accountants
Licensed Public Accountants


CANADIAN SHIELD REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION

DECEMBER 31,	2023	2022
ASSETS		
CURRENT		
Cash - general	\$ 763,908	\$ 417,044
Investments - general - note 2	275,939	203,331
Investments - restricted - note 2	917,501	381,743
Accounts receivable	1,295	-
Loan receivable - note 3	16,145	13,886
Taxes recoverable	7,369	7,442
	1,982,157	1,023,446
DUE FROM RELATED PARTIES - note 5	41,372	14,431
LONG-TERM INVESTMENTS		
- RESTRICTED - note 2	286,467	813,039
FIXED ASSETS - note 4	1,968	2,460
	329,807	829,930
	\$ 2,311,964	\$ 1,853,376

LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 23,497	\$ 28,180
DUE TO RELATED PARTIES - note 5	20,316	1,903
	43,813	30,083

FUND BALANCES		
GENERAL FUND	1,064,183	628,511
RESTRICTED FUNDS	1,203,968	1,194,782
	2,268,151	1,823,293
	\$ 2,311,964	\$ 1,853,376

On behalf of the Regional Council:



 Director



 Director

Subject to accompanying notes to the financial statements

CANADIAN SHIELD REGIONAL COUNCIL
STATEMENT OF OPERATIONS AND NET ASSETS -
GENERAL FUND

DECEMBER 31,

	2023	2022
REVENUE		
Festival of Faith income	\$ 11,531	\$ -
Grants - note 5	673,375	711,876
Investment income	33,589	25,645
Pastoral relations	15,886	16,820
Regional meetings	165	2,519
Other income	4,569	-
Youth programs	-	5,000
	739,115	761,860
EXPENDITURES		
Amortization	492	615
Bank fees	13,101	15,756
Executive	8,302	552
Festival of Faith	33,659	-
Grants	75,800	61,899
Incorporated ministries	2,300	2,000
Office	24,525	21,809
Pastoral relations	23,074	26,636
Professional fees	15,289	17,928
Regional meetings	1,238	38,952
Rent	8,750	8,400
Salaries and benefits	429,601	408,820
Travel	30,814	39,331
Training	2,937	1,659
Youth	5,419	7,081
	675,301	651,438
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	63,814	110,422
OTHER INCOME		
Proceeds from sale of property	311,262	16,345
Gain (Loss) on market value of investments	60,596	(59,994)
EXCESS OF REVENUE OVER EXPENDITURES	435,672	66,773
TRANSFERS (TO) DESIGNATED FUNDS	-	(125,000)
GENERAL FUND - beginning	628,511	686,738
GENERAL FUND	\$ 1,064,183	\$ 628,511

Subject to accompanying notes to the financial statements

CANADIAN SHIELD REGIONAL COUNCIL
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES -
INTERNALLY RESTRICTED FUNDS

DECEMBER 31,

	Fund Balances January 1, 2023	Revenue	Expenditures	Excess (Deficit) Of Revenue Over Expenditures	Transfers To (From) Designated Funds	Transfers (To) From General Fund	Fund Balances December 31, 2023	Fund Balances December 31, 2022
RESTRICTED FUNDS								
Affirming Ministries	\$ 15,955	\$ -	\$ (2,500)	\$ (2,500)	\$ -	\$ -	\$ 13,455	\$ 15,955
Archives	2,743	14,041	(7,721)	6,320	-	-	9,063	2,743
Camping	320,033	-	(8,543)	(8,543)	-	-	311,490	320,033
Cluster and Network	58,246	-	(2,062)	(2,062)	-	-	56,184	58,246
Congregational support	100,000	-	-	-	-	-	100,000	100,000
Special projects	137,963	-	-	-	-	-	137,963	137,963
Health, Joy and Excellence	213,105	-	-	-	-	-	213,105	213,105
Lay education	41,607	-	(4,000)	(4,000)	-	-	37,607	41,607
Legal reserve	25,000	-	-	-	-	-	25,000	25,000
LLWL program	36,025	8,236	(20,018)	(11,782)	-	-	24,243	36,025
Outreach initiatives	77,683	-	(12,000)	(12,000)	-	-	65,683	77,683
Preparing for ministry	39,461	650	(1,000)	(350)	-	-	39,111	39,461
Right relation & intercultural	57,633	46,803	(900)	45,903	-	-	103,536	57,633
Youth program	69,328	-	(1,800)	(1,800)	-	-	67,528	69,328
	\$ 1,194,782	\$ 69,730	\$ (60,544)	\$ 9,186	\$ -	\$ -	\$ 1,203,968	\$ 1,194,782

Subject to accompanying notes to the financial statements

CANADIAN SHIELD REGIONAL COUNCIL
STATEMENT OF CASH FLOWS

DECEMBER 31,	2023	2022
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures - general fund	\$ 435,672	\$ 66,773
Excess (Deficit) of revenue over expenditures - restricted funds	9,186	(29,252)
	444,858	37,521
Items not requiring a cash payment		
Amortization	492	615
Changes in non-cash working capital		
Accounts receivable	(1,295)	-
Prepaid expenses	-	-
Accounts payable and accrued liabilities	(4,683)	(423)
Loan receivable	(2,259)	10,750
Taxes recoverable	73	(5,844)
	437,186	42,619
FINANCING		
Due to related parties	(8,528)	(15,381)
	(8,528)	(15,381)
INVESTING ACTIVITIES		
(Purchase) of fixed assets	-	(1,300)
(Purchase) of investments - net of disposals	(81,794)	(250,541)
	(81,794)	(251,841)
NET INCREASE (DECREASE) IN CASH	346,864	(224,603)
CASH - beginning	417,044	641,647
CASH	\$ 763,908	\$ 417,044

Subject to accompanying notes to the financial statements

CANADIAN SHIELD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

PURPOSE OF THE ORGANIZATION

The United Church of Canada was incorporated under The United Church of Canada Act effective June 10, 1925.

Within the councilor structure of The United Church, there are 16 Regional Councils, which exercise certain local responsibilities under The United Church of Canada Act and The United Church's bylaws. The Regional Councils are registered charities under the Income Tax Act. They have no other independent legal status as they are part of the national corporation, The United Church. The United Church's General Council has oversight and significant influence over the Regional Councils and is ultimately responsible for any liabilities of the Regional Councils.

Canadian Shield Regional Council - The United Church of Canada (the "Region") is a not-for-profit organization formed on January 1, 2019 as a result of restructuring of the courts of the United Church of Canada and is exempt from income taxes under Section 149(1) of the Income Tax Act. The Region issues donation receipts for income tax purposes under the registration number 133832394RR0001.

A Regional Council is a decision-making body responsible to serve and support Communities of Faith within its bounds and provide necessary oversight. The Region consists of 79 pastoral charges including pastoral charges in the previous Manitou Conference, Algoma Presbytery, and Cambrian Presbytery.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which are in accordance with Canadian generally accepted accounting principles.

b) Use of estimates

The preparation of the Region's 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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in operations in the period in which they become known. Actual results in the future may differ from those estimates made. The most significant estimate in the Region's financial statements relates to the useful life of fixed assets subject to amortization.

CANADIAN SHIELD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

c) Financial instruments

The Region initially measures its financial assets and liabilities at fair value. The Region subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and loan receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Region recognizes transaction costs in excess (deficit) of revenue over expenses in the period incurred except for financial instruments that will not be measured subsequently at fair value. The carrying amount of these instruments are adjusted by the transaction costs that are directly attributable to the instrument.

d) Cash

The Region's policy is to disclose bank balances under cash.

e) Fixed assets

Fixed assets are recorded at cost. Amortization is calculated based on the estimated useful life of the assets on a declining balance basis at the following annual rates:

Equipment	-	20%
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f) Revenue recognition

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

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

Restricted contributions are recognized as revenue in the appropriate restricted fund when received or receivable. Restricted contributions for which no corresponding restricted fund exists is deferred and recognized as revenue of the general fund when the corresponding expenses are incurred.

CANADIAN SHIELD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

f) Revenue recognition - continued

Investment income is recognized as revenue of the general fund when earned, except where externally restricted funds require the investment income generated from its assets remain in that specific fund.

All other income including events, youth programs, and regional meetings are recognized as revenue of the general fund when earned.

g) Contributed services and assets

Region members contribute volunteer services to the Region in carrying out its operating activities. Because of the difficulty in determining the fair value of these contributed services, they are not recognized in the financial statements.

h) Fund accounting

The accounts of the Region are maintained in accordance with the principles of "fund accounting" under the restricted fund method. The various funds in the financial statements have been set to provide program delivery and other services and activities as determined by the executive. The specific purpose of each fund is explained below:

The General Fund reports general revenue and expenses of the Region's operations.

The Affirming Ministries Fund reports internally restricted resources used for supporting projects and events which help in the development of Affirming Ministries in the Canadian Shield Region.

The Archives Fund reports internally restricted resources used to fund the cost of the regional archives held by the national church.

The Camping Fund reports internally restricted resources used to support camping ministries and events within communities of faith.

The Cluster and Network Fund reports internally restricted resources used to support collaborative ministry within the Canadian Shield Region.

The Congregational Support Fund reports internally restricted resources used to help congregations in the short term.

The Special Projects Fund reports internally restricted resources used to support various initiatives at the discretion of the executive committee.

CANADIAN SHIELD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

h) Fund accounting - continued

The Health, Joy and Excellence Fund reports internally restricted resources used to foster collegiality and skills for ministry within Canadian Shield Region.

The Lay Education Fund reports internally restricted resources used to encourage projects and events that support ongoing Christian education and leadership development.

The Legal Reserve Fund reports internally restricted resources used to help with unexpected legal expenses.

The Licensed Lay Worship Leaders Fund reports internally restricted resources used to provide education and guidance to licensed lay worship leaders.

The Outreach Initiatives Fund reports internally restricted resources used for supporting new and innovative ministries and engagement with the wider community.

The Preparing for Ministry Fund reports internally restricted resources used to assist ordained and commissioned individuals.

The Right Relations and Intercultural Fund reports internally restricted resources used for development of Right Relations and support of intercultural initiatives.

The Youth Fund reports internally restricted resources used to support projects and events focused on youth engagement and ministry.

2. INVESTMENTS

	2023	2022
SHORT-TERM		
Cash and cash equivalents	\$ 786,921	\$ 86,949
Equities	334,519	298,125
Fixed income investments	72,000	200,000
	\$ 1,193,440	\$ 585,074
LONG-TERM		
Fixed income investments	\$ 286,467	\$ 813,039

CANADIAN SHIELD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. INVESTMENTS - continued

The Region's investments are held in BMO High Interest Savings account, equities, and fixed income assets. Fixed income investments consist of corporate bonds and government bonds with interest rates from 4.20% to 4.44% and maturity dates from February 24, 2025 to February 23, 2026.

3. LOAN RECEIVABLE

		2023		2022
Cambrian Presbytery	\$	14,302	\$	13,886
Camp McDougall		1,843		-
	\$	16,145	\$	13,886

Effective January 1, 2019, the area formerly known as Cambrian Presbytery was split and the funds held by the Presbytery were divided and transferred to the regions. Funds were partially transferred in the prior year and the remaining balance owed to the Region is \$14,302 (2022 - \$13,886). The loan bears interest at 3% per annum and has no fixed term of repayment.

During the year, Camp McDougall provided a loan to the Region of \$1,843 to assist in their bookkeeping and finance troubles. The loan is non-interest bearing and is to be repaid over a period of 5 years.

4. FIXED ASSETS

		Cost		Accumulated Amortization		2023		2022
Equipment	\$	3,828	\$	1,860	\$	1,968	\$	2,460

5. RELATED PARTY TRANSACTIONS

The following is a summary of the Region's related party transactions. These transactions are all 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.

CANADIAN SHIELD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. RELATED PARTY TRANSACTIONS - continued

a) United Church of Canada

The United Church's General Council has oversight and significant influence over the Region and is ultimately responsible for any liabilities of the region. The United Church provides grants, various payroll, accounting, human resource and administrative services to the region at exchange amounts as part of normal operations. During the year, the Region received grants in the amount of \$673,375 (2022 - \$711,876) from the United Church of Canada. At year-end, the amount receivable from the United Church was \$41,372 (2022 - \$14,431).

b) Shining Waters Regional Council ("SWRC")

Shining Waters Regional Council is one of 16 administrative groupings in The United Church of Canada. The Region shared office expenses with SWRC during the year. At year-end the total amount owing to the SWRC for shared office space was \$20,316 (2022 - \$1,903).

6. FINANCIAL INSTRUMENTS

The significant financial risks to which the Region is exposed to are credit risk, liquidity risk, and market risk.

a) Credit risk

Credit risk refers to the risk that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Region is exposed to credit risk in the event of non-performance by counter-parties in connection and concentration with its loan receivable. The Region does not obtain collateral or other security to support the loan receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counter-parties and, accordingly, does not anticipate significant loss for non-performance.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

CANADIAN SHIELD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

b) Liquidity risk - continued

The Region is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities. The Region carries a large cash balance relative to its liabilities to reduce this risk, and the United Church of Canada holds ultimate responsibility for any liabilities of the Region.

c) 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 Region is mainly exposed to interest rate risk and currency risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Region is exposed to interest rate risk on its investments as described in Note 2, which have a fixed interest rate. Fixed interest rate financial instruments subject the Region to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

ii) Currency risk

Currency risk refers to the risk that earnings will fluctuate due to changes in foreign exchange rates and from the degree of volatility in these rates.

The Region is exposed to currency risk on its investments denominated in foreign currency. As of December 31, 2023, investments of \$184,475 (2022 - \$162,163) are denominated in US dollars and converted to Canadian dollars.

Risk exposure changes as volume of transactions change and also due to exchange rates.

7. EMPLOYEE FUTURE BENEFITS

Retirement benefits for employees of the Region are provided through the pension plan of the United Church of Canada (the "Plan"). This Plan is a defined contribution plan. Under this Plan, the employees contribute 6% of their salary and the Church contributes 9% of the salary of all employees in active services. Contributions to the Plan are expensed as incurred.