

CLASSIS HURON OF THE CHRISTIAN
REFORMED CHURCH IN NORTH
AMERICA >

financial statements

>YEAR ENDED DECEMBER 31, 2022

CLASSIS HURON OF THE CHRISTIAN REFORMED CHURCH IN
NORTH AMERICA >

financial statements

>YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Classis Huron of the Christian Reformed Church in North America:

We have reviewed the accompanying financial statements of Classis Huron of the Christian Reformed Church in North America that comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Classis Huron of the Christian Reformed Church in North America as at December 31, 2022, 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.

Other Matter

The financial statements of Classis Huron of the Christian Reformed Church in North America for the year ended December 31, 2021 have not been audited or reviewed. Therefore, we do not express any comment on these comparative figures.

MAC LLP.

Waterloo, Ontario
June 14, 2023

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

CLASSIS HURON OF THE CHRISTIAN REFORMED CHURCH IN
NORTH AMERICA >

statement of financial position

>DECEMBER 31, 2022

	2022	2021	January 1, 2021
<i>assets</i>			
current			
Cash	\$ 384,606	\$ 379,831	\$ 319,847
Government remittances recoverable	<u>3,795</u>	<u>-</u>	<u>-</u>
	<u>\$ 388,401</u>	<u>\$ 379,831</u>	<u>\$ 319,847</u>
<i>liabilities</i>			
current			
Accounts payable and accrued liabilities	\$ 4,001	\$ (5,775)	\$ (5,715)
Government remittances payable	<u>-</u>	<u>1,078</u>	<u>949</u>
	<u>4,001</u>	<u>(4,697)</u>	<u>(4,766)</u>
<i>fund balances</i>			
Designated funds	<u>384,400</u>	<u>384,528</u>	<u>324,613</u>
	<u>\$ 388,401</u>	<u>\$ 379,831</u>	<u>\$ 319,847</u>

Approved on behalf of the board:

Director

Director

CLASSIS HURON OF THE CHRISTIAN REFORMED CHURCH IN
NORTH AMERICA >

statement of operations & change in fund balances

>YEAR ENDED DECEMBER 31, 2022

	2022	2021
revenue		
Ministry Shares	\$ 303,774	\$ 325,899
Resonate	16,952	18,175
Youth Ministry	32,365	-
Other income	3,200	2,300
Interest income	<u>7,565</u>	<u>3,506</u>
	<u>363,856</u>	<u>349,880</u>
expenses		
Administration	-	2,160
Advertising and promotion	6,756	6,756
Church Development expense	142	75
Education Support	26,500	16,000
Education/ Training expenses	1,121	1,474
Fall Retreat	41,593	-
Insurance	4,108	3,818
Meeting expense	3,007	1,787
Ministry transfers	102,213	106,978
Miscellaneous expenses	4,554	300
Occupancy Cost	54	-
Office expenses	8,586	4,134
Professional fees	21,000	17,000
Safe Church	578	979
Travel	3,420	1,500
Wages and benefits	<u>140,352</u>	<u>127,004</u>
	<u>363,984</u>	<u>289,965</u>
deficiency of revenue over expenses	(128)	59,915
Designated funds balance, beginning of year	<u>384,528</u>	<u>324,613</u>
designated funds balance, end of year	<u>\$ 384,400</u>	<u>\$ 384,528</u>

CLASSIS HURON OF THE CHRISTIAN REFORMED CHURCH IN
NORTH AMERICA >

statement of cash flows

>YEAR ENDED DECEMBER 31, 2022

	2022	2021
operating activities		
Deficiency of revenue over expenses for year	\$ (128)	\$ 59,915
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	9,776	(61)
Government remittances receivable	<u>(4,873)</u>	<u>129</u>
Increase in cash	4,775	59,983
Cash balance, beginning of year	<u>379,831</u>	<u>319,848</u>
cash balance, end of year	<u>\$ 384,606</u>	<u>\$ 379,831</u>

notes to financial statements

>DECEMBER 31, 2022

1. nature of organization

Classis Huron the Organization operates in Listowel, Ontario, and is incorporated without share capital under the Canada Corporation Act as a not-for-profit organization. Classis Huron the "Organization" is a registered charity for Canadian Income Tax purposes. The principal activity is to support campus ministries by funding them with church plants and supporting theology students.

2. 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 Organization maintains accounts in accordance with the principles of fund accounting. Fund balances of the Organization are classified for accounting and reporting purposes into following funds to be used according to the directions of the donor or as determined by the Organization.

The Designated Fund reflects contributions received towards various ministry support activities. This includes HM Church Plants, HM Other, Student Fund, Youth Ministry, Waterloo Campus and Classis General.

Interest and other income is recognized as earned.

Contributed Materials and Services - The Organization is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Disclosure and 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Estimates are used when accounting for certain items such as revenues, useful lives of capital assets, asset impairments and evaluation of minimum lease terms for operating leases.

Financial Instruments

Initial measurement - The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Organization in the transaction.

notes to financial statements

>DECEMBER 31, 2022

Subsequent measurement - The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income, in the period incurred.

Financial assets measured at amortized cost include cash.

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

The Organization has not designated any financial asset or liability to be measured at fair value.

Impairment - Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized as operating cost. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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. The amount of the reversal is recognized as income from operations.

Transaction costs - The Organization recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. adoption of accounting standards for not-for-profit organizations

The financial statements for the year ended December 31, 2022 were prepared in accordance with the ASNFPO and provisions set out in FIRST-TIME ADOPTION, Section 1501, for first-time adopters of this basis of accounting. There was no impact due to adopting these standards on the financial statements as at the date of transition.

4. comparative figures

Certain of the comparative figures have been restated to conform to the presentation adopted for the current year.

The comparative figures have not been reviewed or audited. Therefore, no opinion is expressed on any comparative figures.

5. financial instruments

Risk Management - The significant risks to which the Organization is exposed are liquidity risk.

Liquidity Risk - Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Organization's cash requirements.