

CLASSIS HURON OF THE CHRISTIAN
REFORMED CHURCH IN NORTH
AMERICA >

financial statements

>YEAR ENDED DECEMBER 31, 2023

CLASSIS HURON OF THE CHRISTIAN REFORMED CHURCH IN
NORTH AMERICA >

financial statements

>YEAR ENDED DECEMBER 31, 2023

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Chartered Professional Accountants

510 Weber Street North, Waterloo, Ontario N2L 4E9
30 Arthur Street South, Elmira, Ontario N3B 2M7
T 519.725.2600 TF 1.877.725.2611 www.mac-ca.com

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, 2023, 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, 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.

Waterloo, Ontario
April 10, 2024

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

statement of financial position

>DECEMBER 31, 2023

	2023	2022
<i>assets</i>		
current		
Cash	\$ 406,218	\$ 384,606
Government remittances recoverable	<u>5,576</u>	<u>3,795</u>
	<u>\$ 411,794</u>	<u>\$ 388,401</u>
<i>liabilities</i>		
current		
Accounts payable and accrued liabilities	\$ 4,002	\$ 4,001
<i>fund balances</i>		
Designated funds	<u>407,792</u>	<u>384,400</u>
	<u>\$ 411,794</u>	<u>\$ 388,401</u>

Approved on behalf of the board:

Director

Director

CLASSIS HURON OF THE CHRISTIAN REFORMED CHURCH IN
NORTH AMERICA >

statement of operations & changes in fund balances

>YEAR ENDED DECEMBER 31, 2023

	2023	2022
revenue		
Ministry Shares	\$ 319,531	\$ 303,774
Resonate	21,138	16,952
Youth Ministry	49,868	32,365
Other income	219	3,200
Interest income	<u>9,608</u>	<u>7,565</u>
	<u>400,364</u>	<u>363,856</u>
expenses		
Administration	3,900	-
Advertising and promotion	6,756	6,756
Church development expense	-	142
Education support	35,250	26,500
Education and training expenses	8,898	1,121
Fall retreat	54,361	41,593
Insurance	4,664	4,108
Meeting expense	8,535	3,007
Ministry transfers	104,617	102,213
Miscellaneous expenses	3,702	4,554
Occupancy cost	-	54
Office expenses	2,860	8,586
Professional fees	21,488	21,000
Safe Church	1,495	578
Travel	2,863	3,420
Wages and benefits	<u>117,583</u>	<u>140,352</u>
	<u>376,972</u>	<u>363,984</u>
excess of revenue over expenses	23,392	(128)
Designated funds balance, beginning of year	<u>384,400</u>	<u>384,528</u>
designated funds balance, end of year	<u>\$ 407,792</u>	<u>\$ 384,400</u>

CLASSIS HURON OF THE CHRISTIAN REFORMED CHURCH IN
NORTH AMERICA >

statement of cash flows

>YEAR ENDED DECEMBER 31, 2023

	2023	2022
operating activities		
Excess of revenue over expenses for year	\$ 23,392	\$ (128)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	-	9,776
Government remittances receivable	<u>(1,780)</u>	<u>(4,873)</u>
Increase in cash	21,612	4,775
Cash balance, beginning of year	<u>384,606</u>	<u>379,831</u>
cash balance, end of year	<u>\$ 406,218</u>	<u>\$ 384,606</u>

notes to financial statements

>DECEMBER 31, 2023

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.

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.

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.

notes to financial statements

>DECEMBER 31, 2023

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.

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.

3. related party transaction

During the year, the Organization donated \$104,617 (2022 - \$102,213) to Huron Campus Ministry Guelph. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount established and agreed to by the related parties. At year end, no amounts were due from or to Huron Campus Ministry Guelph.

4. 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.