

LIVING SKIES REGIONAL COUNCIL

Financial Statements
For the year ended December 31, 2023

LIVING SKIES REGIONAL COUNCIL

Financial Statements For the year ended December 31, 2023

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Independent Auditor's Report

To the Executive of Living Skies Regional Council

Opinion

We have audited the financial statements of **Living Skies 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 Institute 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 15 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 26, 2024

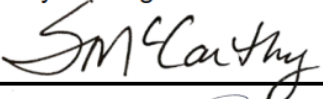
LIVING SKIES REGIONAL COUNCIL Statement of Financial Position

December 31	2023	2022
Assets		
Current Assets		
Cash and bank	\$ 479,328	\$ 202,458
Short-term investments (Note 2)	1,536,653	1,674,687
Accounts receivable (Note 3)	835	5,554
Accrued Interest	25,084	20,537
Prepaid expenses	1,000	998
Due from related party (Note 5)	-	397
	2,042,900	1,904,631
Wascana Solar Co-op and Saskatchewan Environmental Society Solar Co-op investment	9,750	9,750
Long-term investments (Note 2)	1,577,139	1,573,719
Loan receivable (Note 4)	23,500	29,500
Capital assets (Note 6)	-	222
	\$ 3,653,289	\$ 3,517,822


Liabilities and Net Assets

Current Liabilities		
Accounts payable and accrued liabilities	\$ 15,339	\$ 16,261
Due to related party (Note 5)	17,470	13,826
	32,809	30,087
Net Assets		
Unrestricted net assets	826,224	766,267
Restricted Funds	2,794,256	2,721,468
	3,620,480	3,487,735
	\$ 3,653,289	\$ 3,517,822

Approved by the Regional Council Executive:



Executive Minister



Chairperson

LIVING SKIES REGIONAL COUNCIL
Statement of Operations

For the year ended December 31

2023

2022

	Budget	Designated Fund	General Fund	Total	Total
Revenue					
United Church of Canada grants	\$ 632,000	\$ -	\$ 641,375	\$ 641,375	\$ 653,475
Government of Canada grants	-	-	-	-	7,992
Event fees	30,000	-	27,429	27,429	1,495
Donations	-	40,317	52,763	93,080	204,722
Investment income	-	65,427	41,070	106,497	89,535
Lease and rental income	-	26,980	-	26,980	27,740
Sale of goods and services	-	60	1,466	1,526	4,285
Oil royalty	-	36,974	-	36,974	48,686
Realized gain on investments	-	-	-	-	1,061
Unrealized gain (loss) on investments	-	-	52,651	52,651	(84,425)
	662,000	169,758	816,754	986,512	954,566
Expenses					
Allocation and payments to programs	145,000	107,300	178,512	285,812	301,671
Amortization	-	-	222	222	618
Annual meeting	70,000	-	51,851	51,851	1,229
General Fund	58,000	4,088	45,830	49,918	32,179
Office and administration	29,800	-	22,787	22,787	23,534
Staffing costs	438,994	-	443,177	443,177	414,176
	741,794	111,388	742,379	853,767	773,407
Excess (deficiency) of revenue over expenses	\$ (79,794)	\$ 58,370	\$ 74,375	\$ 132,745	\$ 181,159

LIVING SKIES REGIONAL COUNCIL
Statement of Changes in Net Assets

For the year ended December 31	2023			2022
	Designated Fund	General Fund	Total	Total
Net assets, beginning of year	\$ 2,721,468	\$ 766,267	\$ 3,487,735	\$ 3,306,576
Excess of revenue over expenses	58,370	74,375	132,745	181,159
Internal transfers	14,418	(14,418)	-	-
Net assets, end of year	\$ 2,794,256	\$ 826,224	\$ 3,620,480	\$ 3,487,735

LIVING SKIES REGIONAL COUNCIL Statement of Cash Flows

For the year ended December 31	2023	2022
Cash Flows from Operating Activities		
Excess of revenue over expenses	\$ 132,745	\$ 181,159
Adjustments for		
Amortization of capital assets	222	618
Unrealized (gain) loss on investments	(52,651)	84,425
	80,316	266,202
Adjustments for non-cash items		
Accounts receivable	4,719	(3,788)
Accrued interest	(4,547)	(17,283)
Prepaid expenses	(2)	(500)
Loan receivable	6,000	(29,500)
Due from related parties	397	4,250
Accounts payable and accrued liabilities	(922)	(11,570)
Due to related parties	3,644	9,969
	89,605	217,780
Cash Flows from Investing Activities		
Proceeds of disposal of investments	1,674,687	1,356,115
Purchase of investments	(1,487,422)	(1,731,912)
	187,265	(375,797)
Net increase (decrease) in cash and cash equivalents	276,870	(158,017)
Cash and cash equivalents, beginning of year	202,458	360,475
Cash and cash equivalents, end of year	\$ 479,328	\$ 202,458

LIVING SKIES REGIONAL COUNCIL

Notes to Financial Statements

For the year ended December 31, 2023

1. Nature of the Operations and Summary of Significant Accounting Policies

Nature of Operations

The Living Skies Regional Council (the "Council") is composed of Communities of Faith of The United Church of Canada within the Province of Saskatchewan. 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.

Basis of Accounting

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

Fund Accounting

A portion of the monies received by the Council may only be used for specific purposes and accordingly are reflected in separate funds within the accounting records. While individual bank accounts are not maintained for these restricted pools, long-term investments are apportioned to fund these. Permanent transfers are recorded as transfers in the net asset accounts.

The General Fund reports those revenues and expenses related to the operations of the Council office.

The Designated Fund reports the revenues and related expenses of externally or internally restricted programs carried on or administered by the Council and are identified in the schedule of changes in designated funds.

LIVING SKIES REGIONAL COUNCIL

Notes to Financial Statements

For the year ended December 31, 2023

1. Nature of the Operations and Summary of Significant Accounting Policies (continued)

Revenue Recognition

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

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate designated fund.

Unrestricted contributions are recognized as revenue in the period for which the assessment is made based on the approved budget of the Council.

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.

Event fees - These revenues are recognized in the year the related event occurs.

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.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized using the straight-line method over 5 years.

A full year of amortization is taken in the year after addition.

LIVING SKIES REGIONAL COUNCIL

Notes to Financial Statements

For the year ended December 31, 2023

1. Nature of the Operations and 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.

LIVING SKIES REGIONAL COUNCIL Notes to Financial Statements

For the year ended December 31, 2023

2. Investments

	2023	2022
Conexus CU GIC, 4.10%, maturing July 13, 2024	\$ 725,000	\$ -
Conexus CU GIC, 4.00%, maturing November 2, 2024	350,000	-
Conexus CU GIC, 4.40%, maturing July 13, 2024	200,000	-
Conexus CU GIC, 4.80%, maturing December 22, 2024	104,050	-
Innovation GIC, 2.95%, maturing March 7, 2024	61,720	59,951
Innovation CU GIC, 4.60%, maturing March 05, 2024	59,934	-
Conexus CU GIC, 2.00%, maturing March 18, 2024	21,041	20,629
Innovation CU GIC, 4.40%, maturing February 20, 2024	14,908	-
Conexus CU GIC, 3.00%, maturing June 27, 2023	-	201,037
Conexus CU GIC, 3.00%, maturing June 27, 2023	-	700,930
Conexus CU GIC, 3.48%, maturing November 02, 2023	-	246,939
Conexus CU GIC, 3.85%, maturing November 02, 2023	-	352,420
Conexus CU GIC, 4.05%, maturing December 22, 2023	-	100,000
Innovation GIC, 0.90%, maturing February 20, 2023	-	14,775
Innovation GIC, 2.30%, maturing March 5, 2023	-	58,586
BMO mutual funds at market value	620,922	588,292
Frontier Capital mutual funds at market value	956,217	904,847
	\$ 3,113,792	\$ 3,248,406
Less due within one year	1,536,653	1,674,687
	\$ 1,577,139	\$ 1,573,719

3. Accounts Receivable

	2023	2022
GST receivable	\$ 419	\$ 2,060
Other receivables	416	3,494
	\$ 835	\$ 5,554

LIVING SKIES REGIONAL COUNCIL Notes to Financial Statements

For the year ended December 31, 2023

4. Loan Receivable

	2023	2022
St. Martin's United Church - 5 year non-interest bearing loan due September 2027. Repayable in quarterly principle only payments of \$1,500.	\$ 23,500	\$ 29,500

5. 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	\$ 653,475

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.

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

	2023	2022
Due to United Church of Canada	\$ -	\$ (4,016)
Due from (to) Northern Spirit Regional Council	(391)	397
Due to Prairie to Pine Regional Council	(17,079)	(9,810)
Total	\$ (17,470)	\$ (13,429)

Northern Spirit 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 Councils in Canada and they provide grants and assistance to each region.

LIVING SKIES REGIONAL COUNCIL Notes to Financial Statements

For the year ended December 31, 2023

6. Capital Assets

	2023				2022	
	Accumulated Cost	Amortization	Net Book Value	Cost	Amortization	Net Book Value
Office equipment	\$ 6,313	\$ 6,313	\$ -	\$ 6,313	\$ 6,091	\$ 222

7. 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 \$27,098 (\$22,935 in 2022).

8. Financial 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.

LIVING SKIES REGIONAL COUNCIL Notes to Financial Statements

For the year ended December 31, 2023

8. Financial Instruments (continued)

(b) Market Risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk.

(c) Interest 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.

(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.

(e) Other Price Risk

Other price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual investment or factors affecting similar financial instruments traded in the market. The Council limits its exposure to other price risks by investing in low risk investment vehicles.

Living Skies Regional Council
Schedule of Funds
For the year ended December 31, 2023
(Unaudited)

	Opening Balance	Receipts	Expense	Internal Transfers	Closing Balance
ANCC Funds	\$ 757,519	\$ 53,626	\$ (4,450)	\$ -	\$ 806,695
MVUC (in trust for ICM)	133,784	6,893	(41,165)	-	99,512
MVUC (social justice)	145,974	10,384	(12,691)	-	143,667
IGG	96,269	-	-	-	96,269
Hugh and Selma McKay Fund	71,345	-	-	-	71,345
Regional Assessment Fund	116,677	-	-	-	116,677
Personnel Issues Resolution Fund	11,379	-	-	-	11,379
Cohen Fund	22,934	413	-	-	23,347
Counseling Assistance Fund	6,000	-	-	-	6,000
Interim Ministry Fund	6,000	-	-	-	6,000
Review/Hearing	20,000	-	(14,418)	14,418	20,000
Property Fund	11,400	-	-	-	11,400
Continuing Education Fund	27,900	-	(391)	-	27,509
Archives Fund	146,019	4,118	-	-	150,137
First Five Event Fund	3,732	-	-	-	3,732
Learning Site	10,000	-	-	-	10,000
Moats Land Fund	254,494	63,953	(32,185)	-	286,262
LSRC Fund (SK Conf, Presbyteries and C of F) (Nov 25, 2021)	683,741	29,511	(4,088)	-	709,164
Reserve Fund	165,000	-	-	-	165,000
UCW Bursary Fund	7,693	860	(2,000)	-	6,553
Youth Ministry Fund	11,700	-	-	-	11,700
Faith Formation Generosity for Mission Fund	11,908	-	-	-	11,908
Total Funds	\$ 2,721,468	\$ 169,758	\$ (111,388)	\$ 14,418	\$ 2,794,256