
2024 ANNUAL REPORT

THE FINANCE AND EXTENSION BOARD
of Conseil régional NAKONHA:KA Regional Council



Le Conseil des finances et de l'expansion
du Conseil régional NAKONHA:KA Regional Council

RAPPORT ANNUEL 2024

TABLE OF CONTENTS

Purpose 2

Composition..... 3

REPORTS:

President’s Report..... 4

Secretary’s Report 5

Investment Committee Report..... 5

Finance Committee Report 8

Property Committee Report..... 9

Nominations Committee Report 10

Bursary Committee Report 12

Sabbatical Leave Committee Report 12

BUDGET AND FINANCIAL STATEMENTS:

Budget..... 14

Draft Financial Statements - 31 Dec 2024.....15

Independent Practitioner’s Review Engagement Report.....17

PURPOSE

The Finance and Extension Board (“F&E Board”) of the Conseil régional *Nakonha:ka* Regional Council (“CrNRC”) was duly incorporated under the United Church of Canada Act in 1926 immediately following the creation of the United Church of Canada. The F&E Board is the principal financing means for the development of congregations and other UCC ministries in the Region.

As a separate corporation within the purview of the CrNRC and under the governance of its Officers and Members representing the Region, the principal functions of the F&E Board are:

- overseeing the investment management of the Region’s investment portfolio carried out by professional investment management firms, presently Fiera Capital Investment Management. This includes the General Investment portfolio and also investments held as restricted funds which together provide funding support for the Region by meeting various ministry needs;
- being a principal provider of funding for the CrNRC activities including for Mission Support and other mission and ministry support;
- providing a lending program to support ministry development and sustainability generally, though not exclusively, for fixed asset projects such as building renovation and/or repair;
- acquiring and selling property as well as providing technical and project management advice for building projects;
- managing the Sabbatical Leave Program for Ministry personnel and Bursary Programs for students to further their education.

We welcome expressions of interest in learning more about the F&E Board.

Respectfully submitted,

Peter Bisset, President, F&E Board

April 2025

COMPOSITION

The composition of the F&E Board as of April 2025 is as follows:

Officers:

Peter Bisset	President
Fred Braman	Vice-President
Paul Stanfield	Treasurer
Caroline Leamon	Secretary

Members:

Peter Bisset
Fred Braman
Diane Campbell
David Clinker
Paula Kline
Jim Fyles
Éric Hébert-Daly (Executive Minister of the CrNRC - ex-officio)
Craig McAlpine
Dave McCormack
Jim Moffat
Monique Moser-Verrey
Royal Orr
Ted Rutherford
Rick Sheffer
Paul Stanfield
Jim Vanstone

Staff:

Brian Ruse	Finance & Office Administrator
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PRESIDENT'S REPORT

The F&E Board oversees the management of its and the CrNRC's investments. From the investment pool of over \$20M, it provides annual funding of over \$600K for Mission Support and Governance for the CrNRC. Currently, funds are invested in the Fiera Capital Balanced Ethical Fund for this purpose. In addition, funds are held on a restricted basis for the Strategic Fund of the Regional Council and various other funds that provide grants to Communities of Faith through the Granting and Enabling Leadership.

The Property Committee has an important mandate to assist congregations in all matters relating to sales and extensions of church land, buildings, and cemeteries. In 2024 there was significant activity in this area as several Communities of Faith have made decisions to sell property. The Property leadership Team continues to oversee and provide technical and project management assistance to COF.

As the Model Trust deed and our Bylaws offer wide latitude in terms of financing and acquiring, holding, administering and disposing of property for the United Church of Canada in this Region, we continue to have a key role in the strategic plans of the Region moving forward. As such we initiated a strategic initiative for the consolidation of Downtown Ministry. This will be pursued into 2025 with the CrNRC.

Church property remains a strategic priority for the F&E Board as many of the communities of faith in this Region struggle with high costs for maintenance, operations and insurance. On an ongoing basis as it becomes necessary that church buildings be sold, it will become evident that a strategic property plan will be required going forward.

A significant organizational change for both the Property and Finance Leadership Team and the F&E Board was completed. F&E is now commissioned to deal with the majority of property and finance for the Region.

In addition to Investment, Finance and Property Committee activity, the F&E Board recognizes the importance and ongoing need to support the Student Bursary Program and the Sabbatical Leave program for ministry personnel.

Reports from the various committees can be found in the pages that follow. As well, the financial statements for 2024 are included in this Annual Report.

In conclusion I would like to thank the members of the F&E Board for their dedication and excellent work done this past year.

Respectfully submitted,

Peter Bisset, President, F&E Board

SECRETARY'S REPORT

During 2024, the F&E Board and its Committees met as per the established schedules. The 2024 Review Engagement was performed by accounting firm BCGO with success.

Following the CrNRC's delegation of all property and finance matters to the F&E Board, additional reporting measures have been implemented to ensure that the CrNRC receives and records all F&E Board decisions where the Board has exercised commission powers.

The F&E Board has responded to the diversity of matters and challenges that its responsibilities entail, and it continues to achieve its mandates.

Thank you to the F&E Board members who serve so conscientiously on the Board and its Committees, and to Brian Ruse, the Finance & Office Administrator of the CrNRC, without whose efforts and abilities the F&E Board could not function so well.

Respectfully submitted,

Caroline Leamon, Secretary, F&E Board

INVESTMENT COMMITTEE REPORT

The Investment Committee oversees on behalf of the Board the management of the General (Unrestricted) Funds of the F&E Board and eleven Restricted Funds of CrNRC. Its objective is to provide ongoing protection of the value of these assets while at the same time have them produce enough income and gains in market value to cover the needs of the F&E Board and CrNRC and its missions along with the administration costs.

The investment manager of the portfolio is Fiera Capital Inc., who provides the Committee detailed portfolio statements and during the year meets with the F&E Board to discuss the investments and the manager's investing outlook.

Investment Strategy History

In 2008, the Board engaged Letko Brosseau and Associates ("LBA") to manage its investments through its Balanced ESG (Environment, Social and Governance) Fund with a target asset mix of 55% Equities for growth and 45% Bonds for stability. Over the years, LBA moved to a greater portion of equities to the point in 2015 (equities at 70%) to the point that the Board decided to rebalance the portfolio to bring the income portion back closer to target. Since LBA could only offer bonds with a relatively low return, after some research, the Board moved 20% of its assets to Fiera Capital to invest in non-traditional income (also referred to as real assets) funds (invested in infrastructure, real estate and diversified lending) that have provided a higher return than bonds with lower volatility than equities.

From inception in 2008 to 2017, the LBA Balanced ESG Fund provided very good returns (annualized performance of over 9% after management fees). However, in later years, the Board had been

reviewing the performance of the Fiera Capital Balanced EFT (Endowment, Foundation & Trust) Fund used by the United Church of Canada Foundation and found by the beginning of 2018 that the performance of the Fiera Fund had become consistently better than that of the LBA Fund. And when the LBA Fund hit a bad year in 2018 and lost 5%, it was time to move.

During 2019, all the Restricted funds at LBA (Erskine & American-Mountainside, F.W. Kelley Trust, Ste. Thérèse, Institut Français Évangélique and St. John's Hall Funds) were transferred to Fiera Capital. As well, the Restricted funds previously held by the Montreal & Ottawa Conference (Bhal Jun, Trois Rivières, and Grand Mère Funds) and transferred to CrNRC were invested in the Fiera Capital Balanced EFT Fund. The final transfer in November, 2019, was the \$10 million of the F & E Unrestricted (General) Fund. At the end of 2019, the F & E had \$18 million invested with Fiera Capital, \$15 million in the Balanced EFT Fund and \$3 million in real assets.

Since then, two more restricted funds were added to the F&E Board's portfolio: Granting and Enabling Strategic Fund (December 2021) and the Rosemary Lambie Fund (December 2023).

Investment Strategy – Diversification within Asset Classes

From the beginning of 2020, Fiera Capital began to change its approach to providing fixed income in its EFT Balanced Fund by reducing bonds and adding real assets (mainly infrastructure, real estate and agriculture funds). With this approach and since the EFT Balanced Fund was performing well, towards the end of 2020 the investment committee sold the real asset funds and bought units of the Balanced Fund so that all \$20 million of F & E holdings at Fiera Capital at that time were invested in the Fiera Balanced Ethical Fund.

And in 2024, for further diversification Fiera Capital added Private Debt and Equity to the Balanced Fund.

All funds have the asset mix as shown below. The management fee is only 0.3%.

Fiera Balanced Ethical Fund

Asset Mix

	<u>Actual</u>	<u>Target</u>	<u>Range</u>
<u>Income</u>	48.5 %	40 %	
Cash & Money Markets	11.3	5	0 % to 15 %
Fixed Income	19.8	20	0 50
Private Debt	4.4	5	0 10
Real Assets	13.0	15	0 35
<u>Equities</u>	51.5 %	60 %	
Canadian Equities	21.1	20	10 30
U.S. Equities	10.0	10	0 20
International Equities	8.7	10	0 20
Global Equities	7.4	10	0 20
Private Equity	4.3	5	0 10

Performance of the Portfolio

Asset Values (Dec. 31/2024)

General (Unrestricted) Fund	\$ 15,477,764
Restricted Funds (under F&E Administration)	<u>7,358,332</u>
Total	\$ 22,836,096

Asset Mix	F&E Target	Actual
Income	40 %	40%
Equities	60	60

Performance (% Return)

1 year	12.2%
3 years (annualized)	6.3
5 years (annualized)	8.9

Economic Outlook

The following was excerpted from the March 10, 2025 Market Report from Fiera Capital:

“Risk appetite deteriorated and financial markets were mainly in risk-off mode in February, with mounting risks of a trade war injecting some volatility into the marketplace and weighing on investor sentiment. Meanwhile, recent data have shown some worrisome signs of stagnating growth and stubborn inflation in the United States – stoking fears the world’s largest economy could be heading towards a period of stagflation.”

Given the confusion, we could be in for a bumpy ride in 2025. Fortunately, Fiera’s extensive diversification should help.

Respectfully submitted,

Paul Stanfield, Chair, Investment Committee

FINANCE COMMITTEE REPORT

The mandate of the Finance Committee is to have oversight of i) the financial accounts, ii) the preparation of the annual budget, and iii) the development of guidelines related to applications for financial assistance as well as reviewing any such applications and oversight of same.

2024 Finance Committee Activity

This year has been one of transition for the Finance Committee, with previous Chair Tom Kent's resignation and the appointment of new Chair Craig McAlpine in May 2024. At the request of the F&E Board President Peter Bisset, a priority was set to review the F&E Board's loan governance (dating from May 2019) with a view to updating it to better meet the realities of the evolving needs of Communities of Faith in the region.

To that end, an analysis was prepared of the purpose, terms, and performance of all loans authorized between 2014 and 2024. This was shared with the F&E Board as a whole along with some preliminary recommendations and formed the basis for the December 2024 meeting of the Finance Committee.

As it turned out, financial assistance for conversion of oil-based heating systems emerged as a priority due to the costs associated with remediation of oil spills in Communities of Faith, since these costs were not able to be borne by them and required regional assistance. It became clear that such conversions made environmental and economic sense for the communities, and that assistance in conversion is less costly than assistance in remediation. As a result, the Finance Committee focused on governance to support oil tank conversions and approved new governance for this initiative in February 2025. Governance for other financial assistance is a work in process at this time.

The review engagement for 2024 with BCGO is currently well under way. Draft financial statements are expected to be available for the April F&E Board meeting.

2024 Financial Review

As at December 31, 2024, assets of the F&E Board totaled \$25,084,047, which is an increase over the assets of \$23,481,277 as at December 31, 2023.

The December 31, 2024 current assets of \$1,478,627 were higher than the 2023 current assets of \$1,434,582. The F&E Board is holding \$1,098,355 of proceeds from the sale of the Italian Church of the Redeemer in trust, pending the finalization of their Ministry Plan.

The December 31, 2024 investment in mutual funds of \$22,836,096 was an increase of \$1,526,941 from the 2023 investment in funds of \$21,309,155. This increase was substantially the result of the excess revenues over expenses as well as higher additional contributions.

The December 31, 2024 loans receivable from churches of \$848,631 showed as a long-term asset was an increase from the 2023 loans receivable from churches of \$737,540. This increase was primarily the result of the establishment of a line of credit to Stanbridge East United Church.

The December 31, 2024 current liabilities of \$1,208,408 were substantially higher than the 2023 current liabilities of \$1,067,884. This increase primarily reflects the accrued liability for invoices payable at year end for Stanbridge East.

Investment in the CrNRC Endowment Fund for the year ended December 31, 2024 was \$1,420,416, as compared to \$484,255 in 2023. This positive change reflects the overall improved investment markets in 2024. Kindly review the Investment Committee Report for additional details.

Contributions for the year ended December 31, 2024 were \$125,766 as compared to \$516,460 in 2023. The amounts received in 2023 included contributions to the newly established Rosemary Lambie Fund and proceeds from the sale of various church properties that were designated as contributions to the Granting & Enabling Strategic Fund.

Interest on loans receivable from churches for the year ended December 31, 2024 was lower than the 2023 interest of \$20,264. No interest is being accrued on the loan to Union United Church.

Operating expenses for the year ended December 31, 2024 of \$123,515 were essentially unchanged from the 2023 operating expenses of \$123,600. Investment counsel fees totaled \$74,279 in 2024, compared to \$70,095 in 2023 (prior to accounting for tax rebates), reflecting the positive stock market performance in 2024.

Assistance and grants for the year ended December 31, 2024 of \$836,333 were higher than the 2023 assistance and grants of \$730,232. Kindly review the Bursaries and the Sabbatical Leave Committee reports for additional details. Grants made to Nakonha:ka Regional Council were the same as in the prior year.

Respectfully submitted,

Craig McAlpine, Chair, Finance Committee

PROPERTY COMMITTEE REPORT

At the beginning of 2024, the Regional Council dissolved its Property and Finance Committee and constituted the F&E Board as a Commission to exercise all finance and property responsibilities with full commission powers to decide in most cases and recommend action in certain exceptions. The Property Committee has the responsibility to administer those matters and to recommend action to the full Board.

The Property Committee oversees and provides technical and project management assistance to those communities of faith seeking financial assistance for construction and maintenance projects involving their properties and buildings. As well, as an incorporated body, the F&E Board holds and/or sells church property on behalf of the Regional Council.

Activities

The following projects were supported by the committee in 2024:

- a) St James United Church - In partnership with Regional Council and Kindred Works (the United Property Resource Corporation), participation for the financing and development of the church property.
- b) Trinity United Church Cookshire - Financing and oversight of Consulting Services and environmental remediation of the site and sale of the property.
- c) Hudson Pastoral Charge - Project oversight for the long-term reconstruction project of the Cote Church.
- d) The Italian Church of the Redeemer – Investment of proceeds of property sale pending the Ministry Plan.
- e) Stanbridge East United Church – Heating oil spill – financing and oversight of remediation.
- f) Westmount Park United Church – Similar to St. James United Church.
- g) Plymouth-Trinity United Church – Similar to St. James United Church
- h) Harrington Harbour Pastoral Charge – Supervision of sale of manse property.
- i) Arundel United Church – Supervision of conclusion of Church Hub agreement.
- j) Granby United Church – Sale of church building and possible subdivision of cemetery.
- k) Franklin United Church – Possible disbanding or amalgamation.
- l) Georgeville United Church – Possible sale of church building.
- m) Golden Valley United Church (Val d’Or) – Sale of church building.
- n) Saint Columba House – Consideration of condition of building and property concerns.
- o) Many other matters involving property of Communities of Faith
- p) General matters including assistance to church treasurers, oil furnace and tank conversion to electrical systems, cemeteries, etc.

In addition, we represent the CrNRC and F&E Board on Montreal Project Assessment Committee of Experts of the Conseil du patrimoine religieux du Québec. This committee recommends renovation funding for churches, synagogues and religious facilities across all denominations in the Montreal area.

In conclusion I would like to thank the members of the Property Committee for their dedication and excellent work done this past year.

Respectfully submitted,

Fred Braman, Chair, Property Committee

NOMINATIONS COMMITTEE REPORT

The principal duty of the Nominations Committee is to recruit and nominate members to serve on the F&E Board and to, with consultation, recommend nominations to the different Committees of the Board.

As a general rule, a member’s term is for a maximum of five consecutive two-year terms, though this may be waived to retain needed experience on the Board.

As part of the Property and Finance Leadership Team delegation of authority to the F&E Board, for which implementation began in late 2023, the Bylaws of the F&E Board were amended as of February 6, 2024 to provide that its membership would consist of not less than 10 and not more than 18 members.

The following persons are nominated as members of the Finance and Extension Board for a term beginning on June 1, 2025 and ending on May 31, 2027:

Adedeji Sunday Akintayo

Peter Bisset

Norman Robert Boie

Fred Braman

Stephan Elkas

Jim Fyles

Michael Grier

Jim Moffat

Royal Orr

Frederick (Rick) Sheffer

Paul Stanfield

Note that terms as indicated are renewable.

We owe a big vote of thanks to Brian Ruse, Finance and Office Administrator of the Regional Council, for his indispensable assistance, to Caroline Leamon, Secretary of the Board, for her support for the work of the Board, and to those not on the Board who serve on the Bursary Committee as resource persons: Lynn Drew and Renate Sutherland.

Respectfully submitted,

Frederick (Rick) Sheffer, Chair, Nominations Committee

BURSARY COMMITTEE REPORT

The Bursary Committee awarded 22 bursaries from the following: Hugh Duncan Bursary (10 awarded, \$2,500 each), I.F.E Bursary (10 awarded, \$800 each), and St. John's Hall Bursary (2 awarded, \$2,500 each).

Le comité des bourses a octroyé 22 bourses dont 10 bourses Hugh Duncan de 2,500 \$ chacune et 10 bourses I.F.E. de 800 \$ chacune ainsi que 2 bourses pour frais importants de déplacement du Fonds St. John's Hall de 2,500 \$ chacune.

The following applicants received bursaries:

Hugh Duncan Bursary (\$2,500 each)	I.F.E Bursary (\$800 each)	St. John's Hall Bursary (\$2,500 each)
- Loukia Bugnet - Chance Gloria Degnon Dedji - Seonoo Jung - Erin Kim - Sooyoun Kim - Ozioma Obijiofor - Jenny Park - Marc Randy - Michael Weber - Sean Wood	- Laura Bergeron - Luke Bergeron - Maelie Bugnet - Jooyoung Choi - Madison Cox - Jillian Davidson - Folivi Ekoue - William Orr - Jada Roberts - Antoine Sygnola Tsafack Matsop	- Madison Cox - Jada Roberts

Respectfully submitted,

Monique Moser-Verrey, Chair, Bursary Committee

SABBATICAL LEAVE COMMITTEE REPORT

In 2024, a total amount of \$15,000 from the Hugh Duncan Fund of the F&E Board was made available for the 2025 Sabbatical Leave program. The Committee had not received any applications during 2024. When the June 1, 2024 deadline had passed without any inquiries or applications, we searched for the reasons this had happened.

We inquired about the two ministers who applied in 2023 but then withdrew. One is retiring in 2025. The second person is not a member of the United Church of Canada and should not have been considered in the first place.

Rev. Dan Hayward and our Committee put together the complete list of 15 persons who have been at their present communities of faith for at least 4 years (5 years in 2025) and have not had a Sabbatical during that time. Here are some of the problems confronting these people:

Several of these persons are dealing with closing their churches during the next year. Another has no building to meet in because there was a fire in the church where they were having services. One had a short Sabbatical Leave last year given by their community of faith and is feeling refreshed. Several have spouses who cannot get away for a long period of time because of their work commitments. One has children in school. Another has a church with severe financial problems and does not want to leave the community of faith for 3 months at this time. Another is thinking about retirement.

We hope that we will receive applications for Sabbatical Leave in 2026.

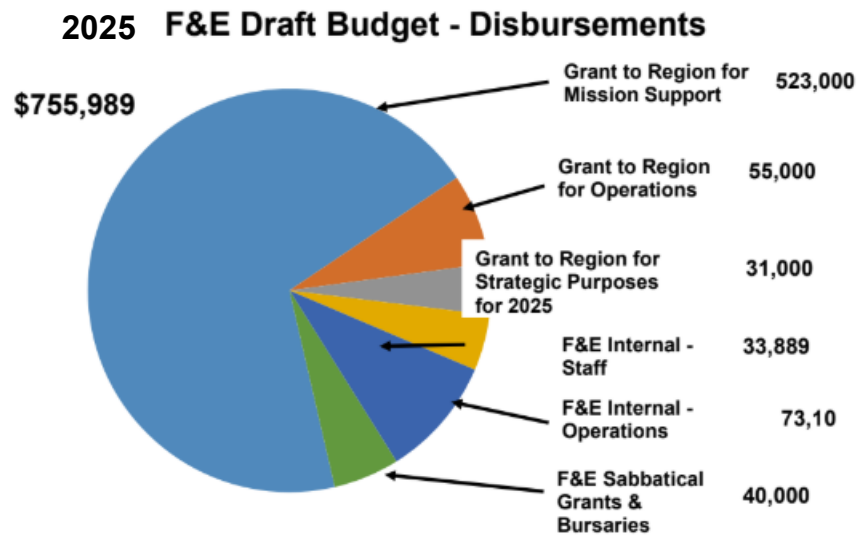
Rev. Helen Hliaras will be finishing the final month of her 2024 Sabbatical Leave at an appropriate time in the future.

Thank you to Brian Ruse for keeping our finances in order. And I would like to express my appreciation to Caroline Leamon and Jim Fyles for serving on our Committee.

Respectfully submitted,

Diane Campbell, Chair, Sabbatical Leave Committee

BUDGET



THE FINANCE AND EXTENSION BOARD OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Financial Statements

December 31, 2024

	Page
Independent Practitioner’s Review Engagement Report	1 - 2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15
Schedules.....	16 - 17



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of the
The Finance and Extension Board of Conseil régional Nakonha:ka Regional Council

We have reviewed the accompanying financial statements of **THE FINANCE AND EXTENSION BOARD OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL** that comprise the statement of financial position as at **December 31, 2024**, 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.

Basis for Qualified Conclusion

The Entity has converted an interest-bearing loan into a non-interest-bearing loan during the year ended December 31, 2021. On conversion date, management has not accounted for the loan at fair value but rather stated it at its nominal value, which constitutes a departure from the Canadian accounting standards for not-for-profit organizations. If management had accounted for the non-interest-bearing loan at fair value, interest on loans receivable would have been increased by \$15,379 for the year ended December 31, 2024 and net assets and loans receivable would have been decreased by \$165,796 as at December 31, 2024 and net assets and loans receivable would have been decreased by \$181,175 as at December 31, 2023.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **THE FINANCE AND EXTENSION BOARD OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL** as at **December 31, 2024**, 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.

*BCGO S.E.N.C.R.L.*¹

Montréal
April 14, 2025

¹ CPA auditor, public accountancy permit No. A132242

**THE FINANCE AND EXTENSION BOARD
OF CONSEIL RÉGIONAL
NAKONHA:KA REGIONAL COUNCIL**
Statement of Operations
Year Ended December 31, 2024

	General Fund	Restricted Funds Schedule 1	2024	2023
	\$	\$	\$	\$
REVENUES				
Income from investments at fair value	1,420,121	673,987	2,094,108	706,848
Gain on disposal of investments	85,493	62,902	148,395	70,495
Net change in fair value of investments	211,517	77,763	289,280	1,170,065
	1,717,131	814,652	2,531,783	1,947,408
Contributions	-	126,063	126,063	511,460
Interest on loans receivable	19,891	-	19,891	20,264
Other	26	-	26	4
	1,737,048	940,715	2,677,763	2,479,136
EXPENSES				
Board operations				
Salaries and benefits	33,062	-	33,062	32,413
Office and administrative (recovery)	1,628	-	1,628	(4,342)
Legal, accounting and review	26,510	-	26,510	18,316
Investment counsel fees, safekeeping and transaction charges	47,275	22,166	69,441	65,529
Contingencies	250	-	250	-
	108,725	22,166	130,891	111,916
Assistance and grants				
Grants	560,000	396,626	956,626	838,287
Bursaries	25,000	-	25,000	30,000
Sabbatical leave	28,693	-	28,693	42,870
	613,693	396,626	1,010,319	911,157
EXCESS OF REVENUES OVER EXPENSES	1,014,630	521,923	1,536,553	1,456,063

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

**THE FINANCE AND EXTENSION BOARD
OF CONSEIL RÉGIONAL
NAKONHA:KA REGIONAL COUNCIL**
Statement of Changes in Net Assets
Year Ended December 31, 2024

	General Fund	Restricted Funds Schedule 1	2024	2023
	\$	\$	\$	\$
Net assets, beginning of year	15,576,987	6,836,408	22,413,395	20,957,332
Excess of revenues over expenses	1,014,630	521,923	1,536,553	1,456,063
Net assets, end of year	16,591,617	7,358,331	23,949,948	22,413,395

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

**THE FINANCE AND EXTENSION BOARD
OF CONSEIL RÉGIONAL
NAKONHA:KA REGIONAL COUNCIL**
Statement of Financial Position
As at December 31, 2024

	General Fund	Restricted Funds Schedule 1	2024	2023
	\$	\$	\$	\$
CURRENT ASSETS				
Cash	6,179	-	6,179	76,668
Cashable term deposit in trust, prime rate less 2%, maturing in December 2025 (note 3)	1,098,355	-	1,098,355	1,048,184
Accounts receivable (note 4)	50,028	-	50,028	20,822
Current portion of loans receivable (note 5)	329,065	-	329,065	288,908
	1,483,627	-	1,483,627	1,434,582
Investments in mutual funds (note 6)	15,477,764	7,358,331	22,836,095	21,309,155
Loans receivable (note 5)	848,631	-	848,631	737,540
	17,810,022	7,358,331	25,168,353	23,481,277
CURRENT LIABILITIES				
Due regarding the sale of the Italian Church of the Redeemer (note 3)	1,098,355	-	1,098,355	1,048,184
Accounts payable and accrued liabilities	120,050	-	120,050	19,698
	1,218,405	-	1,218,405	1,067,882
NET ASSETS				
General Fund	16,591,617	-	16,591,617	15,576,987
Restricted Funds	-	7,358,331	7,358,331	6,836,408
	16,591,617	7,358,331	23,949,948	22,413,395
	17,810,022	7,358,331	25,168,353	23,481,277

Approved by the Board

President

Treasurer

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

**THE FINANCE AND EXTENSION BOARD
OF CONSEIL RÉGIONAL
NAKONHA:KA REGIONAL COUNCIL**
Statement of Cash Flows
Year ended December 31, 2024

	General Fund	Restricted Funds Schedule 1	2024	2023
	\$	\$	\$	\$
OPERATING				
Excess of revenues over expenses	1,014,630	521,923	1,536,553	1,456,063
Non-cash items:				
Gain on disposal of investments	(85,493)	(62,902)	(148,395)	(70,495)
Net change in fair value of investments	(211,517)	(77,763)	(289,280)	(1,170,065)
	717,620	381,258	1,098,878	215,503
Net changes in non-cash items related to operations				
Accrued interest	(19,891)	-	(19,891)	(11,444)
Sales taxes	(9,315)	-	(9,315)	(523)
Accounts payable and accrued liabilities	100,352	-	100,352	(46,205)
	788,766	381,258	1,170,024	157,331
INVESTING				
Acquisition of term deposit	-	-	-	(1,048,184)
Increase in loans receivable	(176,248)	-	(176,248)	(105,921)
Collection of loans receivable	25,000	-	25,000	117,046
Acquisition of investments	(1,420,118)	(800,051)	(2,220,169)	(1,223,308)
Proceeds from disposal of investments	712,111	418,793	1,130,904	1,113,381
	(859,255)	(381,258)	(1,240,513)	(1,146,986)
FINANCING				
Due to the Italian Church of the Redeemer	-	-	-	1,048,184
NET (DECREASE) INCREASE IN CASH	(70,489)	-	(70,489)	58,529
CASH, BEGINNING OF YEAR	76,668	-	76,668	18,139
CASH, END OF YEAR	6,179	-	6,179	76,668

Investing and financing activities not involving cash

Increase in term deposit by the increase
of the amount due to the Italian Church
of the Redeemer

50,171 -

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

1. Purpose

The Finance and Extension Board of Conseil régional Nakonha:ka Regional Council (the “Board”), a registered charity, manages the funds entrusted to it, acquires and helps maintain buildings within the Conseil régional Nakonha:ka Regional Council (the “Regional Council”) (note 8) and provides sabbatical and bursary funds. The Board is also empowered to promote and carry on mission work with a concern for the spiritual and temporal welfare of the church, which is accomplished through its programs and annual grants transferred to the Regional Council.

In order to maintain its registered charity status, the Board must meet certain spending requirements (“disbursement quota”) according to the *Income Tax Act*. The disbursement quota is a minimum amount that the registered charity must spend on charitable programs or as gifts to qualified donees in order to maintain its registered charity status. As at December 31, 2024, the Board complies with the requirement.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations using the restricted fund method for contributions.

Fund Accounting

The General Fund is unrestricted and accounts for current operations and programs of the Board. Unrestricted contributions to be used for operating activities and programs are reported in this fund.

The Restricted Funds account for and report all activities of the following externally imposed restrictions:

- a) The F.W. Kelley Fund was established as a bequest under the will of the late F.W. Kelley, educator and member of the Montreal West United Church, to be used for the purposes of education, church extension and social service in the Regional Council.
- b) The Erskine & American - Mountainside Trust Fund was established by the Regional Council and the St. Andrew's Dominion Douglas Pastoral Charge out of a portion of the proceeds of real property previously held by the trustees of Erskine and American Pastoral Charge (then amalgamated with St. Andrew's Dominion Douglas to become Mountainside United Church Pastoral Charge). The income of the Fund is to be devoted equally to the outreach ministry of the Erskine and American tradition, including any new ventures and needs yet to be determined, and to transformation ministries identified by the Presbytery. The name of the Fund was changed from Erskine and American Fund to Erskine & American - Mountainside Trust Fund as a result of a significant contribution from Mountainside United Church.
- c) The Ste Thérèse Fund was established from the proceeds of the net assets, excluding the Cemetery Fund of the Ste Thérèse United Church (then amalgamated with Rosemère Memorial United Church). The Fund is to be used to provide for the expansion of French ministries in the lower Laurentian area under the supervision of the Regional Council.

2. Accounting policies (continued)

Fund Accounting (continued)

- d) The St. John's Hall Bursary Fund accounts for activities restricted for the furthering of education.
- e) The St. John's Hall Endowment Fund reports resources contributed for endowment. The net income of the resources of the Endowment fund is reported in the St. John's Hall Bursary Fund.
- f) The Bhal-Yun Fund was established from the proceeds of the Central Korean United Church for the purpose of benefiting many projects of the Regional Council.
- g) The Institut Français Évangélique Fund originated in the Consistoire Laurentien. Approximately 5% of the market value is used annually to fund bursaries for students. The grants to bursary recipients are managed by the Bursary Committee of the Board as per the 1999 agreement.
- h) The Trois-Rivières French Ministry Fund was established in 2007 from the proceeds of the sale of St. Andrew's United Church in Trois-Rivières. A portion of the fund is to offer training, resources and support for French or bilingual (E/F) ministry special projects or events within the area of the Regional Council. It is not intended for the purpose of supporting staff salary or the work of an already ongoing ministry.
- i) The Trois-Rivières Québec Sherbrooke Area Support Fund was established in 2007 from the proceeds of the sale of St. Andrew's United Church in Trois-Rivières. A portion of the fund is designated for the areas of the former Québec-Sherbrooke Presbytery to support work in French Ministry, the Eastern Region, Youth Camp, Internship and Lay Worship Leadership.
- j) The Grand-Mère Fund was established from the sale of church property in Grand-Mère and is to support ministry within the former Consistoire Laurentien area. This money was subsequently earmarked specifically to support the annual Camino de Emaus family summer camp.
- k) The Granting and Enabling Strategic Fund was established from the partial proceeds of church property sales. The Fund is to be used for strategic church development or future ministry in the Region.
- l) The Rosemary Lambie Fund for Learning: Respecting our Indigenous Neighbours was established by a contribution of approximately 20% of the Regional Council's Contingency Reserve Fund and a contribution from F.W. Kelley Fund.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that might affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Revenue recognition

The Board follows the restricted fund method whereby externally or internally restricted contributions are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the General Fund.

The Board recognizes investment income and gains and losses on disposal of investments as revenue when earned. Interest on loans receivable is recognized when earned and when collection is reasonably assured.

2. Accounting policies (continued)

Financial instruments

Measurement of financial instruments

Financial assets and financial liabilities are measured at fair value upon initial recognition, including the following financial instruments acquired or assumed in a related party transaction: equity instruments quoted in an active market, debt instruments quoted in an active market or for which inputs to the determination of fair value are observable, and derivatives. However, financial instruments resulting from related party transactions in the normal course of operations, or in certain circumstances not in the normal course of operations, are measured at the exchange amount of the consideration transferred or received. Financial instruments, other than the above-mentioned instruments, resulting from related party transactions not in the normal course of operations, are usually measured at cost, the cost depending on whether the instrument has repayment terms.

The cost of a financial asset or a financial liability with repayment terms, issued in a related party transaction not in the normal course of operations, is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument has no repayment terms, the cost is determined using the consideration transferred or received by the Board in the transaction.

The Board subsequently measures its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market and derivative contracts, which are measured at fair value. Changes in fair value of these instruments are recorded in income.

Financial assets that the Board has designated to be subsequently measured at fair value consist of investments in mutual funds.

Financial assets measured at amortized cost using the straight-line method consist of cash, cashable term deposit in trust, accrued interest and loans receivable.

Financial liabilities measured at amortized cost using the straight-line method consist of due regarding the sale of the Italian Church of the Redeemer and accounts payable and accrued liabilities.

2. Accounting policies (continued)

Financial instruments (continued)

Depreciation

At the end of each reporting period, the Board assesses whether there are any indications that financial assets measured at cost or amortized cost are impaired. When there are indications that there may be an impairment, the carrying amount of the financial asset is reduced to the highest of the three following amounts:

- the present value of the cash flows expected to be generated by holding the asset using a current market rate;
- the amount that could be realized by selling the asset;
- the amount that could be realized from collateral.

The amount of the impairment loss is recognized in income. When the extent of an impairment previously recognized decreases, the write-down is reversed and also recognized in income.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income of the period during which they are incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the financial instrument. When the financial instrument is measured at amortized cost, transaction costs are recognized in income over the life of the financial instrument using the straight-line method.

3. Cashable term deposit

The Italian Church of the Redeemer's (ICTR) church building was sold in 2023 for net proceeds of \$1,397,579. As per the agreement, 15% of the net proceeds (\$209,637) was paid to The United Church of Canada and 10% (\$139,758) was accounted for as a contribution revenue in the statement of operations of the Board (in the Granting and Enabling Strategic Fund). Since the community of Faith of ICTR is not disbanding, 75% (\$1,048,184) of the proceeds is retained in a trust account until ICTR submits a Ministry Plan. This amount is invested into a cashable term deposit until the Ministry Plan is received and approved by Nakhonha:ka Regional Council. Once the plan is approved, the funds of \$1,048,184 and the accumulated interest will be distributed pursuant to the terms approved in the Ministry Plan. The accumulated interest for 2024 is \$50,171.

4. Accounts receivable

	2024	2023
	\$	\$
Accrued interest (note 5)	35,800	15,909
Sales taxes	14,228	4,913
	50,028	20,822

**THE FINANCE AND EXTENSION BOARD
OF CONSEIL RÉGIONAL
NAKONHA:KA REGIONAL COUNCIL**
Notes to Financial Statements
December 31, 2024

5. Loans receivable

	Interest Receivable	Current Capital Portion	2024	2023
	\$	\$	\$	\$
St. James United Church 5%, repayable in quarterly installments of \$13,275, principal and interest, maturing in December 2030	27,280	105,804	339,439	339,438
5%, line of credit (no unused credit available)	8,520	100,000	100,000	100,000
Union United Church Montreal, payable in annual installments of \$25,000 from 2023 to 2042 and \$13,749 in 2043, due in July 2043 (a)	-	25,000	463,749	488,749
Rosemount - Central and Trinity "Old" (Schedule 2)	-	42,500	42,500	42,500
Trinity United Church (Cookshire) Non-interest-bearing line of credit (unused credit available \$151,738)	-	98,261	98,261	98,261
Stanbridge East United Church Non-interest-bearing line of credit (unused credit available \$552,753)	-	-	176,247	-
	35,800	371,565	1,220,196	1,068,948
Provision for uncollectible loans (Schedule 2)	-	(42,500)	(42,500)	(42,500)
	35,800	329,065	1,177,696	1,026,448
Less current portion	-	-	329,065	288,908
	35,800	329,065	848,631	737,540

(a) The Board has converted an interest-bearing loan into a non-interest-bearing loan during the year ended December 31, 2021. On conversion date, management has not accounted for the loan at fair value but rather stated it at its nominal value.

6. Investments in mutual funds - Fiera Balanced Ethical Fund A

	2024			2023			
	Number of units	Fair Value \$	Cost \$	Number of units	Fair value \$	Cost \$	Net change in fair value \$
General fund	17,094	15,477,767	14,118,405	16,299	14,472,747	13,321,966	208,581
Restricted fund (Schedule 1)	8,127	7,358,331	6,581,451	7,699	6,836,408	6,140,227	80,699
	25,221	22,836,098	20,699,856	23,998	21,309,155	19,462,193	289,280

The Fiera Balanced Ethical Fund A (formerly known as Fiera Balanced EFT Fund) is managed by Fiera Capital Corporation, which makes investment decisions for the Fiera Balanced Ethical Fund A. The Board meets periodically with representatives of Fiera Capital Corporation to review its investment in the fund.

7. Financial instruments

Credit risk

Credit risk is the risk that the Board might incur a loss due to the failure of the counterpart to a financial instrument to meet its obligations. The Board is exposed to credit risk mainly with regards to accrued interest and loans receivable.

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 Board is mainly exposed to interest rate risk and other price risk.

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 Board is exposed to interest rate risk on its fixed rate and non-interest-bearing loans receivable since the fair value of these financial instruments fluctuates inversely to changes in market interest rates.

Other price risk

Other price risk is the risk that the fair value of a financial instrument fluctuates because of changes in market prices (other than those arising from interest rate risk or currency risk). The Board is exposed to other price risk with regards to its investments in mutual funds since the fair value of these financial instruments fluctuates according to returns from these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its obligations associated with financial liabilities. The exposure of the Board to liquidity risk relates to accounts payable and accrued liabilities.

8. Related party transactions

The following transactions and balances included in the financial statements are with the Regional Council, a registered charity that controls the Board.

	2024	2023
	\$	\$
Grants to The Regional Council	560,000	560,000

During 2023, the Board received \$100,000 as a contribution for the Rosemary Lambie Fund.

During 2023 and 2024, contributions were made to the Granting and Enabling Strategic Fund through the sale of Church buildings as follows:

	\$	\$
Dorval-Strathmore United Church	-	146,485
Mid-Laurentian Pastoral Charge	-	31,437
St. Andrew's United Church (Delson)	-	33,468
Knowlton-Mountain Valley Pastoral Charge	-	54,665
Bishopton United Church	-	5,647
Italian Church of the Redeemer	-	139,758
Beaurepaire United Church	122,314	-
Dorval-Strathmore United Church (25% of balance of holdback - 2023 sale)	3,595	-
Total	125,909	411,460

These transactions were carried out in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**THE FINANCE AND EXTENSION BOARD
OF CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL**

Schedule 1

Statement of operations and changes in net assets of externally restricted funds
As at December 31, 2024

	St John's Hall Endowment Fund	St John's Hall Bursary Fund	F.W. Kelley Fund	Erskine & American - Mountainside Trust Fund	Ste- Thérèse Fund	Institut Français Évangélique Fund	Bhal-Yun Fund	Québec Sherbrooke Area Support Fund	Trois- Rivières French Ministry Fund	Grand-Mère Fund	Rosemary Lambie Fund	Granting and Enabling Strategic Fund	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues														
Investment income	-	9,371	74,370	382,843	6,373	10,271	54,640	37,607	11,391	365	10,072	76,684	673,987	221,603
Gain on disposal of investments	-	863	4,232	27,734	5,111	1,376	12,974	1,235	4,863	498	981	3,035	62,902	26,570
Net change in fair value of investments	-	1,113	10,872	51,286	(1,672)	955	464	5,999	(1,126)	(287)	1,794	8,365	77,763	349,559
Contributions	-	-	-	-	-	-	-	-	-	-	155	125,908	126,063	511,460
	-	11,347	89,474	461,863	9,812	12,602	68,078	44,841	15,128	576	13,002	213,992	940,715	1,109,192
Expenses														
Investment counsel fees, safe keeping and transaction charges	-	315	2,463	12,681	276	351	1,882	1,231	428	22	284	2,233	22,166	20,002
Grants	-	5,000	22,100	171,970	25,000	8,000	63,618	6,938	28,000	3,000	14,000	49,000	396,626	278,287
	-	5,315	24,563	184,651	25,276	8,351	65,500	8,169	28,428	3,022	14,284	51,233	418,792	298,289
Excess (deficiency) of revenues over expenses	-	6,032	64,911	277,212	(15,464)	4,251	2,578	36,672	(13,300)	(2,446)	(1,282)	162,759	521,923	810,903
													-	-
Net assets, beginning of year	53,000	43,200	746,105	3,908,126	81,430	107,612	592,431	374,373	136,192	6,306	110,480	677,153	6,836,408	6,025,505
Excess (deficiency) of revenues over expenses	-	6,032	64,911	277,212	(15,464)	4,251	2,578	36,672	(13,300)	(2,446)	(1,282)	162,759	521,923	810,903
Interfund transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets, end of year	53,000	49,232	811,016	4,185,338	65,966	111,863	595,009	411,045	122,892	3,860	109,198	839,912	7,358,331	6,836,408
Number of units	60	53	896	4,622	73	124	657	454	136	4	121	928	8,127	7,699

**THE FINANCE AND EXTENSION BOARD
OF CONSEIL RÉGIONAL
NAKONHA:KA REGIONAL COUNCIL**
Uncollectible loans to churches
December 31, 2024

SCHEDULE 2

	Year of loan	Original Amount	2024	2023	Year of latest payment
		\$	\$	\$	
Rosemount - Central	1926	17,500	17,500	17,500	1926
Trinity "Old"	1927	25,000	25,000	25,000	1927
		42,500	42,500	42,500	
Provision for uncollectible loans to churches		42,500	42,500	42,500	
		-	-	-	