

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Non-Consolidated Financial Statements

December 31, 2025

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL
Non-Consolidated Financial Statements
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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Conseil régional Nakonha:ka Regional Council

We have reviewed the accompanying non-consolidated financial statements of **CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL** that comprise the non-consolidated statement of financial position as at **December 31, 2025**, and the non-consolidated 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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the non-consolidated financial statements do not present fairly, in all material respects, the financial position of **CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL** as at **December 31, 2025**, 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
May 19, 2026

¹ CPA auditor, public accountancy permit No. A132242

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Non-Consolidated Statement of Operations
Year Ended December 31, 2025

	General Funds		Restricted Fund	2025	2024
	Contingency Reserve Fund	Unrestricted			
		\$	\$	\$	\$
REVENUES					
Grants from the United Church of Canada	-	572,000	-	572,000	581,375
Grants from the Finance and Extension Board	-	669,000	-	669,000	560,000
Miscellaneous Contributions	-	16,231	-	16,231	11,263
Donations	-	-	175	175	424
Interest	-	9,981	-	9,981	18,838
	-	1,267,212	175	1,267,387	1,171,900
EXPENSES					
Salaries and benefits	-	589,580	-	589,580	581,254
Mission support	-	523,000	-	523,000	505,000
Mission expenses	-	37,186	-	37,186	13,110
Other grants (recovered)	(53)	-	-	(53)	4,057
Office and administrative	-	110,381	-	110,381	68,981
Accounting and review	-	11,900	-	11,900	13,343
Committee expenses	-	34,851	-	34,851	11,794
Travel	-	9,571	-	9,571	3,174
Bad debts (recovered)	-	(34)	-	(34)	34
	(53)	1,316,435	-	1,316,382	1,200,747
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	53	(49,223)	175	(48,995)	(28,847)

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

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Non-Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2025

	General Funds			2025	2024
	Contingency Reserve Fund	Unrestricted	Restricted Fund		
		\$	\$		
Net assets, beginning of year	357,293	-	52,402	409,695	438,542
Excess (deficiency) of revenues over expenses	53	(49,223)	175	(48,995)	(28,847)
Interfund transfer (note 5)	(49,223)	49,223	-	-	-
Net assets, end of year	308,123	-	52,577	360,700	409,695

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

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Non-Consolidated Statement of Financial Position
As at December 31, 2025

	General Funds	Restricted Fund	2025	2024
	\$	\$	\$	\$
CURRENT ASSETS				
Cash	19,225	-	19,225	8,615
Cashable term deposits, prime rate less 2.25% to 2.45%, maturing in July 2026 and October 2026	322,423	52,577	375,000	400,000
Accounts receivable (note 3)	11,852	-	11,852	9,030
Prepaid expenses	734	-	734	734
	354,234	52,577	406,811	418,379
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	46,111	-	46,111	8,684
NET ASSETS				
General funds				
Unrestricted	-	-	-	-
Contingency reserve (note 5)	308,123	-	308,123	357,293
Restricted fund (Schedule)	-	52,577	52,577	52,402
	308,123	52,577	360,700	409,695
	354,234	52,577	406,811	418,379

Approved on behalf of the Regional Council

_____ Treasurer

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCILNon-Consolidated Statement of Cash Flows
As at December 31, 2025

	General Funds	Restricted Fund	2025	2024
	\$	\$	\$	\$
OPERATING				
Excess (deficiency) of revenues over expenses	(49,170)	175	(48,995)	(28,847)
Net changes in non-cash items related to operations:				
Accounts receivable	(2,822)	-	(2,822)	3,246
Accounts payable and accrued liabilities	37,427	-	37,427	1,868
	(14,565)	175	(14,390)	(23,733)
INVESTING				
Net decrease in loans receivable	-	-	-	15,279
Acquisition of cashable term deposits	(399,825)	(175)	(400,000)	(400,000)
Proceeds from disposal of term deposits	425,000	-	425,000	400,000
	25,175	(175)	25,000	15,279
INCREASE (DECREASE) IN CASH	10,610	-	10,610	(8,454)
CASH, BEGINNING OF YEAR	8,615	-	8,615	17,069
CASH, END OF YEAR	19,225	-	19,225	8,615

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

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

1. Purpose

The Conseil régional Nakonha:ka Regional Council (“the Regional Council”) is a council of the United Church of Canada constituted under the *United Church of Canada Act* (1925). The Regional Council incorporates communities of faith and outreach ministries from the former Consistoire Laurentien and Consistoire du Québec Presbytery. The Regional Council oversees its constituent churches, missions, and outreach ministries, adopting measures to promote their religious life. Service is directed towards its members and the ecumenical and secular society within its geographic bounds, particularly the poor.

In order to maintain its registered charity status, the Regional Council 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, 2025, the Regional Council complied with the requirement.

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

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 of accounting for contributions.

Accounting for a controlled not-for-profit organization

The Regional Council elected to not consolidate the accounts of a controlled not-for-profit organization. Summary financial information is provided in Note 7.

Fund accounting

The General Fund is unrestricted and accounts for all current operations and programs of the Regional Council.

The Contingency Reserve Fund was created by the Regional Council.

The Restricted Fund accounts for and reports all activities of the following externally imposed restrictions:

The Heritage Archives Fund

The Heritage Archives Fund was established as a result of the United Church of Canada Policy whereby Pastoral Charges contribute 2% from the sale proceeds of closing or amalgamating congregations up to a maximum contribution of \$5,000. During 2023, this policy was changed such that Pastoral Charges no longer contribute a portion of the sale proceeds to this 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 for the period reported. Actual results could differ from those estimates.

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

2. Accounting policies (continued)

Revenue recognition

Grants, contributions and donations are recognized when received or when reception has been confirmed.

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 Regional Council in the transaction.

The Regional Council 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 measured at amortized cost using the straight-line method consist of cash, cashable term deposits, accounts receivable, except sales taxes.

Financial liabilities measured at amortized cost using the straight-line method consist of accounts payable and accrued liabilities.

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

2. Accounting policies (continued)

Depreciation

At the end of each reporting period, the Regional Council 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.

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

3. Accounts receivable

	2025	2024
	\$	\$
Sales taxes	5,558	1,234
Accrued interest	4,316	7,581
Other	1,978	215
	11,852	9,030

4. Related party transactions

The Regional Council is a council of the United Church of Canada from which it received grants of \$572,000 and \$581,375 during the years ended December 31, 2025 and 2024, respectively.

Grants from the Finance and Extension Board, in the amount of \$669,000, were received during the year ended December 31, 2025 (\$560,000 in 2024) from a controlled registered charity as described in Note 7.

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

5. Contingency reserve fund

The Contingency Reserve Fund was created in 2020 by the Regional Council. All of 2019 to 2025 excesses or deficits of revenues over expenses that would otherwise be considered operation surpluses or deficiencies are to be transferred to the Contingency Reserve fund for expenditures that are very likely to become necessary in future years inter alia to compensate for needs of the Regional Council and its constituent communities of faith. The Regional Council or its Executive may decide at any time to authorize expenditures to be charged to the Contingency Reserve Fund.

6. Commitments

The Regional Council has an operating lease agreement for its premises which expires on June 30, 2027. The future minimum lease payments over the next two years are \$42,750.

The Regional Council has a lease agreement for its Xerox machine which expires in December 2027. The future lease payments over the next two years are \$8,810.

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

7. Controlled not-for-profit organization

The Regional Council controls the Finance and Extension Board of the Conseil régional Nakonha:ka Regional Council (the "Board"). The Board, a registered charity, manages the funds entrusted to it, acquires and helps maintain buildings within the Regional Council 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.

According to the Board's constitution, the Regional Council elects the members of the Board, approves the Board's budget, and any changes to the By-Laws of the Constitution of the Board. The financial information of the Board has not been consolidated in the Regional Council's financial statements. Financial statements of the Board are available upon request. Financial summaries of the Board as at December 31, 2025 and 2024 and for the years then ended are as follows:

	2025	2024
	\$	\$
<i>Financial Position</i>		
General Fund	16,840,645	17,810,022
Restricted Funds	8,604,100	7,358,331
Total assets	25,444,745	25,168,353
Liabilities - General Fund	23,412	1,218,405
Net assets - General Fund	16,817,233	16,591,617
Net assets - Restricted Funds	8,604,100	7,358,331
	25,421,333	23,949,948
	25,444,745	25,168,353

Restricted Funds:

F.W. Kelley Fund, Erskine & American - Mountainside Trust Fund, St. John's Hall Bursary Fund, St. John's Hall Endowment Fund, Ste-Thérèse Fund, Bhal-Yun Fund, Grand-Mère Fund, Institut Français Évangélique Fund, Trois-Rivières French Ministry Fund, Québec Sherbrooke Area Support Fund, Granting and Enabling Strategic Fund, Rosemary Lambie Fund and Italian Church of the Redeemer Fund.

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

7. Controlled not-for-profit organization (continued)

	General Fund	Restricted Funds	Total 2025	Total 2024
	\$	\$	\$	\$
Results of operations				
Total revenues	1,028,472	1,783,072	2,811,544	2,677,763
Total expenses (a)	802,856	537,303	1,340,159	1,141,210
Excess of revenues over expenses	225,616	1,245,769	1,471,385	1,536,553

(a) Total expenses include a grant to the Regional Council of \$669,000 (2024 - \$560,000).

	General Fund	Restricted Funds	Total 2025	Total 2024
	\$	\$	\$	\$
Cash flows				
From operating activities	1,803,421	2,236,811	4,040,232	1,170,024
From investing activities	(666,139)	(2,236,811)	(2,902,950)	(1,240,513)
From financing activities	(1,098,355)	-	(1,098,355)	-
Net increase (decrease) in cash	38,927	-	38,927	(70,489)

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

8. Financial instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Regional Council is not exposed to a significant risk with regards to any counterpart.

Interest rate risk

Interest rate risk is the risk that the fair value or the cash flows from a financial instrument fluctuates because of a change in market rates. The Regional Council is not exposed to a significant risk with regards to interest rate.

Liquidity risk

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

9. Comparative figures

Certain figures for 2024 have been reclassified to make their presentation identical to that adopted in 2025.

10. Other information

(a) Good Samaritan Fund

The Good Samaritan Fund was established as a donor-directed fund with the United Church of Canada Foundation following the closure and sale of the Griffith-McConnell Residence (an outreach mission of the Regional Council). The terms of the Agreement with the Foundation provide that the Regional Council may alone designate grants from the income of the fund to ministry programs involving seniors in the Province of Québec.

The maximum annual amount of the grant is a variable percentage of the fund balance. If the Regional Council fails to designate grants, then the Foundation has the right to make grants to similar causes that year anywhere in Canada to comply with their disbursement quota under tax regulations. The fund balance as at December 31, 2025 was \$8,114,039 (2024 - \$8,061,535).

The total 2025 annual grant amount designated by the Regional Council from the Good Samaritan Fund was \$425,630 (2024 - \$386,014).

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Notes to the Non-Consolidated Financial Statements
December 31, 2025

10. Other information (continued)

(b) Sale of Churches in 2025

	Net proceeds received by						Proceeds distributed by the Regional Council or the Board to:			
	the Regional Council	United Church of Canada - Indigenous Ministries	United Church of Canada - Mission & Service Fund	The Board-Granting and Enabling Strategic Fund	United Church Women - National Office	Balance				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Granby United Church	260,965	104,386	52,193	104,386	-	-	-	-	-	-
Knowlton UC (1)	16,250	-	16,250	-	-	-	-	-	-	-
Mount Royal United Church (manse)	415,805	166,322	83,161	166,322	-	-	-	-	-	-
Georgeville UC	6,250	2,500	1,250	2,500	-	-	-	-	-	-
Italian Church of the Redeemer (1)	91,445	-	69,879	-	21,566	-	-	-	-	-
Total	790,715	273,208	222,733	273,208	21,566	-	-	-	-	-

(1) Balance from sale that happened in 2023.

CONSEIL RÉGIONAL NAKONHA:KA REGIONAL COUNCIL

Schedule
Year Ended December 31, 2025

Restricted Fund - Heritage Archives Fund	2025	2024
	\$	\$
Revenues		
Donations	175	324
Excess of revenues over expenses	175	324
Net assets, beginning of year	52,402	52,078
Net assets, end of year	52,577	52,402