

DRAFT 4RRR

Updated Nov 17, 2025

Financial statements of Horseshoe Falls Regional Council of The United Church of Canada

December 31, 2024

**Horseshoe Falls Regional Council of
The United Church of Canada**
December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Executives of Horseshoe Falls Regional Council of the United Church of Canada

Opinion

We have audited the financial statements of Horseshoe Falls Regional Council of the United Church of Canada (the Entity), which comprise:

- the statement of financial position as at December 31, 2024;
- the statement of operations for the year then ended.
- the statement of changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies; (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2024, and its results of 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 “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the Entity 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.
- Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

Horseshoe Falls Regional Council of The United Church of Canada

Statement of financial position

as at

(amounts in Canadian dollars)

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(updated Nov 17, 2025)

				December 31, 2024	December 31, 2023
	Operating Fund	Restricted Funds (Schedule)	Property Funds	Total	Total
	\$	\$	\$	\$	\$
Assets					
Current					
Cash	1,006,393	-	-	1,006,393	306,085
Accounts receivable (note 5)	48,468	-	-	48,468	102,872
Short term investments (note 6)	1,169,600	-	-	1,169,600	1,531,829
	2,224,461	-	-	2,224,461	1,940,786
Due from/to other funds	(2,035,406)	214,863	1,820,543	-	-
Investments (note 7)	1,055,911	-	-	1,055,911	498,731
Investments and promissory notes in a business trust (note 8)	-	-	9,843,478	9,843,478	9,944,378
Loans receivable (note 9)	527,858	-	-	527,858	347,840
Capital assets (note 10)	-	-	81,631	81,631	87,343
	1,772,824	214,863	11,745,652	13,733,339	12,819,078
Liabilities and fund balances					
Current					
Accounts payable and accrued liabilities (note 11)	53,501	-	551,189	604,690	62,685
Deferred Contributions	24,800	-	-	24,800	-
Fund balances					
Internally restricted - Schedule	-	205,116	-	205,116	205,857
Externally restricted - Schedule	-	9,747	-	9,747	13,339
Unrestricted	1,694,523	-	11,194,463	12,888,986	12,537,197
	1,772,824	214,863	11,745,652	13,733,339	12,819,078

Approved on behalf of the Regional Council Executive

Regional Executive Minister

President

Horseshoe Falls Regional Council of The United Church of Canada

Statement of operations
for the year ended
(amounts in Canadian dollars)

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(updated Nov 17, 2025)

				December 31, 2024	December 31, 2023
	Operating Fund	Restricted Funds (Schedule)	Property Funds	Total	Total
	\$	\$	\$	\$	\$
Revenues (note 12)					
General Council Office assessment funded grants	401,375	-	-	401,375	401,375
Mission and service grants	180,000	-	-	180,000	240,000
Ontario Regional Council Archive grants	22,558	-	-	22,558	21,956
Other grants	14,000	400	-	14,400	-
Net proceeds from disbanding congregations	-	-	984,097	984,097	364,943
Registration fees, donations and other revenue	38,528	-	2,274	40,802	10,408
	656,461	400	986,371	1,643,232	1,038,682
Expenses (note 12)					
Salaries, benefits and continuing education	359,185	-	18,476	377,661	414,211
Grants	177,213	741	551,189	729,143	398,352
Meetings and travel	77,815	3,992	-	81,807	37,295
Office administration	123	-	-	123	4,148
Ontario Regional Council Archives fees	45,117	-	-	45,117	43,912
General Council Office service fees	45,969	-	-	45,969	44,541
Amortization	-	-	5,712	5,712	5,712
Professional fees	64,421	-	-	64,421	58,509
Resources	23,635	-	-	23,635	16,662
Property and insurance	11,332	-	3,108	14,440	16,044
Bank Charges	1,759	-	-	1,759	1,394
Other expenses	41	-	-	41	7,182
	806,610	4,733	578,485	1,389,828	1,047,962
Net revenues (expenses), before items below	(150,149)	(4,333)	407,886	253,404	(9,280)
Loss from a business trust less interest on promissory notes (note 8)	-	-	(100,900)	(100,900)	(105,622)
Investment returns	194,952	-	-	194,952	94,675
Net revenues (expenses)	44,803	(4,333)	306,986	347,456	(20,227)

The accompanying notes are an integral part of these financial statements

Horseshoe Falls Regional Council of The United Church of Canada

Statement of changes in fund balances
for the year ended
(amounts in Canadian dollars)

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(updated Nov 17, 2025)

				December 31, 2024	December 31, 2023
	Operating Fund	Restricted Funds (Schedule)	Property Funds	Total	Total
	\$	\$	\$	\$	\$
Fund balances, beginning of year	1,649,720	219,196	10,887,477	12,756,393	2,726,620
Gain on sale of beneficial interest in properties (note 8)	-	-	-	-	10,050,000
Net revenues (expenses)	44,803	(4,333)	306,986	347,456	(20,227)
Fund balances, end of year	1,694,523	214,863	11,194,463	13,103,849	12,756,393

Horseshoe Falls Regional Council of The United Church of Canada **DRAFT 4RRR**

Statement of cash flows
for the year ended
(amounts in Canadian dollars)

	December 31, 2024	December 31, 2023
	Total	Total
	\$	\$
Cash flows from operating activities		
Net revenues (expenses)	347,456	(20,227)
Non-cash items		
Amortization	5,712	5,712
Accrued interest on loans	(7,835)	(7,642)
Accrued interest on promissory notes	(502,500)	(159,699)
Loss from a business trust	603,400	265,321
Investment net returns	(194,952)	(94,675)
	251,281	(11,210)
Changes in non-cash working capital:		
Accounts receivable	54,404	10,018
Prepaid expenses	-	3,642
Accounts payable and accrued liabilities	542,005	12,912
Deferred contributions	24,800	-
Total cash provided by (used in) operating activities	872,490	15,362
Investing activities		
Increase in loans receivable	(180,000)	(36,088)
Net change in investments	1	(25,676)
Short term investments	-	(444,117)
Repayment of loans	7,817	-
Total cash used in investing activities	(172,182)	(505,881)
Total cash provided (used)	700,308	(490,519)
Cash, beginning of year	306,085	796,604
Cash, end of year	1,006,393	306,085

The accompanying notes are an integral part of these financial statements

Horseshoe Falls Regional Council of The United Church of Canada

Schedule of Restricted Fund Balances
for the year ended
(amounts in Canadian dollars)

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(updated Nov 17, 2025)

	January 01, 2024 Balance	Revenue	Expenses	December 31, 2024 Balance	December 31, 2023 Balance
	\$	\$	\$	\$	\$
Internally Restricted					
Mission & Ministry Fund	205,857	-	-	205,857	205,857
Learning Grant Fund	-	-	(741)	(741)	-
	205,857	-	(741)	205,116	205,857
Externally Restricted					
Sisters Together Fund	13,339	-	(3,992)	9,347	13,339
Annie D. Bennett Trust	-	400	-	400	-
	13,339	400	(3,992)	9,747	13,339
Total	219,196	400	(4,733)	214,863	219,196

Horseshoe Falls Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

1. The Horseshoe Falls Regional Council of The United Church of Canada

The purpose of Horseshoe Falls Regional Council of The United Church of Canada ("the Regional Council") is to be responsible for providing leadership and resources to the pastoral charges within its boundary in order that the life and work of Jesus Christ may be known in The United Church of Canada ("The Church") and in the world.

The Regional Council is the regional headquarters in the Niagara Falls region of southern Ontario for The Church and was established as a result of the restructuring of The Church on January 1, 2019. The Regional Council is an unincorporated entity and, is a Canadian registered charity exempt from income tax.

The Regional Council is a partner in a cost sharing agreement with Antler River Watershed Regional Council ("Antler") and Western Ontario Waterways Regional Council ("Western"), which includes sharing costs for regional operating activities, events, workshops and, property capital and operating expenses at various rates of participation.

2. Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") established by the Chartered Professional Accountants of Canada ("CPA Canada").

Fund accounting

The Regional Council uses the restricted fund method of reporting restricted donations. The funds are described as follows:

Operating Fund

This fund records the day-to-day operations of the activities under the control of the Regional Council, which include governance and, development and delivery of programs to support: pastoral relations; local faith communities; social justice and outreach ministries; faith formation; and right relations ministries. This fund includes contributions, donations, bequests, grants and other receipts of the Regional Council for specific and general purposes. These resources are unrestricted.

Internally Restricted Funds

Internally restricted funds (see Schedule) account for transfers, approved at meetings by the executive, to various reserve accounts and the individual transactions charged to these reserves in support of selected ministries. These funds are included in the statement of financial position under the caption "Restricted Funds".

Externally Restricted Funds

Externally restricted funds (see Schedule) have specific restrictions placed by the donors on the initial contributions ("capital") and the use of investment returns accruing to these funds. These funds are included in the statement of financial position under the caption "Restricted Funds".

Property Funds

These funds account for net proceeds from disbanding congregations, allocations from the Operating Fund and investments in a business trust including promissory notes. These funds from disbanding congregations are used to provide assistance with grants to The Church's ministries, communities of faith, learning events and, other church related entities and programs. These funds also support staffing of the various ministries of the Regional Council. These funds include accrued interest income on the promissory notes received from a business trust and the equity losses from the business trust.

Horseshoe Falls Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

3. Significant accounting policies and practices

The significant accounting policies followed by the Regional Council with respect to its regional accounts are as follows:

Cash and short term investments

Cash and short term investments includes cash held for liquidity purposes in bank accounts and term deposits or similar instruments that can be redeemed at any time for face value plus interest accrued to the redemption date.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value, adjusted for transaction costs. Except for investments, the Regional Council subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include, accounts and loans receivables. Financial liabilities measured at amortized costs include accounts payable and accrued liabilities.

Investments are carried at fair value. The purchase and sale of investments are accounted for using settlement date accounting. Investment management fees are expensed as incurred.

The funds held with an investment manager are part of the Regional Council's long term investment strategy and are classified as long-term investments, irrespective of liquidity.

Loans receivable

Loans receivable are made to support existing congregations, ministers and candidates for ministry in their pursuit of education and leadership development. The loans, recorded at cost, are generally non-interest bearing with no specific terms of repayment unless otherwise specified.

Investments and promissory notes in a business trust

Investments in a business trust include promissory notes and are accounted for using the equity method as explained further in note 8. Under the equity method of accounting, the Regional Council recognizes all earnings and losses from its business trust. Accrued interest income from the promissory notes is recognized annually in the statement of operations and included in the caption "Loss from a business trust less interest on promissory notes". The investment is written down when, in the opinion of management, there has been a significant change in expected timing or amount of future cash flows from the investment.

Capital Assets and Amortization

Capital assets are stated at acquisition cost. Amortization is provided on a straight-line basis over: 10 years for building improvements, furniture and fixtures; and 25 years for building.

Revenue Recognition

Revenue consists primarily of grants from The General Council Office of The United Church of Canada ("the GCO") and contributions from disbanding congregations as they dispose of their property and distribute their net assets. Grants received from the GCO are recognized in the fiscal year in which they are received. Net proceeds from disbanding congregations are recognized as revenue when received or receivable based on the date of the passing of the Regional Council motion to disband the congregation. Registration fees from the semi-annual general meetings, workshops and events are recognized in the period in which they occur. Interest income on loans receivable is accrued and recognized as specified in the loan agreements. Net investment returns are recognized as earned and comprise; interest and dividend income; fair value changes; and investment management fees.

Horseshoe Falls Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

3. Significant accounting policies and practices (continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities; disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. The Regional Council makes estimates in determining significant accrued liabilities and the recoverability of loans and promissory notes receivable. Actual results could differ from those estimates.

4. Financial instruments risk disclosures

The main risks the Regional Council's financial instruments are exposed to consist of market risk (including interest rate risk, price risk and currency exchange risk), credit risk and liquidity risk. The investment committee was formed by the Executive Committee and has established a Statement of Investment Policies and Procedures ("SIPP"), which it uses to manage the above-noted risks. There have been no significant changes to the above noted risk exposures from 2023.

The following describes the various risks and how the Regional Council addresses such risks:

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 is comprised of interest rate risk, currency risk and other price risk. Management manages this risk with a diversified investment portfolio.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments and future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Regional Council's exposure to interest rate risk arises from its interest-bearing assets.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Regional Council does have investments denominated in foreign currency (2024 – 20.9%; 2023 – 12.9% of total investments), subject to SIPP limits.

Other Price Risk

Other price risk refers to the risk that the fair value of the financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are specific to the individual instrument or its issuer or factors affecting all similar instruments trading in the same market. The Regional Council is exposed to market risk through its investment in fixed income, equity and money market securities. Management manages this risk by selecting securities that are diversified as to industry and geography.

Horseshoe Falls Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

4. Financial instruments risk disclosures (continued)

Credit Risk

The Regional Council is exposed to credit risk resulting from the possibility that counterparties default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be affected by changes in economic conditions, such that the Regional Council could incur a financial loss. The Regional Council's maximum exposure to credit risk is represented by the carrying values of its cash, accounts receivable, loans receivable, promissory notes and money market instruments. The Regional Council's cash is on deposit with a Canadian Chartered bank and therefore the Regional Council is not subject to significant credit risk. The Regional Council's accounts receivable, loans receivable and promissory notes include amounts due from related parties and HST rebates. There is no significant exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Regional Council cannot meet its commitments when they become due. Liquidity risk also includes the risk of the Regional Council not being able to liquidate assets in a timely manner. The Regional Council's management manages this risk by reviewing expected cash flow requirements through its budgeting process, anticipating investing and financing activities and holding assets that can be readily converted into cash.

5. Accounts receivable

Accounts receivable, totaling \$48,468 (2023- \$102,872), of which \$21,117 (2023 - \$93,316) consist of amounts receivable from the following related parties; The Church, Antler and Western, for shared costs of property, office expenses, tri-regional Annual General Meetings (AGM) and specific workshops and events.

6. Short term investments

Short term investments totaling \$1,169,600 (2023 - \$1,531,829) consist of Canadian GIC's maturing within the next 12 to 24 months and a high interest savings account balance. They are used to support operating cash flow fluctuations and near-term projects. The investment returns totaling \$73,646 (2023 - \$24,435) are included in the total returns on the statement of operations and in short term investments in the statement of financial position.

7. Investments

Investments total \$1,055,911 (2023 - \$498,731) and consist of equities and options. Included in equity and options are USD securities totaling \$465,033 (2023 - \$261,261) in Canadian dollars or 20.9% (2023 - 12.9%) of the total managed investments. The net investment returns were \$121,306 (2023 - \$70,240) and are included in the total returns on the statement of operations and included in investments in the statement of financial position.

Horseshoe Falls Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

8. Investments and promissory notes in a business trust

On August 9, 2023 the Regional Council established a business trust, the Horseshoe Falls Regional Trust ("HFRT") with a trustee, The United Property Resource Corporation Trustee Inc. (UPRCT Inc.). The trustee is wholly owned by United Property Resource Corporation (UPRC), which is itself wholly owned by The Church. On September 6, 2023, The Church acquired, the titles of two abandoned church properties from the trustees of the congregations and transferred its beneficial interest in these properties to the Regional Council in a nominee agreement. The Regional Council then sold its beneficial interest in the vacant properties to HFRT on September 6, 2023 for two promissory notes totaling \$10,050,000, being the exchange amount agreed between the parties, which was based on independent appraisals. The gain on sale of the beneficial interest in the two properties totaled \$10,050,000 and is included in the statement of changes in fund balances.

The two promissory notes totaling \$10,050,000 bear annual interest at 5%, payable in full on demand by the Regional Council. Accrued interest totaling \$502,500 (2023 - \$159,699) was capitalized to the investment and promissory notes in a business trust on the statement of financial position.

The Regional Council retains a beneficial interest in HFRT and control of HFRT was deemed to reside with the Regional Council as a result of The Church's ownership of UPRC, who in turn owns the trustee of HFRT. As all parties to these transactions are under common control, the Regional Council has elected to equity account for its investment in HFRT and has recorded a loss of \$603,400 (2023 - \$265,321) on the statement of operations, included in the loss from a business trust less interest on promissory notes on the statement of operations. This loss was capitalized to its investment in a business trust on the statement of financial position.

On March 4, 2024, HFRT transferred one of the acquired properties to the St. Giles Communities Limited Partnership ("SGCLP") in which HFRT holds 99.999% of partnership units. At year end, the carrying value of HFRT's investment in SGCLP was \$1, prior to recognizing the share loss. HFRT has not provided any guarantees for the SGCLP's obligations, nor does it have any contractual or constructive commitment to provide further financial support. Accordingly, the loss from the partnership has been recognized only to the extent of the carrying value of the investment, which is \$1.

The Regional Council's investment in the business trust totaling \$9,843,478 (2023 - \$9,944,378) is comprised of:

- a. Two promissory notes totaling \$10,050,000;
- b. Plus, cumulative accrued interest of \$662,199; and
- c. Less, cumulative losses totaling \$868,721.

Horseshoe Falls Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

8. Investments and promissory notes in a business trust (continued)

The summary of the unaudited trust financial statements is as follows:

Horseshoe Falls Regional Trust

Non-Consolidated Balance Sheet

December 31, 2024, with comparative information for 2023

	2024	2023
	\$	\$
Current assets and revenue-producing property	9,681	22
Total assets	9,681	22
Current liabilities	216,181	153,220
Notes payable	10,712,199	10,209,699
Total liabilities	10,928,380	10,362,919
Trust deficit	(10,918,699)	(10,362,897)
Total liabilities and trust deficit	9,681	22

Horseshoe Falls Regional Trust

Non-Consolidated Statement of Operations

Year ended December 31, 2024 with comparative information for the period from August 9, 2023 (date of formation) to December 31, 2023

	2024	2023
	\$	\$
Revenue	126,034	28,500
Operating expenses	179,336	181,720
Interest on notes payable	502,500	159,699
Loss for the period	(555,802)	(312,919)

Horseshoe Falls Regional Trust

Non-Consolidated Statement of Trustee's Equity

Year ended December 31, 2024 with comparative information for the period from August 9, 2023 (date of formation) to December 31, 2023

	2024	2023
	\$	\$
Trust deficit, beginning of year	(10,362,897)	-
Loss for the period	(555,802)	(312,919)
Contributed by settlor	-	20
Excess of exchange amount over the carrying value of the revenue-producing properties purchased	-	(10,049,998)
Trust capital, end of period	(10,918,699)	(10,362,897)

Horseshoe Falls Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

8. Investments and promissory notes in a business trust (continued)

Horseshoe Falls Regional Trust

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2024 with comparative information for the period from August 9, 2023 (date of formation) to December 31, 2023

	2024	2023
	\$	\$
Loss for the year	(555,802)	(312,919)
Item not involving cash	492,841	159,699
Changes in non-cash working capital	23,382	20,115
Cash (used in) operating activities	(39,579)	(133,105)
Financing activities		
Advances from related parties	39,579	133,105
Advances from settlor	-	20
Cash provided in financing activities	39,579	133,125
Increase (decrease) in cash during the period	-	20
Cash and cash equivalents, beginning of period	20	-
Cash, end of the period	20	20

9. Loans receivable

Loans receivable total \$527,858 (2023 - \$347,840) and are all with related parties. Interest is accrued as specified in the loan agreements and capitalized to the principal which is included in the statement of financial position. No provision has been made for these loans.

10. Capital assets

Capital assets comprise a 66.67% share of the property of the former Hamilton Conference and building improvements since January 1, 2019. As agreed, Antler, Western and the Regional Council occupy the property and share equally in funding the operating cost of the property. Only Western and the Regional Council have an ownership interest of 33.33% and 67.67%, respectively. In the Regional Council, the property is carried at book cost as of January 1, 2019 and all property improvements less accumulated amortized costs as follows:

Horseshoe Falls Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

10. Capital assets (continued)

2024			
Capital Assets	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Building	86,852	20,844	66,008
Furniture & fixtures	17,352	10,422	6,930
Building Improvements	5,032	3,006	2,026
Land	6,667	-	6,667
Total capital assets	115,903	34,272	81,631

2023			
Capital Assets	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Building	86,852	17,370	69,482
Furniture & fixtures	17,352	8,684	8,668
Building Improvements	5,032	2,506	2,526
Land	6,667	-	6,667
Total capital assets	115,903	28,560	87,343

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities, totaling \$604,690 (2023 - \$62,685), include related party payables and accruals totaling \$553,095 (2023 - \$33,647).

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Notes to the financial statements

December 31, 2024

(amounts in thousands of Canadian dollars)

12. Related party transactions

Grant and other revenue

The Regional Council received assessment, mission and service and other grants totaling \$581,375 (2023 - \$641,375) from the GCO; and \$22,558 (2023 - \$21,956) from the Ontario Regional Council Archive Fund, a joint program of The GCO and Ontario regional councils, for 50% of the annual archive fees. Additional program related grants of \$12,000 (2023 - \$nil) were received from church related entities.

Net proceeds from disbanding congregations

Net proceeds from disbanding congregations totaling \$984,097 (2023 - \$364,943) were received from disbanding congregations. The Regional Council's policy is that these funds are to represent 67% of the net assets to be distributed by the disbanding congregations. These net proceeds are subject to the Regional Council's policy requiring such proceeds to be distributed and retained as follows:

- a. 12.0% to the Indigenous Ministries of The Church;
- b. 10.0% to the Mission & Service Fund of The Church;
- c. 15.0% to the Mission & Service Endowment Fund managed by the Foundation;
- d. 5.0% to the Ontario Regional Council Archives Fund; and
- e. 25.0% retained by the Regional Council.

The disbanding congregations distribute 33.0% of the funds raised to local ministries and these funds are not included in the statement of operations.

Expenses

Grants and fees were paid to related parties as follows:

- 1) Operating Fund:
 - a) \$140,000 (2023 - \$140,000) of grants to church related entities;
 - b) \$45,969 (2023 - \$44,541) of fees to The GCO for accounting services, information technology support and incorporated ministries administration.
 - c) \$45,117 (2023 - \$43,912) of fees to the Ontario Regional Council Archive Fund for archival services; and
 - d) \$19,452 (2023 - \$7,833) of non-mission and service grants to church related entities.
- 2) Property Funds
 - a) In 2024, \$551,189 (2023 - 233,770) of grants were accrued or issued to The Church and the Foundation as a result of the above noted distribution policy for disbanding congregations.