

DRAFT 2RRR

Prepared Aug 23, 2024

Financial statements of

Western Ontario Waterways Regional Council of The United Church of Canada

December 31, 2023

**Western Ontario Waterways Regional Council of
The United Church of Canada** **DRAFT 2RRR**
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Executives of Western Ontario Waterways Regional Council of
The United Church of Canada

Opinion

We have audited the financial statements of Western Ontario Waterways Regional Council of The United Church of Canada (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- 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 at December 31, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's 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 auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

Western Ontario Waterways Regional Council of The United Church of Canada

Statement of financial position

as at

(amounts in Canadian dollars)

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updated Aug 23, 2024

	December 31, 2023	December 31, 2022			
	Operating Fund	Restricted Funds (Schedule 1)	Property Funds	Total	Total
	\$	\$	\$	\$	\$
Assets					
Current					
Cash	428,401	-	-	428,401	1,416,297
Amounts receivable and other (note 5)	16,024	-	593	16,617	623,439
Prepays	75	-	-	75	-
Short term investments(note 6)	1,196,455	-	-	1,196,455	396,010
	1,640,955	-	593	1,641,548	2,435,746
Due from/to other funds	(1,868,341)	683,175	1,185,166	-	-
Investments (note 7)	1,185,521	3,632,381	-	4,817,902	4,287,421
Loan receivable (note 8)	-	9,525	-	9,525	9,750
Capital assets (note 9)	-	-	45,432	45,432	48,288
	958,135	4,325,081	1,231,191	6,514,407	6,781,205
Liabilities and fund balances					
Current					
Accounts payable and accrued liabilities (note 10)	109,673	40,000	-	149,673	829,823
Fund balances					
Internally restricted - Schedule 1	-	3,622,933	-	3,622,933	3,555,379
Externally restricted - Schedule 1	-	662,148	-	662,148	654,834
Unrestricted	848,462	-	1,231,191	2,079,653	1,741,169
	958,135	4,325,081	1,231,191	6,514,407	6,781,205

Approved on behalf of the Regional Council Executive

Regional Executive Minister

President

Western Ontario Waterways Regional Council of The United Church of Canada

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

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updated Aug 23, 2024

	Operating Fund	Restricted Funds (Schedule 1)	Property Funds	December 31, 2023 Total	December 31, 2022 Total
	\$	\$	\$	\$	\$
Revenues (note 11)					
General Council Office assesment funded grants	401,375	-	-	401,375	442,225
Mission support grants	240,000	-	-	240,000	240,000
Net proceeds from disbanding congregations	-	-	415,841	415,841	1,779,377
Ontario Regional Council Archive grants	21,195	-	-	21,195	19,059
Donations, registration and other revenue	16,770	-	-	16,770	14,180
	679,340	-	415,841	1,095,181	2,494,841
Expenses (note 11)					
Salaries, benefits and continuing education	454,495	-	-	454,495	427,103
Grants	148,355	27,608	188,778	364,741	1,289,721
Meetings and travel	52,417	-	-	52,417	23,426
General Council Office service fees	39,347	-	-	39,347	40,069
Ontario Regional Council Archive fees	42,390	-	-	42,390	38,118
Office administration	7,901	-	-	7,901	20,495
Amortization	-	-	2,856	2,856	2,856
Professional fees	34,072	-	-	34,072	59,788
Resources	18,294	-	-	18,294	21,855
Property and insurance	16,044	-	683	16,727	9,877
Bank charges	1,259	-	-	1,259	452
Other expenses	205	-	-	205	6,120
	814,779	27,608	192,317	1,034,704	1,939,880
Net revenues (expenses), before items below	(135,439)	(27,608)	223,524	60,477	554,961
Investment returns (notes 6 & 7)	120,880	231,995	-	352,875	(279,800)
Net revenues (expenses)	(14,559)	204,387	223,524	413,352	275,161

Western Ontario Waterways 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 Aug 23, 2024

	Operating Fund	Restricted Funds (Schedule 1)	Property Funds	December 31, 2023 Total	December 31, 2022 Total
	\$	\$	\$	\$	\$
Fund balances, beginning of year	733,502	4,210,213	1,007,667	5,951,382	5,676,221
Net revenues (expenses)	(14,559)	204,387	223,524	413,352	275,161
Net interfund transfers (Schedule 1)	129,519	(129,519)	-	-	-
Fund balances, end of year	848,462	4,285,081	1,231,191	6,364,734	5,951,382

Western Ontario Waterways Regional Council of The United Church of Canada

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Statement of cash flows
for the year ended

updated Aug 23, 2024

(amounts in Canadian dollars)

	December 31, 2023	December 31, 2022
	Total	Total
	\$	\$
Cash flows from operating activities		
Net revenues (expenses)	413,352	275,161
Non-cash items:		
Amortization	2,856	2,856
Investment returns	(352,875)	279,800
	63,333	557,817
Changes non-cash working capital:		
Amounts receivable and other	606,822	(207,546)
Prepaid expenses	(75)	-
Accounts payable and accrued liabilities	(680,150)	234,715
Total cash provided by (used in) operating activities	(10,070)	584,986
Investing activities		
Repayment of loan	225	225
Net (contributions) withdrawals to/from investments	(177,606)	64,622
Short term investments	(800,445)	(3,653)
Total cash provided by (used in) investing activities	(977,826)	61,194
Total cash provided (used)	(987,896)	646,180
Cash, beginning of year	1,416,297	770,117
Cash, end of year	428,401	1,416,297

Western Ontario Waterways Regional Council
The United Church of Canada

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

Schedule 1

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updated Aug 23, 2024

	January 01, 2023 Balance	Expenses	Investment returns	Net transfers (to) from Operating fund	December 31, 2023 Balance	December 31, 2022 Balance
	\$	\$	\$	\$	\$	\$
Internally Restricted						
Waterloo Chaplaincy Fund	24,891	-	-	-	24,891	24,891
Congregational Education & Training Fund	42,486	(2,100)	-	-	40,386	42,486
Engaging Stewardship	2,756	-	-	-	2,756	2,756
Congregational Learning Grants Fund	910	(1,000)	-	90	-	910
Mission & Ministry Fund	133,945	-	-	(133,945)	-	133,945
Ministry with Children, Youth and Young Adults	447,952	-	-	-	447,952	447,952
Ministry Preparation Fund	81,711	(6,000)	-	-	75,711	81,711
	734,651	(9,100)	-	(133,855)	591,696	734,651
Western Ontario Waterways Regional Fund (note 7)	2,218,765	(10,000)	176,497	-	2,385,262	2,218,765
Ministries Development and Leadership Fund (note 7)	601,963	(5,880)	49,892	-	645,975	601,963
	2,820,728	(15,880)	226,389	-	3,031,237	2,820,728
	3,555,379	(24,980)	226,389	(133,855)	3,622,933	3,555,379
Externally Restricted						
Olivet United Church Fund	595,638	(2,628)	5,606	(2,978)	595,638	595,638
Chaplaincy Fund	(4,246)	-	-	4,246	-	(4,246)
Rural Ministry Leadership Fund	63,442	-	-	3,068	66,510	63,442
	654,834	(2,628)	5,606	4,336	662,148	654,834
Total	4,210,213	(27,608)	231,995	(129,519)	4,285,081	4,210,213

Western Ontario Waterways Regional Council of The United Church of Canada **DRAFT 2RRR**

Notes to the financial statements

December 31, 2023

(amounts in Canadian dollars)

1. The Western Ontario Waterways Regional Council, The United Church of Canada

The purpose of Western Ontario Waterways Regional Council, The United Church of Canada ("the Regional Council") is to be responsible for providing leadership and resources to the pastoral charges within its assigned geographical 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 central part of southern Ontario, for The Church. The Regional Council was established as a result of the restructuring of The Church on January 1, 2019. The Regional Council is an unincorporated entity and, as a Canadian registered charity, is exempt from income tax. As part of The Church restructuring in 2019, the Regional Council received transfers from the former Northern Waters Presbytery which included an interest in specific funds in The Presbyteries of Toronto Conference Corporation ("PTCC") consisting of: 100% of The Western Ontario Waterways Regional Fund; 100% of the New Ministries Development and Leadership Fund – Western Ontario Waterways Region. PTCC is a Canadian registered charity and the Regional Council has significant influence over PTCC as result of appointing 2 members to the PTCC board of directors. PTCC is subject to an operating agreement and board policies which require it to hold the above noted funds for the sole benefit of the Regional Council. The Regional Council has included these funds in Restricted Funds on the statement of financial position and are separately disclosed in Schedule 1.

The Regional Council is a partner in a cost sharing agreement with Antler River Watershed Regional Council ("Antler") and Horseshoe Falls Regional Council ("Horseshoe"), which includes sharing costs for regional operating activities, events, workshops, property capital and operating expenses at various rates of participation. (note 9).

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 1) 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".

Western Ontario Waterways Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2023

(amounts in Canadian dollars)

2. Basis of presentation (continued)

Externally Restricted Funds

Externally restricted funds (see Schedule 1) 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 and allocations from the Operating Fund. These funds are used to provide assistance by 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.

3. Summary of significant accounting policies and practices

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

Cash

Cash 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 investment managers are part of the Regional Council's short and long term investment strategy and are classified as short term investments and long-term investments, irrespective of liquidity.

Loans receivable

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

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.

Western Ontario Waterways Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2023

(amounts in Canadian dollars)

3. Summary of significant accounting policies and practices (continued)

Revenue Recognition

Revenue consists primarily of grants from The General Council Office of The United Church of Canada ("the GCO") and net proceeds from disbanding congregations as they monetize their investments, sell their capital assets and dispose of their property. 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. Investment returns are recognized as earned and comprise; interest and dividend income; fair value changes; and investment management fees.

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 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 the prior year.

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 (2023 – 22.7%; 2022 – 28.0%), subject to the SSIP limits.

Western Ontario Waterways Regional Council of The United Church of Canada

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Notes to the financial statements

December 31, 2023

(amounts in Canadian dollars)

4. Financial instruments risk disclosures (continued)

Market Risk (continued)

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.

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 and deposits, accounts and loans receivable, 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 and loans receivable includes amounts due from related parties and the Canada Revenue Agency. 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. Amounts receivable and other

Amounts receivable totaling \$16,617 (2022 - \$623,439) includes net proceeds from disbanding congregations received within four weeks after the fiscal year end \$nil (2022 - \$527,869) and receivables from related parties \$8,927 (2022 - \$95,570).

6. Short term investments

Short term investments totaling \$1,196,455 (2022 - \$396,010) consist of Canadian GIC's maturing within the next 12 to 24 months. They are used to support operating cash flow fluctuations and near-term projects. The investment returns totaling \$19,945 (2022 - \$3,653) are included in the total returns on the statement of operations and in short term investments in the statement of financial position.

7. Investments

The investments totaling \$4,817,902 (2022 - \$4,287,421) include returns of positive \$326,961 (2022 - negative \$283,453) and consist of the following:

- i. \$1,786,665 (2022 - \$1,862,703) of securities managed by BMO Nesbitt Burns of which 22.7% (2022 - 28.0%) are exposed to the US dollar currency provided returns totaling \$100,572 (2022 - negative \$165,828); and

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Notes to the financial statements

December 31, 2023

(amounts in Canadian dollars)

7. Investments (continued)

- ii. \$3,031,237 (2022 - \$2,820,728) of investments managed by the PTCC (note 1 and Schedule 1).
 - a. These funds comprise investments in fixed income, preferred and common shares which increased \$210,509 in the current year (2022 – decreased \$172,625) as a result of: positive returns totaling \$226,389 (2022 – negative returns of \$117,625); grants \$15,880; and withdrawals totaling \$nil (2022 - \$55,000).
 - b. The Regional Council has significant influence over PTCC’s strategic operating, investing and financing policies. In turn, PTCC manages two funds on behalf of the Regional Council.
 - c. The Regional Council receives, reviews and approves all of the grants which are subsequently disbursed by PTCC after it performs a compliance review with the terms of funds, as required by the operating agreement.
 - d. Grants are subject to withdrawal limits and comprise the following:
 - i. net annual grant equal to the expected net financial return earned in the funds;
 - ii. up to 5% for all annual grant request of capital funds;
 - iii. up to 10% for all church development/redevelopment projects; and
 - iv. up to 20% for major church development/redevelopment projects.
 - e. In the event PTCC ceases to exist or function, the funds vest to The Church.

8. Loan receivable

Loan receivable totaling \$9,525 (2022 - \$9,750) relates to financial support provided to a candidate for ministry pursuing further education. The loan has no specific terms for repayment and is not interest bearing.

9. Capital assets

Capital assets comprise a 33.33% share of the property of the former Hamilton Conference and building improvements since January 1, 2019. As agreed, Horseshoe, the Regional Council and Antler occupy the property and share equally in funding the property costs. Only the Regional Council and Horseshoe 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 less accumulated amortized costs as follows:

	2023		
Capital assets	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Building	43,426	8,685	34,741
Furniture & fixtures	8,676	4,340	4,336
Building improvements	5,032	2,011	3,021
Land	3,334	-	3,334
	60,468	15,036	45,432

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Notes to the financial statements

December 31, 2023

(amounts in Canadian dollars)

9. Capital assets (continued)

	2022		
Capital assets	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Building	43,426	6,948	36,478
Furniture & fixtures	8,676	3,472	5,204
Building improvements	5,032	1,760	3,272
Land	3,334	-	3,334
	60,468	12,180	48,288

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities totaling \$149,673 (2022 - \$829,823) of which \$125,579 (2022 - \$709,215) are payables and accruals to related parties comprising: grants and fees payable to The GCO and The United Church of Canada Foundation ("The Foundation") \$25,609 (2022 - \$552,106); grants to local congregations \$40,000 (2022 - \$104,867); payables to other regional councils \$57,932 (2022 - \$50,204); and a loan \$2,038 (2022 - \$2,038).

11. Related party transactions

Grant revenue

The Regional Council received assessment and mission support grants totaling \$641,375 (2022 - \$682,225) from The GCO; and \$21,195 (2022 - \$19,059) from the Ontario Regional Council Archive Fund, a joint program of The GCO and the Ontario regional councils, for 50% of the annual archive fees.

Net proceeds from disbanding congregations

Net proceeds from disbanding congregations totaling \$415,841 (2022 - \$1,736,891) were received from disbanding congregations. The Regional Council's policy is that these funds are to represent 70% of the net assets to be distributed by the disbanding congregations. An additional donation of \$nil (2022 - \$42,486) was received from a disbanding congregation. These net proceeds are subject to the Regional Council's policy requiring such proceeds to be distributed and retained as follows:

- a. 15.0% to the Indigenous Ministries of The Church;
- b. 12.5% to the Mission & Service Fund of The Church;
- c. 12.5% 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.

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Notes to the financial statements

December 31, 2023

(amounts in Canadian dollars)

11. Related party transactions (continued)

Net proceeds from disbanding congregations (continued)

The Regional Council policy states that the disbanding congregations can distribute 30% of the net assets to be distributed, to local ministries and these funds are not included in the statement of operations.

Expenses

Grants and fees were paid or accrued to related parties as follows, from:

- 1) Operating Fund
 - a) \$135,000 (2022 - \$128,600) of mission support grants to church related entities.
 - b) \$39,347 (2022 - \$40,069) of fees to The GCO for accounting services, information technology support and incorporated ministries administration; and
 - c) \$42,390 (2022 - \$38,118) of fees to the Ontario Regional Council Archive Fund for archival services.
- 2) Restricted Funds (see Schedule 1)
 - a) \$2,628 (2022 - \$7,116) of grants to two congregations in respect of the terms of the Olivet United Church Fund; and
 - b) \$15,880 (2022 - \$5,000) of grants to a congregation from the PTCC funds.
- 3) Property Funds
 - a) \$188,778 (2022 - \$1,049,158) of grants from the Property Funds were accrued or issued to The Church and The Foundation as a result of the above noted distribution policy for disbanding congregations.

12. Net interfund transfers

Net interfund transfers totaling \$129,519 (2022 - \$103,103) were made from Restricted Funds to the Operating Fund as reported in Schedule 1.

13. Comparative figures

Certain comparative figures in the statement of financial position and statement of cash flows were reclassified to conform to the current year's presentation.