DRAFT 4
Updated Oct 14, 2026

Financial statements of

Western Ontario Waterways Regional Council of The United Church of Canada

December 31, 2025

Western Ontario Waterways Regional Council of The United Church of Canada DRAFT 4

December 31, 2025

Table of contents

Independent auditor's report ..... 1 - 3

Statement of financial position 4

Statement of operations 5

Statement of changes in fund balances 6

Statement of cash flows 7

Schedule 1 8

Notes to Financial Statements ..... 9 - 15

Western Ontario Waterways Regional Council of
The United Church of Canada

DRAFT 3RR

updated Oct 14, 2026

Statement of financial position
as at
(amounts in Canadian dollars)

	Operating Fund	Restricted Funds (Schedule 1)	Property Funds	December 31, 2025 Total	December 31, 2024 Total
	$	$	$	$	$
Assets					
Current					
Cash	**1,627,784**	**-**	**-**	**1,627,784**	426,405
Amounts receivable and other (note 5)	**29,408**	**-**	**593**	**30,001**	73,031
Prepaids	**5,123**	**-**	**-**	**5,123**	-
Short term investments(note 6)	**831,586**	**-**	**-**	**831,586**	950,071
	2,493,901	**-**	**593**	**2,494,494**	1,449,507
Due from/to other funds	**(2,684,628)**	**761,611**	**1,923,017**	**-**	-
Investments (note 7)	**1,377,088**	**3,945,072**	**-**	**5,322,160**	5,613,409
Loan receivable (note 8)	**-**	**-**	**-**	**-**	9,325
Capital assets (note 9)	**-**	**-**	**39,720**	**39,720**	42,576
	1,186,361	**4,706,683**	**1,963,330**	**7,856,374**	7,114,817
Liabilities and fund balances					
Current					
Accounts payable and accrued liabilities (note 10)	**74,715**	**-**	**983,846**	**1,058,561**	130,509
Fund balances					
Internally restricted - Schedule 1	**-**	**4,643,483**	**-**	**4,643,483**	3,902,338
Externally restricted - Schedule 1	**-**	**63,200**	**-**	**63,200**	660,782
Unrestricted	**1,111,646**	**-**	**979,484**	**2,091,130**	2,421,188
	1,186,361	**4,706,683**	**1,963,330**	**7,856,374**	7,114,817

Approved on behalf of the Regional Council Executive

_____ **Regional Executive Minister**

_____ **President**

Western Ontario Waterways Regional Council of
The United Church of Canada

DRAFT 3RR

updated Oct 14, 2026

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

	Operating Fund	Restricted Funds (Schedule 1)	Property Funds	December 31, 2025 Total	December 31, 2024 Total
	$	$	$	$	$
Revenues (note 11)					
General Council Office assessment funded grants	**392,000**	**-**	**-**	**392,000**	401,375
Mission support grants	**180,000**	**-**	**-**	**180,000**	180,000
Net proceeds from disbanding congregations	**-**	**-**	**1,817,313**	**1,817,313**	384,672
Ontario Regional Council Archive grants	**19,209**	**-**	**-**	**19,209**	21,776
Donations, registration and other revenue	**21,767**	**-**	**-**	**21,767**	41,801
	612,976	**-**	**1,817,313**	**2,430,289**	1,029,624
Expenses (note 11)					
Salaries, benefits and continuing education	**396,816**	**-**	**19,574**	**416,390**	437,586
Grants	**195,575**	**1,061,065**	**1,311,665**	**2,568,305**	425,360
Meetings and travel	**67,641**	**1,322**	**-**	**68,963**	71,772
General Council Office service fees	**42,975**	**-**	**-**	**42,975**	45,244
Ontario Regional Council Archive fees	**38,418**	**-**	**-**	**38,418**	43,553
Office administration	**10,868**	**-**	**-**	**10,868**	9,060
Amortization	**-**	**-**	**2,856**	**2,856**	2,856
Professional fees	**41,323**	**2,939**	**-**	**44,262**	33,301
Resources	**11,080**	**737**	**-**	**11,817**	8,067
Property and insurance	**11,966**	**-**	**-**	**11,966**	10,128
Bank charges	**1,203**	**-**	**-**	**1,203**	1,286
Other expenses	**132**	**9,326**	**-**	**9,458**	242
	817,997	**1,075,389**	**1,334,095**	**3,227,481**	1,088,455
Net revenues (expenses), before items below	**(205,021)**	**(1,075,389)**	**483,218**	**(797,192)**	(58,831)
Investment returns (notes 6 & 7)	**170,657**	**400,952**	**-**	**571,609**	678,405
Net revenues (expenses)	**(34,364)**	**(674,437)**	**483,218**	**(225,583)**	619,574

Western Ontario Waterways Regional Council of
The United Church of Canada

DRAFT 3RR

Statement of changes in fund balances
for the year ended
updated Oct 14, 2026

(amounts in Canadian dollars)

	Operating Fund	Restricted Funds (Schedule 1)	Property Funds	December 31, 2025 Total	December 31, 2024 Total
	$	$	$	$	$
Fund balances, beginning of year	**1,024,922**	**4,563,120**	**1,396,266**	**6,984,308**	6,364,734
Net transfers from existing and former church related entities	**39,088**	**-**	**-**	**39,088**	-
Net revenues (expenses)	**(34,364)**	**(674,437)**	**483,218**	**(225,583)**	619,574
Net interfund transfers (note 12 and Schedule 1)	**82,000**	**818,000**	**(900,000)**	**-**	-
Fund balances, end of year	**1,111,646**	**4,706,683**	**979,484**	**6,797,813**	6,984,308

Western Ontario Waterways Regional Council of The United Church of Canada

DRAFT 3RR

updated Oct 14, 2026

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

	December 31, 2025	December 31, 2024
	Total	Total
	$	$
Cash flows from operating activities		
Net revenues (expenses)	**(225,583)**	619,574
Non-cash items:		
Amortization	**2,856**	2,856
Write-off of loan receivable	**9,325**	-
Investment returns	**(571,609)**	(678,405)
	(785,011)	(55,975)
Changes non-cash working capital:		
Amounts receivable and other	**43,030**	(56,414)
Prepaids	**(5,123)**	75
Accounts payable and accrued liabilities	**928,052**	(19,164)
Total cash provided by (used in) operating activities	**180,948**	(131,478)
Investing activities		
Repayment of loan	**-**	200
Net (contributions) withdrawals to/from investments	**981,343**	(117,102)
Net (contributions) withdrawals to/from short term investments	**-**	246,384
Total cash provided by (used in) investing activities	**981,343**	129,482
Financing activities		
Net transfers from former and existing church related entities	**39,088**	-
Total cash provided by (used in) financing activities	**39,088**	-
Total cash provided (used)	**1,201,379**	(1,996)
Cash, beginning of year	**426,405**	428,401
Cash, end of year	**1,627,784**	426,405

Western Ontario Waterways Regional Council of The United Church of Canada

Schedule 1

DRAFT 3RR

updated Oct 14, 2026

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

	January 01, 2025 Balance	Expenses	Investment returns	Net transfers (to) from Property and Operating funds	December 31, 2025 Total	December 31, 2024 Total
	$	$	$	$	$	$
Internally Restricted						
Waterloo Chaplaincy Fund	**16,891**	**-**	**-**	**-**	**16,891**	16,891
Congregational Education & Training Fund	**37,955**	**(9,325)**	**-**	**-**	**28,630**	37,955
Engaging Stewardship	**2,756**	**-**	**-**	**-**	**2,756**	2,756
Ministry with Children, Youth and Young Adults	**421,418**	**(44,246)**	**-**	**-**	**377,172**	421,418
Ministry Preparation Fund	**69,711**	**(2,000)**	**-**	**-**	**67,711**	69,711
Bridge Loans Fund & Matching Grants	**-**	**(50,000)**	**-**	**500,000**	**450,000**	-
Congregational Legacy Fund	**-**	**-**	**-**	**200,000**	**200,000**	-
Clergy Salary Fund	**-**	**-**	**-**	**200,000**	**200,000**	-
	548,731	**(105,571)**	**-**	**900,000**	**1,343,160**	548,731
Western Ontario Waterways Regional Fund (note 7)	**2,621,433**	**(336,493)**	**279,546**	**(82,000)**	**2,482,486**	2,621,433
Ministries Development and Leadership Fund (note 7)	**732,174**	**-**	**85,663**	**-**	**817,837**	732,174
	3,353,607	**(336,493)**	**365,209**	**(82,000)**	**3,300,323**	3,353,607
	3,902,338	**(442,064)**	**365,209**	**818,000**	**4,643,483**	3,902,338
Externally Restricted						
Olivet United Church Fund	**595,638**	**(631,381)**	**35,743**	**-**	**-**	595,638
Rural Ministry Leadership Fund	**65,144**	**(1,944)**	**-**	**-**	**63,200**	65,144
	660,782	**(633,325)**	**35,743**	**-**	**63,200**	660,782
Total	**4,563,120**	**(1,075,389)**	**400,952**	**818,000**	**4,706,683**	4,563,120

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

The purpose of Western Ontario Waterways 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 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".

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.

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 (2025 – 31.2%; 2024 – 26.7%), subject to the SIPP limits.

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 $30,001 (2024 - $73,031) includes receivables from related parties of $9,290 (2024 - $62,663).

6. Short term investments

Short term investments totaling $831,586 (2024 - $950,071) consist of Canadian Guaranteed Investment Certificates 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 $40,837 (2024 - $61,083) are included in the investment returns on the statement of operations and in short term investments in the statement of financial position.

7. Investments

The investments totaling $5,322,160 (2024 - $5,613,409) include returns of $530,772 (2024 - $617,322) and consist of the following:

i. $2,021,837 (2024 - $2,259,801) of securities managed by BMO Nesbitt Burns of which 31.2% (2024 – 26.7%) are exposed to the US dollar currency and provided returns totaling $165,563 (2024 – $200,534); and

7. Investments (continued)

ii. $3,300,323 (2024 - $3,353,607) of investments managed by the PTCC (note 1 and Schedule 1).

a. These funds comprise investments in fixed income, preferred and common shares which decreased $53,284 in the current year (2024 - increase of $322,370) as a result of: positive returns totaling $365,209 (2024 - $411,788); grants $336,493 (2024 - $19,418); and withdrawals totaling $82,000 (2024 - $70,000).

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 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 requests 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

A loan receivable totaling $9,325 at December 31, 2024 was written-off in the current year.

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 66.67%, respectively. In the Regional Council, the property is carried at book cost as of January 1, 2019 less accumulated amortized costs as follows:

			2025
Capital assets	**Cost**	**Accumulated Amortization**	**Net Book Value**
	$	**$**	**$**
Building	**43,426**	**12,159**	**31,267**
Furniture & fixtures	**8,676**	**6,076**	**2,600**
Building improvements	**5,032**	**2,513**	**2,519**
Land	**3,334**	**-**	**3,334**
	60,468	**20,748**	**39,720**

9. Capital assets (continued)

			2024
Capital assets	**Cost**	**Accumulated Amortization**	**Net Book Value**
	$	**$**	**$**
Building	**43,426**	**10,422**	**33,004**
Furniture & fixtures	**8,676**	**5,208**	**3,468**
Building improvements	**5,032**	**2,262**	**2,770**
Land	**3,334**	**-**	**3,334**
	60,468	**17,892**	**42,576**

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities totaling $1,058,561 (2024 - $130,509) of which $1,023,561 (2024 - $97,669) are payables and accruals to related parties comprising: grants and fees payable to the GCO and The United Church of Canada Foundation ("The Foundation") $709,860 (2024 - $60,601); grants to local congregations $268,920 (2024 - $24,807); payables to other regional councils $42,743(2024 - $10,223); and a loan of $2,038 (2024 - $2,038).

11. Related party transactions

Grant revenue

The Regional Council received assessment and mission support grants totaling $572,000 (2024 - $581,375) from the GCO; and $19,209 (2024 - $21,776) 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 $1,817,313 (2024 - $384,672) 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. 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.

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) $140,000 (2024 - $127,500) of mission support grants to church related entities.
   b) $42,975 (2024 - $45,244) of fees to the GCO for accounting services, information technology support and incorporated ministries administration; and
   c) $38,418 (2024 - $43,553) fees to the Ontario Regional Council Archive Fund for archival services.
   d) $55,575 (2024 - $55,738) of non-mission support grants to church related entities.
2) Restricted Funds (see Schedule 1)
   a) $724,572 (2024 - $30,400) of grants to congregations in respect of the terms of the granting funds; and
   b) $336,493 (2024 - $19,418) of grants to several congregations from the PTCC funds.
3) Property Funds
   a) $1,311,665 (2024 - $205,798) 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 $900,000 (2024 - $nil) were made to the Restricted Funds from the Property Fund and $82,000 was transferred from the Restricted Funds to the Operating Fund (2024 - $68,090) as reported in Schedule 1.