

Financial Statements of

ST. PAUL'S UNITED CHURCH

And Independent Practitioner's Review Engagement Report
thereon

Year ended December 31, 2024

**KPMG LLP**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of St. Paul's United Church

We have reviewed the accompanying financial statements of St. Paul's United Church, which comprise the statement of financial position as at December 31, 2024, the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of St. Paul's United Church as at 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single horizontal line.

Chartered Professional Accountants

Fredericton, Canada

May 20, 2025

ST. PAUL'S UNITED CHURCH

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	Operating	Housing	Trust	Capital	2024 Total	2023 Total
Assets						
Current assets						
Cash	\$ 170,722	\$ 85,852	\$ 1,363	\$ -	\$ 257,937	\$ 191,142
Receivables	1,636	-	-	-	1,636	-
Investments (note 2)	-	-	614,338	-	614,338	311,963
Prepaid expenses	733	7,964	-	-	8,697	28,033
Harmonized sales tax	3,176	-	-	-	3,176	3,320
	176,267	93,816	615,701	-	885,784	534,458
Tangible capital assets (note 3)	-	517,744	-	-	517,744	3,503,744
	\$ 176,267	\$ 611,560	\$ 615,701	\$ -	\$ 1,403,528	\$ 4,038,202
Liabilities and Net Assets						
Current liabilities						
Accounts payable	\$ 31,941	\$ -	\$ -	\$ -	\$ 31,941	\$ 52,416
Due to St. Andrews (note 4)	7,665	-	-	-	7,665	-
Deferred revenue (note 5)	29,412	-	-	-	29,412	38,606
Interfund balances (note 6)	45,454	(45,454)	-	-	-	-
	114,472	(45,454)	-	-	69,018	91,022
Mortgage payable (note 7)	-	-	-	-	-	175,383
Net assets	61,795	657,014	615,701	-	1,334,510	3,771,797
	\$ 176,267	\$ 611,560	\$ 615,701	\$ -	\$ 1,403,528	\$ 4,038,202

See accompanying notes to financial statements.

ST. PAUL'S UNITED CHURCH

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	Operating	Housing	Trust	Capital	2024 Total	2023 Total
Revenue						
Collections	\$ 172,100	\$ -	\$ -	\$ 13,600	\$ 185,700	\$ 226,884
Rental income	27,718	103,986	-	-	131,704	112,559
Management fees	50,000	-	-	-	50,000	51,002
Other income	24,148	1,455	-	-	25,603	29,969
Investment income	-	-	48,400	-	48,400	20,692
Interest income	-	-	-	-	-	6,500
	273,966	105,441	48,400	13,600	441,407	447,606
M&S givings received	3,740	-	-	-	3,740	4,945
M&S givings disbursed	(3,740)	-	-	-	(3,740)	(4,945)
	273,966	105,441	48,400	13,600	441,407	447,606
Expenses						
Appropriations	4,775	-	-	-	4,775	6,192
Expenditures	20,983	500	600	-	22,083	28,126
Professional fees	11,111	2,542	-	3,000	16,653	11,186
Occupancy costs	68,626	29,673	-	-	98,299	130,056
Salaries and benefits	190,407	-	-	-	190,407	178,299
Office and general	12,398	-	-	1,926	14,324	12,288
Management fees	-	50,000	-	-	50,000	51,002
Interest on long-term debt	-	15,410	-	-	15,410	16,598
	308,300	98,125	600	4,926	411,951	433,747
Other income (expenses)						
St. Paul's Future income	6,682	-	-	-	6,682	-
St. Paul's Future expenses	(32,558)	-	-	-	(32,558)	-
United Church of Canada	-	-	-	(100,569)	(100,569)	-
Loss on sale of tangible capital assets	-	-	-	(2,340,298)	(2,340,298)	-
Downtown United expenses	-	-	-	-	-	(23,805)
Bequests	-	-	-	-	-	25,000
	(25,876)	-	-	(2,440,867)	(2,466,743)	1,195
Excess (deficiency) of revenue over expenses	\$ (60,210)	\$ 7,316	\$ 47,800	\$ (2,432,193)	\$ (2,437,287)	\$ 15,054

See accompanying notes to financial statements.

ST. PAUL'S UNITED CHURCH

Statement of Changes in Net Assets

Year ended December 31, 2024, with comparative information for 2023

	Operating	Housing	Trust	Capital	2024 Total	2023 Total
Net assets, beginning of year	\$ 113,488	\$ 279,875	\$ 210,889	\$ 3,167,545	\$ 3,771,797	\$ 3,756,743
Excess (deficiency) of revenue over expenses	(60,210)	7,316	47,800	(2,432,193)	(2,437,287)	15,054
Interfund transfers (note 6)	8,517	369,823	357,012	(735,352)	-	-
Net assets, end of year	\$ 61,795	\$ 657,014	\$ 615,701	\$ -	\$ 1,334,510	\$ 3,771,797

See accompanying notes to financial statements.

ST. PAUL'S UNITED CHURCH

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	Operating	Housing	Trust	Capital	2024 Total	2023 Total
Cash provided by (used in):						
Operations						
Excess (deficiency) of revenue over expenses	\$ (60,210)	\$ 7,316	\$ 47,800	\$ (2,432,193)	\$ (2,437,287)	15,054
Item not involving cash						
Loss on sale of tangible capital assets	-	-	-	2,340,298	2,340,298	-
Receivables	(1,636)	-	-	-	(1,636)	-
Prepaid expenses	19,336	-	-	-	19,336	(28,033)
Harmonized sales tax	(599)	-	96	647	144	(3,320)
Accounts payable	(20,476)	-	-	-	(20,476)	52,417
Deferred revenue	(9,194)	-	-	-	(9,194)	38,606
	(72,779)	7,316	47,896	(91,248)	(108,815)	74,724
Financing:						
Mortgage payments	-	(111,298)	-	(64,085)	(175,383)	(24,716)
Interfund transfers	371,024	7,316	357,012	(735,352)	-	-
Interfund receipts	(686,007)	15,997	(403,545)	1,073,555	-	-
Investing:						
Investments	(64,638)	-	-	(237,737)	(302,375)	(311,963)
Purchase of investments	261,000	-	(261,000)	-	-	-
Proceeds of sale of assets	225,601	104,981	261,000	54,120	645,702	-
Proceeds sale of investments	7,666	-	-	-	7,666	252,293
	429,629	104,981	-	(183,617)	350,993	(59,670)
Increase (decrease) in cash	41,867	24,312	1,363	(747)	66,795	(9,662)
Cash, beginning of year	128,855	61,540	-	747	191,142	200,804
Cash, end of year	\$ 170,722	\$ 85,852	\$ 1,363	\$ -	\$ 257,937	\$ 191,142

See accompanying notes to financial statements.

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements

Year ended December 31, 2024

Nature of operations:

St. Paul's United Church (the "Church") is a registered Charity under Subsection 149(1) of the Income Tax Act. Its mission is to glorify God through worship, the proclamation of the Gospel of Jesus Christ, and to serve others in Christ's name.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Church's significant accounting policies are as follows:

(a) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits, which are highly liquid with original maturities of less than three months from the date of acquisition.

(b) Financial instruments:

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

(c) Tangible capital assets:

Rental properties are recorded at the total of their 1990 appraisal values and the costs incurred to convert the original single-family residences into multi-unit rental properties. Other capital assets are expensed at the time of purchase. No provision for depreciation or amortization is recorded in the financial statements. No gain or loss will be recorded in the statement of operations on disposition of any capital assets.

(d) Contributed goods and services:

A substantial number of volunteers contribute to a significant amount of time to the Church each year. Because of the difficulty of determining fair value, contributed services are not recognized in the financial statements.

The Church also occasionally receives donations in kind. Donated goods are recorded at their fair market value at the time of the donation, and presented as Other Givings in the Operating Fund, or included in Contributions (Restricted Funds), and the related expenses are recorded in various expense accounts, as appropriate.

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(e) Revenue recognition:

St. Paul's United Church follows the restricted fund method of accounting for contributions, in order to ensure the observance of limitations and restrictions placed on the use of Church resources. This results in revenue and expenditures being recorded in funds according to the activities or objectives for which they are specifically intended. Restrictions imposed by the donor on the use of donated funds are external restrictions. The congregation may also impose internal restrictions on donations or fund balances which are not otherwise externally restricted.

The Operating Fund includes offerings, other givings and income, and administrative expenditures of the Church.

The Housing Fund includes revenues and expenses related to rental premises.

The Capital Foundation Fund includes all receipts specified for the acquisition of capital assets and corresponding expenditures. This Fund also includes capital renovations to existing properties which are financed by appropriations from the Operating Fund when necessary.

The Trust Funds include receipts for a specific purpose. Contributions are recorded as received and outlays are recorded as paid. Investment income is pro-rated according to an approved formula.

(f) Government grants:

Government grants are recorded when there is a reasonable assurance that the Church has complied with, and will continue to comply with, all the necessary conditions to obtain the grants.

(g) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of property, plant and equipment; provisions for impairment of trade accounts receivable; future income taxes; and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Investments:

The Church has a managed investment portfolio with BMO Nesbitt Burns.

	2024	2023
BMO #275-09600-18	\$ 194,635	\$ 202,602
BMO #275-09661-17	330,468	52,714
BMO #275-09576-11	-	2,657
	525,103	257,973
Adjustment to fair market value	89,235	53,990
	\$ 614,338	\$ 311,963

The allocation of the investments and the unrealized gains (losses) are as follows:

	Original cost	Unrealized gain (loss)	2024	2023
Trust fund	\$ 525,103	\$ 89,235	\$ 614,338	\$ 63,719
Capital fund	-	-	-	244,900
Operating fund	-	-	-	3,344
	\$ 525,103	\$ 89,235	\$ 614,338	\$ 311,963

3. Tangible capital assets:

	2024	2023
Land	\$ 50,000	\$ 111,000
Building	440,354	3,365,354
Furniture and fixtures	18,921	18,921
Paving	8,469	8,469
	\$ 517,744	\$ 3,503,744

On October 15, 2024, with permission from the United Church of Canada, the Church divested of the Church land and buildings, but retained the housing portfolio.

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Tangible capital assets (continued):

On February 9, 2009, the Church entered into an agreement with the Province of New Brunswick, whereby the Church received funding in the amount of \$120,000 under the Affordable Rental Housing Program. The funds were provided to offset construction costs related to the conversion of the property at 230 York Street into affordable housing rental units. The funding was comprised of a forgivable loan, the terms and conditions of which state that the loan will be forgiven after twenty (20) years if specified conditions are met. If these conditions are not met, the loan becomes payable, with interest at a rate of 4.6%.

On November 9, 2012, the Church entered into a second agreement with the Province of New Brunswick whereby the Church received funding of \$160,000 under the same program. The funds were provided to offset construction costs related to the conversion of the property at 242 York Street into affordable housing rental units. The terms and conditions of the second agreement are essentially the same as the first agreement and the interest rate is 2.9%.

As of the date of these financial statements, the Church is in compliance with the terms of the agreements. As a result, the loans are presented in the financial statements as a reduction of the cost of the capital assets to which the funding pertains and are recorded at face value without accrued interest.

	2024	2023
Church and hall	\$ -	\$ 2,925,000
230 York Street	314,260	314,260
242 York Street	406,094	406,094
	720,354	3,645,354
230 York	(120,000)	(120,000)
242 York	(160,000)	(160,000)
	\$ 440,354	\$ 3,365,354

4. Due to St. Andrews:

The amount due to St. Andrews is a result of cost-sharing agreements and represents current year transactions. The amount due is non-interest bearing and has no specified repayment terms. Since management has indicated that payment will be made during the next fiscal year, this amount has been classified as a current liability in the accompanying financial statements.

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2024

5. Deferred contributions:

	2024		2023	
Balance, beginning of year	\$	38,606	\$	14,699
Contributions		18,009		40,017
Grants		8,173		6,294
Gifts-in-kind		8,358		6,529
Expenditures		(43,734)		(28,933)
	\$	29,412	\$	38,606

	Benevolent		Pantry		UCW		Refugee		Housing	
Beginning	\$	3,654	\$	5,713	\$	8,151	\$	15,114	\$	5,974
Contributions		575		9,860		5,074		2,500		-
Grants		-		-		-		-		8,173
Gifts in kind		266		7,948		144		-		-
Expenditures		(2,863)		(15,495)		(1,788)		(17,614)		(5,974)
	\$	1,632	\$	8,026	\$	11,581	\$	-	\$	8,173

6. Interfund balances:

The interfund balances are unsecured, non-interest bearing with no specific terms of repayment. Since management has indicated that payment could be made during the next fiscal year, this amount has been classified as a current liability in the accompanying financial statements.

Interfund equity transfers made during the year are as a result of winding up the capital fund and paying off the debts of the Church.

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2024

7. Mortgage payable:

	2024	2023
BMO Mortgage bearing interest at 7.94% per annum, repayable in monthly blended payments of \$1,420. The loan was paid December 2024.	\$ -	\$ 111,298
BMO Mortgage bearing interest at 4.34% per annum, repayable in monthly blended payments of \$1,303. The loan was paid December 2024.	-	64,085
	\$ -	\$ 175,383

8. Income details:

Collections:

	2024	2023
Envelopes	\$ 147,265	\$ 176,749
Donated securities	23,472	29,693
Other donations	6,276	6,436
On-line donations	1,828	5,726
Easter	1,092	758
Thanksgiving	2,392	482
Anniversary	352	987
Christmas	1,897	4,898
Loose	1,126	1,155
	\$ 185,700	\$ 226,884

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Income details (continued):

Other income:

	2024	2023
Pantry	\$ 15,519	\$ 11,539
United Church Women	1,788	463
Benevolent	2,862	3,078
Fundraising	3,443	5,336
Other	1,991	1,438
	\$ 25,603	\$ 21,854

9. Expense details:

Occupancy costs:

	2024	2023
<u>Operating:</u>		
Repairs and maintenance	\$ 21,933	\$ 39,153
Electricity	8,113	11,096
Water and sewer	1,525	1,046
Insurance	18,280	19,998
Natural gas	5,274	22,532
Annual assessment	13,501	17,121
	68,626	110,946
<u>Housing:</u>		
Repairs and maintenance	14,236	6,572
Electricity	2,294	2,703
Water and sewer	2,975	1,841
Insurance	10,168	7,994
	\$ 98,299	\$ 130,056

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Expense details (continued):

Expenditures:

	2024	2023
<u>Operating:</u>		
Conference, meals, and travel	\$ 588	\$ 342
Fundraising	984	364
Music supplies and repairs	1,229	4,211
Worship supplies	1,375	3,101
United Church Women	1,788	463
Pantry	15,519	11,539
	21,483	20,020
<u>Trust:</u>		
Hilder/Wright memorial	-	527
Organ and chimes	-	1,379
Theological scholarship	-	5,000
Wark/St. Paul's scholarship	600	1,200
	\$ 22,083	\$ 28,126

Appropriations:

	2024	2023
Benevolent	\$ 2,863	\$ 3,078
Continuing education	1,638	1,819
Sunday school	274	378
Charitable contributions	-	600
Family fellowship	-	317
	\$ 4,775	\$ 6,192

ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2024

10. Loss on sale of tangible capital assets:

During the year, the congregation decided to sell the sacntuary and hall. The following is a breakdown of the loss reported on the financial statements:

	2024
Proceeds of sale	\$ 689,500
Commissions and fees	(43,798)
Cost of land	(61,000)
Cost of buildings	(2,925,000)
	<u>\$ (2,340,298)</u>

11. Capital management:

The Church considers its capital to be the restricted and unrestricted fund balances. The Church's objective when managing capital is to safeguard the entity's ability to continue as a going concern in order to continue providing services to its congregation.

12. Comparative information:

Financial statements for the year ended December 31, 2023 were reviewed by other accountants and are presented for comparative purposes only.

13. Financial risks and concentration of risk:

(a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Church's concentration of risk is in its investment portfolio, which has policies to ensure the capital is preserved and mitigates the market risk.

ST. PAUL'S UNITED CHURCH

Schedule 1 - Fund balances

Year ended December 31, 2024, with comparative information for 2023

	Operating	Housing	Trust	Capital	Total
Tangible capital assets	\$ -	\$ 517,744	\$ -	\$ -	\$ 517,744
Externally restricted	-	-	226,866	-	226,866
Internally restricted	-	-	388,835	-	388,835
Unrestricted	61,795	139,270	-	-	201,065
	\$ 61,795	\$ 657,014	\$ 615,701	\$ -	\$ 1,334,510

ST. PAUL'S UNITED CHURCH

Schedule 2 - Fund balances

Year ended December 31, 2024, with comparative information for 2023

Trust funds	Wark/St. Paul's Scholarship	Theological Scholarship	Nellie McKay Memorial	Organ/Chimes	Hilder/Wright Memorial	Gough	Capital
Beginning	\$ 15,067	\$ 6,897	\$ 6,653	\$ 732	\$ 4,647	\$ 176,893	-
Contributions	-	-	-	-	-	-	357,013
Investment income	1,234	588	567	63	396	15,092	30,459
	16,301	7,485	7,220	795	5,043	191,985	387,472
Expenditures	600	-	-	-	-	-	-
	\$ 15,701	\$ 7,485	\$ 7,220	\$ 795	\$ 5,043	\$ 191,985	\$ 387,472

St. Paul's Scholarship Trust

Balance may be used to award bursaries to students attending post secondary educational institutions as approved by the Scholarship Committee.

Theological Scholarship Trust

Balance may be used to award bursaries to members attending religious studies programs as approved by the Christian Education Committee

Nellie MacKay Memorial Trust

Balance may be used for Sunday School purposes as approved by the Christian Education Committee

Organ/Chimes Trust

Balance may be used for maintaining and enhancing the church organ and chimes as approved by the Board of Trustees

Hilder / Wright Memorial Trust

Balance may be used for musical purposes as approved by the Music Director

Gough Family Trust

Capital of \$101,500 is to be retained in the fund; interest may be used for general purposes as approved by the Board of Trustees

Capital Trust

The residual funds from the sale of the Church was placed into a restricted trust fund and the Trustees are still determining the policies for use of the funds.