

Financial Statements of

**ST. PAUL'S UNITED CHURCH**

And Independent Practitioner's Review Engagement Report  
thereon

Year ended December 31, 2025



**KPMG LLP**

Frederick Square  
77 Westmorland Street, Suite 700  
Fredericton, NB E3B 6Z3  
Canada  
Telephone 506 452 8000  
Fax 506 450 0072

**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, 2025, 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.



Page 2

*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, 2025, 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.

*KPMG LLP*

---

Chartered Professional Accountants

Fredericton, Canada

May 13, 2026

# ST. PAUL'S UNITED CHURCH

## Statement of Financial Position

December 31, 2025, with comparative information for 2024

	Operating	Housing	Trust	2025 Total	2024 Total
<b>Assets</b>					
Current assets					
Cash	\$ 190,023	\$ 43,609	\$ 1,333	\$ 234,965	\$ 257,937
Receivables	-	-	-	-	1,636
Investments (note 2)	-	-	697,952	697,952	614,338
Prepaid expenses	-	-	-	-	8,697
Harmonized sales tax	10,560	-	-	10,560	3,176
	200,583	43,609	699,285	943,477	885,784
Tangible capital assets (note 3)	-	537,706	-	537,706	517,744
	\$ 200,583	\$ 581,315	\$ 699,285	\$ 1,481,183	\$ 1,403,528
<b>Liabilities and Net Assets</b>					
Current liabilities					
Accounts payable	\$ 15,897	\$ 2,500	\$ -	\$ 18,397	\$ 31,941
Due to St. Andrews (note 4)	1,486	-	-	1,486	7,665
Deferred revenue (note 5)	27,102	8,419	-	35,521	29,412
Interfund balances (note 7)	(12,637)	11,587	1,050	-	-
	31,848	22,506	1,050	55,404	69,018
Net assets (note 6)	168,735	558,809	698,235	1,425,779	1,334,510
	\$ 200,583	\$ 581,315	\$ 699,285	\$ 1,481,183	\$ 1,403,528

See accompanying notes to financial statements.

# ST. PAUL'S UNITED CHURCH

## Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	Operating	Housing	Trust	2025 Total	2024 Total
<b>Revenue</b>					
Collections	\$ 121,573	\$ -	\$ -	\$ 121,573	\$ 162,228
Management	75,000	-	-	75,000	50,000
Other income	27,512	-	-	27,512	25,603
Share donations	23,627	-	-	23,627	23,472
Rental income	500	116,891	-	117,391	131,704
Investments	-	-	83,234	83,234	48,400
	248,212	116,891	83,234	448,337	441,407
M&S received	1,695	-	-	1,695	3,740
M&S disbursed	(1,695)	-	-	(1,695)	(3,740)
	248,212	116,891	83,234	448,337	441,407
<b>Expenses</b>					
Salaries	146,829	-	-	146,829	190,407
Occupancy costs	35,371	26,140	-	61,511	98,299
Appropriations	25,135	-	-	25,135	22,082
Professional fees	30,703	2,687	-	33,390	16,653
Office	7,896	-	-	7,896	14,324
Expenditures	6,607	-	700	7,307	4,776
Management	-	75,000	-	75,000	50,000
Interest	-	-	-	-	15,410
	252,541	103,827	700	357,068	411,951
<b>Other income (expenses)</b>					
St. Paul's Future United Church of Canada	-	-	-	-	(25,876)
Loss on sale of tangible capital assets	-	-	-	-	(100,569)
	-	-	-	-	(2,340,298)
	-	-	-	-	(2,466,743)
<b>Excess (deficiency) of revenue over expenses</b>					
	\$ (4,329)	\$ 13,064	\$ 82,534	\$ 91,269	\$ (2,437,287)

See accompanying notes to financial statements.

# ST. PAUL'S UNITED CHURCH

## Statement of Changes in Net Assets

Year ended December 31, 2025, with comparative information for 2024

	Operating	Housing	Trust	2025 Total	2024 Total
Net assets, beginning of year \$	173,064 \$	545,745 \$	615,701 \$	1,334,510 \$	3,771,797
Excess (deficiency) of revenue over expenses	(4,329)	13,064	82,534	91,269	(2,437,287)
Net assets, end of year	\$ 168,735 \$	558,809 \$	698,235 \$	1,425,779 \$	1,334,510

See accompanying notes to financial statements.

# ST. PAUL'S UNITED CHURCH

## Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	Operating	Housing	Trust	2025 Total	2024 Total
Cash provided by (used in):					
Operations					
Excess (deficiency) of revenue over expenses	\$ (4,329)	\$ 13,064	\$ 82,534	\$ 91,269	\$ (2,437,287)
Item not involving cash					
Loss on sale of tangible capital assets	-	-	-	-	2,340,298
Receivables	1,636	-	-	1,636	(1,636)
Prepaid expenses	733	7,964	-	8,697	19,336
Harmonized sales tax	(7,384)	-	-	(7,384)	144
Accounts payable	(3,855)	(9,688)	-	(13,543)	(20,476)
Deferred revenue	5,863	246	-	6,109	(9,194)
Amount due to St. Andrew's	(6,180)	-	-	(6,180)	7,666
	(13,516)	11,586	82,534	80,604	(101,149)
Financing:					
Mortgage payments	-	-	-	-	(175,383)
Investing:					
Reinvested income of investments	(29,890)	-	(82,214)	(112,104)	(302,375)
Purchase of tangible capital assets	-	(19,962)	-	(19,962)	-
Proceeds of sale of assets	28,490	-	-	28,490	645,702
Interfund repayments	34,217	(33,867)	(350)	-	-
	32,817	(53,829)	(82,564)	(103,576)	343,327
Increase (decrease) in cash	19,301	(42,243)	(30)	(22,972)	66,795
Cash, beginning of year	170,722	85,852	1,363	257,937	191,142
Cash, end of year	\$ 190,023	\$ 43,609	\$ 1,333	\$ 234,965	\$ 257,937

See accompanying notes to financial statements.

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements

Year ended December 31, 2025

---

## **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 ("ASNPO"). The Church's significant accounting policies are as follows:

### **(a) Fund accounting and revenue recognition:**

The 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. Unrestricted contributions are recognized as revenue of the Operating Fund if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Housing Fund includes revenues and expenses related to rental premises. Revenue is recognized as earned on a monthly basis according to the terms of the leases.

The Trust Fund consists of externally restricted and internally restricted funds. Externally restricted funds are subject to donor imposed restrictions, while internally restricted funds represent amounts restricted by the Trustees and may be re-designated by the Trustees. Investment income earned on externally restricted funds is allocated to the applicable fund and investment income earned on internally restricted funds is allocated to the Operating Fund. Pledges are not recognized as revenue until received, as collectability and measurement cannot be reasonably assured.

### **(b) Cash and cash equivalents:**

Cash and cash equivalents include cash on hand and balances with banks and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 1. Significant accounting policies (continued):

### (c) Financial instruments:

Financial instruments are recorded at fair value when acquired or issued. Investments quoted in active markets are subsequently recorded at fair value, with changes recognized in income. Other financial instruments, including receivables and payables, are subsequently measured at amortized cost.

### (d) Tangible capital assets:

Rental properties are recorded at their estimated values which were based on appraised values in 1990 plus the additional costs incurred to convert the original single-family residences into multi-unit rental properties and subsequent major repairs to the properties.

The Church has elected not to amortize tangible capital assets. ASNPO standards require that tangible capital assets be capitalized and amortized over their useful lives. Management believes that not recording amortization better reflects the long-term stewardship nature of the Church's property assets.

As a result of this departure from ASNPO, tangible capital assets and net assets are higher, and excess of revenues over expenses is higher, than would otherwise be reported. The effect of this departure has not been determined.

### (e) Contributed goods and services:

The operations of the Church depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

### (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.

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount 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 period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

## 2. Investments:

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

	2025	2024
BMO #275-09600-18	\$ 202,568	\$ 194,635
BMO #275-09661-17	339,630	330,468
	542,198	525,103
Adjustment to fair market value	155,754	89,235
	\$ 697,952	\$ 614,338

## 3. Tangible capital assets:

	2025	2024
Land	\$ 50,000	\$ 50,000
Building	458,274	440,354
Furniture and fixtures	20,963	18,921
Paving	8,469	8,469
	\$ 537,706	\$ 517,744

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

### 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 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 terms and conditions of the second agreement are essentially the same as the first agreement and the interest rate is 2.9%.

	2025	2024
230 York Street	\$ 314,260	\$ 314,260
242 York Street	424,014	406,094
	<u>738,274</u>	<u>720,354</u>
230 York	(120,000)	(120,000)
242 York	(160,000)	(160,000)
	<u>\$ 458,274</u>	<u>\$ 440,354</u>

As of the date of these financial statements, the Church is in compliance with the terms of the agreements. If the Church were to default on the agreement, the unforgiven portion plus interest would be repayable to the Province.

230 York Street		
Original Balance	\$ 120,000	\$ 120,000
Amount forgiven	(96,000)	(90,000)
Balance remaining	<u>24,000</u>	<u>30,000</u>
242 York Street		
Original Balance	160,000	160,000
Amount forgiven	(96,000)	(88,000)
Balance remaining	<u>64,000</u>	<u>72,000</u>

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

#### 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.

#### 5. Deferred contributions:

Deferred contributions represent externally restricted amounts received in advance of related expenditures and are recognized as revenue when the related costs are incurred.

	2025		2024	
Balance, beginning of year	\$	29,412	\$	38,606
Contributions		19,088		18,009
Rent Subsidies		99,680		98,173
Gifts-in-kind		10,228		8,358
Expenditures		(122,887)		(133,734)
	\$	35,521	\$	29,412

	Benevolent	Pantry	UCW	Housing	Total
Beginning	\$ 1,632	\$ 8,026	\$ 11,581	\$ 8,173	\$ 29,412
Contributions	445	13,408	5,235	-	19,088
Subsidies	-	-	-	99,680	99,680
Gifts in kind	305	9,721	202	-	10,228
Expenditures	(531)	(15,381)	(7,541)	(99,434)	(122,887)
	\$ 1,851	\$ 15,774	\$ 9,477	\$ 8,419	\$ 35,521

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 6. Trust fund net assets:

Trust fund net assets are restricted for specific uses and are segmented as follows:

	Balance, beginning	Income	Expenditures	Balance, ending
Capital	\$ 309,472	\$ 41,835	\$ -	\$ 351,307
Gough Family	191,984	25,955	-	217,939
Legacy	78,000	10,545	-	88,545
Scholarship	15,701	2,122	(700)	17,123
Theological	7,486	1,015	-	8,501
Nellie McKay	7,220	975	-	8,195
Hilder/Wright	5,043	680	-	5,723
Organ/Chimes	795	107	-	902
	\$ 615,701	\$ 83,234	\$ (700)	\$ 698,235

### *Capital Trust*

The residual funds from the sale of the Church were placed into an unrestricted trust fund to be used at the Trustees discretion.

### *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

### *Legacy Trust*

\$78,000 of the residual funds from the sale of the Church was placed into a restricted trust fund for legacy purposes.

### *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

### *Hilder / Wright Memorial Trust*

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

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 6. Trust fund net assets (continued):

### *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

## 7. 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.

## 8. Income details:

Collections:

---

	2025	2024
Envelopes	\$ 115,625	\$ 147,266
Other donations	3,392	8,103
Easter	862	1,092
Loose	804	1,126
Thanksgiving	452	2,392
Christmas	438	1,897
Anniversary	-	352
	<hr/> \$ 121,573	<hr/> \$ 162,228

---

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 8. Income details (continued):

Other income:

	2025	2024
Pantry	\$ 15,381	\$ 15,519
United Church Women	7,541	1,788
Other	2,061	1,991
Fundraising	1,998	3,443
Benevolent	531	2,862
	\$ 27,512	\$ 25,603

## 9. Expense details:

Occupancy costs:

	2025	2024
<i>Operating:</i>		
Natural gas	\$ 13,195	\$ 5,274
Annual assessment	10,904	13,501
Repairs and maintenance	7,055	21,933
Electricity	2,881	8,113
Insurance	824	18,280
Water and sewer	512	1,525
	35,371	68,626
<i>Housing:</i>		
Repairs and maintenance	11,309	14,236
Insurance	8,877	10,168
Water and sewer	3,045	2,975
Electricity	2,909	2,294
	\$ 61,511	\$ 98,299

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 9. Expense details (continued):

Expenditures:

	2025	2024
<i>Operating:</i>		
Music supplies and repairs	\$ 2,652	\$ 1,229
Worship supplies	2,162	1,375
Conference, meals, and travel	1,238	588
Fundraising	555	984
	6,607	4,176
<i>Trust:</i>		
Wark/St. Paul's scholarship	700	600
	\$ 7,307	\$ 4,776

Appropriations:

	2025	2024
Pantry	\$ 15,381	\$ 15,519
United Church Women	7,541	1,788
Continuing education	1,257	1,638
Benevolent	531	2,863
Sunday school	274	274
Family fellowship	151	-
	\$ 25,135	\$ 22,082

## 10. 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.

# ST. PAUL'S UNITED CHURCH

Notes to Financial Statements (continued)

Year ended December 31, 2025

---

## 11. Financial risks and concentration of risk:

The Church is exposed to various risks through its financial instruments and Management monitors financial risks and considers them in managing the Church's operations. The following analysis provides information about the Church's risk exposure and concentration as of December 31, 2025.

(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.

(b) Currency risk:

Currency risk is the risk to the Church's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Church only holds investments in Canadian dollars.

(c) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Church is exposed to interest rate risk as a portion of its investments are invested in fixed rate financial instruments

(d) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Church is exposed to other price risk through its portion of investment in quoted shares.

Management does not believe these risks represent a significant threat to the Church's ability to meet its obligations.