
**SHINING WATERS REGIONAL COUNCIL
FINANCIAL STATEMENTS
DECEMBER 31, 2024**

INDEPENDENT AUDITORS' REPORT

To the Congregation of Shining Waters Regional Council

Opinion

We have audited the accompanying financial statements of Shining Waters Regional Council, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and net assets, operations and net assets - internally restricted funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Shining Waters Regional Council as at December 31, 2024 and the results of its 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 responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Region'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 Region or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

(continued)

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

Those charged with governance are responsible for overseeing the Region's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

(continued)

Auditors' Responsibilities for the Audit of the Financial Statements - continued

- 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 Region's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Region 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.

We 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.

CAPSTICK MCCOLLUM & ASSOCIATES

Oakville, Ontario
DATE

Chartered Professional Accountants
Licensed Public Accountants

SHINING WATERS REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION

DECEMBER 31,	2024	2023
ASSETS		
CURRENT		
Cash - note 2	\$ 328,885	\$ 1,211,951
Cash - restricted - note 2	2,344,411	1,757,193
Short-term investments - general - note 3	5,746,576	19,253
Short-term investments - restricted - note 3	5,047,765	5,437,406
Accounts receivable - note 4	2,715,660	225,565
Prepaid expenses	2,874	589
Property held for sale - note 14	-	5,275,000
Current portion of mortgage receivable- note 5	518,986	-
Current portion of promissory notes receivable - note 7	35,950,501	34,269,001
	52,655,658	48,195,958
LONG-TERM INVESTMENTS - note 3	2,211,971	973,320
MORTGAGE RECEIVABLE - note 5	3,700,000	-
NON-PERFORMING LOANS RECEIVABLE - note 6	231,982	91,806
PROMISSORY NOTES RECEIVABLE - note 7	127,000	127,000
	6,270,953	1,192,126
	\$ 58,926,611	\$ 49,388,084
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities - note 8	\$ 816,450	\$ 458,891
Note payable - current portion - note 9, 14	3,086,760	5,275,000
NOTE PAYABLE - note 9	800,539	-
	4,703,749	5,733,891
FUND BALANCES		
UNRESTRICTED		
General fund	46,830,686	36,459,594
INTERNALLY RESTRICTED		
Archives fund	384,851	286,875
Indigenous ministry support fund	1,000,000	911,854
Regional fund	6,000,000	5,989,193
Student bursary fund	7,325	6,677
	54,222,862	43,654,193
	\$ 58,926,611	\$ 49,388,084

Approved on behalf of the Board:

_____ Director

_____ Director

Subject to accompanying notes to the financial statements

SHINING WATERS REGIONAL COUNCIL
STATEMENT OF OPERATIONS AND NET ASSETS - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31,	2024	2023
REVENUE		
Grants - note 10	\$ 613,375	\$ 673,375
Investment income - note 7, 10, 12	2,794,103	759,189
Managed properties	103,652	270,916
Mortgage interest income	11,595	-
Other income	2,199	16,528
Outreach - note 10	258,041	177,932
Regional meeting	4,742	5,318
Programs	3,761	2,400
	3,791,468	1,905,658
EXPENSES		
Clusters and networks	412	-
Committees	3,139	-
Communities of faith commission	17,243	53,089
Congregational support	10,247	13,053
Contingency	32,400	8,897
Executive	6,228	-
Finance costs	55,219	52,786
Grants - note 11	299,200	310,716
Managed properties	271,926	658,693
Miscellaneous	69,369	107,779
Office	40,142	42,847
Outreach ministries	269,438	374,242
Pastoral relations commission	39,775	65,173
Regional meeting	57,146	43,285
Shared services	25,555	24,969
Social and ecological justice	12,703	5,053
Staff team	943,496	989,399
SWRC/CSRC shared expenses	3,329	12,812
	2,156,967	2,762,793
(DEFICIT) OF REVENUE OVER EXPENSES FROM OPERATIONS	1,634,501	(857,135)
OTHER INCOME (EXPENSES)		
Proceeds from sale of property - note 11	7,480,000	41,555,000
Property sales costs	(1,335,292)	(633,677)
Transfers from churches - note 11	2,836,262	1,077,875
	8,980,970	41,999,198
EXCESS OF REVENUE OVER EXPENSES	10,615,471	41,142,063
TRANSFERS (TO) DESIGNATED FUNDS	(244,379)	(6,892,708)
NET ASSETS - beginning	36,459,594	2,210,239
NET ASSETS	\$ 46,830,686	\$ 36,459,594

Subject to accompanying notes to the financial statements

**SHINING WATERS REGIONAL COUNCIL
STATEMENT OF OPERATIONS AND NET ASSETS -
INTERNALLY RESTRICTED FUNDS**

FOR THE YEAR ENDED DECEMBER 31, **2024** **2023**

ARCHIVES FUND

EXPENSES

Archive services - note 11	\$	25,249	18,430
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(DEFICIT) OF REVENUE OVER EXPENSES		(25,249)	(18,430)
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NET ASSETS - beginning		286,875	67,255
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TRANSFERS FROM GENERAL		123,225	238,050
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NET ASSETS	\$	384,851	\$ 286,875
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INDIGENOUS MINISTRY SUPPORT FUND

EXPENSES

Grants - note 11	\$	22,200	22,528
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(DEFICIT) OF REVENUE OVER EXPENSES		(22,200)	(22,528)
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NET ASSETS - beginning		911,854	268,916
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TRANSFERS FROM GENERAL		110,346	665,466
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NET ASSETS	\$	1,000,000	\$ 911,854
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STUDENT BURSARY FUND

REVENUE

Donations	\$	648	1,365
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EXPENSES

(DEFICIT) EXCESS OF REVENUE OVER EXPENSES		648	1,365
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NET ASSETS - beginning		6,677	5,312
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NET ASSETS	\$	7,325	\$ 6,677
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Subject to accompanying notes to the financial statements

FOR THE YEAR ENDED DECEMBER 31,	2024	2023
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NET ASSETS - beginning	5,989,193	-
TRANSFERS FROM GENERAL	10,807	5,989,193
NET ASSETS	\$ 6,000,000	\$ 5,989,193

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SHINING WATERS REGIONAL COUNCIL
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,	2024	2023
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Excess (deficit) of revenue over expenses - general fund	\$ 10,615,471	\$ 41,142,063
(Deficit) of revenue over expenses - designated funds	(46,801)	(39,593)
	10,568,670	41,102,470
Changes in non-cash working capital balances		
Accounts receivable	(2,490,095)	(106,091)
Prepaid expenses	(2,285)	(490)
Accounts payable and accrued liabilities	357,559	130,576
	(2,134,821)	23,995
	8,433,849	41,126,465
FINANCING ACTIVITIES		
Loans receivable	(140,176)	(19,561)
INVESTING ACTIVITIES		
Mortgage receivable	(4,218,986)	-
Loan payable - CAUC	3,887,299	5,275,000
Property received - held-for-sale	-	(5,275,000)
(Payment) for promissory notes	(1,681,500)	(34,269,001)
(Purchase) of investments - net of proceeds on disposal	(6,576,334)	(4,060,011)
	(8,589,521)	(38,329,012)
NET INCREASE (DECREASE) IN CASH	(295,848)	2,777,892
CASH - beginning	2,969,144	191,252
CASH	\$ 2,673,296	\$ 2,969,144

Subject to accompanying notes to the financial statements

SHINING WATERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

PURPOSE OF THE ORGANIZATION

The United Church of Canada was incorporated under The United Church of Canada Act effective June 10, 1925.

Within the councilor structure of The United Church, there are 16 Regional Councils, which exercise certain local responsibilities under The United Church of Canada Act and The United Church's bylaws. The Regional Councils are registered charities under the Income Tax Act. They have no other independent legal status as they are part of the national corporation, The United Church. The United Church's General Council has oversight and significant influence over the Regional Councils and is ultimately responsible for any liabilities of the Regional Councils.

Shining Waters Regional Council - The United Church of Canada (the "Region") is a not-for-profit organization formed on January 1, 2019 as a result of restructuring of the courts of The United Church of Canada and is exempt from the payment of income taxes under Section 149(1) of the Income Tax Act. The Region issues donation receipts for income tax purposes under the registration number 108102435RR0003.

The Region operates programs and administers funds with the aim of improving the health of communities of faith and other ministries of the United Church of Canada within its geographical boundaries. The Shining Waters Region extends in Central and Southern Ontario from the northern most point of Dunchurch, southern most point of Lake Ontario, western most point of Caledon and eastern most point of Dorset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which are in accordance with Canadian generally accepted accounting principles.

b) Contributed services

Region members contribute volunteer services to the Region in carrying out its operating activities. Because of the difficulty in determining the fair value of these contributed services, they are not recognized in the financial statements.

SHINING WATERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - continued

c) Financial instruments

The Region initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions. The Region subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, fixed income investments, accounts receivable and promissory note receivable. Financial assets measured at fair value include investments in equities.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Region recognizes transaction costs in excess (deficit) of revenue over expenses in the period incurred except for financial instruments that will not be measured subsequently at fair value. The carrying amount of these instruments are adjusted by the transaction costs that are directly attributable to the instrument.

d) Fund accounting

The accounts of the Region are maintained in accordance with the principles of "fund accounting" under the restricted fund method. The specific purpose of each fund is explained below:

The General Fund reports the general revenue and expenses of the Region's operations.

The Archives Fund reports internally restricted resources used to provide perpetual care of the records from communities of faith within the Shining Waters Region.

The Indigenous Ministry Support Fund reports internally restricted resources used for the support and outreach of indigenous ministries.

The Student Bursary Fund reports internally restricted resources used to assist students who are training for ministry and is administered through the office of vocation of the United Church of Canada.

The Regional Fund reports internally restricted resources used to establish a contingency fund for general expenses, to support extraordinary needs of the Region and to cover costs that might reduce damage to the church in cases of litigation.

SHINING WATERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Cash

The Region's policy is to disclose bank balances under cash.

f) Use of estimates

The preparation of the Region's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in operations in the period in which they become known. Actual results in the future may differ from those estimates made.

g) Revenue recognition

The Region follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the general fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the appropriate restricted fund when received or receivable. Restricted contributions for which no corresponding restricted fund exists is deferred and recognized as revenue of the general fund when the corresponding expenses are incurred.

Investment income is recognized as revenue of the general fund when earned, except where externally restricted funds require the investment income generated from its assets remain in that specific fund.

All other revenue including managed properties income, proceeds from sale of property, regional meeting income and transfers from churches are recognized as revenue of the general fund when earned.

SHINING WATERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. CASH

The bank requires \$50,000 be retained as security for the Region's credit cards which have an aggregate credit limit of \$50,000.

3. INVESTMENTS

	2024	2023
SHORT-TERM		
Cash and cash equivalents	\$ 2,264,483	\$ 1,582,343
Equities	6,009,380	761,792
Fixed income investments	2,520,478	3,112,524
	\$ 10,794,341	\$ 5,456,659
LONG-TERM		
Fixed income investments	\$ 2,211,971	\$ 973,320

Fixed income investments consist of corporate and government bonds and debentures. Interest rates range from 1.75% to 6.93% (2023 - 1.53% to 6.93%) and maturity dates range from January 15, 2025 and December 2, 2055 (2023 - January 15, 2024 and December 1, 2048).

4. ACCOUNTS RECEIVABLE

	2024	2023
Accounts receivable - trade	\$ 2,630,324	\$ 164,898
Sales taxes recoverable	85,336	60,667
	\$ 2,715,660	\$ 225,565

SHINING WATERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

4. ACCOUNTS RECEIVABLE - continued

Included in accounts receivable - trade are the following amounts due from related parties:

	2024	2023
Canadian Shield Regional Council	\$ 33,032	\$ 20,316
Jubilee United Church	2,534,860	-
The GO Project	-	38,981
Heritage United Church	1,263	-
The United Church of Canada	517	-
	\$ 2,569,672	\$ 59,297

All parties are related by way of common control. All amounts due from related parties are non-interest bearing and have no set terms of repayment.

5. MORTGAGE RECEIVABLE

On November 28, 2024, the Region became party to a vendor-take-back mortgage for \$4,200,000.00 as part of the proceeds of the sale of the Bayview property. This mortgage receivable has a term of 2 years and pays interest at a rate of 5.00% per annum, semi-annually.

6. NON-PERFORMING LOANS RECEIVABLE

	2024	2023
Caledon East United Church	\$ 5,731	\$ 2,781
Don Mills United Church	64,000	40,000
Ghana Calvary Methodist United Church	41,245	41,245
Go Project	35,000	-
Knob Hill United Church	5,000	5,000
Knox United Church	5,731	2,780
Palgrave United Church	25,000	-
St. Lukes United Church	50,275	-
	\$ 231,982	\$ 91,806

SHINING WATERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. NON-PERFORMING LOANS RECEIVABLE - continued

All parties are related by way of common control. Loan amounts are non-interest bearing and no repayments are required with the exception of the Go Project loan. However, in the event the respective church property is sold, the loan must be repaid from the proceeds of the sale. The Go Project loan is non-interest bearing and repayments of \$5,000 per annum are to begin in 2026.

7. PROMISSORY NOTES RECEIVABLE

	2024	2023
TUCC - Painswick United Church (a)	\$ 127,000	\$ 127,000
TUCC - Countryside United Church (b)	100,000	100,000
SWRT - Church of the Master United Church (c)	10,390,000	10,390,000
SWRT - Don Mills United Church (c)	4,760,000	4,760,000
SWRT - Keswick United Church (c)	2,380,000	2,380,000
SWRT - Locust Hill United Church (c)	1,120,000	1,120,000
SWRT - Meadowvale Korean United Church (c)	1,470,000	1,470,000
SWRT - Regent Park United Church (c)	1,520,000	1,520,000
SWRT - Wexford Heights United Church (c)	8,990,000	8,990,000
SWRT - Wilmar Heights United Church (c)	3,000,000	3,000,000
SWRT - Accrued interest (c)	2,220,501	539,001
	36,077,501	34,396,001
Less: current portion	35,950,501	34,269,001
	\$ 127,000	\$ 127,000

SHINING WATERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. PROMISSORY NOTES RECEIVABLE - continued

(a) The Region entered into a promissory note as the lender in the amount of \$127,000 on November 1, 2021. The borrower is The Toronto United Church Council ("TUCC"). The term of the promissory note is ten years and the principal shall be repaid in full on November 1, 2031. The Region has the right to demand early repayment of the principal in full on the five year anniversary date of the loan (November 1, 2026) or any subsequent anniversary date by giving at least 180 days prior written notice to TUCC. TUCC will invest this principal balance in line with its guidelines for their Investing in Ministry Fund. The note is not interest bearing, however TUCC will calculate the estimated earnings and costs of the fund each year on December 31 and pay out the Region's proportionate share in January of the subsequent year. During the year, TUCC's payout to the Region was \$10,160 (2023 - \$1,270). The annual payout is reported as investment income of the general fund.

(b) The Region became party to a promissory note as the lender in the amount of \$100,000 in the prior year. The borrower is The Toronto United Church Council ("TUCC"). The term of the promissory note is fifteen years and the principal shall be repaid in full on September 1, 2027. The Region has the right to demand early repayment of the principal in full on the five year anniversary date of the loan (September 1, 2017) or any subsequent anniversary date by giving at least 180 days prior written notice to TUCC. TUCC will invest this principal balance in line with its guidelines for their Investing in Ministry Fund. The note is not interest bearing, however TUCC will calculate the estimated earnings and costs of the fund each year on December 31 and pay out the Region's proportionate share in January of the subsequent year. During the year, TUCC's payout to the Region was \$3,500 (2023 - \$-). The annual payout is reported as investment income of the general fund.

SHINING WATERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. PROMISSORY NOTES RECEIVABLE - continued

(c) In the prior year, the Region entered into a series of promissory notes as the lender totaling \$33,630,000. The borrower is the Shining Waters Regional Trust ("SWRT") which is a related party as the Region is the sole beneficiary of SWRT. The United Property Resource Corporation ("UPRC") is the trustee of the SWRT. Kindred Works Inc. is responsible for the management and leasing of property in SWRT. The long-term goal of Region is to create a sustainable income source through the development and management of properties within SWRT working with UPRC and Kindred Works. The principal balance of these notes is subject to adjustment, as it is intended to equal the fair market value ("FMV") of the property transferred. If the FMV is subsequently determined to be different, the principal balance will be adjusted accordingly. As of December 31, 2024, no adjustments to the principal balance have been made. The promissory notes have no fixed terms of repayment and are due and payable in full immediately upon demand. The promissory notes bear interest at a rate of 5%, which accrues and is payable annually. As of December 31, 2024, total accrued interest on these promissory notes amounts to \$2,220,501. The annual interest is reported as investment income of the general fund.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts and accrued liabilities are the following amounts due to related parties:

	2024	2023
Caledon East United Church	\$ -	\$ 29,110
Knox United Church	-	29,110
Taiwanese United Church	532,723	171,495
The United Church of Canada	-	42,073
Toronto United Church Council	7,485	-
	\$ 540,208	\$ 271,788

All parties are related by way of common control. All amounts due to related parties are non-interest bearing and have no set terms of repayment.

SHINING WATERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

9. NOTE PAYABLE

Further to the information reported in note 13, the sale of the Bayview property closed on November 28, 2024 for proceeds of \$8,400,000. Half of the proceeds were received upon closing along with a vendor take-back mortgage of \$4,200,000 as detailed in note 5. As per the agreement with CAUC, the church is entitled to \$5,275,000 of the proceeds from the sale.

Upon closing of the sale, the Region settled the mortgage on the property in the amount of \$830,074 and repaid a loan owing to TUCC from CAUC in the amount of \$565,017. The total of \$1,395,091 was applied against the outstanding note payable balance. In February 2025, a payment of \$2,244,848 was made to CAUC by the Region against the note payable balance. A second payment of \$841,911 is expected in 2025. The remaining balance of \$800,539 is repayable in the 2026 fiscal year.

10. FINANCIAL INSTRUMENTS

The significant financial risks to which the Region is exposed to are credit risk, liquidity risk and market risk.

a) Credit risk

Credit risk refers to the risk that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Region is exposed to credit risk on its accounts receivable. The Region does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counter-parties and, accordingly, does not anticipate significant loss for non-performance.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Region is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities. The Region carries a large cash balance relative to its liabilities to reduce this risk, and the United Church of Canada holds ultimate responsibility for any liabilities of the Region.

SHINING WATERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

10. FINANCIAL INSTRUMENTS - continued

c) 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 risk, interest rate risk and other price risk.

i) Currency risk

Currency risk refers to the risk that earnings will fluctuate due to changes in foreign exchange rates and from the degree of volatility in these rates.

As at December 31, 2024, investment assets of \$3,368,022 (2023 - \$420,887) are denominated in US dollars and converted into Canadian dollars.

Risk exposure changes as volume of transactions change and also due to exchange rates.

ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Region is exposed to interest rate risk on its fixed income investments and promissory notes which have fixed interest rates. Fixed interest rate instruments subject the Region to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Region is exposed to other price risk on its investments in equities. The Region's investments are invested in public company shares for which the value fluctuates with the quoted market price. Equity investments amount to \$6,009,380 (2023 - \$761,792) which represents 46.2% (2023 - 11.8%) of total investments.

SHINING WATERS REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

11. RELATED PARTY TRANSACTIONS

The following is a summary of the Region's related party transactions. These transactions are all in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

a) United Church of Canada

The United Church of Canada has oversight and significant influence over the Region and is ultimately responsible for any liabilities of the Region. During the year, the Region received grants in the amount of \$613,375 (2023 - \$673,375) from the United Church of Canada which have been recorded in the statement of operations and net assets - general fund. In addition, the Region paid the following amounts to the United Church of Canada during the year which have been recorded in the statement of operations and net assets - general fund and the statement of operations and net assets - internally restricted funds:

	2024	2023
Archives Fund - Archive services	\$ 25,249	\$ 18,430
Indigenous Ministry Support Fund - Grants	-	228
	\$ 25,249	\$ 18,658

b) The Presbyteries of Toronto Conference Corporation ("PTCC")

The Region has oversight and significant influence over PTCC and nominates six of their eight board members. During the year, the Region received grants in the amount of \$232,387 (2023 - 112,887) from PTCC and have been recorded as outreach income on the statement of operations and net assets - general fund.

c) Other Organizations Under Common Control

The following is a summary of related party transactions with other organizations that are controlled by the United Church of Canada.

SHINING WATERS REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

11. RELATED PARTY TRANSACTIONS - continued

c) Other Organizations Under Common Control - continued

During the year, the Region received transfers which have been recorded in the statement of operations and net assets - general fund from the following disbanded United Churches:

	2024	2023
Ardrea United Church	\$ 85,562	\$ -
Beginning Again Richmond Hill	159,368	-
Bradford United Church	-	3,866
Cheltenham United Church	-	155,318
Countryside United Church	58,208	100,000
Heritage United Church	1,263	-
Jubilee United Church	2,534,860	-
Keswick United Church	-	213,211
Sandhill United Church	-	5,480
Trillium United Church	-	600,000
	\$ 2,839,261	\$ 1,077,875

During the year, the Region issued grants that have been recorded in the statement of operations and net assets - general fund, the amounts of which are as follows:

	2024	2023
Albiona Centre	\$ 11,000	\$ -
Alpha Korean United Church	-	7,000
Anglican United Refugee	53,000	-
Cummer Avenue United Church	10,000	-
Davenport Perth Community Ministry	18,600	77,116
Jane-Finch Community Ministry	14,400	78,100
Muskoka Chaplaincy	10,000	-
Roncesvalles United Church	20,000	20,000
Runnymede Meals	10,000	-
The Ecumenical Chaplaincy at the University of Toronto	33,000	-
	\$ 180,000	\$ 362,216

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11. RELATED PARTY TRANSACTIONS - continued

c) Other Organizations Under Common Control - continued

During the year, the Region took ownership of the following United Church which was disbanded:

- Westmount United Church

No amount has been recorded in the financial statements for this transaction.

During the year, the Region received proceeds from the sale of property from the following United Churches which were disbanded:

	2024	2023
Ardrea United Church	516,499	-
Heritage United Church	412,037	-
	\$ 928,536	\$ -

d) Shining Waters Regional Trust ("SWRT")

The Region is the sole beneficiary of SWRT. In the prior year, the Region exchanged properties valued at \$33,630,000 with SWRT for promissory notes.

During the year, interest income on these promissory notes in the amount of \$2,220,501 (2023 - 539,001) has been recognized as investment income in the statement of operations and net assets - general fund.

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DECEMBER 31, 2024

11. RELATED PARTY TRANSACTIONS - continued

e) Cummer Avenue United Church ("CAUC")

In the prior year, a property held-for-sale by the Cummer Avenue United Church ("CAUC") was transferred to the Region in exchange for a \$5,275,000 payable due upon the sale of the property.

During the year, this property was sold to a third-party for proceeds of \$8,400,000, consisting of \$4,200,000 in cash and a vendor take-back mortgage ("VTB") of \$4,200,000 (see note 5).

CAUC and the Region agreed that, in addition to the note payable (see note 9), the Region would pay a portion of the interest of the VTB to CAUC. The interest expense reported for the year totals \$7,391.

12. EMPLOYEE FUTURE BENEFITS

Retirement benefits for employees of the Region are provided through the pension plan of the United Church of Canada (the "Plan"). This Plan is a defined contribution plan. Under this Plan, the employees contribute 6% of their salary and the Church contributes 9% of the salary of all employees in active services. Contributions to the Plan are expensed as incurred.

13. INVESTMENT INCOME (LOSS)

	2024	2023
Dividend income	\$ 53,691	\$ 16,785
Fees and taxes	(43,332)	(28,557)
Interest expense	(12,801)	(2,028)
Interest income	2,032,150	703,700
Realized gain	87,183	(13,316)
Unrealized (loss) gain	677,211	82,605
	\$ 2,794,102	\$ 759,189

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14. CORRECTION OF PRIOR PERIOD AMOUNTS

Bayview United Church and Cummer Avenue United Church ("CAUC") amalgamated on June 30, 2023. In the amalgamation proposal, it was determined that the amalgamated entity was entitled to \$5,275,000 from the proceeds of the sale of the Bayview property. Shining Waters Regional Council was appointed by the Bayview Trustees to manage the sale of the property, including assuming responsibility for the rental income and bridge loan interest expenses, up to the time of sale. As such, ownership of the Bayview property was transferred to Shining Waters Regional Council in 2023 in exchange for a \$5,275,000 note payable to CAUC contingent and due upon the sale of the property. It was expected that the sale of the property would occur within a year. As a result, the following financial statement line items have been corrected and restated.

DECEMBER 31, 2023	Previously Reported	Restated	Change
Property held for sale	\$ -	\$ 5,275,000	\$ 5,275,000
Total assets	\$44,113,084	\$49,388,084	\$ 5,275,000
Note payable	\$ -	\$ 5,275,000	\$ 5,275,000
Total liabilities	\$ 458,891	\$ 5,733,891	\$ 5,275,000