

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Independent Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Fund Balances

Statement of Cash Flows

Notes to Financial Statements

Buckley Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

To the Members of
The Synod of the Ecclesiastical Province of Canada

I have audited the accompanying financial statements of The Synod of the Ecclesiastical Province of Canada, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all respects, the financial position of The Synod of the Ecclesiastical Province of Canada as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Sussex, New Brunswick
April 4, 2017


CHARTERED PROFESSIONAL ACCOUNTANT

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA
(Incorporated under the laws of Canada)

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 62,393	\$ 42,380
Term deposit	5,047	
Accounts receivable	<u> </u>	<u>8,229</u>
	67,440	50,609
CAPITAL ASSET		
Metropolitan Cross	<u>30,000</u>	<u>30,000</u>
	<u>\$ 97,440</u>	<u>\$ 80,609</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,770	\$ 1,500
Payable to Princess Basma Hospital	<u>995</u>	<u> </u>
	<u>2,765</u>	<u>1,500</u>
FUND BALANCES		
Restricted for diaconate	13,950	13,950
Restricted for misconduct policy	10,000	10,000
Unrestricted operating	<u>70,725</u>	<u>55,159</u>
	<u>94,675</u>	<u>79,109</u>
	<u>\$ 97,440</u>	<u>\$ 80,609</u>

Approved by the Council

Member

Member

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Annual assessments	\$ 55,000	\$ 50,000
Investment income	47	
Other income	<u>10</u>	
	55,057	50,000
Appraisal increase in valuation of the Metropolitan Cross	<u> </u>	<u>10,000</u>
	<u>55,057</u>	<u>60,000</u>
Expenses		
Synod		42,768
Insurance	1,924	1,965
Meetings	4,733	638
Advisory Committee on Postulates for Ordination grant	4,500	4,000
Bank charges	54	64
Office supplies	699	506
Professional services	1,890	1,500
Other	2,835	1,796
Telephone and video conferencing	1,410	237
Elections, consecrations and installations	3,446	2,954
Contribution to Ask & Imagine	<u>18,000</u>	
	<u>39,491</u>	<u>56,428</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 15,566</u>	<u>\$ 3,572</u>

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2016

	<u>Restricted Funds</u>		<u>Unrestricted Operating</u>	<u>2016</u>	<u>2015</u>
	<u>Diaconate</u>	<u>Misconduct Policy</u>		<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 13,950	\$ 10,000	\$ 55,159	\$ 79,109	\$ 75,537
Excess of revenue over expenses	_____	_____	<u>15,566</u>	<u>15,566</u>	<u>3,572</u>
BALANCE, END OF YEAR	<u>\$ 13,950</u>	<u>\$ 10,000</u>	<u>\$ 70,725</u>	<u>\$ 94,675</u>	<u>\$ 79,109</u>

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 15,566	\$ 3,572
Appraisal increase in valuation of the Metropolitan Cross		<u>(10,000)</u>
	<u>15,566</u>	<u>(6,428)</u>
Net change in non-cash working capital item		
Trade and other receivables	8,229	21,182
Term deposit	(5,047)	
Trade and other payables	<u>1,265</u>	<u>1,500</u>
	<u>4,447</u>	<u>22,682</u>
NET INCREASE IN CASH	20,013	16,254
Cash at beginning of year	<u>42,380</u>	<u>26,126</u>
CASH AT END OF YEAR	\$ <u>62,393</u>	\$ <u>42,380</u>
CASH AT END OF YEAR		
Cash	\$ <u>62,393</u>	\$ <u>42,380</u>

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

1. GENERAL

The Ecclesiastical Province of Canada was created by Royal Letters Patent in 1860 and currently includes the Dioceses of Nova Scotia and Prince Edward Island, Quebec, Fredericton, Montreal, Eastern Newfoundland and Labrador, Central Newfoundland and Western Newfoundland. The rights, responsibilities and prerogatives of the Provincial Synod of the Ecclesiastical Province of Canada shall include:

- A. The providing of occasions for fellowship and of a forum for the consideration of topics of particular concern within the Province.
- B. The planning and promotion of teamwork among bishops, clergy and laity within the Province.
- C. The exercise of canonical and legislative authority and jurisdiction in all matters affecting the general interest and well-being of the Church within the Province.
- D. The supervision of the programme of the Advisory Council for Postulants for Ordination within the province.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The accounts of the synod are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The synod records its activities in the following funds:

Operating Fund

The operating fund revenue is based on Diocesan assessments established by the Provincial Council and authorized expenses paid by the Treasurer of the Synod. Expenses relate to meetings of the Synod, the Provincial Council or committees of the Synod or Council and other authorized administrative expenses.

Diaconate Fund

The restricted reserve for diaconate is established to provide funding for people involved in a servant ministry known as the vocational diaconate.

Misconduct Policy Fund

The restricted reserve for Misconduct was established in conjunction with the adoption in September 2004 of the provincial misconduct policy.

(b) Basis of presentation

The Synod's financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations.

(c) Revenue recognition

Revenue is provided by an annual assessment on the dioceses in the Province and is recognized when assessed.

(d) Contributed services

Volunteers contribute a significant amount of their time each year. Contributed services are not recognized in the financial statements due to the difficulty of determining the fair value.

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash and cash equivalents

The policy of the synod is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity of three months or less from the date of acquisition. Term deposits that the synod cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently recorded at cost or amortized cost, unless provincial council has elected to carry the instruments at fair value. The synod has not elected to carry any such financial instruments at fair value.

(g) Capital asset

The Metropolitan Cross is a symbol of the Metropolitan of Canada. Carried in procession, it has a series of silver bands on the shaft, listing the Metropolitanals.

3. FINANCIAL INSTRUMENTS

Risks and concentrations

The province is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The financial instruments and the nature of the risks to which they may be subject are as follows:

Financial Instruments	Risks				
	Credit	Liquidity	Market risk		
			Currency	Interest rate	Other price
Cash	X			X	
Accounts receivable	X		X		
Accounts payable and accrued liabilities		X	X		

Liquidity risk

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

It is management's opinion that the entity is not exposed to significant liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

It is management's opinion that the entity is not exposed to significant credit risk as the synod operates with few receivables.

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.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

It is management's opinion that the entity is not exposed to significant currency risk as the entity has no transactions in foreign currencies during the year.

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

3. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

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

It is management's opinion that the entity is not exposed to significant interest rate risk as fluctuations in market rates of interest on cash do not have a significant impact on the synod's results of operations.

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), 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.

It is management's opinion that the entity is not exposed to significant other price risk because of its lack of investment in such funds.

Changes in risk

There have been no significant changes in the synod's risk exposures from the prior year.