

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

CHARTERED PROFESSIONAL ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of The Synod of the Ecclesiastical Province of Canada (the Company), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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.

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INDEPENDENT AUDITOR'S REPORT (Continued)

- 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

I 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 I identify during my audit.

Sussex, New Brunswick
January 29, 2021



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, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash		
Term deposit	\$ 56,186	\$ 90,337
Accounts receivable	65,347	5,230
	<u>7,508</u>	<u>6,254</u>
	129,041	101,821
CAPITAL ASSET		
Metropolitan Cross	<u>30,000</u>	<u>30,000</u>
	<u>\$ 159,041</u>	<u>\$ 131,821</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ <u>1,723</u>	\$ <u>1,855</u>
FUND BALANCES		
Internally restricted for diaconate	12,685	12,685
Internally restricted for misconduct policy	10,000	10,000
Unrestricted operating	<u>134,633</u>	<u>107,281</u>
	<u>157,318</u>	<u>129,966</u>
	<u>\$ 159,041</u>	<u>\$ 131,821</u>

Approved by the Council

Member

Member

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
Annual assessments	\$ 38,000	\$ 38,000
Investment income	1,428	77
Other income	<u>21</u>	<u>78</u>
	<u>39,449</u>	<u>38,155</u>
Expenses		
Provincial council		22,569
Insurance	1,942	1,916
Meetings	425	688
Advisory Committee on Postulates for Ordination grant		5,000
Bank charges	81	49
Office supplies	693	880
Professional services	4,225	1,725
Other	2,040	1,921
Telephone and video conferencing	988	819
Elections, consecrations and installations	<u>1,703</u>	<u> </u>
	<u>12,097</u>	<u>35,567</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 27,352</u>	<u>\$ 2,588</u>

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2020

	<u>Internally Restricted Funds</u>		<u>Unrestricted</u>	<u>2020</u>	<u>2019</u>
	<u>Diaconate</u>	<u>Misconduct Policy</u>	<u>Operating</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 12,685	\$ 10,000	\$107,281	\$129,966	\$128,143
Excess of revenue over expenses	<u> </u>	<u> </u>	<u>27,352</u>	<u>27,352</u>	<u>1,823</u>
BALANCE, END OF YEAR	<u>\$ 12,685</u>	<u>\$ 10,000</u>	<u>\$134,633</u>	<u>\$157,318</u>	<u>\$129,966</u>

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ <u>27,352</u>	\$ <u>1,823</u>
Net change in non-cash working capital item		
Trade and other receivables	(1,254)	(6,254)
Term deposit	(60,116)	(77)
Trade and other payables	<u>(133)</u>	<u>303</u>
	<u>(61,503)</u>	<u>(6,028)</u>
NET DECREASE IN CASH	34,151	4,205
Cash at beginning of year	<u>90,337</u>	<u>94,542</u>
CASH AT END OF YEAR	\$ <u><u>56,186</u></u>	\$ <u><u>90,337</u></u>
CASH AT END OF YEAR		
Cash	\$ <u><u>56,186</u></u>	\$ <u><u>90,337</u></u>

THE SYNOD OF THE ECCLESIASTICAL PROVINCE OF CANADA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 Act provided for members of the Dioceses to meet in Synod. 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.

The corporation is a charitable organization within the meaning of the Income Tax Act (Canada) and as such, is exempt from income taxes.

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.

Internally Restricted Diaconate Fund

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

Internally Restricted 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, 2020

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	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, 2020

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.

4. SUBSEQUENT EVENTS

During the past calendar year and continuing into this year, a world-wide pandemic was announced and both the federal and provincial governments have implemented emergency measures that will negatively impact the national and global economy for an undetermined period. The effect of the pandemic and emergency measures cannot be quantified and no allowance or accruals have been recognized in these financial statements.