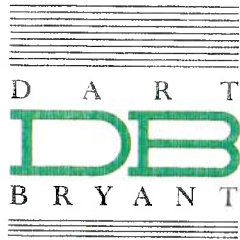


THE SYNOD OF THE DIOCESE OF CALGARY
Financial Statements
Year Ended December 31, 2019
(Unaudited)



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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Council of The Synod of the Diocese of Calgary

We have reviewed the accompanying financial statements of The Synod of the Diocese of Calgary (the Diocese) that comprise the statement of financial position as at December 31, 2019, 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 (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.

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.

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 The Synod of the Diocese of Calgary as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Other Matter

The financial statements of The Synod of the Diocese of Calgary for the year ended December 31, 2018 were audited by another practitioner who expressed an unmodified conclusion on those financial statements on June 18, 2019.

January 18, 2022


Chartered Professional Accountants

THE SYNOD OF THE DIOCESE OF CALGARY
Statement of Financial Position
December 31, 2019
(Unaudited)

	Operating 2019	Capital 2019	Restricted 2019	Total 2019	Total 2018
ASSETS					
CURRENT					
Cash	\$ 394,551	\$ -	\$ 122,905	\$ 517,456	\$ 537,560
Accounts and loans receivable (Note 6)	133,589	-	-	133,589	198,091
Prepaid expenses	19,394	-	-	19,394	19,394
	547,534	-	122,905	670,439	755,045
INVESTMENTS (Note 5)	15,669,486	6,530,470	1,165,220	23,365,176	22,866,073
LOANS RECEIVABLE (Note 7)	243,967	621,000	-	864,967	608,531
PROPERTY (Note 8)	-	17,265,542	-	17,265,542	17,876,766
	\$ 16,460,987	\$ 24,417,012	\$ 1,288,125	\$ 42,166,124	\$ 42,106,415
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities (Note 9)	\$ 274,875	\$ 50,000	\$ -	\$ 324,875	\$ 393,904
	8,219,419	3,439,424	51,685	11,710,528	11,227,001
MANAGED ACCOUNTS (Note 5)	8,494,294	3,489,424	51,685	12,035,403	11,620,905
NET ASSETS					
Invested in property (Note 8)	-	17,265,542	-	17,265,542	17,876,766
Internally restricted (Note 10)	7,105,949	3,091,046	-	10,196,995	9,197,929
Externally restricted (Note 11)	-	-	1,236,440	1,236,440	1,182,859
Unrestricted	860,744	571,000	-	1,431,744	2,227,956
	7,966,693	20,927,588	1,236,440	30,130,721	30,485,510
	\$ 16,460,987	\$ 24,417,012	\$ 1,288,125	\$ 42,166,124	\$ 42,106,415

CONTINGENCIES AND COMMITMENTS (Note 13)

ON BEHALF OF THE COUNCIL: _____ Treasurer _____ Bishop _____

THE SYNOD OF THE DIOCESE OF CALGARY
Statement of Operations
Year Ended December 31, 2019
(Unaudited)

	Operating 2019	Capital 2019	Restricted 2019	Total 2019	Total 2018
REVENUES					
Apportionment from parishes	\$ 1,333,989	\$ -	\$ -	\$ 1,333,989	\$ 1,325,242
Less: Apportionment reductions	(156,917)	-	-	(156,917)	(124,764)
	1,177,072	-	-	1,177,072	1,200,478
Donations and contributions	5,902	-	182,872	188,774	47,858
Trust and restricted contributions	462,371	-	-	462,371	56,848
Net investment income	149,658	60,235	19,686	229,579	186,571
Other income	37,302	-	-	37,302	15,354
Capital gains on investments	640,181	320,677	104,803	1,065,661	(170,684)
	2,472,486	380,912	307,361	3,160,759	1,336,425
EXPENSES					
Outside the Diocese	392,652	-	-	392,652	360,571
Inside the Diocese	153,633	-	-	153,633	124,297
Diocese office	1,144,001	-	-	1,144,001	980,998
Amortization	-	611,224	-	611,224	588,734
Trust and restricted withdrawals	261,206	286,780	21,000	568,986	384,633
	1,951,492	898,004	21,000	2,870,496	2,439,233
Gifts to parishes	-	-	182,872	182,872	43,471
Grants and subsidies to parishes (Note 12)	530,684	-	-	530,684	162,494
Recoveries	(68,504)	-	-	(68,504)	(94,368)
	2,413,672	898,004	203,872	3,515,548	2,550,830
OPERATIONAL EXCESS (DEFICIENCY)	\$ 58,814	\$ (517,092)	\$ 103,489	\$ (354,789)	\$ (1,214,405)

THE SYNOD OF THE DIOCESE OF CALGARY
Statement of Changes in Net Assets
Year Ended December 31, 2019
(Unaudited)

	Operating 2019	Capital 2019	Restricted 2019	Total 2019	Total 2018
NET ASSETS - BEGINNING OF YEAR					
Deficiency of revenues over expenses	\$ 5,829,613	\$ 23,473,038	\$ 1,182,859	\$ 30,485,510	\$ 31,699,915
	58,814	(517,092)	103,489	(354,789)	(1,214,405)
Interfund transfers:					
Advance of capital loans receivable from operating fund	(291,500)	291,500	-	-	-
Internally restricted operational fund transfer (Note 10)	2,267,390	(2,267,390)	-	-	-
Release of Bishop's Discretionary Fund (Note 13)	48,159	-	(48,159)	-	-
Investment distributions to Diocese investment fund	54,217	(52,468)	(1,749)	-	-
NET ASSETS - END OF YEAR	\$ 7,966,693	\$ 20,927,588	\$ 1,236,440	\$ 30,130,721	\$ 30,485,510

THE SYNOD OF THE DIOCESE OF CALGARY
Statement of Cash Flows
Year Ended December 31, 2019
(Unaudited)

	Operating 2019	Capital 2019	Restricted 2019	Total 2019	Total 2018
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ 58,814	\$ (517,092)	\$ 103,489	\$ (354,789)	\$ (1,214,405)
Items not affecting cash:					
Amortization of property	-	611,224	-	611,224	588,734
Unrealized loss/(gain) on investments	391,887	175,946	2,611	570,444	665,839
	450,701	270,078	106,100	826,879	40,168
Changes in non-cash working capital:					
Accounts and loans receivable	(3,989)	68,491	-	64,502	(38,839)
Accounts payable and accrued liabilities	(69,029)	-	-	(69,029)	69,859
Deferred income	-	-	-	-	(153)
	(73,018)	68,491	-	(4,527)	30,867
Cash flow from operating activities	377,683	338,569	106,100	822,352	71,035
INVESTING ACTIVITIES					
Purchase of property	-	-	-	-	(5,903)
Repayment of loans and notes receivable	203,555	-	-	203,555	40,000
Addition to loans and notes receivable	(100,000)	(290,500)	-	(390,500)	-
Deposit to investment accounts	(127,046)	-	(14,972)	(142,018)	(86,057)
Withdrawals from investment accounts	1,225,039	577,280	21,000	1,823,319	1,212,227
Proceed (purchase) of investments	(1,599,349)	(625,349)	(112,114)	(2,336,812)	(1,074,787)
Cash flow from (used by) investing activities	(397,801)	(338,569)	(106,086)	(842,456)	85,480
INCREASE (DECREASE) IN CASH FLOW	(20,118)	-	14	(20,104)	156,515
Cash - beginning of year	414,669	-	122,891	537,560	381,045
CASH - END OF YEAR	\$ 394,551	\$ -	\$ 122,905	\$ 517,456	\$ 537,560

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

1. PURPOSE OF THE DIOCESE

The Synod of the Diocese of Calgary (the "Diocese") is a not-for-profit organization of Alberta. The Diocese is a religious organization that consists of the Bishops of the Diocese; the clergy of the Diocese who hold the license of the Bishop; those representatives of the laity who have been duly authorized under the Constitution of the Synod to be members of the Diocesan Synod (including members elected by the Parishes and members appointed by the Bishop); and, as officers of the Diocesan Synod, the Dean, the Executive Officer, the Chancellor, the Vice-Chancellor, the Solicitor, the Registrar, the Secretary and the Treasurer. The Synod of the Diocese of Calgary was incorporated under a private ordinance of incorporation (Ordinances of the North-West Territories, 1891 and amended by Statutes of Alberta). As a registered charity the Diocese is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Anglican Diocese of Calgary includes approximately 10,000 Anglicans in 71 active parishes in the southern part of the Province of Alberta. It provides administrative, pastoral, liturgical, and ecclesiastical oversight and support for the Anglican congregations within its geographic boundaries.

2. RELATED ENTITIES AND CONSOLIDATION

The Diocese exercises control over the assets of its congregations by virtue of its ability to approve or disallow any purchase, modification, alteration, or financing of the land and buildings within the Diocese. However, each of the congregations is individually immaterial to the operation of the Diocese and therefore no financial information relating to the operation of individual congregations is required to be presented in these financial statements.

The Diocese also exercises control over a number of related operations or programs including the Dinka congregation, Cursillo, the Refugee Committee and the Companion Diocese Committee. However, these entities are all managed and operated separately from the Diocese and, since they are individually immaterial to the operation of the Diocese, no financial information relating to the day-to-day operation of these entities is presented in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared on a going concern basis in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Fund accounting

The Synod of the Diocese of Calgary follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Diocese's program delivery and administrative activities. This fund reports unrestricted resources, and resources restricted internally by the Diocese.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to the Diocese's tangible capital assets, including the land and buildings of its congregations, as well as capital reserve funds for the Diocese and the Parishes.

The Externally Restricted Fund reports those resources that are restricted in use by the donor. Most restricted resources are comprised of trust funds that have been established by donors who have specified the purpose and use of both the capital and income of the funds.

(continues)

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

Financial instruments subsequently measured at amortized cost include cash, accounts receivable, loans receivable, accounts payable and accrued liabilities. Investments and managed account liabilities are measured at fair value.

Revenue recognition

The Synod of the Diocese of Calgary follows the deferral method of accounting for contributions.

Apportionment from parishes is recognized in revenue in the year in which it is assessed. Every year, the Diocese sets aside a certain estimate of funds as apportionment reduction. Any apportionment reduction applications approved by the Council are recorded as apportionment reduction.

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

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year the related expenses incurred.

The Diocese acts as an agent to collect contributions and pay the clergy payroll and building insurance on the parishes behalf. As the Diocese only acts as an agent, it only recognizes contribution revenue when it issues donation receipt directly to the donor and expenses in grants and subsidies to parishes expenses when it provides relief to the parishes.

Trust and restricted contributions include amounts received from various sources (including parishes and donors) for certain specific purposes set out as either trust conditions or other restrictions on their use. Because ownership of the funds is transferred to the Diocese, these amounts are reflected in the Diocese's statement of operations in the period in which they are received. As trust conditions or other restrictions on the use of these funds are met, the amounts are withdrawn and recorded in the Diocese's statement of operation as an expense in trust and restricted withdrawals.

Investment income is recognized in the period in which it is earned, net of investment counsel fees. Investment income related to managed accounts are recognized on a net basis as these funds are managed on behalf of the related entities and are not to the benefit of the Diocese. Realized and unrealized gains and losses on investments are recognized in the period in which they arise.

(continues)

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of 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.

The most significant estimates include: allowance for doubtful accounts, amortization and the estimated useful lives of property, impairment of property, valuation of investments and managed account liabilities, and provision of accrued liabilities.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Investments

The Diocese operates a "Consolidated Investment Fund" to hold long-term investments on behalf of the three funds (Operating, Capital and Externally Restricted) and related entities such as Parishes and Trusts. Amounts belonging to related entities are reported as Managed Accounts, which are comprised of amounts managed by the Diocese on behalf of related entities (such as parishes and trusts). Accordingly, the market adjustments, income, deposits and withdrawals of these accounts are not reflected in the Diocese's Statement of Operations and Changes in Net Assets.

All gains and losses from the sale, collection, or other disposition of investments under the Diocese's own funds are accounted for in the fund that owned the assets. When a parish ceases its operation, the Diocese will recognize the residual balance of the managed accounts as revenue from trust and restricted contributions.

Loans Receivable

Loans receivable are initially recorded in the accounts at the principal amount outstanding. The loan balances are regularly assessed for collectability and appropriate allowances are recorded, if required.

(continues)

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property

The Diocese, through its Ordinance of Incorporation together with its Constitution and Canons, controls, holds in trust, or owns all Diocesan and Parish real property. The Diocese has acquired the applicable interest in all of these properties with the assistance of the congregations in the Diocese and the Diocese's interest is deemed to take effect when the property is available for use. In situations where the congregation has ceased to operate, the use and enjoyment of the property reverts to the Diocese. The Diocese also owns other property used for particular purposes. All land and buildings are recorded at cost, with cost being established using available records. For older properties, a best estimate or, in the absence of records, a nominal value has been assigned. Properties that have been acquired by bequest or gift are recorded at fair market value at the date of contribution. When fair value cannot be reasonably estimated, the property is recorded at nominal value. Also, when fair value is not available, contributed tangible capital assets are recognized at nominal value.

Property is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates:

Land	N/A
Buildings	40 years
Furniture and equipment	3 to 5 years

Impairment of long lived assets

The Diocese tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Net assets

- Net assets invested in property and equipment represents the organization's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with restricted funds.
- Internally restricted net assets are funds which have been designated for a specific purpose by the Diocese's Council.
- Externally restricted net assets are funds which have been designated for a specific purpose by the specific donor.
- Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Donated goods and securities

Donated goods and securities are recorded at their fair market value at the time of the donation.

Contributed services

The operations of the organization 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.

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

4. FINANCIAL INSTRUMENTS

The Diocese is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Diocese's risk exposure and concentration as of December 31, 2019.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Diocese's credit risk is primarily attributable to its cash, investments, accounts receivables (Note 6) and loans receivable (Note 7). The Diocese mitigates its exposure to credit risk pertaining to cash and investments by placing its funds with reputable financial institutions and investment managers. The Diocese mitigates its exposure to accounts and loans receivable effectively through credit approval and monitoring procedures in the normal course of business.

Furthermore, the Diocese collects monthly pre-authorized deposits and remits payroll and building insurance payments on behalf of its parishes. The Diocese is exposed to credit risk from its parishes if they failed to reimburse the Diocese for the expenses incurred and NSF returns (Note 12).

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 Diocese is mainly exposed to currency risk and market risk.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Diocese is exposed to foreign currency exchange risk on portfolio investments denominated in U.S. dollars. At December 31, 2019, the foreign content of the investments was 31% (2018 - 24%) (Note 5). The Diocese does not use derivative instruments to reduce its exposure to currency and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Diocese manages exposure through its normal operating and financing activities. The Diocese is exposed to interest rate risk primarily through its floating interest rate bank credit facilities (Note 11).

Other price risk

A considerable portion of the Diocese financial assets is in equity securities, such as common shares, or in equity-like securities, such as mutual funds. The value of these securities changes in response to changes in the business, financial condition, management and other relevant factors affecting the company that issued the securities, as well as changes in the general economic condition of the markets in which they operate, thereby exposing the Diocese to these fluctuations in value.

During 2019, the Diocese has migrated its portfolio from a more conservative fixed income oriented to a more growth and dividend oriented (from 27% equities in 2018 to 41% in 2019), therefore increased its risk of market fluctuation. The fair market value of the investments at December 31, 2019 is \$23,385,176 (2018 - \$22,886,073) (Note 5).

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

5. INVESTMENTS AND MANAGED ACCOUNTS

The Diocese operates a "Consolidated Investment Fund" to hold long-term investments on behalf of the three funds (Operating, Capital and Externally Restricted) and related entities such as Parishes and Trusts. Amounts belonging to related entities are reported as Managed Accounts, which are comprised of amounts managed by the Diocese on behalf of related entities (such as parishes and trusts). Accordingly, the market adjustments, income, deposits and withdrawals of these accounts are not reflected in the Diocese's Statement of Operations and Changes in Net Assets (Note 2).

The following table summarizes the annual transactions related to the investments, which are held with a third party investment manager:

	2019	2018
<u>Consolidated investment fund</u>		
Market value, beginning of the year	\$ 22,866,073	\$ 23,633,785
Deposit to investment account	322,019	522,002
Withdrawals from investment account	(2,529,984)	(1,332,002)
Net investment income	430,680	465,083
Fair market value gain/(loss)	2,359,857	(313,855)
Distributions to parishes	(83,469)	(108,940)
Market value, end of the year, (book cost: 2019 - \$23,075,719; 2018 - \$21,390,586)	<u>\$ 23,365,176</u>	<u>\$ 22,866,073</u>

Included in net investment income was \$104,943 (2018 - \$73,470) investment counsel fees paid.

Managed accounts

Market value, beginning of the year	\$ 11,227,901	\$ 11,285,699
Distributions from dissolved parishes	(422,252)	-
Deposit to investment account	180,001	435,945
Withdrawals from investment account	(706,665)	(523,237)
Net investment income	220,816	281,605
Fair market value gain/(loss)	1,294,196	(143,171)
Distributions to parishes	(83,469)	(108,940)
	<u>\$ 11,710,528</u>	<u>\$ 11,227,901</u>

During the year, the Anglican Diocese of Calgary Foundation and three parishes were dissolved and all of their remaining assets were distributed to the Diocese.

Diocese office portion of the investment fund

Market value, beginning of the year	\$ 11,638,172	\$ 12,348,086
Distributions from dissolved parishes	422,252	-
Deposit to investment account	142,018	86,057
Withdrawals from investment account	(1,823,319)	(808,765)
Net investment income	209,864	183,478
Fair market value gain/(loss)	1,065,661	(170,684)
	<u>\$ 11,654,648</u>	<u>\$ 11,638,172</u>

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

6. ACCOUNTS RECEIVABLE

	2019	2018
Apportionments and other receivables from parishes	\$ 125,392	\$ 206,272
Current portion of loans receivable (Note 7)	-	68,491
GST recoverable	8,197	8,328
Subtotal	133,589	283,091
Allowance for doubtful accounts	-	(85,000)
	<u>\$ 133,589</u>	<u>\$ 198,091</u>

7. LOANS RECEIVABLE

The Diocese has advanced 8 loans (2018 - 7 loans) to its parishes, related entities and clergies, bearing interest from 0% to 2.70%. Three of the loans require blended monthly payments of approximately \$2,500. At year end, \$243,967 (2018 - \$347,522) of the loans were unsecured and \$621,000 (2018 - \$330,500) of the loans were secured by the buildings in which the funds were advanced to acquired.

	2019	2018
Operating fund		
Sanctum Retreat	\$ 100,000	\$ -
Holy Cross, Calgary	91,829	169,031
Holy Trinity, Calgary	52,138	68,491
Christ Church, Calgary	-	110,000
Less: Current portion of loans receivable (Note 6)	-	(68,491)
Operating fund subtotal	243,967	279,031
Joint Ownership Agreements	621,000	329,500
	<u>\$ 864,967</u>	<u>\$ 608,531</u>

8. PROPERTY

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 2,188,613	\$ -	\$ 2,188,613	\$ 2,188,613
Buildings	24,727,651	9,650,722	15,076,929	15,682,559
Furniture and equipment	-	-	-	5,594
	<u>\$ 26,916,264</u>	<u>\$ 9,650,722</u>	<u>\$ 17,265,542</u>	<u>\$ 17,876,766</u>

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Accounts payable and accrued liabilities	\$ 171,405	\$ 209,964
Distributions payable	83,470	108,940
Deferred revenue	20,000	25,000
Operating fund subtotal	274,875	343,904
Deferred revenue (capital fund)	50,000	50,000
	\$ 324,875	\$ 393,904

10. INTERNALLY RESTRICTED FUNDS

These internally restricted amounts in the Operating Fund are not available for unrestricted purposes without the approval of the Diocesan Council:

	2018	Contributions (utilized)	Income (loss)	2019
Mission and Ministry Spending	\$ 962,592	\$ (78,688)	\$ 114,057	\$ 997,961
Mission and Ministry Endowment	1,643,709	74,811	202,886	1,921,406
Reserve funds	995,356	(390,844)	258,884	863,396
Diocese operational funds	-	2,956,877	366,309	3,323,186
	3,601,657	2,562,156	942,136	7,105,949
Capital reserve funds	3,328,882	(618,748)	380,912	3,091,046
Capital operational funds	2,267,390	(2,267,390)	-	-
	5,596,272	(2,886,138)	380,912	3,091,046
	\$ 9,197,929	\$ (323,982)	\$ 1,323,048	\$ 10,196,995

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

11. EXTERNALLY RESTRICTED FUNDS

	2018	Contributions (Utilized)	Income (loss)	2019
Pastoral Care Fund	\$ 263,000	\$ -	\$ 32,467	\$ 295,467
Appleby Bequest Fund	115,694	-	14,281	129,975
Robert White Memorial Fund	102,544	-	12,658	115,202
Florence Milligan ACW Fund	91,941	(16,731)	11,340	86,550
Native Ministry Fund	85,571	11,972	11,568	109,111
Sower Fund	76,594	-	9,455	86,049
Youth Ministry Fund	70,147	(11,400)	7,393	66,140
Clergy Car Fund	65,440	-	-	65,440
Parish Endowment Fund	50,642	-	-	50,642
Archdeacon Tims Memorial Fund	46,295	-	5,714	52,009
Lally Fund	38,903	-	4,802	43,705
Gordon White Memorial Fund	38,141	-	4,708	42,849
Companion Diocese Fund	37,598	(100)	4,640	42,138
Rural Ministry Fund	25,754	-	3,179	28,933
Densmore Trust Fund	12,430	-	1,534	13,964
E.S. Jackson Memorial Fund	7,193	(6,500)	750	1,443
Bishop's Discretionary Fund	6,823	-	-	6,823
Other Discretionary Funds	48,149	(48,149)	-	-
	\$ 1,182,859	\$ (70,908)	\$ 124,489	\$ 1,236,440

12. GRANTS AND SUBSIDIES TO PARISHES

During the year, the Diocese advanced payroll and building insurance payments totalling \$4,989,834 (2018 - \$4,849,414) and collected \$4,459,150 (2018 - \$4,686,920) from the Parishes. The difference of \$530,684 (2018 - \$162,494) was recorded as grants and subsidies to parishes.

13. CONTINGENCIES AND COMMITMENTS

Contingencies:

From time to time the Diocese acts as guarantor for loans made to parishes that have funds or assets held by the Diocese. Currently, the Diocese is contingently liable as guarantor for the indebtedness its parishes for \$85,604 (2018 - \$300,000).

The guarantee for the parishes will be in effect until such time as the related funds borrowed by the parish from a Canadian chartered bank and national church organization have been repaid. In each case, the funds were borrowed by the parish to complete a renovation project and will be repaid as soon as parish fundraising efforts permit. The guarantees are unsecured. If either parish is unable to raise the necessary funds, then the Diocese could be required to pay the applicable obligation to the maximum amount noted.

(continues)

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

13. CONTINGENCIES AND COMMITMENTS *(continued)*

Commitments:

The Diocese has signed a lease agreement for office space. Under the terms of this lease, the Diocese is committed to make annual lease payments in the amount of \$89,985 from January 1, 2020 to December 31, 2020.

The Diocese is also committed to advance payroll and building insurance payments on behalf of its parishes. The Diocese will then collect from the parishes on behalf. From time to time, parishes facing financial difficulty may not be able to fulfill its obligation to reimburse the Diocese (Note 12).

The Diocese offers on behalf of its parishes to collect pre-authorized monthly donation payments from their donors. From time to time, the Diocese will suffer financial loss due to NSF returns and charges days after paying out to its parishes (Note 12).

Pension:

Diocesan office staff and all clergy in the Diocese in receipt of salary participate in the General Synod Pension Plan, a multi-employer target benefit pension plan operated by the Anglican Pension Office Corporation, and registered in the Province of Ontario. In addition, certain employees of parishes participate in the Lay Retirement Plan, a defined contribution plan also operated by the Anglican Pension Office Corporation, and registered in the Province of Ontario. As payroll agent for the parishes, the Diocese is responsible to remit monthly to the Pension Office Corporation the required employee and employer contributions on behalf of the parishes (2019 - \$667,572; 2018 - \$589,595). These figures include the required employer contributions on behalf of the Diocese's direct employees.

Credit facility:

As at December 31, 2019, the Diocese has a letter of credit in the amount of \$88,000 (2018 - \$88,000) outstanding to collateralize payment for property development work done by a parish.

14. HEALTH PANDEMIC

Subsequent to year end, the World Health Organization categorized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has led to a number of public health and emergency measures which have been put in place by various levels of government to attempt to combat the spread of the virus. At this time, the duration and potential impact of COVID-19 is unknown and it is not possible to reliably estimate the impact these events may have on the financial results and condition of the organization in future periods.

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
