

Financial Statements of

**THE DIOCESAN SYNOD OF  
NOVA SCOTIA AND PRINCE  
EDWARD ISLAND**

Year ended December 31, 2019



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## INDEPENDENT AUDITORS' REPORT

To the Diocesan Council of the Diocesan Synod of Nova Scotia and Prince Edward Island

### ***Opinion***

We have audited the financial statements of The Diocesan Synod of Nova Scotia and Prince Edward Island (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2019;
- the statement of revenues and expenditures for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations, and its cash flows for the year then ended in accordance with Canadian Accounting Standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 we have obtained is sufficient and appropriate to provide a basis for our 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 our auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants  
Halifax, Canada  
October 2, 2020

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

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December 31, 2019

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# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND




Statement of Financial Position

December 31, 2019, with comparative information for 2018

	Operating Fund	Endowment and Trust Funds	Church Extension Fund	Total 2019	Total 2018
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 937,319	\$ 2,667,816	\$ 549,092	\$ 4,154,227	\$ 3,671,505
Short term investments	2,074,154	-	-	2,074,154	2,040,743
Prepaid expenses	10,137	-	-	10,137	3,794
Accounts receivable (Note 2)	1,273,059	-	-	1,273,059	1,252,496
Due from Operating Fund	-	-	230,451	230,451	-
Due from Church Extension Fund	-	-	-	-	62,766
Due from Endowment & Trust Fund	395,964	-	1,741,031	2,136,995	1,583,851
	4,690,633	2,667,816	2,520,574	9,879,023	8,615,155
Investments (Note 3)	591,460	72,431,083	-	73,022,543	64,224,804
Mortgages and loans receivable from parishes	-	-	2,053,242	2,053,242	2,595,863
Equipment (Note 4)	20,244	-	-	20,244	23,296
	\$ 5,302,337	\$ 75,098,899	\$ 4,573,816	\$ 84,975,052	\$ 75,459,118
<b>Liabilities</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 944,610	\$ 1,045	\$ 23,916	\$ 969,571	\$ 904,692
Designated funds	1,691,962	-	-	1,691,962	1,631,415
Deferred capital contributions	7,258	-	-	7,258	10,369
Employee deposits	-	245,741	-	245,741	234,487
Funds held in trust for parishes	-	35,772,541	-	35,772,541	34,117,368
Due to Operating Fund	-	395,964	-	395,964	157,283
Due to Church Extension Fund	230,451	1,741,031	-	1,971,482	1,489,334
	2,874,281	38,156,322	23,916	41,054,519	38,544,948
<b>Net Assets (Note 5)</b>					
Externally Restricted	135,798	35,790,746	-	35,926,544	29,362,924
Internally Restricted	1,051,878	-	-	1,051,878	1,038,167
Church Extension Fund	-	-	4,549,900	4,549,900	4,273,085
Unrestricted	1,240,380	1,151,831	-	2,392,211	2,239,994
	2,428,056	36,942,577	4,549,900	43,920,533	36,914,170
Subsequent events (Note 11)					
	\$ 5,302,337	\$ 75,098,899	\$ 4,573,816	\$ 84,975,052	\$ 75,459,118

See accompanying notes to financial statements.

Approved on behalf of the Diocesan Synod of Nova Scotia and Prince Edward Island:

  
  
  
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 Diocesan Bishop

  
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 Executive Secretary of Synod

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

## Statement of Revenues and Expenditures

Year ended December 31, 2019, with comparative information for 2018

	Operating Fund	Church Extension Fund	Total 2019	Total 2018
<b>Revenues:</b>				
Allotment revenue	\$ 1,939,003	\$ -	\$ 1,939,003	\$ 1,992,497
Unrestricted endowment investment income	203,436	-	203,436	189,511
Loan, investment and other income	25,503	322,424	347,927	40,307
Insurance recovery	30,000	-	30,000	25,226
NSOM fees	3,535	-	3,535	9,496
Inglis Foundation income	60,446	-	60,446	57,428
Mortgage fund commission	45,000	-	45,000	42,000
Clergy wellness	10,119	-	10,119	11,402
Youth coordinator	15,116	-	15,116	-
Amortization of deferred capital contributions	3,111	-	3,111	4,444
	2,335,269	322,424	2,657,693	2,372,311
<b>Expenses:</b>				
Episcopal ministry	433,154	-	433,154	374,035
Discernment	46,834	-	46,834	42,215
Formation	74,255	-	74,255	89,382
Clergy support	280,833	-	280,833	271,739
Other healthy leadership	52,597	-	52,597	52,369
Mission, outreach	34,044	-	34,044	48,899
Youth and family ministry	104,015	-	104,015	114,085
Healthy parishes and parishioners	57,324	-	57,324	89,353
Financial management and development	57,163	-	57,163	49,183
Human resources	2,209	-	2,209	1,660
Diocesan administration - other major expense categories	244,409	-	244,409	184,019
Diocesan administration - operating	349,132	-	349,132	366,460
General and Provincial synods	426,154	-	426,154	429,542
Miscellaneous committees and task groups	1,346	-	1,346	1,178
Bad debt expense	62,193	-	62,193	91,920
Commissions	-	45,609	45,609	42,606
	2,225,662	45,609	2,271,271	2,248,645
Contribution to Atlantic School of Theology Capital Campaign	-	-	-	150,000
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 109,607</b>	<b>\$ 276,815</b>	<b>\$ 386,422</b>	<b>\$ (26,334)</b>

See accompanying notes to financial statements.

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

## Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
<b>Operating activities:</b>		
Excess (deficiency) revenues over expenditures	\$ 386,422	\$ (26,334)
Items not involving cash:		
Amortization of capital assets	6,990	10,294
Amortization on deferred capital contributions	(3,111)	(4,444)
Change in non-cash operating working capital	37,973	32,587
Increase (decrease) in designated funds	60,547	(19,460)
	<u>488,821</u>	<u>(7,357)</u>
<b>Financing activities:</b>		
Increase in restricted endowment funds	345,536	1,755,389
Net increase to funds held in trust for parishes	1,655,173	764,860
Net increase (decrease) to employee deposits	11,254	(9,034)
	<u>2,011,963</u>	<u>2,511,215</u>
<b>Investing activities:</b>		
Equipment additions	(3,938)	(3,781)
Repayment of mortgages and loans by parishes	542,621	147,899
Increase in investments	(2,510,027)	(2,936,325)
Increase in short-term investments	(33,411)	(497,661)
	<u>(2,004,755)</u>	<u>(3,289,868)</u>
<b>Effect of foreign currency translation on cash</b>	<u>(13,307)</u>	<u>135,835</u>
Change in cash and cash equivalents	482,722	(650,175)
Cash and cash equivalents, beginning of year	3,671,505	4,321,680
<b>Cash and cash equivalents, end of year</b>	<u>\$ 4,154,227</u>	<u>\$ 3,671,505</u>
<b>Comprised of:</b>		
Cash	\$ 1,768,579	\$ 737,449
Cash equivalents	2,385,648	2,934,056
	<u>\$ 4,154,227</u>	<u>\$ 3,671,505</u>

See accompanying notes to financial statements.



# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

## Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Total Operating Fund	Endowment and Trust Funds	Church Extension Fund	Total 2019	Total 2018
Balance, beginning of year	\$ 2,354,574	\$ 30,286,511	\$ 4,273,085	\$ 36,914,170	\$ 40,160,011
Excess (deficiency) of revenues over expenditures	109,607	-	276,815	386,422	(26,334)
Unrealized gain (loss) on investments	-	6,285,896	-	6,285,896	(4,966,661)
Realized (loss) gain on investments	-	(72,808)	-	(72,808)	1,104,568
Restricted endowment increase	-	432,999	-	432,999	552,529
Trustee transfer (net)	-	(57,832)	-	(57,832)	(10,815)
Fund withdrawals	(36,125)	-	-	(36,125)	3,307
Unrestricted endowment increase	-	67,811	-	67,811	97,565
<b>Balance, end of year</b>	<b>\$ 2,428,056</b>	<b>\$ 36,942,577</b>	<b>\$ 4,549,900</b>	<b>\$ 43,920,533</b>	<b>\$ 36,914,170</b>

See accompanying notes to financial statements.

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements

Year ended December 31, 2019

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## The Diocesan Synod of Nova Scotia and Prince Edward Island

The Diocesan Synod of Nova Scotia and Prince Edward Island (the "Synod"), consisting of the Bishop, the Clergy and representatives of the laity, is a body politic and corporate under The Anglican Church Act (Nova Scotia and Prince Edward Island) and is a non-taxable entity.

### 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook:

(a) Fund accounting:

The Synod maintains its accounts in accordance with the fund accounting method in order to ensure observance of restrictions, if any, placed on the resources made available to it. Resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The Synod has classified accounts with similar characteristics into major funds as follows:

- (i) The Operating Fund exists to conduct business among, and between, the parishes of the Synod, Synod office and the office of the National Church. The primary activities and duties of this fund include Episcopal support, payroll administration for the Synod and Parishes and shared insurance, legal, administrative and financial services. This fund includes all unrestricted net assets which include net assets designed for clergy car loan capital, Diocesan property capital, the Capital Campaign Funds, and the Bishop's Action Appeal Funds.
- (ii) The Endowment and Trust Funds invest financial assets of the parishes and Synod in an investment portfolio managed by a professional fund manager. The trust fund is open on a voluntary basis to all parishes that are overseen by the Synod. The restricted portion accounts for money externally designated for specific projects and/or purposes.
- (iii) The Church Extension Fund exists to prudently grant mortgages and loans based on need to parishes that can demonstrate resources and parish stability sufficient to service additional debt.

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

The Synod follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as a direct increase in endowment net assets. Allotment revenue is recognized in the statement of revenue and expenditures as earned

### (c) Cash and cash equivalents:

Cash and cash equivalents represent short-term amounts on deposit with a financial institution with original maturities of three months or less.

### (d) Equipment:

Equipment is recorded at cost. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized. When a capital asset no longer contributes to the Synod's ability to provide services, its carrying amount is written down to its residual value. Amortization is based on their estimated useful lives using the following methods, rates and terms:

Asset	Basis	Rate
Equipment	Declining balance	30%

### (e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Synod has not elected to carry any such financial instruments at fair value.

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 1. Significant accounting policies (continued):

(f) Transaction costs:

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in revenues and expenditures as interest income or expense. With respect to financial assets measured at cost or amortized cost, the Synod recognizes in net earnings an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

(g) Designated funds:

The balance of the Designated Funds in the Operating Fund liabilities represents unexpended balances of income from Endowment and Trust Funds which are restricted as to use and collections which have not yet been used for their designated purpose.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of sales and expenses during the reporting periods presented. Significant items to such estimates and assumptions include the allowance for doubtful accounts. Actual results may differ from those estimates.

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 2. Accounts receivable:

	2019	2018
Allotments	\$ 1,272,067	\$ 1,172,363
Trust company	384,883	327,025
Clergy car loans	72,919	86,145
Clergy and parishes	570,623	539,576
Clergy aid loans	7,222	13,237
HST receivable	14,555	45,128
Other	54,160	110,199
	2,376,429	2,293,673
Allowance for doubtful accounts	(1,103,370)	(1,041,177)
	\$ 1,273,059	\$ 1,252,496

## 3. Investments:

	2019	2018
Operating Fund:		
Investment Anglican Diocesan Centre Corporation	\$ 189,909	\$ 189,909
Employee deposits (Retirement Funds)	401,551	393,746
	\$ 591,460	\$ 583,655
Endowment and Trust Funds:		
Investments, at fair value	\$ 72,431,083	\$ 63,641,149

The cost base of the investments as at December 31, 2019 was \$57,097,504 (2018 - \$54,839,174).

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 4. Equipment:

			2019		2018	
	Cost	Accumulated amortization	Net book value	Net book value	Net book value	Net book value
Equipment	\$ 221,224	\$ 200,980	\$ 20,244	\$ 23,296		

## 5. Net assets - operating fund:

Operating fund net assets include externally restricted, internally restricted, and unrestricted funds. In 2019 Diocesan Council approved a policy with respect to other Net Assets of the Operating Fund of the Diocese. This policy allows Diocesan Council to establish reserves as required and creates internally restricted reserves equal to the non-financial assets of the Diocese and a further Net Asset Account of not less than 25% of the next year's budgeted expenditures.

The appropriation of operating fund net assets is as follows.

	2019		2018	
Externally Restricted Net Assets:				
Capital Campaign Funds	\$ 102,240	\$ 127,475		
Bishop's Action Appeal Funds	33,558	32,958		
Total Externally Restricted Net Assets	135,798	160,433		
Internally Restricted Net Assets				
Clergy Car Loan Capital	245,578	245,578		
Diocesan Property Capital	169,293	169,293		
Refugee Funding	60,000	60,000		
Non-Financial Assets	20,244	23,296		
Operating reserve fund - 25% of Next Year Budget	556,763	540,000		
Total Internally Restricted Net Assets	1,051,878	1,038,167		
Unrestricted Net Assets	1,240,380	1,155,974		
	\$ 2,428,056	\$ 2,354,574		

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 6. Related party transactions:

The Synod and the Anglican Diocesan Centre Corporation (the "Corporation") are related parties. The Corporation provides office space to the Synod and total rent paid by the Synod during 2019 as \$33,240 (2018 - \$19,444). Related party transactions are transacted during the normal course of business at the exchange amounts agreed to by the related parties.

## 7. Pension plan:

The Synod contributes to a defined benefit pension plan which is administered by the Anglican Church of Canada. The Synod makes a contribution equal to 11.9% of eligible employees' salaries. The Synod has made contributions of \$91,815 in 2019 (2018 - \$84,927). The Anglican Church of Canada is responsible for any unfunded liability of the plan.

## 8. Financial instruments:

Risk management relates to the understanding and active management of risks associated with all areas of the Synod's activities and the associated operating environment. Investments are primarily exposed to interest rate, market price, credit and liquidity risks. The Synod has formal policies and procedures that establish target asset mix. The Synod's policies also require diversification of investments within categories, and set limits on exposure to individual investments and credit quality.

### (a) Interest rate risk:

The Synod is exposed to interest rate risk on its fixed interest rate financial instruments. The value of fixed income securities will generally rise if interest rates fall and decrease if interest rates rise. Changes in interest rates may also affect the value of equity securities.

### (b) Market price risk:

The risks associated with the pooled funds are the risks associated with the securities in which the pooled funds are invested. The value of equity securities change with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The Synod manages this risk through controls to monitor and limit concentration levels. Approximately 55% of investments are in securities. There has been no change to the risk exposure from 2018.

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 8. Financial instruments (continued):

### (c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Synod is exposed to credit risk with respect to accounts receivable, mortgages receivable, and cash and cash equivalents. The Synod assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The Synod holds cash balances with reputable Tier 1 financial institutions.

The Synod is also exposed to credit risk on its fixed income investments as a default by the bond issuer would cause a financial loss for the Synod. The Synod mitigates this risk by restricting fixed income investments to instruments with high quality credit ratings assigned by a well-recognized credit agency, and by limiting exposure to individual investments. There has been no change to the risk exposures since 2018.

### (d) Liquidity risk:

Liquidity risk is the risk that the Synod will not be able to meet a demand for cash or fund its obligations as they come due. The Synod meets its liquidity requirements by preparing and monitoring forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash. There has been no change to the risk exposures since 2018.

### (e) Currency risk:

The Synod is exposed to currency risk on its investment portfolio. The value of investments will fluctuate due to changes in foreign exchange rates. There has been no change to risk exposure since 2018.



# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 9. Redevelopment project:

A Contribution and Sharing Agreement (the "Agreement") was signed, effective July 23, 2008, by the Synod, The Dean and Chapter of Cathedral Church of All Saints, Halifax ("D&C"), the Anglican Diocesan Centre Corporation (the "Corporation") and Congregation of the Cathedral Church of All Saints, Halifax (the "Cathedral"). The purpose of the Agreement is to provide for the sharing of future revenues and costs associated with the lands which were contributed in accordance with the Agreement. The Corporation administers the lands and future revenues and costs on behalf of the contributors, being the Synod, D&C and the Cathedral. The Agreement was initiated in 2008, but not completed and signed until 2013. In 2013 it was updated to reflect the lease agreements with Shannex RLC Limited ("Shannex") currently in place and signed. Based on the original financial contributions to the Corporation and additional lands contributed by the parties in 2010, the proportionate share of lease revenues and costs are: Synod - 46.452%, D&C - 21.350% and Cathedral - 32.198%. The revenue from the land lease is to be applied firstly to pay the sublease between the Corporation and Shannex and other occupancy costs. Any revenue in excess of these costs is to be shared by the Synod, D&C and Cathedral in the proportions mentioned above. Should the property be sold, the net proceeds would be shared in the same proportions. There was no revenue in excess of costs for the year ended December 31, 2019.

## 10. Comparative figures:

Certain 2018 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

# THE DIOCESAN SYNOD OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 11. Subsequent events:

After December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian government, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, which may also have an impact on the Synod's financial position in the future. The market value of investment balances has fluctuated significantly since December 31, 2019 and collections have been below budgeted amounts given the cancellation of in person worship gatherings for a significant period of time during 2019. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Synod is not known at this time.