
The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Financial Statements

December 31, 2019

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Independent Practitioner's Review Engagement Report

To the Executive Council of
The Synod of the Diocese of Edmonton The Anglican Church of Canada

We have reviewed the statement of financial position of The Synod of the Diocese of Edmonton The Anglican Church of Canada 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, 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 Edmonton The Anglican Church of Canada as at December 31, 2019, 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.

Edmonton, Canada

June 4, 2020



Chartered Professional Accountants

The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Statement of Operations

Year Ended December 31

2019

2018

	Unrestricted		Internally Restricted		Externally Restricted		Total	Total
	General Fund	Special Fund	Diocesan Development Fund	Consolidated Trust Fund	Endowment Fund			
Revenues								
Apportionment	\$ 816,191	\$ -	\$ 38,860	\$ -	\$ -	\$ -	\$ 855,051	\$ 889,325
Reach Campaign donations (Note 13)	-	-	-	334,029	-	-	334,029	555,269
Contributions	69,753	94,546	-	13,004	-	-	177,303	111,644
Grants (Note 3)	90,932	-	-	-	-	-	90,932	99,716
Investment income	4,322	-	22,741	37,278	15,618	-	79,959	72,062
Fees	48,621	-	-	-	-	-	48,621	41,413
Interest on parish loans	-	-	18,181	-	-	-	18,181	21,911
Office and other	248	-	-	-	-	-	248	345
	<u>1,030,067</u>	<u>94,546</u>	<u>79,782</u>	<u>384,311</u>	<u>15,618</u>	<u>-</u>	<u>1,604,324</u>	<u>1,791,685</u>
Expenditures								
Outreach Beyond the Diocese								
General Synod apportionment	196,700	-	-	-	-	-	196,700	195,900
International partnership	11,906	-	-	-	-	-	11,906	18,612
Provincial Synod assessment	12,983	-	-	-	-	-	12,983	12,109
Lambeth Conference	5,840	-	-	-	-	-	5,840	2,400
	<u>227,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,429</u>	<u>229,021</u>
Outreach Within the Diocese								
Capital Region Interfaith Housing Initiative	63,773	-	-	-	-	-	63,773	74,438
Inner City Pastoral Ministry, Indigenous Ministry	52,636	-	-	-	-	-	52,636	83,361
Educational chaplaincy	44,025	-	-	-	-	-	44,025	51,215
Conferences and clergy gatherings	41,830	-	-	-	-	-	41,830	31,427
Hospital chaplaincy	28,499	-	-	-	-	-	28,499	27,133
Ministry/congregational development	27,255	-	-	-	-	-	27,255	30,298
Youth and special ministries (Ascension House)	18,133	-	-	-	-	-	18,133	629
Anglican Messenger	16,576	-	-	-	-	-	16,576	15,642
Social justice	9,507	-	-	-	-	-	9,507	9,656
Diocesan Synod	8,254	-	-	-	-	-	8,254	-
Camping programs	7,932	-	-	-	-	-	7,932	8,910
Clergy, lay, staff development	7,918	-	-	-	-	-	7,918	6,766
General Synod	4,380	-	-	-	-	-	4,380	5,600
Synod properties	3,436	-	-	-	-	-	3,436	2,767
Aided ministries	2,914	-	-	-	-	-	2,914	2,274
Bishop's discretionary expenses	1,100	-	-	-	-	-	1,100	-
	<u>338,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,168</u>	<u>350,116</u>
Synod Office Operations and Other Activity								
Salaries, allowances and benefits	409,290	-	-	-	-	-	409,290	439,931
Reach Campaign disbursements (Note 13)	-	-	-	286,861	-	-	286,861	331,743
General office expenses	23,646	-	-	309	51	-	24,006	25,774
Office accommodation	23,400	-	-	-	-	-	23,400	23,400
Travel and other	18,674	-	-	-	-	-	18,674	14,691
Professional fees	4,731	-	3,400	5,833	967	-	14,931	15,339
Telephone and Internet	3,604	-	-	-	-	-	3,604	3,243
Disbursements of specified donations	-	-	-	-	-	-	-	6,286
	<u>483,345</u>	<u>-</u>	<u>3,400</u>	<u>293,003</u>	<u>1,018</u>	<u>-</u>	<u>780,766</u>	<u>860,407</u>
Program Disbursements								
Rural Ministry Initiative	-	196,813	-	96,680	-	-	293,493	305,170
Ministry support	-	-	177,142	53,762	-	-	230,904	168,269
Indigenous ministry	-	33,097	-	73,910	-	-	107,007	94,370
Diocesan funds	-	-	-	68,271	8,997	-	77,268	53,926
	<u>-</u>	<u>229,910</u>	<u>177,142</u>	<u>292,623</u>	<u>8,997</u>	<u>-</u>	<u>708,672</u>	<u>621,735</u>
	<u>1,048,942</u>	<u>229,910</u>	<u>180,542</u>	<u>585,626</u>	<u>10,015</u>	<u>-</u>	<u>2,055,035</u>	<u>2,061,279</u>
(Deficiency) excess of revenues over expenditures before other items	<u>(18,875)</u>	<u>(135,364)</u>	<u>(100,760)</u>	<u>(201,315)</u>	<u>5,603</u>	<u>-</u>	<u>(450,711)</u>	<u>(269,594)</u>
Other items								
Proceeds on sale of properties	-	33,758	-	-	-	-	33,758	-
Increase in fair value of investments	-	-	-	33,860	5,610	-	39,470	18,040
Contributions and (withdrawals) (Note 11)								
Parish contributions	-	-	-	12,296	-	-	12,296	272,779
Parish withdrawals	-	-	-	(57,942)	(45,151)	-	(103,093)	(94,752)
Investment income distribution	-	-	-	(36,046)	(5,583)	-	(41,629)	(29,728)
Write-off of receivables from parishes	-	-	-	-	-	-	-	(7,410)
	<u>-</u>	<u>33,758</u>	<u>-</u>	<u>(47,832)</u>	<u>(45,124)</u>	<u>-</u>	<u>(59,198)</u>	<u>158,929</u>
(Deficiency) of revenues over expenditures	\$ <u>(18,875)</u>	\$ <u>(101,606)</u>	\$ <u>(100,760)</u>	\$ <u>(249,147)</u>	\$ <u>(39,521)</u>	\$ <u>-</u>	\$ <u>(509,909)</u>	\$ <u>(110,665)</u>

See accompanying notes to the financial statements

The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Statement of Changes in Net Assets

	<u>Unrestricted</u>	<u>Internally Restricted</u>	<u>Investment in Capital Assets</u>	<u>Externally Restricted</u>	December 31 2019	December 31 2018
Balance, beginning of year	\$ 51,310	2,220,074	2,292,889	2,816,490	\$ 7,380,763	\$ 7,491,428
(Deficiency) of revenues over expenditures	(18,875)	(202,366)	-	(288,668)	(509,909)	(110,665)
Interfund transfers (Note 12)	4,156	(4,156)	-	-	-	-
Balance, end of year	<u>\$ 36,591</u>	<u>\$ 2,013,552</u>	<u>\$ 2,292,889</u>	<u>\$ 2,527,822</u>	<u>\$ 6,870,854</u>	<u>\$ 7,380,763</u>

	December 31 2019	December 31 2018
Internally restricted net assets are made up of the following funds:		
Diocesan Development Fund	\$ 1,607,193	\$ 1,707,953
Internally Restricted (Note 12)	406,359	512,121
	<u>\$ 2,013,552</u>	<u>\$ 2,220,074</u>
Externally restricted net assets are made up of the following funds:		
Consolidated Trust Fund	\$ 1,731,441	\$ 1,980,588
Endowment Fund	796,381	835,902
	<u>\$ 2,527,822</u>	<u>\$ 2,816,490</u>

See accompanying notes to the financial statements

**The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Statement of Financial Position**

December 31

2019

2018

	Unrestricted		Internally Restricted		Externally Restricted		Total	Total
	General Fund	Special Fund	Diocesan Development Fund	Consolidated Trust Fund	Endowment Fund			
Assets								
Current								
Cash	\$ 233,398	\$ -	\$ 29,633	\$ 134,933	\$ -	\$ 397,964	\$ 479,514	
Accounts receivable	2,327	-	-	-	-	2,327	1,957	
Prepaid expenses	47,982	-	-	-	-	47,982	38,716	
Due from other funds	5,020	16,495	8,205	-	-	29,720	132,493	
Receivables from parishes	90,360	-	-	-	-	90,360	71,971	
Current portion of loans receivable from parishes (Note 4)	-	-	40,501	-	-	40,501	49,360	
Current portion of investments in securities, cost - \$1,292,000 (2018 - \$1,006,000) (Note 5)	-	-	-	1,304,646	-	1,304,646	1,023,153	
	<u>379,087</u>	<u>16,495</u>	<u>78,339</u>	<u>1,439,579</u>	<u>-</u>	<u>1,913,500</u>	<u>1,797,164</u>	
Receivables from parishes	205,070	-	-	-	-	205,070	192,799	
Loans receivable from parishes (Note 4)	-	-	642,509	-	-	642,509	729,664	
Investment in properties (Note 6)	2,292,889	-	-	-	-	2,292,889	2,292,889	
Investments in securities, cost - \$4,074,546 (2018 - \$4,916,445) (Note 5)	-	-	886,345	2,468,002	796,381	4,150,728	4,976,078	
	<u>\$ 2,877,046</u>	<u>\$ 16,495</u>	<u>\$ 1,607,193</u>	<u>\$ 3,907,581</u>	<u>\$ 796,381</u>	<u>\$ 9,204,696</u>	<u>\$ 9,988,594</u>	
Liabilities								
Current								
Accounts payable	\$ 76,255	\$ -	\$ -	\$ 24,317	\$ -	\$ 100,572	\$ 133,725	
Reach Campaign donations payable (Note 13)	-	-	-	35,214	-	35,214	98,771	
Due to other funds	24,701	-	-	5,019	-	29,720	132,493	
Deferred contributions	56,746	-	-	-	-	56,746	55,173	
	<u>157,702</u>	<u>-</u>	<u>-</u>	<u>64,550</u>	<u>-</u>	<u>222,252</u>	<u>420,162</u>	
Funds administered for others (Note 7)	-	-	-	2,109,691	-	2,109,691	2,185,817	
Due to Anglican Episcopal Foundation (Note 8)	-	-	-	1,899	-	1,899	1,852	
	<u>157,702</u>	<u>-</u>	<u>-</u>	<u>2,176,140</u>	<u>-</u>	<u>2,333,842</u>	<u>2,607,831</u>	
Net Assets								
Investment in capital assets	2,292,889	-	-	-	-	2,292,889	2,292,889	
Unrestricted	36,591	-	-	-	-	36,591	51,310	
Externally restricted	-	-	-	1,731,441	796,381	2,527,822	2,816,490	
Internally restricted (Note 12)	389,864	16,495	1,607,193	-	-	2,013,552	2,220,074	
	<u>2,719,344</u>	<u>16,495</u>	<u>1,607,193</u>	<u>1,731,441</u>	<u>796,381</u>	<u>6,870,854</u>	<u>7,380,763</u>	
	<u>\$ 2,877,046</u>	<u>\$ 16,495</u>	<u>\$ 1,607,193</u>	<u>\$ 3,907,581</u>	<u>\$ 796,381</u>	<u>\$ 9,204,696</u>	<u>\$ 9,988,594</u>	

Guarantee of parish loans, commitments and contingencies (Note 9)
Subsequent events (Note 15)

Approved By Executive Council

See accompanying notes to the financial statements

The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Statement of Cash Flows

Year Ended December 31

2019

2018

	General Fund	Internally Restricted Fund	Externally Restricted Fund	Total	Total
Increase (decrease) in cash					
Operating					
(Deficiency) of revenues over expenditures	\$ (18,875)	\$ (202,366)	\$ (288,668)	\$ (509,909)	\$ (110,665)
Items not involving cash:					
Loss on sale of investments	-	-	3,912	3,912	18,357
Unrealized (gain) on investments	-	-	(39,470)	(39,470)	(18,040)
	<u>(18,875)</u>	<u>(202,366)</u>	<u>(324,226)</u>	<u>(545,467)</u>	<u>(110,348)</u>
Change in non-cash operating working capital:					
Accounts receivable	(369)	-	-	(369)	10,017
Prepaid expenses	(9,570)	-	304	(9,266)	19,006
Receivables from parishes	(30,660)	-	-	(30,660)	(29,053)
Due to (from) other funds	(107,508)	105,141	2,367	-	-
Accounts payable	(7,202)	-	(25,951)	(33,153)	51,259
Reach Campaign donations payable	-	-	(63,557)	(63,557)	(17,550)
Deferred contributions	1,572	-	-	1,572	(61,101)
	<u>(172,612)</u>	<u>(97,225)</u>	<u>(411,063)</u>	<u>(680,900)</u>	<u>(137,770)</u>
Financing					
Advances from Anglican Episcopal Foundation	-	-	47	47	35
Repayments from parishes	-	96,014	-	96,014	144,919
Advances to parishes	-	-	-	-	(42,676)
	<u>-</u>	<u>96,014</u>	<u>47</u>	<u>96,061</u>	<u>102,278</u>
Investing					
Proceeds from sale of investments in securities	217,305	11,765	804,218	1,033,288	1,249,985
Purchase of investments in securities	-	-	(453,873)	(453,873)	(1,317,725)
(Decrease) in funds administered for others	-	-	(76,126)	(76,126)	(154,464)
	<u>217,305</u>	<u>11,765</u>	<u>274,219</u>	<u>503,289</u>	<u>(222,204)</u>
Net decrease in cash	44,693	10,554	(136,797)	(81,550)	(257,696)
Cash					
Beginning of year	188,705	19,079	271,730	479,514	737,210
End of year	\$ 233,398	\$ 29,633	\$ 134,933	\$ 397,964	\$ 479,514

See accompanying notes to the financial statements

**The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Notes to the Financial Statements**

Year ended December 31, 2019

1. Purpose of the Organization

The Anglican Church of Canada Synod of the Diocese of Edmonton ("Synod of the Diocese of Edmonton" or "the Diocese") is a religious organization which consists of the Bishop of the Diocese of Edmonton, the clergy of the Diocese licensed by the Bishop, the Chancellor, the Registrar and representatives of laity duly elected. The Synod of the Diocese of Edmonton was incorporated under a private act of incorporation (Statutes of Alberta, 1914, Chapter 48) as a corporation, is a registered charitable organization and is exempt from tax.

2. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). These financial statements include the accounts of the Synod of the Diocese of Edmonton. They do not include the assets, liabilities, income or expenses of the parishes nor do they include the affairs of any diocesan related organizations which are separately incorporated and controlled. Assets acquired by the parishes and registered in the name of the Diocese are not shown on the balance sheet unless acquired from funds under the control of the Diocese and at a cost to the Diocese.

Use of estimates

In preparing the Diocese's financial statements in conformity with ASNPO, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of actions. Actual results could differ from those estimates.

Significant estimates included in these financial statements are the fair value of investments in securities and collectability of receivable from parishes and loans receivables from parishes.

Fund accounting

The General Fund is an unrestricted fund which includes the general revenues, expenses, assets and liabilities of the Synod of the Diocese of Edmonton and contributions which are not subject to trust arrangements.

The Special Fund is an internally restricted fund which includes the revenues, expenses, assets and liabilities of the Diocese of Edmonton which have been internally restricted to be used for a specific purpose.

The Diocesan Development Fund is an internally restricted fund which includes the revenue, expenses, assets and liabilities internally restricted which are used to provide assistance in the development of parishes in the Diocese. At the 62nd Synod in October 2010, Canon 10.21A was revised to allow this fund to also use its net assets in excess over \$750,000 for ministry purposes.

The Consolidated Trust Fund ("CTF") is an investment fund held by the Synod of the Diocese of Edmonton. It consists of several sub-funds, each established for a specific purpose, and some of which are held in trust for individual parishes or ministries in the Diocese. Each sub-fund is documented as to its origin, its purpose, any constating documents, and any restrictions on its use, including any applicable restrictions on the use of capital. Each sub-fund receives a pro-rata share of the investment income of the whole CTF. Additions to, withdrawals, and disbursement of income from any given sub-fund may be made from time to time depending on the nature of each specific sub-fund. The CTF is managed by the Administration and Finance Committee, subject to the Constitution, Canons and Act of Incorporation of the Synod of the Diocese of Edmonton, and subject to the various wills, trust deeds or other constating documents establishing the sub-funds.

The Endowment Fund includes contributions that have been permanently restricted by the respective donors to be held in perpetuity. The Endowment Fund consists of seven separate funds for which the income is to be used for the purposes as restricted by the donors.

**The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Notes to the Financial Statements**

Year ended December 31, 2019

2. Significant accounting policies (continued)

Revenue recognition

The Synod of the Diocese of Edmonton follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as revenue in the Endowment Fund.

Investment income earned on fund resources is recognized as revenue in the corresponding fund.

Fees are recognized as revenue of the General Fund when the conference or program is held.

Investments in securities

Investments are recorded at market value. Fluctuations in the quoted market value are recognized in the statement of operations as increase (decrease) in fair value of investments in the Consolidated Trust Fund or the Endowment Fund. Interest and dividends on marketable securities are recorded as revenue when earned.

Investment in properties

The Synod of the Diocese of Edmonton holds title to most properties on which there are Anglican parish buildings. These titles are held in trust for active parishes. The Diocese owns all vacant properties.

Properties which have been acquired by bequest or gift are recorded at fair value at the date of contribution. When fair value cannot be reasonably determined, the property is recorded at nominal value.

From time to time, The Synod of the Diocese of Edmonton assists parishes to acquire land and buildings. These expenditures are recorded as investments in property which generally reflect only a portion of the cost of the total land and building.

Investments in property are not amortized and are written down to market value if it is determined that the value has incurred a decline that is other than temporary.

Impairment of long-lived assets

The Diocese tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of asset may not be recoverable. The recoverability of long-lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the asset's carrying amount. Fair value is determined based on quoted market prices where available, otherwise on discounted cash flows over the life of the asset.

Donated materials and contributed services

Donated materials and services are recorded at fair value when the fair value can be reasonably estimated and when the materials and services are normally purchased by the Diocese.

**The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Notes to the Financial Statements**

Year ended December 31, 2019

2. Significant accounting policies (continued)

Funds administered for others

Funds administered for others represent funds belonging to other organizations and are pooled for investment purposes in the Consolidated Trust Fund. Accordingly, these financial statements include assets administered for other organizations in the Consolidated Trust Fund's assets and reflect the balance of such funds as a liability. Contributions, investment income and withdrawal of these funds are adjusted to the carrying value of the funds and are not reported as revenue or expenditures of the Consolidated Trust Fund.

Financial instruments

Initial measurement:

The Diocese's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement:

At each reporting date, the Diocese measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments quoted in an active market, which must be measured at fair value. The Diocese has also irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of the Diocese's investments quoted in an active market and in bonds are recorded in the statement of operations. The financial instruments measured at amortized cost are cash, accounts receivable, receivables and loans receivables from parishes, accounts payable, Reach Campaign donations payable and due to Anglican Episcopal Foundation. The carrying value of financial instruments approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, the Diocese regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Diocese determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

3. Grants	<u>2019</u>	<u>2018</u>
Continuing Education Plan	\$ 2,000	\$ 2,020
Messenger	8,334	7,644
Housing Initiative	63,758	74,438
Anglican Foundation of Canada	1,840	629
New England Company	<u>15,000</u>	<u>14,985</u>
	\$ 90,932	\$ 99,716

The expenditures related to these restricted contributions have been incurred in the fiscal year.

**The Synod of the Diocese of Edmonton
The Anglican Church of Canada
Notes to the Financial Statements**

Year ended December 31, 2019

4. Loans receivable from parishes

	<u>2019</u>	<u>2018</u>
Loans to parishes earn interest at an annual rate of 3%, are due in monthly installments between \$149 and \$2,039 including principal and interest, maturing between 2023 and 2049.	\$ 683,010	\$ 779,024
Less: current portion	<u>40,501</u>	<u>49,360</u>
	<u>\$ 642,509</u>	<u>\$ 729,664</u>

The loans receivable from parishes are unsecured.

Payments have been suspended on one loan due from a parish in the amount of \$126,848 and the interest has been waived until repayment.

5. Investments in securities

	<u>2019</u>	<u>2018</u>
Current portion of investments in securities	\$ 1,304,646	\$ 1,023,153
Long term portion of investments in securities	<u>4,150,728</u>	<u>4,976,078</u>
	<u>\$ 5,455,374</u>	<u>\$ 5,999,231</u>

	<u>GICs</u>	<u>Bonds</u>	<u>2019</u>	<u>2018</u>
Fair value, December 31, 2018	\$ 4,161,225	\$ 1,838,006	\$ 5,999,231	\$ 5,931,809
Purchases	453,873	-	453,873	1,317,725
Disposals/maturities	(734,675)	(282,288)	(1,016,963)	(1,246,000)
Change in Manulife Segregated Fund	-	(16,323)	(16,323)	(2,552)
Change in fair value of disposals/maturities	(10,335)	6,422	(3,913)	(19,966)
Change in fair value of investments held	-	36,370	36,370	(4,930)
Change in fair value of purchased investments	<u>3,099</u>	<u>-</u>	<u>3,099</u>	<u>23,145</u>
Fair value, December 31, 2019	<u>\$ 3,873,187</u>	<u>\$ 1,582,187</u>	<u>\$ 5,455,374</u>	<u>\$ 5,999,231</u>

6. Investment in properties

	<u>2019</u>	<u>2018</u>
All Saints, Drayton Valley - land	\$ 25,000	\$ 25,000
St. Mary Abbot, Barrhead - building	10,000	10,000
Good Shepherd, Edmonton - land and buildings	474,365	474,365
Holy Trinity Riverbend, Edmonton - land	70,000	70,000
St. Columba, Beaumont - land	18,806	18,806
St. Faith, Edmonton - building	18,838	18,838
St. Faith, Edmonton - PrayerWorks Hall	1,234,628	1,234,628
St. John, St. Paul - land	17,294	17,294
St. Margaret, Edmonton - land	55,000	55,000
St. Michael and All Angels, Edmonton - land	207,500	207,500
St. Patrick, Edmonton - building	123,203	123,203
St. Patrick, Whitecourt - land and building	<u>38,255</u>	<u>38,255</u>
	<u>\$ 2,292,889</u>	<u>\$ 2,292,889</u>

Investments in properties include the expenditures of the Diocese related to the above specific parishes' land and building. It does not include all parish land and buildings, ownership of which is subject to the Canons of the Diocese. The investment agreements with the parishes require repayment of the expenditures advanced at the discretion of the parish but no later than the date of sale of the land and/or building. The investments are protected by parish property interests.

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7. Funds administered for others

	<u>2019</u>	<u>2018</u>
Opening balance	\$ 2,185,817	\$ 2,340,280
Net contributions (withdrawals)	(109,413)	(183,045)
Investment income earned	55,115	42,768
Income disbursements	<u>(21,828)</u>	<u>(14,186)</u>
	<u>\$ 2,109,691</u>	<u>\$ 2,185,817</u>

8. Due to Anglican Episcopal Foundation

The balance owing by the Consolidated Trust Fund to the Anglican Episcopal Foundation bears interest at the rate of interest earned by the Trust and is the same as that paid to the other participants in the Trust.

9. Guarantee of parish loans, commitments and contingencies

a) The Synod of the Diocese of Edmonton has guaranteed reported parish loans with respect to specific properties:

<u>2019</u>		<u>2018</u>	
# of loans	Cumulative Total	# of loans	Cumulative Total
1	\$ <u>31,777</u>	1	\$ <u>50,110</u>

The Synod of the Diocese of Edmonton has guaranteed reported parish loans and is responsible for repayment of those loans should a parish be deemed to be non-performing.

b) The Synod of the Diocese of Edmonton has entered into leases for office equipment. The minimum lease payment under the leases for the next years are follows:

2020 \$ 3,150

c) From time to time, the Diocese and its parishes are involved in various claims and litigation. When the outcome of matters are uncertain and the Diocese does not currently believe that the outcome would have a material adverse impact on its financial position, statement of operations or liquidity, no provision for claims and litigation has been included in these financial statements. When the outcome of matters can be reasonably estimated and management has determined it is likely that a future event will confirm a liability exists at the date of the financial statements, the estimated contingent loss is accrued in the financial statements with a charge to the statement of operations. As at December 31, 2019, the Diocese has been served with two statements of claim as co-defendants. One statement of claim has a maximum stated claim amount of \$3 million against the defendants. The second statement of claim has not quantified the claim amount. The outcome of these claims is not determinable as of December 31, 2019. A portion of the claims are expected to be covered by insurance should payment be required.

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10. Financial instruments

The Diocese's main financial instrument risk exposure is detailed as follows:

The Diocese holds marketable security investments and guaranteed investment certificates which are subject to various risks such as interest rate and market fluctuations. These risks are mitigated by restricting both the type and term of securities eligible for investment. It is management's opinion that the Diocese is not exposed to significant interest rate risk arising from financial instruments.

The Diocese is exposed to credit rate risk relating to receivables from parishes. Credit risk arises from the possibility that a parish may experience financial difficulty and be unable to fulfil their obligations. The Diocese's accounts receivable balance is made up of numerous receivables which reduces the concentration of credit risk. In addition, significant receivables are protected by parish property interests.

The Diocese is exposed to liquidity risk as the Diocese could encounter difficulty in meeting obligations associated with its financial liabilities. The Diocese is therefore exposed to liquidity risk with respect to its accounts payable.

11. Contributions and withdrawals

Consolidated Trust Fund

Parish contributions represent contributions made by parishes upon sale of parish properties. Parish withdrawals represent contributions by the Synod to parishes for parish properties or other authorized purposes.

Investment income distribution is the distribution of income earned on the externally restricted investments of the fund.

Endowment Fund

Investment income distribution is the distribution of funds for purposes specified by the endowment.

12. Internally restricted net assets

Internally restricted net assets of the General Fund include the following:

	<u>2019</u>	<u>2018</u>
General Diocesan reserve	\$ 389,864	\$ 389,864
Lambeth Conference	-	4,156
	<u>\$ 389,864</u>	<u>\$ 394,020</u>

Internally restricted net assets of the Special Fund include the following:

Rural Ministry Initiative	\$ 305	\$ 69,510
Residential Schools Settlement	14,182	47,279
Curacy Fund	<u>2,008</u>	<u>1,312</u>
	<u>\$ 16,495</u>	<u>\$ 118,101</u>

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13. Reach Campaign

In January 2014, the Diocese, along with the parishes, initiated a fundraising campaign - the Reach Campaign ("the Campaign"). The net proceeds of the Campaign are to be allocated to the parishes at 50% and the Anglican Church of Canada at 10%. The Diocese will retain the remaining 40%. The funds raised are to support mission work.

Campaign donations received to date from donors are \$4,322,224 (2018 - \$3,988,181) and campaign expenses incurred to date paid to third parties are \$500,274 (2018 - \$500,274). Campaign expenses include fees paid to a fundraising consultant.

Campaign distributions of \$35,214 (2018 - \$98,771) are included in current liabilities and represent the net proceeds to be distributed to parishes.

As at December 31, 2019, of the funds allocated to the Diocese from the Reach Campaign, \$17,838 (2018 - \$31,090) have not been spent and are included in the Consolidated Trust Fund.

14. Comparative figures

Certain prior year figures have been reclassified to conform to the current year's presentation.

15. Subsequent events

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The Diocese may experience declines in various contributions from both the public and government organizations.

The Diocese has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Diocese for future periods.