

THE SYNOD OF THE DIOCESE OF CALGARY
Financial Statements
Year Ended December 31, 2021

THE SYNOD OF THE DIOCESE OF CALGARY
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Year Ended December 31, 2021

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Dart Bryant LLP
Chartered Professional Accountants
250, 1319 Edmonton Trail NE
Calgary, Alberta - T2E 4Y8
www.dartbryant.com
P. 403-230-3764
F. 403-230-3766

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 organization) that comprise the statement of financial position as at December 31, 2021, 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

A handwritten signature in blue ink that reads 'Dart Bryant LLP'.

September 16, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

THE SYNOD OF THE DIOCESE OF CALGARY
Statement of Financial Position
December 31, 2021

	Operating 2021	Capital 2021	Restricted 2021	Total 2021	Total 2020
ASSETS					
CURRENT					
Cash	\$ 125,869	\$ 49,017	\$ 72,226	\$ 247,112	\$ 396,810
Accounts and loans receivable (Note 6)	66,369	-	-	66,369	666,233
Prepaid expenses	19,394	-	-	19,394	19,394
	211,632	49,017	72,226	332,875	1,082,437
INVESTMENTS (Note 5)	14,826,766	6,721,838	1,326,919	22,875,523	21,952,730
LOANS RECEIVABLE (Note 7)	254,467	330,500	-	584,967	602,967
PROPERTY (Note 8)	-	15,705,429	-	15,705,429	16,309,806
ASSETS HELD IN TRUST (Note 10)	-	-	982,322	982,322	-
	<u>\$ 15,292,865</u>	<u>\$ 22,806,784</u>	<u>\$ 2,381,467</u>	<u>\$ 40,481,116</u>	<u>\$ 39,947,940</u>
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities (Note 9)	\$ 252,377	\$ -	\$ -	\$ 252,377	\$ 335,811
MANAGED ACCOUNTS (Note 5)	7,185,007	3,449,071	-	10,634,078	10,542,270
SPONSOR DEPOSITS (Note 10)	-	-	982,322	982,322	-
	7,437,384	3,449,071	982,322	11,868,777	10,878,081
NET ASSETS					
Invested in property (Note 8)	-	15,705,429	-	15,705,429	16,309,806
Internally restricted (Note 11)	7,361,309	3,289,939	-	10,651,248	9,727,317
Externally restricted (Note 12)	-	-	1,399,145	1,399,145	1,317,839
Unrestricted	494,172	362,345	-	856,517	1,714,897
	7,855,481	19,357,713	1,399,145	28,612,339	29,069,859
	<u>\$ 15,292,865</u>	<u>\$ 22,806,784</u>	<u>\$ 2,381,467</u>	<u>\$ 40,481,116</u>	<u>\$ 39,947,940</u>

CONTINGENCIES AND COMMITMENTS (Note 14)

ON BEHALF OF THE COUNCIL: _____ Treasurer _____ Councillor

THE SYNOD OF THE DIOCESE OF CALGARY
Statement of Operations
Year Ended December 31, 2021

	Operating 2021	Capital 2021	Restricted 2021	Total 2021	Total 2020
REVENUES					
Apportionment from parishes	\$ 1,284,618	\$ -	\$ -	\$ 1,284,618	\$ 1,345,810
Less: Apportionment reductions	-	-	-	-	(98,949)
	1,284,618	-	-	1,284,618	1,246,861
Donations and contributions	34,111	-	229,126	263,237	298,981
Trust and restricted contributions	32,069	-	-	32,069	32,885
Net investment income	139,966	55,952	23,123	219,041	243,181
Other income	104,814	-	-	104,814	169,220
Capital gains on investments / property	799,533	49,304	87,951	936,788	309,535
	2,395,111	105,256	340,200	2,840,567	2,300,663
EXPENSES					
Outside the Diocese	320,314	-	-	320,314	315,118
Inside the Diocese	277,707	-	-	277,707	295,238
Diocese office	846,477	-	-	846,477	1,092,282
Amortization	-	603,537	-	603,537	606,701
Trust and restricted withdrawals	250,294	51,554	1,329	303,177	213,790
	1,694,792	655,091	1,329	2,351,212	2,523,129
Gifts to parishes	-	-	229,126	229,126	217,467
Grants and subsidies to parishes (Note 13)	729,749	-	-	729,749	632,929
Recoveries	(12,000)	-	-	(12,000)	(12,000)
	2,412,541	655,091	230,455	3,298,087	3,361,525
OPERATIONAL EXCESS (DEFICIENCY)	\$ (17,430)	\$ (549,835)	\$ 109,745	\$ (457,520)	\$ (1,060,862)

THE SYNOD OF THE DIOCESE OF CALGARY
Statement of Changes in Net Assets
Year Ended December 31, 2021

	Operating 2021	Capital 2021	Restricted 2021	Total 2021	Total 2020
NET ASSETS - BEGINNING OF YEAR	\$ 8,140,476	\$ 19,611,544	\$ 1,317,839	\$ 29,069,859	\$ 30,130,721
Deficiency of revenues over expenses	(17,430)	(549,835)	109,745	(457,520)	(1,060,862)
Interfund transfers:					
Advance of capital loans receivable from operating fund	-	-	-	-	-
Internally restricted operational fund transfer (<i>Note 11</i>)	(267,565)	296,004	(28,439)	-	-
Release of Bishop's Discretionary Fund (<i>Note 14</i>)	-	-	-	-	-
Investment distributions to Diocese investment fund	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 7,855,481	\$ 19,357,713	\$ 1,399,145	\$ 28,612,339	\$ 29,069,859

THE SYNOD OF THE DIOCESE OF CALGARY
Statement of Cash Flows
Year Ended December 31, 2021

	Operating 2021	Capital 2021	Restricted 2021	Total 2021	Total 2020
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ (17,430)	\$ (549,835)	\$ 109,745	\$ (457,520)	\$ (1,060,862)
Items not affecting cash:					
Amortization of property	-	603,537	-	603,537	606,701
Loss on disposal of property	-	-	-	-	198,783
Unrealized loss/(gain)	(586,221)	(6,239)	(105,798)	(698,258)	(555,399)
	(603,651)	47,463	3,947	(552,241)	(810,777)
Changes in non-cash working capital:					
Accounts and loans receivable	599,864	-	-	599,864	(532,644)
Accounts payable and accrued liabilities	(33,433)	(50,000)	-	(83,433)	10,936
	566,431	(50,000)	-	516,431	(521,708)
Cash flow from (used by) operating activities	(37,220)	(2,537)	3,947	(35,810)	(1,332,485)
INVESTING ACTIVITIES					
Repayment of loans and notes receivable	(18,000)	-	-	(18,000)	307,000
Addition to loans and notes receivable	-	-	-	-	(45,000)
Net investment (withdrawal) of investments	153,230	(248,446)	(57,777)	(152,993)	979,574
Purchase of property additions	-	-	-	-	(29,735)
Cash flow from (used by) investing activities	135,230	(248,446)	(57,777)	(170,993)	1,211,839
INCREASE (DECREASE) IN CASH FLOW	98,010	(250,983)	(53,830)	(206,803)	(120,646)
Cash - beginning of year	27,859	300,000	126,056	396,809	517,456
CASH - END OF YEAR	\$ 125,869	\$ 49,017	\$ 72,226	\$ 190,006	\$ 396,810
CASH CONSISTS OF:					
Cash	\$ 125,869	\$ 49,017	\$ 72,226	\$ 247,112	\$ 396,809

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

1. PURPOSE OF THE ORGANIZATION

The Synod of the Diocese of Calgary (the "organization") 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 organization 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 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. The Refugee Committee, which was previously immaterial, received substantial funds in trust related to the refugee sponsorship program. The trust assets and liabilities have been included 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 (ASNFP) 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.

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THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

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 restricted fund 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.

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 of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

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THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

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.

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THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

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 organization 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

- a) 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.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the Diocese's Council.
- c) Externally restricted net assets are funds which have been designated for a specific purpose by the specific donor.
- d) 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, 2021

4. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of December 31, 2021.

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 13).

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 organization 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 organization is exposed to foreign currency exchange risk on portfolio investments denominated in U.S. dollars. At December 31, 2021, the foreign content of the investments was 30% (2020 - 43%) (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 organization manages exposure through its normal operating and financing activities. The organization 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.

The fair market value of the investments at December 31, 2021 is \$22,875,523 (2020 - \$21,952,730) (Note 5).

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

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:

	<u>2021</u>	<u>2020</u>
<u>Consolidated investment fund</u>		
Market value, beginning of the year	\$ 21,952,730	\$ 23,365,176
Net deposits / (withdrawals)	(507,335)	(2,836,549)
Net investment income	408,960	416,399
Fair market value gain/(loss)	<u>1,021,168</u>	<u>1,007,704</u>
Market value, end of the year	<u>\$ 22,875,523</u>	<u>\$ 21,952,730</u>
Included in net investment income was \$134,459 (2020 - \$119,412) investment counsel fees paid.		
<u>Managed accounts</u>		
Market value, beginning of the year	\$ 10,542,270	\$ 11,710,528
Net deposits / (Withdrawals)	(660,328)	(1,799,860)
Net investment income	189,920	189,321
Fair market value gain/(loss)	<u>505,111</u>	<u>442,281</u>
Market value, end of the year	<u>\$ 10,576,973</u>	<u>\$ 10,542,270</u>
<u>Diocese office portion of the investment fund</u>		
Market value, beginning of the year	\$ 11,410,460	\$ 11,654,648
Net deposit / (withdrawals)	152,993	(1,036,689)
Net investment income	219,040	227,078
Fair market value gain/(loss)	<u>516,057</u>	<u>565,423</u>
Market value, end of the year	<u>\$ 12,298,550</u>	<u>\$ 11,410,460</u>

6. ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Apportionments and other receivables from parishes	\$ -	\$ 470,845
CEWS Receivable	49,655	180,555
GST recoverable	<u>16,714</u>	<u>14,833</u>
	<u>\$ 66,369</u>	<u>\$ 666,233</u>

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

7. LOANS RECEIVABLE

The Diocese has advanced 7 loans (2020 - 7 loans) to its parishes, related entities and clergies, bearing interest at 0% (2020 - 0%). Three of the loans require blended monthly payments of approximately \$2,500. At year end, \$254,467 (2020 - \$272,467) of the loans were unsecured and \$330,500 (2020 - \$330,500) of the loans were secured by the buildings in which the funds were advanced to acquired.

	2021	2020
Operating fund		
Sanctum Retreat	\$ 100,000	\$ 100,000
Holy Cross, Calgary	91,829	91,829
Holy Trinity, Calgary	32,638	35,638
All Saints	30,000	45,000
Capital fund subtotal	254,467	272,467
Joint Ownership Agreements	330,500	330,500
	\$ 584,967	\$ 602,967

8. PROPERTY

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 2,188,613	\$ -	\$ 2,188,613	\$ 2,188,613
Buildings	24,377,776	10,860,960	13,516,816	14,121,193
	\$ 26,566,389	\$ 10,860,960	\$ 15,705,429	\$ 16,309,806

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accounts payable and accrued liabilities	\$ 146,166	\$ 181,300
Distributions payable	106,212	104,511
Operating fund subtotal	252,378	285,811
Deferred revenue (capital fund)	-	50,000
	<u>\$ 252,378</u>	<u>\$ 335,811</u>

10. ASSETS HELD IN TRUST AND SPONSOR DEPOSITS

The Diocese, through a refugee committee, takes part in the Private Sponsorship of Refugees (PSR) program by Immigration, Refugees and Citizenship Canada (IRCC) as a Sponsorship Agreement Holder (SAH). It works with the Canadian Refugee Sponsorship Agreement Holders Association and provides guarantee co-sponsors to bring privately sponsored refugees to Canada.

In general, co-sponsors are responsible to provide funding to the refugee for the settlement period. Where the co-sponsor is responsible, the Diocese holds the trust fund until the end of the 12-month settlement period for guarantee purposes. In addition, the Diocese does not issue a donation receipt for the funding from the co-sponsor and the co-sponsor is responsible for any contingent expenses.

The Diocese does not act as a principal in the refugee sponsorship program: a) it is not primarily responsible for providing financial support to the refugee family, and b) the co-sponsor is responsible for providing financial security to the refugee and the implementation of the settlement plan. The Diocese acts as the guarantor to the Canadian Refugee Sponsorship Agreement Holders (SAH) Association and Immigration, Refugees and Citizenship Canada (IRCC) for the co-sponsor.

Trust fund received from co-sponsor for a specific refugee application is reported as assets held in trust and sponsor deposits until the disbursement of the fund to the refugee over the 12-month settlement period. Any remaining fund, with interest, will be refunded to the co-sponsor at the end of the settlement period. The Diocese estimates the amount required for the sponsor family based on the family size, age of the children, and the living standard of Calgary and collected from the co-sponsor before the application is submitted to the Canadian Refugee Sponsorship Agreement Holders (SAH) Association. Once the refugee arrives, the Committee will disburse the fund to the co-sponsor to support the refugee family.

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

11. INTERNALLY RESTRICTED FUNDS

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

	2020	Contributions (utilized)	Income (loss)	2021
Mission and Ministry Spending	\$ 1,070,971	\$ -	\$ 97,166	\$ 1,168,137
Mission and Ministry Endowment	2,061,899	-	186,977	2,248,876
Reserve funds	854,027	(232,130)	61,730	683,627
Diocese operational funds	2,996,226	(7,536)	271,979	3,260,669
	6,983,123	(239,666)	617,852	7,361,309
Capital reserve funds	2,738,410	275,821	275,708	3,289,939
	2,738,410	275,821	275,708	3,289,939
	<u>\$ 9,721,533</u>	<u>\$ 36,155</u>	<u>\$ 893,560</u>	<u>\$ 10,651,248</u>

THE SYNOD OF THE DIOCESE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2021

12. EXTERNALLY RESTRICTED FUNDS

	2020	Contributions (Utilized)	Income (loss)	2021
Pastoral Care Fund	\$ 319,428	\$ -	\$ 28,753	\$ 348,181
Appleby Bequest Fund	139,479	-	12,648	152,127
Robert White Memorial Fund	123,626	-	11,211	134,837
Florence Milligan ACW Fund	89,757	7,895	9,632	107,284
Native Ministry Fund	117,059	16,472	12,110	145,641
Sower Fund	92,341	-	8,374	100,715
Youth Ministry Fund	70,987	-	6,451	77,438
Clergy Car Fund	65,440	-	-	65,440
Parish Endowment Fund	51,840	(54,207)	2,367	-
Archdeacon Tims Memorial Fund	55,812	-	5,061	60,873
Lally Fund	46,901	-	4,253	51,154
Gordon White Memorial Fund	45,982	-	4,170	50,152
Companion Diocese Fund	45,216	-	4,097	49,313
Rural Ministry Fund	31,049	-	2,816	33,865
Densmore Trust Fund	14,986	-	1,359	16,345
E.S. Jackson Memorial Fund	1,519	(31)	140	1,628
Bishop's Discretionary Fund	6,417	(2,265)	-	4,152
	\$ 1,317,839	\$ (32,136)	\$ 113,442	\$ 1,399,145

13. GRANTS AND SUBSIDIES TO PARISHES

During the year, the Diocese advanced gross payroll and building insurance payments totalling \$4,785,449 (2020 - \$4,998,301). Payroll and insurance grants of \$864,417 (2020 - \$1,053,863) were provided to parishes, offset by \$243,197 (2020 - \$746,452) of CEWS received by the Diocese related to the parishes. During the year, the Diocese assessed net apportionments of \$1,284,618 (2020 - \$1,246,861) and did not collect \$100,392 (2020 - \$316,032) which was recorded as a grant. In 2021, loans which had previously been written off of \$nil (2020 - \$70,000) were received, which was recorded as a reduction in the grant. During 2021, \$8,137 (2020 - \$79,486) was paid in approved grants and subsidies of expenses paid on behalf of parishes.

14. 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 (2020 - \$85,604).

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, 2021

14. 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 \$88,993 from May 1, 2020 to April 30, 2025.

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 behalf. From time to time, parishes facing financial difficulty may not be able to fulfill its obligation to reimburse the Diocese (Note 13).

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 13).

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 (2021 - \$571,628; 2020 - \$637,894). These figures include the required employer contributions on behalf of the Diocese's direct employees.

Credit facility:

As at December 31, 2021, the Diocese has a letter of credit in the amount of \$88,000 (2020 - \$88,000) outstanding to collateralize payment for property development work done by a parish.

15. HEALTH PANDEMIC

During 2020, 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.
