

**The Incorporated Synod of the
Diocese of Ontario**

Financial Statements
For the year ended December 31, 2017

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Independent Auditor's Report

To the Bishop of Ontario and the Members of Synod

We have audited the accompanying financial statements of The Incorporated Synod of the Diocese of Ontario which comprise the statements of financial position as at December 31, 2017 and December 31, 2016 and the statements of operations and changes in net assets and cash flows for the years ended December 31, 2017 and December 31, 2016 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Incorporated Synod of the Diocese of Ontario as at December 31, 2017 and December 31, 2016 and its financial performance for the years ended December 31, 2017 and December 31, 2016 in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow SEO LLP

Chartered Professional Accountants
Licensed Public Accountants

Kingston, Ontario
May 22, 2018

The Incorporated Synod of the Diocese of Ontario Statement of Financial Position

December 31	General Fund	Restricted Fund	Endowment Fund	2017 Total	2016 Total
Assets					
Cash	\$ 33,813	\$ 1,309,379	\$ -	\$ 1,343,192	\$ 1,095,073
Investments (Note 1)	-	20,655,925	441,735	21,097,660	18,816,793
Accounts receivable (Note 2)	484,931	184,650	-	669,581	700,256
Capital loans receivable (Note 3)	-	4,662	-	4,662	11,340
Inventories	244,942	-	-	244,942	262,816
Capital assets (Note 4)	153,983	-	-	153,983	57,902
Interfund balance	272,556	-	-	272,556	325,593
	<u>\$ 1,190,225</u>	<u>\$ 22,154,616</u>	<u>\$ 441,735</u>	<u>\$ 23,786,576</u>	<u>\$ 21,269,773</u>
Liabilities and Net Assets					
Bank indebtedness (Note 5)	\$ 1,092,778	\$ -	\$ -	\$ 1,092,778	\$ 1,197,184
Accounts payable and accrued liabilities (Note 6)	144,392	373,602	-	517,994	363,821
Funds deposited by parishes and cemeteries (Note 3)	-	15,276,769	-	15,276,769	14,263,615
Interfund balance	-	272,556	-	272,556	325,593
	<u>1,237,170</u>	<u>15,922,927</u>	<u>-</u>	<u>17,160,097</u>	<u>16,150,213</u>
Net Assets					
Invested in capital assets	153,983	-	-	153,983	57,902
Externally restricted	-	4,458,055	441,735	4,899,790	4,492,586
Internally restricted	-	1,773,634	-	1,773,634	668,680
Unrestricted	(200,928)	-	-	(200,928)	(99,608)
	<u>(46,945)</u>	<u>6,231,689</u>	<u>441,735</u>	<u>6,626,479</u>	<u>5,119,560</u>
Contingent liabilities (Note 7)					
	<u>\$ 1,190,225</u>	<u>\$ 22,154,616</u>	<u>\$ 441,735</u>	<u>\$ 23,786,576</u>	<u>\$ 21,269,773</u>

On behalf of the Board:

_____ Director

_____ Director

The Incorporated Synod of the Diocese of Ontario Statement of Operations and Changes in Net Assets

For the year ended December 31	General Fund	Restricted Fund	Endowment Fund	2017 Total	2016 Total
Revenues					
Parish common ministry and mission	\$ 1,273,235	\$ -	\$ -	\$ 1,273,235	\$ 1,269,576
Investment income	52,035	1,431,959	-	1,483,994	1,354,397
Donations and other	26,140	1,273,191	-	1,299,331	168,767
Bookroom sales	294,731	-	-	294,731	348,733
Camp Hyanto	5,980	-	-	5,980	46,919
	<u>1,652,121</u>	<u>2,705,150</u>	<u>-</u>	<u>4,357,271</u>	<u>3,188,392</u>
Expenditures					
Diocesan core expenses	743,237	10,528	-	753,765	792,344
Personnel	86,094	-	-	86,094	172,841
Programs	312,845	-	-	312,845	203,854
Outside Diocese	450,756	-	-	450,756	457,524
Amortization of capital assets	33,149	-	-	33,149	29,982
Bookroom cost of sales	189,371	-	-	189,371	223,648
Bookroom other	155,771	-	-	155,771	167,370
Camp Hyanto	28,872	-	-	28,872	180,872
Distributions of funds deposited	-	726,938	-	726,938	653,210
Payments from investment funds	-	112,791	-	112,791	125,965
	<u>2,000,095</u>	<u>850,257</u>	<u>-</u>	<u>2,850,352</u>	<u>3,007,610</u>
Excess of revenues over expenditures (expenditures over revenues)	(347,974)	1,854,893	-	1,506,919	180,782
Net assets, beginning of year	(41,706)	4,719,531	441,735	5,119,560	4,938,778
Interfund transfers	342,735	(342,735)	-	-	-
Net assets, end of year	\$ (46,945)	\$ 6,231,689	\$ 441,735	\$ 6,626,479	\$ 5,119,560
Net assets are comprised of:					
Operating Fund	\$ 356,018	\$ -	\$ -	\$ 356,018	\$ 305,647
Book Room Fund	(160,270)	-	-	(160,270)	(108,835)
Camp Hyanto Fund	(242,693)	-	-	(242,693)	(238,518)
Investment Fund	-	5,819,311	441,735	6,261,046	4,748,888
Capital Loan Fund	-	412,378	-	412,378	412,378
	<u>\$ (46,945)</u>	<u>\$ 6,231,689</u>	<u>\$ 441,735</u>	<u>\$ 6,626,479</u>	<u>\$ 5,119,560</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Incorporated Synod of the Diocese of Ontario Statement of Cash Flows

For the year ended December 31	General Fund	Restricted Fund	Endowment Fund	2017 Total	2016 Total
Cash flows from operating activities					
Excess of revenues over expenditures (expenditures over revenues)	\$ (347,974)	\$ 1,854,893	\$ -	\$ 1,506,919	\$ 180,782
Adjustments for items not involving cash					
Amortization of capital assets	33,149	-	-	33,149	29,982
Unrealized gains on investments	-	(668,898)	-	(668,898)	(791,202)
Loss on disposal of assets	20,354	-	-	20,354	-
Interfund transfers	342,735	(342,735)	-	-	-
Changes in non-cash working capital balances					
Amounts receivable	23,530	7,145	-	30,675	(167,649)
Inventories	17,874	-	-	17,874	55,865
Accounts payable and accrued liabilities	(34,816)	188,989	-	154,173	131,410
	<u>54,852</u>	<u>1,039,394</u>	<u>-</u>	<u>1,094,246</u>	<u>(560,812)</u>
Cash flows from financing activities					
Bank indebtedness	(104,406)	-	-	(104,406)	458,536
Funds deposited by parishes and cemeteries	-	1,013,154	-	1,013,154	848,186
Interfund balance	53,037	(53,037)	-	-	-
	<u>(51,369)</u>	<u>960,117</u>	<u>-</u>	<u>908,748</u>	<u>1,306,722</u>
Cash flows from investing activities					
Purchase of capital assets	(149,584)	-	-	(149,584)	(4,428)
Net purchases of investments	-	(1,611,969)	-	(1,611,969)	(258,985)
Collection of capital loans	-	6,678	-	6,678	6,132
	<u>(149,584)</u>	<u>(1,605,291)</u>	<u>-</u>	<u>(1,754,875)</u>	<u>(257,281)</u>
Increase in cash and cash equivalents during the year	(146,101)	394,220	-	248,119	488,629
Cash, beginning of year	179,914	915,159	-	1,095,073	606,444
Cash, end of year	\$ 33,813	\$ 1,309,379	\$ -	\$ 1,343,192	\$ 1,095,073

The Incorporated Synod of the Diocese of Ontario Summary of Significant Accounting Policies

December 31, 2017

Nature of Business

The Incorporated Synod of the Diocese of Ontario (the "Diocese") is incorporated without share capital under the laws of Canada. Its principal activities include the administration of the Diocese and the holding of investments.

The organization is a registered charity for Canadian income tax purposes, exempt from income tax under the Income Tax Act.

These financial statements include only the operations of the Diocese and do not include other controlled entities. (Note 10)

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

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

The *General Fund* reports unrestricted resources. This fund accounts for the activities associated with the Diocese day-to-day activities, the Church Bookroom and Camp Hyanto.

The *Restricted Fund* reports restricted resources that are to be used for the Investment Fund, Capital Loan Fund or Endowment Fund.

Investment Fund represents the activities associated with the investment of funds for parishes, cemeteries and trusts made available to the Diocese under conditions specified by the donors.

Capital Loan Fund represents funds made available for development loans to the parishes.

The *Endowment Fund* represents resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the General or Restricted Fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

Investments

Investments in bonds and fixed yield income are recorded at amortized cost. Investments in equities are recorded at fair market value.

The Incorporated Synod of the Diocese of Ontario Summary of Significant Accounting Policies

December 31, 2017

Bookroom Inventory

The bookroom inventory is valued at the lower of cost and replacement cost.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenditures. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Diocese ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

Furniture and equipment	- 20%
Building renovations	- 10%
Camp Hyanto cabins	- 10%

Revenue Recognition

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.

Contributions for endowment are recognized as revenue of the Endowment Fund.

Camp fees are recognized upon registration. Any discounts, or refunds of camp fees for withdrawal from the camp sessions are recognized when such discounts or refunds are processed.

Book store revenues are recognized at the time of sale.

Investment income earned on the Endowment Fund resources that must be spent on externally restricted activities is recognized as revenue of the Restricted Fund. Unrestricted investment income earned on the Endowment Fund resources is recognized as revenue of the General Fund. Investment income earned on externally restricted funds is recognized as revenue of the Restricted Fund. Other investment income is recognized as revenue of the General Fund when earned.

The Incorporated Synod of the Diocese of Ontario Summary of Significant Accounting Policies

December 31, 2017

Parish Activities

Parish revenues, expenses, assets and liabilities are accounted for at the parish level and do not form part of these financial statements.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates are used when accounting for a number of items including, but not limited to, impairment of assets, amortization and financial instruments.

Estimates have been made by management within these financial statements primarily in relation to accounts receivable, inventory, capital assets and accounts payable and accrued liabilities.

These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in the periods in which they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits at Canadian chartered banks and cash balances in investment portfolios.

The Incorporated Synod of the Diocese of Ontario Notes to Financial Statements

December 31, 2017

1. Investments

	2017	2016
Bonds and short-term investments, measured at amortized cost	\$ 13,863,869	\$ 12,094,027
Equity securities, measured at fair value	7,233,791	6,722,766
	\$ 21,097,660	\$ 18,816,793

The bonds and short-term investments have an effective interest rate of 2.20% to 8.80% (2016 - 2.20% to 8.80%) and mature between 2017 and 2032.

The above amounts include \$1,503,560 held in US dollars.

2. Accounts Receivable

	2017	2016
Parish receivables	\$ 571,749	\$ 598,382
Other receivables	250,321	259,382
	822,070	857,764
Less: Allowance for doubtful accounts	152,489	157,508
	\$ 669,581	\$ 700,256

Included in the above receivables are Common Mission and Ministry obligations in arrears. All churches, parishes and regions of the Diocese have constitutional, canonical and ministry commitments to support each other, the Diocese and the broader Church. In financial terms, this support is through these Common Mission and Ministry assessments. The Diocese recognizes that from time to time a parish may not be able to meet its obligations to the Diocese. In consideration of this, Synod Council approved a Parish Arrears Policy in 2017 that outlines allowable measures to assist parishes to become current with their arrears balances, as well as to be able to meet their current obligations. Under the new policy, consideration is given to convert common mission and ministry obligations in arrears into a loan with mutually agreed upon terms of repayment. Any forgiveness that may be granted by the Diocese is reflected in the Allowance for Doubtful Accounts.

The Incorporated Synod of the Diocese of Ontario Notes to Financial Statements

December 31, 2017

3. Related Entities

Kingston Rectory Committee

The Diocese exercises significant influence over the Kingston Rectory Committee of the Incorporated Synod of the Diocese of Ontario (the "Committee").

The Committee derives its legal status and authority from Canon B18 of The Incorporated Synod of the Diocese of Ontario. The principal activities of the Committee involve the management of the assets of a specific rectory lands fund. The investment assets of the fund result from proceeds of disposition of certain land received by way of Crown grants prior to 1867.

The net assets and results from operations of the Committee are not included in the financial statements of the Diocese.

There have been no related party transactions during the year between the Committee and the Diocese.

Parishes

	<u>2017</u>	<u>2016</u>
Accounts receivable (net of allowance)	\$ 419,260	\$ 440,874
Capital loans receivable	\$ 4,662	\$ 11,340
Funds deposited by parishes and cemeteries	\$ 15,276,769	\$ 14,263,615

Parish common ministry and mission of \$1,273,235 (2016 - \$1,269,576) for general Diocesan purposes were received from the parishes. These amounts are determined by allocating the diocesan budget to the parishes on a pro rata basis using certain parish revenues.

The Diocese also receives contributions from parishes for the Primate's World Relief and Development Fund. The amount received and contributed to the National Office for 2017 was \$29,563 (2016 - \$26,367).

Related party transactions are recorded at the exchange amount, being the consideration agreed to between the parties.

The Incorporated Synod of the Diocese of Ontario Notes to Financial Statements

December 31, 2017

4. Capital Assets

	<u>2017</u>		<u>2016</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
General Fund				
Furniture and equipment	\$ 98,360	\$ 66,388	\$ 31,972	\$ 11,083
Building renovations	130,609	25,969	104,640	20,557
Bookroom equipment	8,834	6,815	2,019	554
Camp Hyanto equipment	29,952	25,715	4,237	4,615
Camp Hyanto cabins	208,849	197,734	11,115	21,093
	<u>\$ 476,604</u>	<u>\$ 322,621</u>	<u>\$ 153,983</u>	<u>\$ 57,902</u>

During the year, capital assets were acquired with cash at an aggregate cost of \$149,584 (2016 - \$4,428).

5. Bank Indebtedness

	<u>2017</u>	<u>2016</u>
Bank of Montreal line of credit - bank prime rate plus 1%, repayable in monthly interest payments	<u>\$ 1,092,778</u>	<u>\$ 1,197,184</u>

The Diocese's overdraft has a maximum limit of \$1,250,000. The unused portion of the credit facilities at December 31, 2017 is \$157,222.

6. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Trade accounts payable	\$ 139,923	\$ 177,848
Owing to Anglican Diocese of Ontario Foundation	373,602	184,613
HST payable (recoverable)	4,469	1,360
	<u>\$ 517,994</u>	<u>\$ 363,821</u>

Included in trade accounts payable is \$4,605 for credit card balances payable. These credit cards, combined, carry a maximum credit limit of \$50,000.

The Incorporated Synod of the Diocese of Ontario Notes to Financial Statements

December 31, 2017

7. Contingent Liabilities

The Diocese is contingently liable as guarantor of loans from the Anglican Foundation of Canada to local parishes in the amount of \$22,131 (2016 - \$12,192).

The Diocese has been named as a defendant in one outstanding claim for \$4,700,000 in damages. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution. Accordingly no liability has been recorded in the financial statements.

8. Comparative Figures

In some instances, comparative figures have been reclassified in order to comply with the current year's presentation.

9. Commitments

In September of 2016, the Diocese entered into a 10-year contract to lease office space from Landont Limited effective January 1, 2017. Under the terms of the lease, the Diocese agrees to pay \$82,505 per year until December 31, 2022, and \$86,125 until the lease expires December 2026. In the lease agreement, there are two renewal options for terms of five years each. Should the lease agreement be renewed, the gross rental amount will be determined between the two parties based upon comparable lease rates at the time of renewal.

The minimum annual lease payments for the next five years are as follows:

2018	\$ 82,505
2019	82,505
2020	82,505
2021	82,505
2022	<u>86,125</u>
	<u>\$ 416,145</u>

The Incorporated Synod of the Diocese of Ontario Notes to Financial Statements

December 31, 2017

10. Consolidated Financial Statements Not Prepared

The financial statements do not include the financial activities of the Anglican Diocese of Ontario Holding Corporation (the "Holding Corporation"), which the Diocese controls. The Holding Corporation uses the deferral method of accounting for contributions.

The Holding Corporation is incorporated without share capital under the laws of Ontario. Its sole activity is to hold title to the Diocesan Centre property.

The Holding Corporation is controlled by membership of the Council of The Incorporated Synod of the Diocese of Ontario.

During the year, the Diocesan Centre held in the Holding Corporation was disposed of and the net proceeds of \$1,229,806 were donated to the Diocese.

Condensed financial statements of the Holding Corporation are set out as follows:

	<u>2017</u>	<u>2016</u>
<u>Statement of Financial Position</u>		
Total assets	<u>\$ -</u>	<u>\$ 288,140</u>
<u>Statement of Operations</u>		
Total revenues	<u>\$ 942,900</u>	<u>\$ 69,909</u>
Total expenditures	<u>1,231,040</u>	<u>84,089</u>
Excess of expenditures over revenues	<u>\$ (288,140)</u>	<u>\$ (14,180)</u>

11. Pension Agreements

The Diocese makes contributions to the Anglican Church of Canada - General Synod Pension Plan, which is a multi-employer plan, on behalf of its clergy and employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the clergy and employees based on the length of service and rates of pay.

The amount contributed by the Diocese to the pension plan for 2017 was \$88,674 (2016 - \$82,402) for current service and is included in expenditures on the statement of operations.

The Incorporated Synod of the Diocese of Ontario

Notes to Financial Statements

December 31, 2017

12. Financial Risks and Concentration of Credit Risk

Financial instruments are financial assets or liabilities of the Diocese where, in general, the Diocese has the right to receive cash or another financial asset from another party or the Diocese has the obligation to pay another party cash or other financial assets.

Financial instruments consist of cash, bank indebtedness, accounts receivable, capital loans receivable, investments, accounts payable and accrued liabilities, and funds deposited by parishes and cemeteries.

The Diocese initially recognized its financial instruments at fair value and subsequently measure them at amortized cost, except for short-term and long-term investments which continue to be measured at fair value.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year and the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

Currency Risk

The Diocese is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Diocese purchases investments denominated in foreign currencies. The Diocese does not currently enter into forward contracts to mitigate this risk.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Diocese is exposed to credit risk with respect to the accounts receivable, capital loans receivable and investments.

The Diocese assesses, on a continuous basis, accounts receivable and capital loans receivable and provides for any amounts that are not collectible in the allowance for doubtful amounts.

The Diocese deals with creditworthy counterparties to mitigate the risk of financial loss from defaults related to the investments.

There have been no significant changes to the credit risk exposure from 2016.

Interest Rate Risk

The Diocese is exposed to interest rate risk on its fixed interest rate investments. Further details about the fixed rate investments are included in Note 1.

The Incorporated Synod of the Diocese of Ontario Notes to Financial Statements

December 31, 2017

12. Financial Risks and Concentration of Credit Risk (continued)

Market Risk

Market risk is the risk of financial loss to the Diocese arising from fluctuations in the market price of its investments. To manage these risks, the Diocese has established a target mix of investment types designed to achieve acceptable returns within reasonable risk tolerances.

13. Economic Dependence

The Diocese is dependent on mandated Common Ministry and Mission contributions from member parishes. Common Ministry and Mission contributions represent approximately 77% of the Diocese total operating revenues.

The Incorporated Synod of the Diocese of Ontario Schedule of Operating Fund Operations and Fund Balance

For the year ended December 31	2017	2016
Revenues		
Parish common ministry and mission contributions	\$ 1,273,235	\$ 1,269,576
Investment fund interest, funds for general purposes	52,035	13,830
Fees, administration and sundry	14,682	15,674
Donations and recoveries	11,458	34,160
	<u>1,351,410</u>	<u>1,333,240</u>
Expenditures		
Diocesan core expenses		
Bishop's office	177,433	173,055
Synod office	375,501	438,247
Diocesan Centre	88,550	69,910
Interest	37,501	42,367
Amortization of capital assets	19,519	15,077
Transition and restructuring	64,252	56,854
Personnel		
Confidential personnel matters	9,841	90,601
Training and development	47,589	50,134
Other	28,664	32,106
Programs	312,845	203,854
	<u>1,161,695</u>	<u>1,172,205</u>
Outside the Diocese		
General, Provincial Synods and Lambeth	450,756	457,524
	<u>1,612,451</u>	<u>1,629,729</u>
Excess of expenditures over revenues	(261,041)	(296,489)
Interfund transfers		
Appropriates from to		
Investment fund	95,716	216,162
Capital loan fund	17,425	15,927
Church Bookroom	349	15,563
Administration fees from		
Investment fund	214,168	195,413
Capital loan fund	4,124	4,124
Grant to Camp Hyanto	(20,370)	(90,000)
Change in fund balance	50,371	60,700
Fund balance, beginning of year	305,647	244,947
Fund balance, end of year	\$ 356,018	\$ 305,647

**The Incorporated Synod of the Diocese of Ontario
Schedule of Church Bookroom Operations and Fund Balance**

For the year ended December 31	2017	2016
Sales	\$ 294,731	\$ 348,733
Cost of sales	189,371	223,648
Gross margin	105,360	125,085
Expenditures		
Advertising	8,643	8,516
Amortization of capital assets	675	918
Bank service charges	3,976	2,555
Disposal of old inventory	-	10,187
Insurance	677	779
Office	3,854	9,763
Postage	1,335	503
Telephone	636	721
Travel	2,134	3,946
Wages and benefits	134,516	130,400
	156,446	168,288
Excess of expenditures over revenues	(51,086)	(43,203)
Interfund transfer		
Appropriation from (to) operating fund	(349)	(15,563)
Change in fund balance	(51,435)	(58,766)
Fund deficiency, beginning of year	(108,835)	(50,069)
Fund deficiency, end of year	\$ (160,270)	\$ (108,835)

The Incorporated Synod of the Diocese of Ontario Schedule of Camp Hyanto Fund Operations and Fund Balance

For the year ended December 31	2017	2016
Revenues		
Camp and program fees	\$ -	\$ 37,444
Donations and other	5,980	9,475
	<u>5,980</u>	<u>46,919</u>
Expenditures		
Advertising	488	9,097
Amortization of capital assets	12,955	13,987
Food	-	17,611
Fuel and hydro	4,433	9,977
Medical	-	237
Printing, stationery and postage	-	79
Programs	3,335	1,979
Repairs and maintenance	6,059	18,174
Salaries and benefits	10,095	112,461
Taxes and insurance	2,615	5,885
Telephone	931	1,618
Travel and administration	916	3,754
	<u>41,827</u>	<u>194,859</u>
Excess of expenditures over revenues	(35,847)	(147,940)
Interfund transfers		
Grant from general fund	20,370	90,000
Appropriation from investment fund	11,302	51,856
	<u>31,672</u>	<u>141,856</u>
Change in fund balance	(4,175)	(6,084)
Fund deficiency, beginning of year	(238,518)	(232,434)
Fund deficiency, end of year	\$ (242,693)	\$ (238,518)

The Incorporated Synod of the Diocese of Ontario Schedule of Investment Fund Operations and Fund Balance

For the year ended December 31	2017	2016
Revenues		
Investments		
Income on investments and bank deposits	\$ 1,430,121	\$ 1,339,869
Additions to funds		
Bequests, donations and other	1,263,900	104,234
Received from parishes	2,255	7,000
Received from National Church	7,036	7,699
	<u>2,703,312</u>	<u>1,458,802</u>
Expenditures		
Legal and other	10,528	11,911
Allocation of income from consolidated investments		
Cemeteries	69,504	78,907
Parishes	657,434	574,303
	<u>737,466</u>	<u>665,121</u>
Payments from funds		
Bishop's Discretionary Fund	26,723	8,623
Payments to retirees and widows	16,896	11,720
Sabbatical costs	2,307	1,592
Insurance claims	13,255	1,652
Payments to parishes for short-term clergy illness relief	8,986	5,605
National/Provincial synod attendance costs	-	7,098
Non-diocesan funds held in trust	6,477	28,476
Diocesan centre selling costs	-	21,617
Diocesan sponsored conferences	(2,281)	6,807
Refugee program	22,170	31,285
Miscellaneous program costs	18,258	1,490
	<u>850,257</u>	<u>791,086</u>
Excess of revenues over expenditures	1,853,055	667,716
Interfund transfers to		
Camp Hyanto	(11,302)	(51,856)
Capital loan fund	(19,711)	(19,353)
Operating fund	(95,716)	(216,162)
Administration fee to operating fund	(214,168)	(195,413)
	<u>1,512,158</u>	<u>184,932</u>
Change in fund balance	1,512,158	184,932
Fund balance, beginning of year	4,748,888	4,563,956
Fund balance, end of year	\$ 6,261,046	\$ 4,748,888
Fund balance comprised of:		
Endowment fund	\$ 441,735	\$ 441,735
Unallocated investment income	4,928,854	4,225,671
Other restricted	890,457	81,482
	<u>\$ 6,261,046</u>	<u>\$ 4,748,888</u>

**The Incorporated Synod of the Diocese of Ontario
Schedule of Capital Loan Fund Operations and Fund Balance**

For the year ended December 31	2017	2016
Revenues		
Interest on loans	\$ 1,838	\$ 698
Interfund transfers		
Allocation from investment fund	19,711	19,353
Administration fees to general fund	(4,124)	(4,124)
Appropriation to general fund	(17,425)	(15,927)
	<u>(1,838)</u>	<u>(698)</u>
Change in fund balance	-	-
Fund balance, beginning of year	<u>412,378</u>	<u>412,378</u>
Fund balance, end of year	<u>\$ 412,378</u>	<u>\$ 412,378</u>