

**THE SYNOD OF THE DIOCESE OF  
NEW WESTMINSTER**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2016**



**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Financial Statements**  
For the year ended 31 December 2016

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## INDEPENDENT AUDITORS' REPORT

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To Diocesan Council,  
The Synod of the Diocese of New Westminster

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Synod of the Diocese of New Westminster, which comprise the statement of financial position as at 31 December 2016 and the statement of income and expenses and changes in fund balances and the statement of 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.

### **Auditors' 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 auditors' 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.



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**INDEPENDENT AUDITORS' REPORT - continued**

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**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Synod of the Diocese of New Westminster as at 31 December 2016, 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.

*Rolfe, Benson LLP*

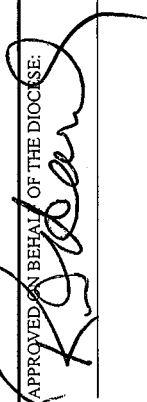
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Vancouver, Canada  
22 March 2017

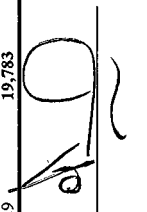
**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Statement of Financial Position**  
 31 December 2016

	General Fund		Anglican Initiatives Fund		Property Fund		Consolidated Trust Fund		Totals	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Assets</b>										
<b>Current</b>										
Cash	168	327	-	-	-	-	-	-	731	924
Accounts receivable	910	868	-	-	-	-	563	237	910	1,105
Prepaid expenses	56	79	-	-	-	-	-	-	56	79
Loans to parishes - current portion - Schedule 3	11	18	-	-	-	-	-	-	11	18
Loans to parishes and others - current portion - Schedule 4	-	-	-	-	20	154	-	-	20	154
Short term investments - at market value	-	-	-	-	-	-	487	483	487	483
Interfund balances	178	-	-	-	-	-	303	303	178	303
	<b>1,323</b>	<b>1,292</b>	-	-	20	154	<b>1,050</b>	<b>1,620</b>	<b>2,393</b>	<b>3,066</b>
Equipment (Note 4)	10	20	-	-	89	-	-	-	99	20
Leasehold improvements (Note 5)	-	-	-	-	2,000	2,053	-	-	2,000	2,053
Life insurance policies (Note 6)	-	-	-	-	233	231	-	-	281	281
Property held for resale (Note 7)	-	-	48	50	-	-	-	-	-	-
Properties (assessed value 2016 - \$2,187,000 ; 2015 - \$1,633,000)	-	-	-	-	1,257	1,257	-	-	1,257	1,257
Loans to parishes - long-term portion - Schedule 3	194	156	-	-	4,942	4,942	-	-	4,942	4,942
Loans to parishes and others - long-term portion - Schedule 4	-	-	-	-	2,688	2,558	-	-	194	156
Consolidated Trust Fund deposits held by other funds - Schedule 2	712	677	2,313	2,379	8,554	8,353	(11,579)	(11,409)	1,502	1,547
Mortgage pension trust units - at market value	-	-	-	-	-	-	1,502	1,547	23,613	22,121
Stocks - at market value	-	-	-	-	-	-	-	-	20,452	20,290
Bonds - at market value	-	-	-	-	19,783	19,548	-	-	34,169	34,169
	<b>2,239</b>	<b>2,145</b>	<b>2,361</b>	<b>2,429</b>	<b>19,783</b>	<b>19,548</b>	<b>35,038</b>	<b>34,169</b>	<b>59,421</b>	<b>58,291</b>
<b>Liabilities</b>										
<b>Current</b>										
Accounts payable and accrued liabilities	886	883	-	-	9	8	17	34	912	925
Funds held for special purposes - Schedule 5	297	270	-	-	-	-	-	-	297	270
Funds held for Diocesan Growth Fund (Note 8)	125	161	-	-	-	-	-	-	125	161
Interfund balances	-	96	-	120	88	87	90	90	178	303
	<b>1,308</b>	<b>1,410</b>	-	<b>120</b>	<b>97</b>	<b>95</b>	<b>107</b>	<b>34</b>	<b>1,512</b>	<b>1,659</b>
Funds held for parishes - Schedule 1	-	-	-	-	-	-	27,398	26,912	27,398	26,912
Funds held for the Diocese - Schedule 2	-	-	-	-	-	-	19,112	18,632	19,112	18,632
Less: Funds shown in separate funds - Schedule 2	-	-	-	-	-	-	(11,579)	(11,409)	(11,579)	(11,409)
	<b>1,308</b>	<b>1,410</b>	-	<b>120</b>	<b>97</b>	<b>95</b>	<b>35,038</b>	<b>34,169</b>	<b>36,443</b>	<b>35,794</b>
<b>Commitments (Note 9)</b>										
Fund Balances	10	20	-	-	-	-	-	-	10	20
Invested in equipment	521	315	-	-	-	-	-	-	521	315
Unrestricted funds	531	335	-	-	-	-	-	-	531	335
Capital funds - internally restricted	400	400	1,819	1,755	19,686	19,453	-	-	21,505	21,208
General funds - internally restricted	931	735	542	554	-	-	-	-	942	954
	<b>2,239</b>	<b>2,145</b>	<b>2,361</b>	<b>2,309</b>	<b>19,686</b>	<b>19,453</b>	<b>35,038</b>	<b>34,169</b>	<b>59,421</b>	<b>58,291</b>

APPROVED ON BEHALF OF THE DIOCESE:



Treasurer



Officer

The accompanying notes are an integral part of these financial statements.

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**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Statement of Income and Expenses and Changes in Fund Balances**  
For the Year Ended 31 December 2016

	General Fund		Anglican Initiatives Fund		Property Fund		Consolidated Trust Fund			Total
	2016	2015	2016	2015	2016	2015	2016	2015	2016	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>										
Parish commitment	2,266	2,174	-	-	-	-	-	-	2,266	2,174
Income from marketable securities	88	106	127	202	458	784	-	-	673	1,092
Miscellaneous and other	280	177	-	-	203	504	-	-	483	681
Funds held for the Diocese	-	-	-	-	-	-	348	1,096	348	1,096
Unrealized gain (loss) on marketable securities	18	(17)	56	(89)	222	(299)	-	-	296	(405)
Funds held for Special Purposes										
- Schedule 5	281	174	-	-	-	-	-	-	281	174
Donations and bequests	136	77	64	3	-	-	-	-	200	80
Diocesan Growth Fund (Note 8)	194	154	-	-	-	-	-	-	194	154
Interest on other loans	1	1	-	-	66	105	-	-	67	106
	<b>3,264</b>	<b>2,846</b>	<b>247</b>	<b>116</b>	<b>949</b>	<b>1,094</b>	<b>348</b>	<b>1,096</b>	<b>4,808</b>	<b>5,152</b>
<b>Expenses</b>										
Diocesan Administration	971	1,021	-	-	-	-	-	-	971	1,021
Diocesan Ministries	663	551	-	-	-	-	-	-	663	551
Mission work outside Diocese	625	624	-	-	-	-	-	-	625	624
Property Fund expenses and grants	-	-	-	-	494	555	-	-	494	555
Other Diocesan disbursements	345	298	116	132	-	-	-	-	461	430
Funds held for the Diocese	-	-	-	-	-	-	222	970	222	970
Funds Held for Special Purposes										
- Schedule 5	281	174	-	-	-	-	-	-	281	174
Outreach Mission and Programs	218	216	-	-	-	-	-	-	218	216
Ministry Development	198	193	-	-	-	-	-	-	198	193
Diocesan Growth Fund (Note 8)	194	154	-	-	-	-	-	-	194	154
	<b>3,495</b>	<b>3,231</b>	<b>116</b>	<b>132</b>	<b>494</b>	<b>555</b>	<b>222</b>	<b>970</b>	<b>4,327</b>	<b>4,888</b>
<b>Excess (deficiency) of income over expenses</b>	<b>(231)</b>	<b>(385)</b>	<b>131</b>	<b>(16)</b>	<b>455</b>	<b>539</b>	<b>126</b>	<b>126</b>	<b>481</b>	<b>264</b>
<b>Fund balances - beginning of year</b>	<b>735</b>	<b>727</b>	<b>2,309</b>	<b>2,384</b>	<b>19,453</b>	<b>19,122</b>	<b>-</b>	<b>-</b>	<b>22,497</b>	<b>22,233</b>
	<b>504</b>	<b>342</b>	<b>2,440</b>	<b>2,368</b>	<b>19,908</b>	<b>19,661</b>	<b>126</b>	<b>126</b>	<b>22,978</b>	<b>22,497</b>
<b>Interfund transfers (Note 15)</b>	<b>427</b>	<b>393</b>	<b>(79)</b>	<b>(59)</b>	<b>(222)</b>	<b>(208)</b>	<b>(126)</b>	<b>(126)</b>	<b>-</b>	<b>-</b>
<b>Fund balances - end of year</b>	<b>931</b>	<b>735</b>	<b>2,361</b>	<b>2,309</b>	<b>19,686</b>	<b>19,453</b>	<b>-</b>	<b>-</b>	<b>22,978</b>	<b>22,497</b>
	<b>400</b>	<b>400</b>								
	<b>531</b>	<b>335</b>								
	<b>931</b>	<b>735</b>								

Restricted  
Unrestricted

The accompanying notes are an integral part of these financial statements.



**ROLFE, BENSON LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**

**Statement of Cash Flows**  
For the Year Ended 31 December 2016

	General Fund 2016	Anglican Initiatives Fund 2016	Property Fund 2016	Consolidated Trust Fund 2016	Total 2016	Total 2015
	\$	\$	\$	\$	\$	\$
<i>in thousands of dollars</i>						
<b>Cash provided for (used in):</b>						
<b>Operating activities</b>						
Excess (deficiency) of income over expenses	(231)	131	455	126	481	264
Add (deduct) non-cash items:						
Unrealized loss (gain) on marketable securities	(18)	(56)	(222)	-	(296)	405
Reinvested income from marketable securities	(88)	(127)	(458)	-	(673)	(1,092)
Decrease (increase) in cash surrender value of life insurance policies	-	2	(2)	-	-	2
Leasehold improvement allowance	-	-	-	-	-	(6)
Leasehold improvement write-off	-	-	-	-	-	2
Amortization	10	-	144	-	154	77
	<u>(327)</u>	<u>(50)</u>	<u>(83)</u>	<u>126</u>	<u>(334)</u>	<u>(348)</u>
Changes in non-cash working capital balances						
Accounts receivable	(42)	-	-	237	195	(419)
Prepaid expenses	23	-	-	-	23	(38)
Accounts payable and accrued liabilities	3	-	1	(17)	(13)	124
Funds held for Special Purposes	27	-	-	-	27	127
Funds held for Diocesan Growth Fund	(36)	-	-	-	(36)	7
	<u>(352)</u>	<u>(50)</u>	<u>(82)</u>	<u>346</u>	<u>(138)</u>	<u>(547)</u>
<b>Investing activities</b>						
Purchase of equipment and leasehold improvements	-	-	(180)	-	(180)	(1,910)
Net loan repayments from (to) parishes	(31)	-	-	-	(31)	(118)
Net loan repayments from (to) others	-	-	4	-	4	(88)
Net change in marketable securities	-	-	-	(1,613)	(1,613)	1,098
Net change in funds held for parishes	-	-	-	486	486	974
Net change in funds held for the Diocese	-	-	-	480	480	(1,732)
Net change in funds shown in separate funds	71	249	479	-	799	2,221
Interfund transfers	427	(79)	(222)	(126)	-	-
	<u>467</u>	<u>170</u>	<u>81</u>	<u>(773)</u>	<u>(55)</u>	<u>445</u>
<b>Financing activities</b>						
Net change in interfund balances	(274)	(120)	1	393	-	-
<b>Net increase (decrease) in cash</b>	<u>(159)</u>	<u>-</u>	<u>-</u>	<u>(34)</u>	<u>(193)</u>	<u>(102)</u>
<b>Cash - beginning of year</b>	<u>327</u>	<u>-</u>	<u>-</u>	<u>597</u>	<u>924</u>	<u>1,026</u>
<b>Cash - end of year</b>	<u>168</u>	<u>-</u>	<u>-</u>	<u>563</u>	<u>731</u>	<u>924</u>

The accompanying notes are an integral part of these financial statements.



**ROLFE, BENSON LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

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**1. Organization**

(a) The Synod of The Diocese of New Westminster ("the Diocese") was incorporated on 18 April 1893 by way of an act of the Legislative Assembly of British Columbia. The Diocese is a registered charity and is exempt from income tax.

(b) The mission statement of the Diocese, approved at the 2002 Synod, is as follows:

"In our call to follow Jesus Christ, the Anglican Diocese of New Westminster enables parishes in their ministries as Gospel People; empowers leadership for the common ministries we can undertake more effectively together; and serves God, the wider church and the world."

**2. Summary of Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Revenue Recognition

The Diocese follows the restricted fund method of accounting for the Anglican Initiatives Fund and the Property Fund. Restricted gifts and bequests are recognized as revenue of the appropriate fund in the year in which they are received. Unrestricted gifts and bequests are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. The General Fund and the Consolidated Trust Fund follow the deferral method of accounting for revenue. Externally restricted revenues are deferred on the statement of financial position and recognized as revenue in the year the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Investment income from the investment portfolio held in the Consolidated Trust Fund includes dividend and interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on held for trading financial assets are included in investment income and recognized as revenue in the statement of operations or deferred, depending on the nature of any external restrictions imposed on the investment income. Externally restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

(b) Equipment

Equipment is recorded at cost and amortized over its estimated useful life on a straight-line basis as follows:

Office equipment	4 years
Computer equipment	3 years

Leasehold improvements are amortized on a straight-line basis over the twenty year term of the lease which ends on 30 June 2034.



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**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

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**2. Summary of Significant Accounting Policies - continued**

(c) Properties

Properties are recorded in the Property Fund at cost when it is readily determinable. Properties include land and buildings of certain parishes both active and closed.

(d) Long-Term Investments

The Diocese records its long-term portfolio of investments in the Consolidated Trust Fund at market value.

(e) Basis of Presentation - Related Parties

The Mission to Seafarers in the Diocese of New Westminster, which is controlled by the Diocese as it approves the annual appointment of The Board of Directors, is not consolidated in the Diocesan financial statements. The Diocese reports the most recent financial information of the Mission in Note 13.

(f) 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, liabilities, income and expenses and disclosure of contingencies at the date of the statement of financial position. Significant items requiring the use of management estimates include the determination of amortization periods related to equipment and leasehold improvements, and recognition of accrued liabilities. Actual results could differ from those estimates.

(g) Cash and Cash Equivalents

The Diocese records its bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity of three months or less from the date of acquisition.

(h) Pension Plan

The Diocese and its employees contribute to a defined contribution multi-employer pension plan (the "Plan") administered by the Pension Office Corporation of the Anglican Church of Canada. The Plan provides pension based on length of service and final average earnings. As the assets and liabilities of the Plan are not segregated by member, the Plan is accounted for as a defined contribution plan and any contributions of the Diocese to the Plan are expensed as incurred.

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**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

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**2. Summary of Significant Accounting Policies - continued**

**(i) Financial Instruments**

**(i) Measurement of Financial Instruments**

The Diocese initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Diocese subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market and fixed income securities, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable, loans to parishes, and loans to parishes and others.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Diocese's financial assets measured at fair value include short term investments, cash surrender value of life insurance policies, mortgage pension trust units, stocks and bonds which are comprised of equity instruments quoted in an active market and fixed income securities.

**(ii) Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. 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, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

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**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

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**3. Fund Descriptions**

(a) General Fund

The General Fund accounts for the general operations of the Diocese. Beginning in 2015, the amount of leasehold improvements and related amortization, at 1410 Nanton Avenue, is reported in the Property Fund.

Also reported in the General Fund are the following internally restricted funds:

(i) Diocesan Growth Fund

Established in 1996 to support existing and new parishes, primarily to enable parishes to initiate new growth ventures and secondarily to offset negative effects experienced as a result of the nature of the Diocesan funding formula.

(ii) Funds Held for Special Purposes

The Funds Held for Special Purposes record receipts and expenditures and transfers for a variety of designated purposes as detailed in Schedule 5.

(b) Anglican Initiatives Fund

The Anglican Initiatives Fund holds the internally restricted monies retained from the initial capital campaign, plus those received from specific and all non-specified bequests on an ongoing basis. Approval of the expenditure of these funds, the Gordon Allen Benjafield Fund, the Lewis Memorial Fund, and the M.S. Denby Fund are made by the Anglican Initiatives Fund administrators.

(c) Property Fund

The Property Fund acts as a repository for internally restricted monies from the sale of Diocesan properties and closed parishes. Proceeds from property sales are added to the fund, and are used for leasehold improvements and other major capital purchases of the Diocesan office, and for loans and grants to parishes.

(d) Consolidated Trust Fund

This internally restricted fund holds the investment portfolio that is utilized for parish investments and special purpose Diocesan funds. The Diocesan Administration and Finance Committee invests the monies with advice from professional investment counsellors, currently Phillips, Hager & North.

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

**4. Equipment**

	Cost		Accumulated Amortization		Net Book Value	
	2016	2015	2016	2015	2016	2015
Office equipment	\$ 33,489	\$ 11,197	\$ 27,721	\$ 5,768	\$ 5,768	\$ 11,197
Computer equipment	44,818	9,045	40,739	4,079	4,079	9,045
Equipment - General Fund	78,307	20,242	68,460	9,847	9,847	20,242
Equipment - Property Fund	118,239	-	29,342	88,897	88,897	-
	<u>\$ 196,546</u>	<u>\$ 20,242</u>	<u>\$ 97,802</u>	<u>\$ 98,744</u>	<u>\$ 98,744</u>	<u>\$ 20,242</u>

**5. Leasehold Improvements**

	Cost		Accumulated Amortization		Net Book Value	
	2016	2015	2016	2015	2016	2015
Diocesan office at 1410 Nanton Avenue, Vancouver, BC	\$ 1,910,084	\$ 1,799,989	\$ 149,359	\$ 1,760,725	\$ 1,760,725	\$ 1,799,989
Diocesan Archives	259,806	252,969	20,511	239,295	239,295	252,969
	<u>\$ 2,169,890</u>	<u>\$ 2,052,958</u>	<u>\$ 169,870</u>	<u>\$ 2,000,020</u>	<u>\$ 2,000,020</u>	<u>\$ 2,052,958</u>

**6. Life Insurance Policies**

The Diocese holds eight life insurance policies, each of which names the Diocese as the beneficiary.

	Anglican Initiatives Fund		Property Fund		2016		2015	
	2016	2015	2016	2015	2016	2015	2016	2015
Prepaid premiums	\$ -	\$ 207,360	\$ 207,360	\$ 207,360	\$ 207,360	\$ 207,360	\$ 207,360	\$ 207,360
Cash surrender value	48,378	25,702	74,080	74,122	74,080	74,122	74,122	74,122
	<u>\$ 48,378</u>	<u>\$ 233,062</u>	<u>\$ 281,440</u>	<u>\$ 281,482</u>	<u>\$ 281,440</u>	<u>\$ 281,482</u>	<u>\$ 281,482</u>	<u>\$ 281,482</u>

**7. Property Held for Resale**

Subsequent to year end, the Diocese has renewed the contract for the sale of the St. Monica Church property. The sale is subject to the purchaser performing a satisfactory feasibility study for redevelopment on or before 28 May 2018. The gain on the sale of this property will be recognized in the 2018 fiscal year.

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
For the Year Ended 31 December 2016

**8. Diocesan Growth Fund**

	2016	2015
Fund balance - General Fund - beginning of year	\$ 160,530	\$ 154,194
Contributions from parishes	159,132	159,918
Grants to parishes and youth initiatives	(98,629)	(88,129)
Excess (deficiency) of contributions over grants	60,503	71,789
Transfer to General Fund		
- assessment cap	(95,735)	(65,453)
<b>Fund balance - General Fund - end of year</b>	<b>\$ 125,298</b>	<b>\$ 160,530</b>

Grants to parishes of \$98,629 and transfers of \$95,735 totalling \$194,364 (2015 - \$153,582) have been recorded as Diocesan Growth Fund revenue and as Diocesan Growth Fund expense.

**9. Commitments**

The Diocese has entered into a lease agreement for office premises at 1410 Nanton Avenue, Vancouver, BC which commenced on 1 July 2014 and provides for one renewal option through to the end of lease term of 30 June 2044. The minimum annual payments required by these leases over the next five years are as follows:

2017	\$ 100,000
2018	100,000
2019	100,000
2020	100,000
2021	100,000
	<b>\$ 500,000</b>

In addition, the Diocese is responsible for annual operating costs which have not been included above.

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

**10. Grants / Forgivable Loans**

Grants/forgivable loans are issued to provide financial support in instances where parish resources and loans are insufficient to bring a project to completion, without putting unreasonable strain on the life of the parish.

Provided the conditions of the loan are not breached, then:

- (a) for loans up to and including \$200,000 an amount of 10% per year will be forgiven for each full year; and
- (b) for amounts over \$200,000 loans will be forgiven at an amount of \$20,000 per year until they are totally forgiven.

Grants/forgivable loans, which include multiple loans with multiple terms, issued by the Diocese outstanding at 31 December 2016 are as follows:

	Original Loan Amount	Balance 2015	New Loans	Net Forgiven in 2016	Balance 2016
	\$	\$	\$	\$	\$
All Saints - Agassiz	40,000	23,921	-	4,554	19,367
St. Dunstan - Aldergrove	540,467	259,747	-	24,880	234,867
St. George - Fort Langley	50,000	5,000	-	5,000	-
St. John - North Vancouver	287,445	118,579	-	13,494	105,085
St. John - Squamish	22,190	13,314	-	2,219	11,095
	<u>940,102</u>	<u>420,561</u>	<u>-</u>	<u>50,147</u>	<u>370,414</u>

New loans each year are recorded as property fund expenses and grants.

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**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

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**11. Financial Instruments**

The Diocese is exposed to various risks through its financial instruments. The following analysis provides a measure of the Diocese's (and Parishes/Related Groups to the extent of their investments in the Consolidated Trust Fund (Schedule 1), risk exposure and concentrations at the statement of financial position date, 31 December 2016.

(a) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Diocese is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and funds held for parishes. The Diocese reduces its exposure to liquidity risk by ensuring it documents when authorized payments become due; monitors and manages its cash and investment balance to ensure adequate cash flow is available to repay trade creditors as payments become due. As at the financial position date, the Diocese has working capital of \$881,000 (2015 - \$1.407 million).

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Diocese's financial assets that are exposed to credit risk consist primarily of cash, investments, accounts receivable, and short and long term loans receivable. Cash and investments are deposited with federally regulated, credit worthy financial institutions. The Diocese has a geographical concentration of credit risk for accounts receivable and loans receivable due to its operations being primarily in British Columbia. Accounts receivable are non-interest bearing and are generally due in 30 to 90 days. Loans receivable are interest bearing and the majority of them are secured by mortgage. Assessment for uncollectible accounts and loans are performed by management and provided for. There has been no change to the risk exposure from 2015. The Diocese provides credit to its parishes and others in the normal course of operations.

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk, currency risk and other price risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Diocese is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Diocese to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

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**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

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**11. Financial Instruments - continued**

(e) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 21% of the Diocese's marketable investments are denominated in a foreign currency. Consequently, some assets are exposed to foreign exchange fluctuations.

(f) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Diocese is exposed to other price risk through its investments in publicly traded shares.

**12. Pension Plans**

The Diocese participates in a defined contribution multi-employer pension plan (the "Plan") administered by the Pension Office Corporation of the Anglican Church of Canada. The plan covers clergy and lay employees who work over 20 hours per week.

The Plan provides pension based on length of service and final average earnings. The annual funding requirements are determined in consultation with the actuaries to provide long-term stability of the Plan.

The Diocese contributes 11.9% (2015 - 11.9%) and the employees contribute 5.3% (2015 - 5.3%) of their remuneration to the Plan. The Diocese also contributes to a pension held with The Episcopal Church Pension Plan.

Plan expenses of the Diocese for the year ended 31 December 2016 amounted to \$164,990 (2015 - \$181,389).

Parishes also contribute to the Plan, at the same employer / employee contribution rates, for their clergy and lay employees who work over 20 hours per week.



**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2016**

**13. The Mission to Seafarers in the Diocese of New Westminster**

The Mission to Seafarers in the Diocese of New Westminster (the "Mission") was incorporated under the Society Act of British Columbia on 2 February 1973 and is registered as a charitable organization under the Income Tax Act of Canada.

The Mission provides a "home away from home" to promote the spiritual, moral and physical well-being of seafarers from all over the world. The services include free pick-up from and return to their vessels, reading rooms, canteen, long-distance telephone service, television, chapel and the friendship of volunteers.

The Mission receives annual financial support from the Diocese in the amount of \$14,000 (2015 - \$14,000).

As at the report date, 2016 financial information is unavailable. The following is a summary of the unaudited financial statements of the Mission as at and for the year ended 31 December 2015:

<b>Statement of Financial Position</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Current	\$ 706,570	\$ 774,033
<b>Capital assets</b>	100,186	112,947
	\$ 806,756	\$ 886,980
<b>Liabilities</b>		
Current	\$ 109,009	\$ 144,891
<b>Net assets</b>		
Investment in capital assets	10,868	7,870
Internally restricted	458,228	435,342
Unrestricted net assets	228,651	298,877
	697,747	742,089
	\$ 806,756	\$ 886,980

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Notes to the Financial Statements**  
For the Year Ended 31 December 2016

**13. The Mission to Seafarers in the Diocese of New Westminster - continued**

<b>Statement of Revenues and Expenses</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>	\$ 743,370	\$ 1,080,958
<b>Expenses</b>	787,712	662,616
<b>Excess (deficiency) of revenues over expenses</b>	\$ (44,342)	\$ 418,342
 <b>Statement of Cash Flows</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ (44,342)	\$ 418,342
Net change in non-cash working capital items	(22,752)	(4,891)
	(67,094)	413,451
<b>Investing activities</b>	58,382	(367,000)
<b>Net increase (decrease) in cash</b>	(8,712)	46,451
<b>Cash - beginning of year</b>	182,133	135,682
<b>Cash - end of year</b>	\$ 173,421	\$ 182,133

**14. Comparative Figures**

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2016 financial statements.

**15. Interfund Transfers**

These are funds transferred from the Anglican Initiatives Fund, Property Fund and Consolidated Trust Fund to the General Fund to support various operating activities.

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Schedule 1 - Funds Held For the Parishes/Related Groups**  
For the Year Ended 31 December 2016

	Balance 31 December 2015	Deposits	Withdrawals	Net Change in Market Value	Payments and Transfers	Balance 31 December 2016
	\$	\$	\$	\$	\$	\$
<b>Funds held for Parishes/Related groups</b>						
Abbeyfield House St. David Society	60,374	88,247	(5,008)	9,147	-	152,760
All Saints - Agassiz	11,091	5,000	-	968	-	17,059
All Saints - Burnaby	277,585	-	(26,400)	22,419	-	273,604
All Saints - Ladner	253,988	61,450	(13,600)	24,401	-	326,239
All Saints - Mission	131,235	-	(18,000)	9,928	-	123,163
Anglican Church Women - DNW	990,680	-	(49,500)	80,468	-	1,021,648
Anglican Provincial Synod	206,283	13,000	-	17,812	-	237,095
Camp Artaban Society	39,052	-	(464)	3,231	-	41,819
Christ Church - Hope	77,410	94	-	6,510	-	84,014
Christ Church Cathedral	1,266,923	-	-	106,410	-	1,373,333
Christ The Redeemer	17,922	-	(7,599)	783	-	11,106
Good Shepherd	154,806	-	-	13,002	-	167,808
Holy Cross	150,501	-	(25,000)	1,108	-	126,609
Holy Spirit (formerly St. John - Whonnock)	49,487	300	(4,910)	3,837	-	48,714
Holy Trinity - Vancouver	115,478	-	-	9,699	-	125,177
Holy Trinity - White Rock	53,228	-	(53,282)	54	-	-
Holy Trinity Cathedral	512,015	-	(63,873)	40,154	-	488,296
Mission to Seafarers	429,330	-	-	36,076	-	465,406
Pender & Saturna Island Parish	59,788	-	-	5,022	-	64,810
St. Agnes	681,193	-	(135,000)	54,763	-	600,956
St. Alban - Burnaby	887,167	-	(8,000)	74,013	-	953,180
St. Alban - Richmond	583,552	-	(75,925)	46,256	-	553,883
St. Anne - Richmond	316,499	-	-	26,583	-	343,082
St. Anselm - Rectory	1,832,776	-	(66,917)	144,567	-	1,910,426
St. Augustine	184,754	-	-	15,518	-	200,272
St. Barnabas	16,687	-	(2,500)	1,383	-	15,570
St. Bartholomew	1,536	-	-	129	-	1,665
St. Catherine - North Vancouver	21,696	500	(2,187)	1,663	-	21,672
St. Catherine - Port Coquitlam	576,312	-	(73,000)	45,570	-	548,882
St. Chad	770,573	-	(28,000)	63,878	-	806,451
St. Christopher	105,093	-	(35,605)	8,632	-	78,120
St. Clement	290,773	14,603	-	25,444	-	330,820
St. David - Delta	889,015	-	(61,295)	72,008	-	899,728
St. David and St. Paul	364,515	-	(50,000)	29,531	-	344,046
St. Faith	2,696,318	-	(125,848)	220,901	-	2,791,371
St. George	-	7,000	-	17	-	7,017
St. Helen - Surrey	31,914	-	(5,000)	2,609	-	29,523
St. Helen - Vancouver	109,287	-	(5,000)	9,163	-	113,450
St. Hilda	201,965	-	-	16,964	-	218,929
St. John - Maple Ridge	209,054	-	(55,000)	16,662	-	170,716
St. John - Port Moody	99,420	-	-	7,894	67,035	174,349
St. John - Shaughnessy	3,396,163	2,814	(286,740)	235,305	-	3,347,542
St. Margaret - Burnaby	67,385	-	-	(350)	(67,035)	-
St. Margaret - Vancouver	142,793	68,000	(88,770)	8,783	-	130,806
St. Martin - North Vancouver	366,772	-	(50,000)	29,609	-	346,381
St. Mary - Kerrisdale	2,502,517	-	(179,370)	207,051	-	2,530,198
St. Mary Magdalene (formerly St. George)	794,362	-	(23,000)	64,677	-	836,039
St. Matthias / St. Luke	669,820	-	(91,300)	53,828	-	632,348
St. Paul	569,387	-	-	47,823	-	617,210
St. Philip	1,691,778	-	(32,900)	140,655	-	1,799,533
St. Stephen The Martyr	222,195	8,263	(10,000)	18,928	-	239,386
St. Timothy	761,601	-	(160,000)	53,759	-	655,360
	26,912,048	269,271	(1,918,993)	2,135,245	-	27,397,571

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**

**Schedule 2 - Funds Held For the Diocese**

For the Year Ended 31 December 2016

	Balance 31 December 2015	Deposits	Withdrawals	Transfers	Net Change in Market Value	Balance 31 December 2016
	\$	\$	\$	\$	\$	\$
<b>Funds held for the Diocese</b>						
ACCRC - Return of Fund	173,266	-	-	(187,819)	14,553	-
Anglican Initiatives Fund	2,378,537	63,947	(314,018)	-	184,543	2,313,009 AIF
Archdeacon Thompson Fund	9,101	50	(1,000)	-	762	8,913
Archdeaconry Endowment Fund	244,360	-	(7,561)	-	20,247	257,046
Archives Surplus Fund	80,226	25,000	(23,670)	-	6,902	88,458 PF
Bishopric Endowment Fund	288,093	-	(8,915)	-	23,872	303,050
Burwell Estate	1,014,088	-	-	(77,752)	83,707	1,020,043
Christ Church Cemetery - Surrey	102,979	293	(10,000)	-	8,026	101,298
Conway, John Fund	54,661	-	(2,000)	-	4,379	57,040
Cursillo In Trust	4,249	-	(40)	-	355	4,564
Deacon's Continuing Education	85,676	14,350	(10,272)	-	7,256	97,010
Deposit - Sale of Property	9,971	18,000	-	-	2,746	30,717
Development Fund	580,517	-	(49,821)	97,166	49,848	677,710
Development Fund - Murrin	170,564	-	(12,999)	18,779	14,328	190,672
Diaconal Education and Formation	8,090	120	(393)	-	677	8,494
Diocesan Growth Fund	99,260	-	(3,072)	-	8,225	104,413 GF
Diocesan Housing Fund	526,074	-	(20,000)	-	43,291	549,365 PF
Diocesan Indigenous Ministry Fund (formerly Columbia Coast Mission)	359,335	-	(813)	187,819	30,112	576,453
Diocesan Mission Endowment Fund	6,975	-	(215)	-	578	7,338
Diocesan Property Fund	1,197,806	24,578	-	-	101,465	1,323,849 PF
Diocesan Property Fund - Small Est.	249,627	-	-	-	20,979	270,606 PF
E.D. Farmer Fund	1,404,511	-	(76,898)	-	114,825	1,442,438
F.J. Burd Pension Augment. Fund	395,416	-	(21,000)	-	32,258	406,674
General Fund	537,523	-	(16,634)	-	44,540	565,429 GF
General Synod	13,016	4,000	(13,904)	-	619	3,731
Gordon Allen Benjafield Fund	353,153	-	(12,263)	-	29,234	370,124
Justice & Peace	40,263	-	(1,246)	-	3,336	42,353 GF
Lambeth Conference 2018	37,877	5,500	-	-	3,430	46,807
Lewis Memorial Fund	1,248,322	-	(77,018)	-	101,575	1,272,879
M. Crane - Williams Estate	1,441	-	(44)	-	118	1,515
M. Cross Fund	7,273	-	(225)	-	602	7,650
M. Sloan Estate	29,559	-	(915)	-	2,449	31,093
M.S. Denby Fund	111,267	-	(6,492)	-	8,800	113,575
Martin Fund	11,019	-	(1,000)	-	819	10,838
Mary Lou Kyle Fund	10,503	-	-	-	882	11,385
New Development Fund	6,299,585	241,955	(727,655)	-	507,513	6,321,398 PF
Newell Fund	16,649	-	-	-	1,398	18,047
Parker Fund	23,832	-	(6,000)	-	1,582	19,414
Short Term Disability Fund	119,194	1,838	(8,088)	-	9,689	122,633
Sites and Buildings Fund	83,814	-	-	(19,414)	5,600	70,000
Two Feathers Fund	15,770	1,000	(3,000)	-	1,046	14,816
W.G. Murrin Fund	229,000	-	-	(18,779)	18,779	229,000
	<b>18,632,442</b>	<b>400,631</b>	<b>(1,437,171)</b>	<b>-</b>	<b>1,515,945</b>	<b>19,111,847</b>

Reported on Statement of Financial Position

677,046	General Fund ("GF")	712,195
2,378,537	Anglican Initiatives Fund ("AIF")	2,313,009
8,353,318	Property Fund ("PF")	8,553,676
<b>11,408,901</b>		<b>11,578,880</b>

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Schedule 3 - General Fund - Loans to Parishes**  
**For the Year Ended 31 December 2016**

	Balance 31 December 2015	New Loans / Transfers	Interest	Repayment	Balance 31 December 2016
<b>Parish Loan Fund</b>					
Holy Spirit	\$ 1,168	\$ -	\$ 11	\$ (1,179)	\$ -
Holy Trinity VCR	-	12,510	-	-	12,510
St. Alban - Burnaby	6,931	-	111	(7,042)	-
St. Anselm	29,290	-	-	-	29,290
St. Barnabas	-	11,920	340	(2,472)	9,788
St. Helen - Surrey	8,006	-	253	(2,393)	5,866
St. John Squamish	-	46,380	992	(21,356)	26,016
St. Michael - Surrey	6,967	-	-	(6,967)	-
	<u>52,362</u>	<u>70,810</u>	<u>1,707</u>	<u>(41,409)</u>	<u>83,470</u>

Parish Loan Fund terms and conditions :

First \$15,000: Interest at 3%; maximum term, 3 years  
Next \$20,000: Interest at 6%; maximum term, 4 years  
Maximum loan to a parish is \$35,000  
General Fund aggregate loan maximum is \$400,000

**Other**

Christ the Redeemer	121,823	-	-	-	121,823
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	<u>\$ 174,185</u>	<u>\$ 70,810</u>	<u>\$ 1,707</u>	<u>\$ (41,409)</u>	<u>\$ 205,293</u>
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Current portion	\$ 18,169	\$ 11,671
Long-term portion	<u>156,016</u>	<u>193,622</u>
	<u>\$ 174,185</u>	<u>\$ 205,293</u>

There were new loans of \$12,510 in 2016 (2015 - \$128,790). Loans to St. Barnabas and St. John Squamish were transferred in from the Property Fund - Loans to Parishes and Others (Schedule 4). The interest on loans is reduced or waived in certain circumstances as approved by Diocesan Council.

The other loan is non interest bearing and has no specific repayment terms.

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Schedule 4 - Property Fund - Loans to Parishes and Others**  
**For the Year Ended 31 December 2016**

	Balance 31 December 2015	New Loans	Interest	Transfers / Repayment/ Amounts Forgiven	Balance 31 December 2016
Christ the Redeemer - Surrey	\$ 368,426	\$ -	\$ -	\$ -	\$ 368,426
Holy Trinity Cathedral	758,816	-	-	-	758,816
Holy Trinity Vancouver	-	17,020	-	-	17,020
Housing Loans	24,193	-	384	(24,577)	-
St. Barnabas - New Westminster	11,920	-	-	(11,920)	-
St. George - Maple Ridge	497,344	-	-	(8,000)	489,344
St. John - Squamish	46,380	-	-	(46,380)	-
St. Mark - Vancouver	915,202	3,563	60,142	-	978,907
St. Monica - Horseshoe Bay	89,672	-	5,546	-	95,218
	<u>2,711,953</u>	<u>20,583</u>	<u>66,072</u>	<u>(90,877)</u>	<u>2,707,731</u>
Current portion	\$ 154,034				\$ 20,000
Long-term portion	<u>2,557,919</u>				<u>2,687,731</u>
	<u>\$2,711,953</u>				<u>\$ 2,707,731</u>

Terms and conditions:

Interest rates of up to 6.0% per annum, varying principal repayment terms, secured by charges on certain properties. Interest rates on loans are reduced or waived in certain circumstances as approved by Diocesan Council.

There were new loans of \$17,020 in 2016 (2015 - \$52,170). Loans to St. Barnabas and St. John Squamish were transferred to the General Fund - Loans to Parishes (Schedule 3).

No amounts were forgiven during the year.

**THE SYNOD OF THE DIOCESE OF NEW WESTMINSTER**  
**Schedule 5 - General Fund - Funds Held for Special Purposes**  
**For the Year Ended 31 December 2016**

	Balance 31 December 2015	Receipts/ Transfers In	Expenses/ Transfers Out	Balance 31 December 2016
<b>General Fund</b>				
Anti-Racism Consultation	\$ 16,168	\$ 3,700	\$ 5,680	\$ 14,188
Bishop's Discretionary Fund	20,354	12,686	17,538	15,502
Bishop's Foundation	9,361	1,065	-	10,426
Bishop's Friends Fund	5,082	22,935	3,585	24,432
Bishop's Fund for Refugee Resettlement	63,441	9,321	11,558	61,204
Children & Youth Initiative	21,873	-	21,873	-
Christ Church Cemetery	10,914	104,107	102,805	12,216
Greening Spirit Website	5,530	-	-	5,530
Hidden Legacies Project	32	-	32	-
Indigenous Ministries	3,686	250	-	3,936
International Anglican Women's Network	100	-	-	100
Lay Spiritual Renewal	-	6,350	-	6,350
Morgan Fund Indigenous	-	528	-	528
ODNW Parish Initiatives	-	5,382	-	5,382
Planned Giving Operating Support	3,015	-	-	3,015
Planned Giving Special Projects	18,566	-	-	18,566
Prison Ministry	262	-	-	262
St. James Street Outreach Initiative	60,252	142,411	117,991	84,672
St. Michael Surrey Land Swap	30,000	-	-	30,000
Task Force on Human Resources	1,099	-	-	1,099
	<b>\$ 269,735</b>	<b>\$ 308,735</b>	<b>\$ 281,062</b>	<b>\$ 297,408</b>