

**THE SYNOD OF CENTRAL, NORTHEASTERN  
ONTARIO AND BERMUDA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(UNAUDITED)**

**SMITH, SYKES, LEEPER & TUNSTALL LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS**

**THE SYNOD OF CENTRAL, NORTHEASTERN  
ONTARIO AND BERMUDA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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## REVIEW ENGAGEMENT REPORT

To the Members of,  
The Synod of Central, Northeastern Ontario and Bermuda

We have reviewed the statement of financial position of **The Synod of Central, Northeastern Ontario and Bermuda** as at **December 31, 2016** and the statements of changes in net assets, statements of revenues and expenses and statement of cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Synod's management.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting Standards for Not for Profit Organizations (ASNPO).

Newmarket, Ontario.  
July 14, 2017.

*Smith, Sykes, Leeper & Tunstall LLP*

**CHARTERED PROFESSIONAL ACCOUNTANTS**  
**Licensed Public Accountants**

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2016**  
**(UNAUDITED)**

	2016	2015
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 37,772	\$ 70,625
Cash - internally restricted (Note 3)	2,520	2,520
Short term investments - internally restricted (Note 4)	165,371	150,720
Investment certificates - (Note 5)	70,000	0
Investment certificates - restricted (Note 5)	0	10,131
Due from:		
Presbyteries	0	36,412
Other receivables	1,289	2,222
Prepaid expenses	<u>12,720</u>	<u>12,490</u>
	<b>289,672</b>	<b>285,120</b>
	<b>\$ 289,672</b>	<b>\$ 285,120</b>

<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 6,741	\$ 6,268
Deferred contributions	<u>0</u>	<u>10,131</u>
	<b>6,741</b>	<b>16,399</b>
Net assets internally restricted for Youth Events Fund (Note 3)	2,519	2,519
Net assets internally restricted for Youth Committee Fund (Note 3)	0	0
Net assets internally restricted for Synod Ministries Fund (Note 3)	165,371	150,720
Operating Fund	<u>115,041</u>	<u>115,482</u>
	<b>282,931</b>	<b>268,721</b>
	<b>\$ 289,672</b>	<b>\$ 285,120</b>

Approved on Behalf of the Synod Executive Committee,

\_\_\_\_\_, Director.

\_\_\_\_\_, Director.

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

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

	2016				2015	
NET ASSETS	Restricted for Youth Events Fund	Restricted for Youth Committee Fund	Restricted for Synod Ministries Fund	Operating Fund	Total	Total
Balance, beginning of the year	\$ 2,519	\$ 0	\$ 150,720	\$ 115,482	\$ 268,721	\$ 268,681
Excess of revenue over expenses	0	0	9,145	5,065	14,210	40
Internally imposed restrictions (Note 4)	0	0	5,506	(5,506)	0	0
<b>Balance, end of the year</b>	<b>\$ 2,519</b>	<b>\$ 0</b>	<b>\$ 165,371</b>	<b>\$ 115,041</b>	<b>\$ 282,931</b>	<b>\$ 268,721</b>

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**STATEMENT OF REVENUES AND EXPENSES**  
**OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

	2016	2015
<b>REVENUE</b>		
Presbyteries (Note 6)	\$ 269,683	\$ 277,374
Interest and other income	<u>12,116</u>	<u>738</u>
	281,799	278,112
Regional staffing grants:		
Life and Mission	<u>64,647</u>	<u>64,647</u>
	<b>346,446</b>	<b>342,759</b>
<b>EXPENSES</b>		
Regional staff - salary and benefits	167,494	161,706
Camp Board	127,606	131,000
Regional staff - expenses	20,005	21,334
Synod annual meeting	6,475	7,845
Executive committee	7,658	7,669
Insurance	4,030	4,126
Professional fees	3,550	3,650
Miscellaneous	1,262	1,390
Clerk and secretarial	1,022	1,098
PYPS grants	1,000	1,000
Regional consultative committee	931	981
Ministry	113	170
Synod Commissions	<u>235</u>	<u>0</u>
	<b>341,381</b>	<b>341,969</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>		
<b>FOR THE YEAR</b>	<b>\$ 5,065</b>	<b>\$ 790</b>

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

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**STATEMENT OF REVENUES AND EXPENSES**  
**SYNOD MINISTRIES FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

	2016	2015
<b>REVENUE</b>		
Gain on investments	9,145	0
	<b>9,145</b>	<b>0</b>
<b>EXPENSES</b>		
	<b>0</b>	<b>0</b>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 9,145</b>	<b>\$ 0</b>

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

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**STATEMENT OF REVENUES AND EXPENSES**  
**YOUTH COMMITTEE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

	2016	2015
<b>REVENUE</b>		
	\$ 0	\$ 0
<b>EXPENSES</b>		
Other	0	750
	0	750
<b>EXCESS OF REVENUE OVER EXPENSES</b>		
<b>FOR THE YEAR</b>	\$ 0	\$ (750)

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

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**STATEMENT OF REVENUES AND EXPENSES**  
**YOUTH EVENTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

	2016	2015
<b>REVENUE</b>		
	\$ 0	\$ 0
<b>EXPENSES</b>		
	0	0
<b>EXCESS OF REVENUE OVER EXPENSES</b>		
<b>FOR THE YEAR</b>	\$ 0	\$ 0

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

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

	2016	2015
<b>CASH PROVIDED BY (USED FOR) OPERATIONS</b>		
Excess of revenue over expenses for the year	\$ 14,210	\$ 40
<b>Changes in operating working capital</b>		
Investment certificates	(59,869)	79,676
Accounts receivable	37,345	(19,562)
Prepaid expenses	(230)	(1,434)
Accounts payable and accrued expenses	<u>473</u>	<u>918</u>
	<u>(22,281)</u>	<u>59,598</u>
<b>CASH (USED FOR) PROVIDED BY OPERATIONS</b>	<u>(8,071)</u>	<u>59,638</u>
<b>FINANCING</b>		
(Decrease) increase in Deferred contributions	<u>(10,131)</u>	<u>22</u>
<b>CASH (USED FOR) PROVIDED BY FINANCING</b>	<u>(10,131)</u>	<u>22</u>
<b>INVESTING</b>		
Decrease in Investment certificates	<u>0</u>	<u>10,109</u>
<b>CASH PROVIDED BY INVESTING</b>	<u>0</u>	<u>10,109</u>
<b>NET CHANGE IN CASH POSITION</b>	<u>(18,202)</u>	<u>69,769</u>
Cash position, beginning of the year	223,865	154,096
<b>CASH POSITION, END OF THE YEAR</b>	<u>\$ 205,663</u>	<u>\$ 223,865</u>

Represented by:

Cash	\$ 37,772	\$ 70,625
Cash - internally restricted	2,520	2,520
Short term investments - internally restricted	<u>165,371</u>	<u>150,720</u>
	<u>\$ 205,663</u>	<u>\$ 223,865</u>

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

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**  
**(UNAUDITED)**

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**THE ORGANIZATION**

The Synod is an unincorporated not-for-profit organization that is under the authority of the Presbyterian Church in Canada. The Synod is registered as a charity under the Income Tax Act and therefore is not subject to income taxes provided expenditures meet a certain threshold.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements for the year ended December 31, 2016 were prepared in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) and include the following significant accounting policies:

**Cash -**

Cash consists of cash on deposit, cheques issued and outstanding, and deposits outstanding.

**Fund accounting -**

In order to ensure the observance of the limitations and restrictions placed on the use of resources available to The Synod of Central, Northeastern Ontario and Bermuda, the accounts of the Synod are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the Synod. Allocations between funds are made in accordance with the budget approved by the Synod. For financial reporting purposes, the accounts have been classified into four funds:

Youth Events Fund

This fund is primarily intended to provide support for the Canadian and International Youth Conferences which take place every three years.

Youth Committee Fund

This fund is primarily intended to provide support to the Presbytery Youth Ministry Committee.

Synod Ministries Fund

This fund is primarily intended to supplement funding for the synod camping and regional staffing programs and provide additional funding to support ministry initiatives within the Synod.

Operating Fund

This includes the day-to-day operating transactions of the Synod.

**Estimates and assumptions -**

The preparation of financial statements in accordance with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at December 31, 2016 and the reported amounts of the revenues and expenses for the year ended December 31, 2016. Significant items subject to such estimates and assumptions include the valuation allowances for accounts receivable. Actual results could differ from those estimates.

**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**  
**(UNAUDITED)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial instruments -**

The Synod initially measures its financial assets and liabilities at fair value and subsequently at amortized cost, except for investments in equity instruments that are quoted in an active market which are measured at fair value. Any change in the unrealized fair value of the long-term investments is recognized in the statement of revenue and expenses and changes in fund balances.

Financial assets and liabilities measured at amortized cost include cash, due from presbyteries, other receivables, prepaid expenses and accounts payable and accrued expenses.

The fair value of the Synod's short-term investments are estimated using the quoted market price at the balance sheet date.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in the statement of revenue and expenses and changes in fund balances. Any 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. Any reversal is recognized in the statement of operations and changes in fund balances.

**Deferred contributions -**

Deferred contributions relate to expenses of future periods and represent unspent externally restricted grants and donations for programs and other purposes.

**Revenue recognition -**

Restricted contributions related to the Youth Events, Youth Committee and Special Education Funds are recognized as revenue of that fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Contributed services -**

Volunteers contribute time to assist the Synod in carrying out its services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**  
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**2. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Synod is exposed to the following risks related to its financial assets and liabilities:

**Credit risk -**

Credit risk arises from the possibility that the Presbyteries to which the Synod provides services may experience financial difficulty and be unable to fulfill their contractual obligations. This risk is mitigated by proactive credit management policies that include regular monitoring of the Presbyteries' payment history. The allowance for doubtful accounts at December 31, 2016 was \$Nil (2015 - \$Nil).

**Liquidity risk -**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Synod is exposed to this risk mainly in respect of its accounts payable and accrued expenses. There has been no change to the risk exposures from 2015.

**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: foreign currency risk, interest rate risk and other price risk. Currently the Synod is exposed to interest rate risk and other price risk.

**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 Synod is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Synod to a fair value risk while the floating-rate instruments subject it to a cash flow risk. There has been no change to the risk exposures from 2015.

**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 and market volatility (other than those arising from interest rate risk or foreign 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 Synod is exposed to other price risk through its investments in equity funds. The risk is partially mitigated as the investments are managed by an independent investment firm and there has been no change to the risk exposures from 2015.

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**THE SYNOD OF CENTRAL, NORTHEASTERN ONTARIO AND BERMUDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**  
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**3. INTERNALLY IMPOSED RESTRICTIONS**

These internally restricted amounts are not available for other purposes without the approval of the board of directors.

**4. SHORT-TERM INVESTMENTS**

In accordance with the agreement between the Presbyterian Church in Canada and the Synod, the investment represents funds that have been invested in a consolidated portfolio held in trust by the Presbyterian Church in Canada on behalf of affiliated organizations.

**5. INVESTMENTS CERTIFICATES**

Investment certificates consist of the following:

	<u>2016</u>	<u>2015</u>
TD special offer GIC, bearing interest at 0.58%, maturing March 5, 2017.	\$ 70,000	\$ 0
TD special offer GIC, bearing interest at 0.50%, matured June 7, 2016.	<u>0</u>	<u>10,130</u>
	<u>\$ 70,000</u>	<u>\$ 10,130</u>

**6. PRESBYTERIES' RECEIPTS**

Presbyteries' receipts consists of the following:

	<u>2016</u>	<u>2015</u>
Algoma and North Bay	\$ 5,924	\$ 6,066
Barrie	31,905	33,496
Brampton	36,087	37,405
East Toronto	23,000	24,196
Han-Ca	29,546	29,417
Kingston	9,597	9,841
Lindsay-Peterborough	17,267	17,296
Oak Ridges	20,802	20,965
Pickering	26,988	27,366
Temiskaming	1,218	1,553
Waterloo-Wellington	49,009	50,931
West Toronto	<u>18,340</u>	<u>18,842</u>
	<u>\$ 269,683</u>	<u>\$ 277,374</u>