

BISHOP OF MOOSONEE
(Operating as Diocese of Moosonee)
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 & 2014
(Unaudited)

Draft for discussion purposes only

BISHOP OF MOOSONEE

(Operating as Diocese of Moosonee)

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YEARS ENDED DECEMBER 31, 2015 & 2014

(Unaudited)

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Draft for discussion purposes only



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REVIEW ENGAGEMENT REPORT

To the Executive Council of the Bishop of Moosonee

We have reviewed the statement of financial position of the Bishop of Moosonee (operating as Diocese of Moosonee) as at December 31, 2015 and the statements of operations and changes in fund balances and 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 inquiry, analytical procedures and discussion related to information supplied to us by the Diocese.

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

Note 2(e) indicates that capital expenditures are expensed in the year of purchase. The effect of this departure from Canadian accounting standards for not-for-profit organizations on the unaudited financial statements have not been determined.

Except for the failure, as described in the preceding paragraph, to record fixed assets, 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.

Timmins, Ontario
April 19, 2016

Ross Pope LLP
Chartered Professional Accountants
Licensed Public Accountants

Draft for discussion@rosspope.com

BISHOP OF MOOSONEE**(Operating as Diocese of Moosonee)****STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31***(Unaudited)*

	2015	2014
ASSETS		
OPERATING FUND - CURRENT ASSETS		
Cash	\$ 271,362	\$ 189,266
HST receivable	12,066	12,701
Accounts receivable	55,252	132,098
Prepaid expenses	3,409	-
Due from restricted fund	6,250	-
RESTRICTED FUND - CURRENT ASSETS		
Cash	\$ 1,286	\$ -
Accounts receivable	3,175	-
	352,800	334,065
RESTRICTED FUND		
Investments <i>(Note 3)</i>	3,647,217	3,718,741
	3,647,217	3,718,741
	\$ 4,000,017	\$ 4,052,806
LIABILITIES		
OPERATING FUND - CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 30,901	\$ 16,375
Government remittances payable	96	10,923
Deferred revenues	1,543	4,643
RESTRICTED FUND - CURRENT LIABILITIES		
Due to operating fund	6,250	-
	38,790	31,941
FUND BALANCES <i>(Statement 2)</i>		
OPERATING FUND	315,800	302,124
RESTRICTED FUND	3,645,427	3,718,741
	3,961,227	4,020,865
	\$ 4,000,017	\$ 4,052,806

Approved by:

See accompanying notes.

BISHOP OF MOOSONEE

(Operating as Diocese of Moosonee)

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

YEARS ENDED DECEMBER 31

(Unaudited)

	OPERATING FUND (Schedules A and B)	RESTRICTED FUND	TOTAL 2015	TOTAL 2014
REVENUES				
Grants from General Synod	\$ 230,151	\$ -	\$ 230,151	\$ 229,624
Parishes	676,613	-	676,613	677,566
Investment income	22,991	270,899	293,890	98,327
Special grants	35,013	-	35,013	50,913
Other	12,572	4,953	17,525	63,545
Designated donations	-	-	-	1,666
Unrealized holding gains <i>(Note 2(d))</i>	-	(262,938)	(262,938)	131,751
	977,340	12,914	990,254	1,253,392
EXPENSES				
Incumbents	509,097	-	509,097	512,133
Payment to General Synod	87,155	-	87,155	77,760
Payment to Provincial Synod	10,259	-	10,259	5,200
Archbishop/Bishop	43,566	-	43,566	49,069
Archdeacon/Executive Archdeacon	34,014	-	34,014	33,833
Administration office	52,896	-	52,896	44,139
Synods, conferences and meetings	48,011	-	48,011	37,069
Deaneries	1,161	-	1,161	1,215
Other Ministry/Programs	206,784	-	206,784	141,024
Other fund expenditures	-	56,949	56,949	55,401
	992,943	56,949	1,049,892	956,843
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS				
	(15,603)	(44,035)	(59,638)	296,549
FUND BALANCES, beginning of year	302,124	3,718,741	4,020,865	3,724,316
Transfers between funds (Schedule C)	29,279	(29,279)	-	-
FUND BALANCES, end of year	\$ 315,800	\$ 3,645,427	\$ 3,961,227	\$ 4,020,865

See accompanying notes.

BISHOP OF MOOSONEE**(Operating as Diocese of Moosonee)****STATEMENT OF CASH FLOWS****YEARS ENDED DECEMBER 31***(Unaudited)*

	2015	2014
OPERATING ACTIVITIES		
Cash received from General Synod	\$ 230,151	\$ 229,624
Cash received from parish assessments	750,994	718,537
Cash received for other purposes	52,520	116,124
Cash paid for salaries and benefits	(359,640)	(374,608)
Cash paid for operations	(689,961)	(579,979)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(15,936)	109,698
FINANCING ACTIVITIES		
Investment income earned	293,908	98,325
Net change in investments held	(195,876)	(121,943)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	98,032	(23,618)
CHANGE IN CASH	82,096	86,080
CASH, beginning of year	189,266	103,186
CASH, end of year	\$ 271,362	\$ 189,266

See accompanying notes.

BISHOP OF MOOSONEE

(Operating as Diocese of Moosonee)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 & 2014

(Unaudited)

NATURE OF ORGANIZATION

The Diocese is a registered charitable organization whose purpose is to make the Gospel of Jesus Christ available to all persons within ecclesiastical jurisdiction of the Bishop of Moosonee (operating as the Diocese of Moosonee) ("the Diocese") in the context of the Anglican Church of Canada.

1. OPERATIONS

The Diocese receives roughly 20% of its revenue for operations from the Anglican Church of Canada. The remainder of the revenue comes from the parishes within the Diocese, grants, donations and other sundry sources. The ongoing operations of the Diocese are economically dependent upon these various sources.

Effective January 1, 2014, the Diocese became a Mission Area under the jurisdiction of the Provincial Synod of the Ecclesiastical Province of Ontario of the Anglican Church of Canada and the spiritual and temporal authority of the Metropolitan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

(b) FINANCIAL STATEMENT PRESENTATION

The fund method of accounting was used for these financial statements. Under this method, all resources are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified, in order to ensure observance of limitations and restrictions placed on the use of resources available.

(c) REVENUE AND EXPENSES

Revenue and expenses are recorded on the accrual method of accounting, except for donations and bequests which are recorded on a cash basis as received.

Restricted contributions are recognized as revenue of the appropriate restricted fund.

Investment income on funds in trust with Royal Trust Corporation of Canada (Combined Trust fund) is used by the operating fund in accordance with terms of the trust document.

Investment income of other restricted funds is transferred to operating fund for general purposes by direction of the Bishop.

Unrestricted contributions and other revenues are recognized as revenue in the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) INVESTMENTS

Investments, which include investments in shares and bonds, are carried at fair value.

Unrealized holding gains or losses related to these investments are recorded in the statement of operations.

BISHOP OF MOOSONEE

(Operating as Diocese of Moosonee)

NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2015 & 2014

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) FIXED ASSETS

Fixed assets acquired by the Diocese are not reflected in the books of the Diocese and are expensed in the year of purchase. There were no fixed assets purchased in the current period.

(f) FUND ACCOUNTS

The financial statements include the assets, liabilities, fund balances, revenues and expenses of the Operating, Capital and Other Funds of the Diocese. The Diocese maintains funds for various purposes with specific restrictions and obligations.

OPERATING FUND

The operating fund is used for ordinary operating purposes. All monies received and disbursed are processed through the operating bank account.

RESTRICTED FUND

The restricted fund consists of accumulated interest earned on the investments as well as monies donated or bequeathed to the Diocese and funds held for parishes. The monies are invested and are to be used as stipulated or as recommended to the Bishop by the Executive Council.

(g) 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. Such financial instruments include accounts receivable, HST receivable, government remittances receivable and payable and accounts payable and accrued liabilities. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

(h) 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 contingency assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates includes recording significant accruals based on management assumptions.

BISHOP OF MOOSONEE

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NOTES TO FINANCIAL STATEMENTS (CONT'D)

YEARS ENDED DECEMBER 31, 2015 & 2014

(Unaudited)

3. INVESTMENTS - RESTRICTED FUND

	2015	2014
Investments with Consolidated Trust Fund of the Anglican Church of Canada - at market (cost - 2015 - \$2,486,566; 2014 - \$2,333,342)	\$ 2,690,293	\$ 2,756,126
Investments and cash in trust with Royal Trust Corporation of Canada - at market (cost - 2015 - \$625,417; 2014 - \$619,768)	750,884	789,115
Investment with Canadian Imperial Bank of Commerce - at market (cost= market)	206,040	173,500
	\$ 3,647,217	\$ 3,718,741

The capital funds held in trust by the Royal Trust Corporation of Canada on behalf of the Diocese are in agreement with a report prepared by them as at December 31, 2015.

4. FINANCIAL INSTRUMENTS

The Diocese is exposed to various risks through its financial instruments. The following analysis provides information about the Diocese's risk exposure and concentration as of December 31, 2015.

With respect to investments, the Diocese is exposed to 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 risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk and other price risk.

Interest rate risk is the risk that the fair value of 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-interest instruments subject the organization to a fair value risk while the floating rate instruments subject it to a cash flow 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 or 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 quoted shares.

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 receipt of funds from its parishioners and other related sources and costs associated with maintaining facilities and delivering its gospel.

BISHOP OF MOOSONEE

(Operating as Diocese of Moosonee)

SCHEDULE OF REVENUES - OPERATIONS

YEARS ENDED DECEMBER 31

(Unaudited)

	BUDGET	2015	2014
GENERAL SYNOD			
Block grant	\$ 224,000	\$ 224,000	\$ 224,000
Drayton Trust	6,000	6,151	5,624
	230,000	230,151	229,624
PARISHES			
Salaries and benefits - clergy	447,600	420,622	420,326
Diocesan support fund	196,000	204,035	195,866
Housing allowance recovered	6,000	6,000	8,750
Insurance	51,000	45,956	52,624
	700,600	676,613	677,566
INVESTMENT INCOME			
RBC Combined Trust Fund income	18,000	22,991	22,698
Consolidated Trust Units dividend	50,000	-	822
	68,000	22,991	23,520
SPECIAL GRANTS			
Foster Hewitt Foundation	7,500	7,500	7,500
Frank Cowan Foundation	11,000	10,000	11,000
New England Company	12,000	11,854	11,754
Council of the North	-	-	6,900
Other solicited grants	600	5,659	13,759
	31,100	35,013	50,913
OTHER			
Donations and bequests - unallocated	2,000	9,833	3,864
Interest income	2,500	-	-
MacKenzie Bursary Fund	-	2,005	-
Miscellaneous	-	-	255
Share of Anglican Appeal Contributions	700	734	858
	5,200	12,572	4,977
	\$ 1,034,900	\$ 977,340	\$ 986,600

BISHOP OF MOOSONEE

(Operating as Diocese of Moosonee)

SCHEDULE OF EXPENSES - OPERATIONS

YEARS ENDED DECEMBER 31

(Unaudited)

	BUDGET	2015	2014
INCUMBENTS			
Stipends	\$ 550,000	\$ 306,734	\$ 310,589
Church pension plan	-	72,880	65,370
Vehicle allowance	44,000	39,566	37,315
Statutory benefits and church benefits plan	-	76,366	68,885
Interviews	500	-	1,385
Moving costs	2,000	551	15,589
Housing allowance	24,000	13,000	13,000
	620,500	509,097	512,133
PAYMENTS TO GENERAL SYNOD	87,154	87,155	77,760
PAYMENTS TO PROVINCIAL SYNOD	13,300	10,259	5,200
ARCHBISHOP/BISHOP			
Honorarium/Salary and benefits	-	1,191	1,185
Administration support	6,000	6,000	(23)
Responsibility allowance	20,000	18,000	18,000
Travel	20,000	18,375	23,922
Installation	-	-	5,985
	46,000	43,566	49,069
ARCHDEACON/EXECUTIVE ARCHDEACON			
Stipend and benefits	28,000	23,152	27,007
Vehicle allowance	2,323	2,523	2,323
Travel	1,000	5,336	824
Utilities/Housing	3,000	1,989	2,315
Operations	1,000	1,014	1,364
	35,323	34,014	33,833
ADMINISTRATION OFFICE			
Honorarium/benefits	30,000	28,563	17,827
Rent	5,725	6,860	6,860
Admin Office relocation	-	-	2,531
Professional fees	10,000	7,412	9,242
Supplies and maintenance	300	628	134
Photo-copy/maintenance	3,000	1,841	3,353
Postage	350	447	447
Telephone	1,300	667	711
Computer supplies and support	200	77	49
Security screening	-	1,777	-
Service charges and interest	1,100	1,129	1,155
Liturgical supplies	1,000	2,728	1,694
Miscellaneous	-	767	136
	52,975	52,896	44,139

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SCHEDULE OF EXPENSES - OPERATIONS

YEARS ENDED DECEMBER 31

(Unaudited)

	BUDGET	2015	2014
SYNODS, CONFERENCES AND MEETINGS			
Clericus	10,000	10,012	5,461
Executive Council meetings	10,000	17,516	10,996
Great Chapter meetings	15,000	12,291	13,375
Anglican Foundation membership	-	-	50
Other conferences and meetings	7,500	8,192	7,187
	42,500	48,011	37,069
DEANERIES			
James Bay	1,500	844	832
Watershed	300	-	29
Pastoral	1,000	-	-
Dean's Operations	500	317	354
	3,300	1,161	1,215
OTHER MINISTRY/PROGRAMS			
A.C.P.O	300	200	200
Extra clergy travel	25,000	44,330	22,534
Insurance	60,000	50,244	57,085
Lay Reader train program - Watershed	4,000	5,685	2,475
Healing Gathering	-	-	21,095
Mahmow education/train	12,000	36,655	2,197
Northland magazine	2,400	3,554	1,912
Schumacher community project	7,500	28,520	4,025
Theological studies/other education	6,000	3,314	6,259
Shared Parish utilities	2,000	3,909	3,278
Youth Co-ordinator program	4,000	14,924	1,322
Living Stones Partnership/Train	2,000	3,424	2,461
Children's bibles	500	-	-
Grants to parishes	-	7,036	16,181
Projects funded by special grants	1,650	4,989	-
	127,350	206,784	141,024
TOTAL EXPENSES	\$ 1,028,402	\$ 992,943	\$ 901,442

BISHOP OF MOOSONEE

(Operating as Diocese of Moosonee)

SCHEDULE OF TRANSFERS BETWEEN FUNDS

YEARS ENDED DECEMBER 31

(Unaudited)

	BUDGET	2015	2014
DRAWN FROM THE RESTRICTED FUNDS			
Curacy Housing	-	-	2,729
Lay Reader Training Fund	-	-	(321)
Legacy Fund	-	29,279	160,114
	\$ -	\$ 29,279	\$ 162,522

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