

**The Synod of the Diocese of  
Rupert's Land**

**Financial Statements  
December 31, 2023**

# The Synod of the Diocese of Rupert's Land

## Balance Sheet

As at December 31, 2023

	2023						2022				
	Operating Fund \$	Property Capital Fund \$	New Church and Diocesan Ministry Development Fund \$	General Trust Fund \$	Hobson Trust Fund \$	Bird Trust Fund \$	Shared Ministry Investment Fund \$	Healing and Reconciliation Fund \$	St Stephen's Fund \$	Total \$	Total \$
<b>Assets</b>											
Cash and term deposits	167,159	-	-	-	-	-	-	-	-	167,159	165,901
Accounts and loans receivable (note 4)	110,060	-	-	32,075	-	-	-	-	-	142,135	175,086
Prepaid expenses	14,813	-	-	-	-	-	-	-	-	14,813	14,018
Interfund balances	-	-	-	161,371	-	-	-	61,917	-	223,288	134,983
	292,032	-	-	193,446	-	-	-	61,917	-	547,395	508,988
<b>Investments (note 5)</b>	48,070	437,261	1,388,692	4,737,940	389,190	236,548	720,431	-	841,452	8,799,584	6,894,041
<b>Promissory note receivable (note 6)</b>	37,431	-	-	-	-	-	-	-	-	37,431	42,987
<b>Capital assets (note 6)</b>	-	49,357	-	-	-	-	-	-	-	49,357	63,782
	377,533	486,628	1,388,692	4,931,368	389,190	236,548	720,431	61,917	841,452	9,433,777	7,510,798
<b>Liabilities</b>											
Accounts payable and accrued liabilities	225,147	1,558	50,000	16,386	500	1,843	40,065	-	-	335,489	251,645
Distributions payable	-	-	-	15,044	15,799	-	137,799	-	-	168,642	170,601
Due to The Bishop of the Diocese of Rupert's Land (a Corporation)	22,366	37,446	57,746	-	-	8,658	24,863	-	-	22,366	21,341
Interfund balances	1,431	-	-	-	-	-	-	-	-	223,288	134,983
Promissory note payable (note 6)	343,327	39,006	107,746	31,430	16,299	10,701	202,717	-	-	751,226	578,557
Promissory note payable (note 6)	36,000	-	-	-	-	-	-	-	-	36,000	42,000
Designated payables (note 7)	13,277	-	-	2,141,549	-	-	-	-	-	2,154,826	1,107,150
	392,604	39,006	107,746	2,172,979	16,299	10,701	202,717	-	-	2,942,052	1,728,707
<b>Fund Balances</b>											
Externally restricted	45,898	-	-	1,008,870	334,110	172,467	-	-	-	1,513,447	1,513,447
Internally restricted (note 9)	(61,069)	447,622	622,370	203,903	14,258	26,304	438,873	61,917	841,452	2,255,075	2,382,330
Unrestricted	(15,071)	447,622	1,280,946	2,758,407	372,891	225,847	517,714	61,917	841,452	6,491,725	5,782,091
	377,533	486,628	1,388,692	4,931,368	389,190	236,548	720,431	61,917	841,452	9,433,777	7,510,798

Subsequent events (note 16)

Approved by the Diocesan Council




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

# The Synod of the Diocese of Rupert's Land

## Statement of Operations

### For the year ended December 31, 2023

	New Church and Diocesan							2023		2022	
	Operating Fund	Property Capital Fund	New Church and Diocesan Ministry Development Fund	General Trust Fund	Hobson Trust Fund	Blrd Trust Fund	Shared Ministry Investment Fund	Healing and Reconciliation Fund	St Stephen's Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>											
Parish pledges	573,023									573,023	589,872
Trust income	11,969			19,831						31,800	69,070
Donations, bequests and other revenue (note 11)	404,874	1,215								408,818	199,614
Gain (loss) from investments		32,387	111,232	137,254	28,799	17,576	1,214	1,515	68,671	447,418	(285,795)
Income on sale of property				986,247						986,247	872,237
Designated receipts				91,781						91,781	79,541
Miscellaneous	21,608			5,171						26,779	23,288
	<u>1,011,472</u>	<u>33,602</u>	<u>111,232</u>	<u>1,240,084</u>	<u>28,799</u>	<u>17,576</u>	<u>54,713</u>	<u>1,515</u>	<u>68,671</u>	<u>2,565,684</u>	<u>1,537,825</u>
<b>Expenditures</b>											
Parishes	9,103									9,103	8,552
Episcopal supervision	142,187									142,187	133,045
Wider Church	186,592									186,592	183,612
Parish and Diocesan programs	170,674		275,901							446,575	172,778
Youth program	10,800									10,800	19,075
Administration and general	84,364	4,217	5,824	18,913	1,902	2,273	6,937		3,227	127,657	131,317
Diocesan staff	382,739									382,739	328,395
Pastoral and sundry	11,897									11,897	6,855
Retired clergy and widows	46,382									46,382	47,378
Interest	2,441									2,441	1,829
Distributions to beneficiaries (note 12)											
Law suit settlement (note 16)				12,985	15,799	3,000	25,325		186,214	243,323	138,837
Amortization		28,535					37,500			67,500	-
Designated disbursements				132,299						132,299	70,787
	<u>1,047,179</u>	<u>30,752</u>	<u>331,725</u>	<u>164,197</u>	<u>17,701</u>	<u>5,273</u>	<u>69,782</u>		<u>189,441</u>	<u>1,856,030</u>	<u>1,275,408</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>(35,707)</u>	<u>2,850</u>	<u>(220,493)</u>	<u>1,075,887</u>	<u>11,098</u>	<u>12,303</u>	<u>(15,049)</u>	<u>1,515</u>	<u>(122,770)</u>	<u>709,634</u>	<u>262,217</u>

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

**The Synod of the Diocese of Rupert's Land**  
**Statement of Changes in Fund Balances**  
**For the year ended December 31, 2023**

	2023							2022			
	Operating Fund	Property Capital Fund	New Church and Diocesan Ministry Development Fund	General Trust Fund	Hobson Trust Fund	Bird Trust Fund	Shared Ministry Investment Fund	Healing and Reconciliation Fund	St Stephen's Fund	Total	Total
<b>Unrestricted</b>											
Excess (deficiency) of revenue over expenditures	(35,707)	2,850	(220,493)	1,075,887	11,098	12,303	(15,049)	1,515	(122,770)	709,834	262,217
Interfund transfers (note 10)	32,277	-	-	(11,930)	-	(6,278)	(14,069)	-	-	-	-
Allocation to (from) internally restricted (note 10)	6,000	-	-	483,677	13,425	21,051	107,859	(1,515)	122,770	127,255	115,935
Balance - Beginning of year	(63,639)	444,772	879,069	483,677	13,425	21,051	107,859	-	-	1,888,314	1,508,162
Balance - End of year	(61,069)	447,622	658,576	1,547,634	24,523	27,076	78,841	-	-	2,723,203	1,886,314
<b>Externally restricted</b>											
Balance - Beginning and end of year	-	-	-	1,006,870	334,110	172,467	-	-	-	1,513,447	1,513,447
<b>Internally restricted</b>											
Relocation of funds (note 14)	-	-	-	-	-	-	-	-	-	-	-
Allocation (from) to unrestricted (note 10)	(6,000)	-	622,370	203,903	14,258	26,304	438,873	1,515	(122,770)	(127,255)	(115,935)
Balance - Beginning of year	51,998	-	-	203,903	14,258	26,304	438,873	60,402	964,222	2,362,330	2,498,265
Balance - End of year	45,998	-	622,370	203,903	14,258	26,304	438,873	61,917	841,452	2,255,075	2,382,330
	(15,071)	447,622	1,280,946	2,758,407	372,891	225,847	517,714	61,917	841,452	6,491,725	5,782,081

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

# The Synod of the Diocese of Rupert's Land

## Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures	709,634	262,217
Items not affecting cash		
Amortization	26,535	32,950
Realized and unrealized (gain) loss on investments	(447,418)	295,795
	<u>288,751</u>	<u>590,962</u>
Changes in non-cash working capital items		
Prepaid expenses	(795)	(1,429)
Accounts and loans receivable	32,951	108,578
Promissory note receivable	5,556	5,841
Accounts payable and accrued liabilities	83,854	(196,294)
Distributions payable	(1,959)	(40)
Designated payables	1,019	(3,100)
Due to The Bishop of the Diocese of Rupert's Land (a Corporation)	1,025	(2,378)
	<u>410,402</u>	<u>502,140</u>
<b>Financing and investing activities</b>		
Purchase of capital assets – net	(12,120)	(17,438)
Purchase of investments	(2,124,300)	(901,617)
Proceeds on disposal of investments	666,175	400,865
Promissory note payable	(5,556)	(5,841)
Designated payables – General Trust Fund – net	1,046,657	(203,213)
	<u>(429,144)</u>	<u>(727,244)</u>
<b>Decrease in cash and term deposits during the year</b>	<b>(18,742)</b>	<b>(225,104)</b>
<b>Cash and term deposits – Beginning of year</b>	<b>185,901</b>	<b>411,005</b>
<b>Cash and term deposits – End of year</b>	<b>167,159</b>	<b>185,901</b>

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



# **The Synod of the Diocese of Rupert's Land**

## **Notes to Financial Statements**

### **December 31, 2023**

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#### **1 Purpose of organization**

The purpose and objective of The Synod of the Diocese of Rupert's Land (the Diocese) is the government and administration of the affairs of The Anglican Church of Canada within the Diocese of Rupert's Land.

The Diocese operates within the auspices of The Anglican Church of Canada. The ongoing operations of the Diocese are dependent on the continued financial support of parishes within the Diocese of Rupert's Land.

#### **2 Summary of significant accounting policies**

##### **Basis of presentation**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies.

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The presentation and disclosure of certain comparative information has been changed.

##### **Fund accounting**

- **Operating Fund**

Revenue and expenses related to the Diocese's operations are reported in the Operating Fund. All other revenue and expenses are reported in their respective funds.

- **Property Capital Fund**

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The Property Capital Fund reports the assets, liabilities, revenue and expenses related to the Diocese's capital assets, including investments related thereto.

- **New Church and Diocesan Ministry Development Fund**

The New Church and Diocesan Ministry Development Fund reports the assets, liabilities, revenue and expenses related to new church and ministry development within the Diocese of Rupert's Land.

- **General Trust Fund**

The General Trust Fund consists of a group of trusts funded through donations and investment income from trust funds that are administered by the Diocese of Rupert's Land with the income allocated for specific beneficiaries or purposes. This fund also includes proceeds from the sale of real property of parishes within the Diocese of Rupert's Land, which are being held in trust for future use by the parish.

- **Hobson Trust Fund**

Under provisions of the last will and testament of William Edward Hobson, revenue from the Hobson Trust Fund is to be used for the general purposes of St. John's College.

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2023

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- **Bird Trust Fund**

The Bird Trust Fund was created from proceeds given to the Diocese by Mr. Hubert John Bird. Revenue earned on the original endowment is used for the advancement of religion and education.

- **Shared Ministry Investment Fund**

The Shared Ministry Investment Fund was created in 2004 out of the remaining proceeds from the sale of Anglican Island. The purpose of this fund is to provide ongoing support to the Diocesan operating budget as well as to provide support to parish projects. The original distribution of revenue from this fund was as follows: 30% to the Diocesan Operating Budget; 30% to the Diocesan Youth Ministry Program; 30% to Parish Projects; and 10% to Parish and Diocesan Emergencies.

In 2022, this allocation was modified as follows: 50% to the Diocesan Operating Budget; 10% to the Diocesan Youth Ministry Program; 30% to Parish Projects; and 10% to Parish and Diocesan Emergencies to help reduce the Diocesan operating deficit.

- **Healing and Reconciliation Fund**

The Healing and Reconciliation Fund was created to fund local programs and initiatives developed by indigenous people for indigenous people.

- **St Stephen's Fund**

The St Stephen's Fund was created in 2021 from the proceeds from the sale of St Stephen's Church, previously held as a designated payable. The proceeds and accumulated interest were transferred from designated payables to the newly created St Stephen's Fund in 2021.

The funds are designated for the fund projects identified in the table below. The balances represent the allocations and accumulated interest as at December 31, 2023.

	2023 \$	2022 \$
\$10,000 – Diocesan archives	11,481	10,834
\$75,000 – St Stephen's Bursary Fund for Theological Education – Capital funds held in trust by the Diocese; interest available for disbursement at the Bishop's discretion for theological education purposes	86,107	81,260
\$10,000 – Shared Ministry Fund – Youth	11,481	10,834
\$90,000 – Epiphany Indigenous Anglican Church immediate needs	59,022	94,171
\$410,000 – Bishop's Proposal for Reconciliations initiatives in supporting life and growth of Epiphany Indigenous Anglican Church	397,980	406,003
\$348,000 – Trust fund for Ministry Development in the Diocese of Rupert's Land	275,381	361,120
	<hr/> 841,452	<hr/> 964,222

# **The Synod of the Diocese of Rupert's Land**

## **Notes to Financial Statements**

### **December 31, 2023**

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#### **Cash and term deposits**

Cash and term deposits include cash on hand as well as cash and term deposits held at financial institutions.

#### **Revenue recognition**

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund as received.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### **Capital assets**

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- **Property Capital Fund**

Purchased capital assets are recorded in the Property Capital Fund at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives:

Buildings	40 years
Building improvements	10 years
Equipment	3 to 7 years

Contributions received for capital assets are amortized on the same basis as the related assets.

#### **Financial instruments**

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- **Measurement of financial instruments**

The Diocese initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Diocese subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and term deposits and accounts and loans receivable and promissory note receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, designated payables, distributions payable and promissory note payable, due to The Bishop of the Diocese of Rupert's Land (a Corporation).



# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2023

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### 3 Related party transactions

The Diocese is a related party to both The Bishop of the Diocese of Rupert's Land (a Corporation) and Rupert's Land Capital Fund Inc. as the entities share key members of governance, creating common influence. The Diocese has both payable and receivable balances outstanding with The Bishop of the Diocese of Rupert's Land (a Corporation) and Rupert's Land Capital Fund Inc. Receivable balances relate to The Bishop of the Diocese of Rupert's Land (a Corporation)'s expenses for the bishops, retired clergy and widows, and retired bishops and widows paid for by the Diocese, and distributions from Rupert's Land Capital Fund Inc. and The Bishop of the Diocese of Rupert's Land (a Corporation) (note 4). Payable balances relate to The Bishop of the Diocese of Rupert's Land (a Corporation)'s proportionate share of investments held by the Diocese and a promissory note payable to Rupert's Land Capital Fund Inc. (note 8). All transactions are measured at amortized cost.

### 4 Accounts and loans receivable

	2023	2022
	\$	\$
<b>Operating Fund</b>		
Clergy loans	3,246	5,924
Receivable from parishes	34,996	2,217
Due from Rupert's Land Capital Fund Inc.	14,347	3,202
Due from The Bishop of the Diocese of Rupert's Land (a Corporation)	22,456	25,609
Other receivables	35,015	31,625
	<u>110,060</u>	<u>68,577</u>
<b>General Trust Fund</b>		
Other receivables	32,075	106,509
	<u>142,135</u>	<u>175,086</u>

The Diocese is the beneficiary of trust funds held in The Bishop of the Diocese of Rupert's Land (a Corporation) (the Bishop's Corporation). The amount due from the Bishop's Corporation represents income from the trust funds not yet remitted to the Diocese.

All other amounts, except for clergy loans, are non-interest bearing and are due on demand.

**The Synod of the Diocese of Rupert's Land**  
**Notes to Financial Statements**  
**December 31, 2023**

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**5 Investments**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Investments in PH&amp;N Balanced Pension Trust</b>		
New Church and Diocesan Ministry Development Fund	1,388,692	-
General Trust Fund	4,737,940	-
Hobson Trust Fund	389,190	-
Bird Trust Fund	236,548	-
Property Capital Fund	437,261	-
Shared Ministry Investment Fund	720,431	-
St Stephen's Fund	841,452	-
	<u>8,751,514</u>	<u>-</u>
<b>Investments in Integra Balanced Mutual Funds</b>		
<b>Balanced Funds</b>		
New Church and Diocesan Ministry Development Fund	-	1,356,095
General Trust Fund	-	2,186,415
Hobson Trust Fund	-	308,549
Bird Trust Fund	-	188,672
Property Capital Fund	-	359,050
Shared Ministry Investment Fund	-	583,101
St Stephen's Fund	-	790,161
	<u>-</u>	<u>5,772,043</u>
<b>Investments in TREZ Capital Fund</b>		
New Church and Diocesan Ministry Development Fund	-	151,933
General Trust Fund	-	452,417
Hobson Trust Fund	-	69,958
Bird Trust Fund	-	43,289
Property Capital Fund	-	64,109
Shared Ministry Investment Fund	-	120,369
St Stephen's Fund	-	174,061
	<u>-</u>	<u>1,076,136</u>
<b>Investments in Canadian Imperial Bank of Commerce Funds</b>		
Operating Fund – Money Market Fund	48,070	45,862
	<u>8,799,584</u>	<u>6,894,041</u>

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2023

### 6 Capital assets

#### Property Capital Fund

	2023			2022		
	Cost \$	Accumulated amortization \$	Net \$	Cost \$	Accumulated amortization \$	Net \$
Land	26,058	-	26,058	26,058	-	26,058
Buildings	302,571	298,100	4,471	302,571	290,536	12,035
Building improvements	284,852	281,303	3,549	284,852	260,467	24,385
Equipment	76,606	61,317	15,289	64,486	55,430	9,056
	<u>690,087</u>	<u>640,720</u>	<u>49,367</u>	<u>677,967</u>	<u>606,433</u>	<u>71,534</u>
Deferred contributions	(94,960)	(94,960)	-	(94,960)	(87,208)	(7,752)
	<u>595,127</u>	<u>545,760</u>	<u>49,367</u>	<u>583,007</u>	<u>519,225</u>	<u>63,782</u>

### 7 Designated payables

Designated payables are externally restricted contributions that are received and deposited by the Diocese for the exclusive use of various programs or events in subsequent years. These funds are held until they are either required for their specific designated use or are required to be remitted.

Proceeds from the sale of real property are generally reported in the New Church Diocesan Ministry Development Fund. However, where there is an expectation that the parish will be rebuilt or relocated in the future, the proceeds are held in the General Trust Fund on the balance sheet.

As at December 31, 2023, the Diocese held the following externally restricted contributions:

	2023 \$	2022 \$
<b>Operating Fund</b>		
St. George Woodlands Cemetery	13,277	12,258
<b>General Trust Fund</b>		
Church of the Good Shepherd	483,422	473,816
St. Chad's	677,098	160,347
St. Francis	737,915	205,682
Archdeaconry Kenora/St. Alban's	243,115	255,047
	<u>2,141,549</u>	<u>1,094,892</u>
	<u>2,154,826</u>	<u>1,107,150</u>

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2023

### 8 Promissory notes

The promissory note receivable relates to St. Aidan's Anglican Church's loan with an outstanding balance of \$37,431 (2022 - \$42,987) and is due in full by June 30, 2029. The interest rate is fixed on the anniversary date of the loan each year at prime plus 1% (currently 7.95%). The interest is to be paid on the anniversary date, with periodic payments of principal.

The promissory note payable is payable to Rupert's Land Capital Fund Inc., relates to the promissory note receivable and has the same terms and conditions as noted above.

### 9 Internally restricted funds

	2023 \$	2022 \$
Operating Fund		
Clergy loan fund	29,246	29,246
Reserve for Lambeth/General Synod	16,752	22,752
	45,998	51,998
New Church and Diocesan Ministry Development Fund – capital	622,370	622,370
General Trust Fund – capital	203,903	203,903
Hobson Trust Fund – capital	14,258	14,258
Bird Trust Fund – capital	26,304	26,304
Shared Ministry Investment Fund – capital	438,873	438,873
Healing and Reconciliation Fund – Healing and Reconciliation	61,917	60,402
St Stephen's Fund	841,452	964,222
	<u>2,255,075</u>	<u>2,382,330</u>

### 10 Fund transfers

The following interfund transfers were made to allocate trust income to the Operating Fund and were approved by the Diocesan Council:

	2023 \$	2022 \$
Diocesan General Trust	11,930	13,629
Bird Trust	6,278	7,542
Shared Ministry Investment Trust	14,069	14,628
	<u>32,277</u>	<u>35,799</u>

In addition to the interfund transfers noted above, there were allocations made between the internally restricted and unrestricted funds that were approved by the Diocesan Council.

# The Synod of the Diocese of Rupert's Land

## Notes to Financial Statements

December 31, 2023

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### 11 Donations, bequests and other revenue

	2023 \$	2022 \$
<b>Operating Fund</b>		
New England Co.	25,000	30,500
Anderson Trust	46,382	47,376
Parishioners' contributions	17,560	14,390
Rupert's Land Capital Fund Inc.	9,292	10,264
Rupert's Land News	5,331	10,876
Warnum Trust	4,015	4,587
Youth Ministry Trust	10,800	19,075
Rent	10,836	10,690
Shared Ministry	24,069	26,331
Fund transfer	(14,069)	(14,628)
New Church and Diocesan Ministry Development Fund	265,658	36,003
	<u>404,874</u>	<u>195,464</u>
<b>General Trust Fund</b>		
Parishioners' contributions	-	-
<b>Property Capital Fund</b>		
Parishioners' contributions	1,215	1,375
<b>Shared Ministry Investment Fund</b>		
Parishioners' contributions	1,214	1,375
<b>Healing and Reconciliation Fund</b>		
Parishioners' contributions	1,515	1,400
	<u>3,944</u>	<u>4,150</u>
	<u>408,818</u>	<u>199,614</u>

### 12 Distributions to beneficiaries

	2023 \$	2022 \$
St. John's College	18,255	18,877
Other distributions	225,068	119,960
	<u>243,323</u>	<u>138,837</u>

### 13 Employee pension plan

The Diocese is a member of The Anglican Church of Canada's pension plan providing pension benefits to its employees and is required to make a defined contribution each year to the plan. The net expense for the year is \$73,592 (2022 – \$61,609).



# **The Synod of the Diocese of Rupert's Land**

## **Notes to Financial Statements**

**December 31, 2023**

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### **14 Accounting treatment of St Stephen's Fund**

In 2019, the building owned by St Stephen's Church was sold for proceeds of approximately \$943,000. The original intent for St Stephen's Church was that it would continue to exist as a parish and per internal policy, was categorized as a designated payable.

In 2020, St Stephen's Church was disestablished. In accordance with internal policy, an internally restricted fund has been created and the proceeds plus accrued interest have been transferred to this fund.

### **15 Financial instruments**

#### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Diocese is exposed to liquidity risk mainly in respect to its accounts payable and accrued liabilities, distributions payable, amounts due to The Bishop of the Diocese of Rupert's Land (a Corporation) and promissory note payable.

#### **Interest rate risk**

Interest rate risk refers to the adverse consequences of interest rate changes in the Diocese's cash flows, financial position and expenses. The risk arises from differences in the timing and amount of cash flows related to the Diocese's liabilities. All promissory notes payable bear interest at prime plus 1%, which is updated annually on the anniversary date of the loan.

#### **Credit risk**

Credit risk is the risk that a financial loss could arise from a counterparty not being able to meet its obligations. The Diocese's financial assets that are exposed to credit risk consisting of accounts and loans receivable. The Diocese performs regular assessments on the collectibility of its accounts and loans receivable. Accounts and loans receivable are due from a wide variety of sources, which minimizes the concentration of credit risk.

#### **Market risk**

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in the marketplace. The Diocese holds significant investments in mutual funds comprising both equity and bond holdings, which are susceptible to market fluctuation.

### **16 Subsequent events**

Subsequent to year end, the Diocese reached a settlement in the amount of \$100,000 on its previous ongoing lawsuit claim of which \$37,500 was allocated to the Shared Ministry Investment Fund and \$50,000 was allocated to the New Church and Diocesan Ministry Development Fund. The remaining \$12,500 was allocated to the Rupert's Land Capital Fund of which a receivable has been recorded.