

Financial Statements of

DIOCESE OF SASKATOON

Year ended December 31, 2009



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AUDITORS' REPORT

To the Synod of the Diocese of Saskatoon

We have audited the statement of financial position of the Diocese of Saskatoon as at December 31, 2009 and the statements of operations and fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Diocese's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Diocese as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Saskatoon, Canada
March 7, 2010

DIOCESE OF SASKATOON

Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Current assets:		
Cash	\$ 51,615	\$ 40,234
Investments (note 2)	2,164,846	799,517
Receivables (note 3)	38,129	9,791
	<u>2,254,590</u>	<u>849,542</u>
Investments (note 2)	981,795	976,803
Investment in Columbarium, a 5.96% equity interest at cost	75,000	75,000
	<u>\$ 3,311,385</u>	<u>\$ 1,901,345</u>
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable (note 4)	\$ 35,141	\$ 50,289
Liability for funds invested	1,801,507	491,280
	<u>1,836,648</u>	<u>541,569</u>
Fund balances:		
General	404,448	303,444
Episcopal discretionary:		
Bishop's Partners	40,222	35,093
Matheson Bursaries	48,272	44,436
	<u>88,494</u>	<u>79,529</u>
Endowed and appropriated funds (note 5)	981,795	976,803
	<u>1,474,737</u>	<u>1,359,776</u>
Commitments (note 6)		
Contingencies (note 7)		
	<u>\$ 3,311,385</u>	<u>\$ 1,901,345</u>

See accompanying notes to financial statements.

On behalf of the Diocese of Saskatoon:

DIOCESE OF SASKATOON

Statement of Operations and Fund Balances

Year ended December 31, 2009, with comparative figures for 2008

	Budget	General	Episcopal Discretionary	2009 Total	2008 Total
Revenue:					
Fair share levy (schedule)	\$ 358,000	\$ 362,165	\$ -	\$ 362,165	\$ 349,303
Change in market value of investments	70,500	189,523	16,699	206,222	(162,171)
Donations	5,000	4,737	3,537	8,274	9,981
Other	3,000	8,038	-	8,038	116,775
	436,500	564,463	20,236	584,699	313,888
Expenses:					
Personnel (note 9)	225,674	220,636	-	220,636	211,579
The wider church	142,638	125,735	-	125,735	135,230
Administration	62,859	67,362	-	67,362	68,794
Projects and committees	19,700	21,728	-	21,728	30,373
Support for the future	27,500	19,506	3,500	23,006	9,574
Episcopal outreach	-	-	7,771	7,771	1,515
Endowed programs	13,500	3,500	-	3,500	9,328
	491,871	458,467	11,271	469,738	466,393
Excess (deficiency) of revenue over expenses	(55,371)	105,996	8,965	114,961	(152,505)
Transfer to endowment capital	-	(4,992)	-	(4,992)	-
Increase (decrease) in fund balances	(55,371)	101,004	8,965	109,969	(152,505)
Fund balances, beginning of year	303,444	303,444	79,529	382,973	535,478
Fund balances, end of year	\$ 248,073	\$ 404,448	\$ 88,494	\$ 492,942	\$ 382,973

See accompanying notes to financial statements.

DIOCESE OF SASKATOON

Statement of Cash Flows

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Cash flows from (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 114,961	\$ (152,505)
Change in non-cash operating working capital:		
Receivables	(28,338)	13,540
Accounts payable	(15,148)	(7,011)
Liability for funds invested	1,310,227	(22,802)
	1,381,702	(168,778)
Financing and investing activities:		
Decrease (increase) in investments	(1,370,321)	225,143
Note payable	-	(35,000)
	(1,370,321)	190,143
Increase in cash	11,381	21,365
Cash, beginning of year	40,234	18,869
Cash, end of year	\$ 51,615	\$ 40,234

Cash is comprised of cash and outstanding cheques less cash in bank.

See accompanying notes to financial statements.

DIOCESE OF SASKATOON

Notes to Financial Statements

Year ended December 31, 2009

1. Significant accounting policies:

These financial statement have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial reporting date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies used in the preparation of these financial statements are summarized below.

(a) Basis of accounting:

These financial statements reflect the financial position, results of operations and cash flows of the Synod of the Diocese of Saskatoon. These financial statements do not include the financial position, results of operations and cash flows of the parishes which collectively constitute the Diocese of Saskatoon.

The Diocese maintains its accounts in accordance with the principles of fund accounting as follows:

(i) General fund:

The ongoing operating and programming activities of the Diocese are accounted for in the general fund and are subject to Diocesan budget and approval processes.

(ii) Episcopal discretionary:

Certain activities of the Diocese are conducted at the discretion of the Bishop. Discretionary activities are accounted for in the following funds:

- The Bishop's Partners fund represents amounts available for any purpose deemed appropriate by the Bishop.
- The Matheson Bursaries fund represents amounts available as bursaries for persons studying for ministry.

DIOCESE OF SASKATOON

Notes to Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(iii) Endowed and appropriated funds:

Agreements and Diocesan policy specify the use of capital amounts of endowed and appropriated funds and the related investment income. It is the intent of the Diocese that the capital of these funds will be maintained and investment income will be used for specified purposes as follows:

General:

- Income from the Episcopal endowment fund is used to fund the expenses of the Bishop's ministry. 10% of the investment income on the Episcopal Support portion of this fund is added annually to the fund capital.
- Income from the Helme Senlac fund may be used at the discretion of the Executive Committee and Vestry of St. Paul's Church, Senlac. By agreement the use of the interest has been divided between the diocese and the parish. The present arrangement is that the congregation receives \$3,500 annually and \$500 is given annually in the name of the congregation, to the P.W.R.D.F.
- Income from the John Skinner fund may be used at the discretion of the Executive Committee.
- Income from the Skinner fund may be used at the discretion of the Executive Committee.
- Income from the Stanley and Marjorie Steer fund may be used for parochial and missionary purposes. A portion of the income, calculated using the consumer price index, shall be added annually to the capital.
- Income from amounts appropriated as the Travelling Dollars fund is divided equally and placed into an account for each member of the clergy serving a multi-point parish and receiving the minimum stipend for his/her years of service. The amount credited varies according to the number of persons who qualify to benefit, the number of months each has served since the last distribution of interest and the amount of interest available the time of distribution.
- Income from the Wetton fund may be used at the discretion of the Executive Committee.
- Income from amounts appropriated as the Wornum fund is divided equally among those parochial and/or diocesan incumbents in full-time service who are receiving the minimum stipend for their years of service according to the annual minimum stipend table. 10% of the annual income is added to the capital.

DIOCESE OF SASKATOON

Notes to Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

Episcopal discretionary:

- The following funds provide discretionary income which is transferred to the Bishop's Partners fund:
 - Bishop Newnham fund
 - Episcopal discretionary fund
 - Newton fund
- The Bishop Hallam fund provides discretionary income in support of persons studying for ministry which is transferred to the Matheson Bursaries fund.

(b) Investments:

Equipment is expensed when purchased.

(c) Investments:

Investments are recorded at fair market value, based on quoted market prices.

2. Investments:

	2009 Market	2008 Market
Guaranteed term certificates	\$ 153,468	\$ 405,977
Government bonds	1,869,873	930,224
Equities	1,123,300	440,119
	\$ 3,146,641	\$ 1,776,320

Investments relating to trust and endowment funds of 981,795 (2008 - \$976,803) have been classified as long-term.

Investments include funds invested by the Diocese on behalf of parishes and other related organizations with the obligation reflected as a liability for funds invested in the Statement of Financial Position.

Total gains on the portfolio for the year were \$303,311 of which \$97,089 related to funds invested on behalf of parishes and other related organizations.

DIOCESE OF SASKATOON

Notes to Financial Statements (continued)

Year ended December 31, 2009

3. Receivables:

	2009	2008
Due from clergy and parishes	\$ 34,515	\$ 5,292
GST receivable	802	-
Advance receivable	2,812	4,499
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	\$ 38,129	\$ 9,791

Advance receivable to the Cathedral Church of St. John the Evangelist is non-interest bearing and repayable in monthly installments of \$141 per month.

4. Accounts payable:

	2009	2008
Trade payables	\$ 12,382	\$ 24,773
Due to clergy	3,715	4,065
Due to diocesan organizations	19,045	20,645
GST payable	-	806
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	\$ 35,142	\$ 50,289

DIOCESE OF SASKATOON

Notes to Financial Statements (continued)

Year ended December 31, 2009

5. Endowed and appropriated funds:

	2009	2008
Episcopal endowment	\$ 526,162	\$ 521,979
Stanley and Marjorie Steer fund	170,409	169,654
Travelling dollars fund	110,000	110,000
Helme Senlac fund	84,000	84,000
Wornum fund	25,724	25,670
Wetton fund	22,000	22,000
Episcopal discretionary endowment	20,000	20,000
Skinner fund	5,500	5,500
John Skinner fund	5,000	5,000
Bishop Hallam fund	5,000	5,000
Bishop Newnham fund	5,000	5,000
Newton fund	3,000	3,000
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	\$ 981,795	\$ 976,803

6. Commitments:

The Diocese is committed to lease payments for office space to June 30, 2010. The lease may be renewed for two incremental five year periods. The estimated annual lease obligation, including base rent and operating costs over the next four years follows:

2010	\$ 12,800
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7. Contingencies:

The Diocese is the guarantor on behalf of the Cathedral Church of St. John the Evangelist for the Columbarium revolving line of credit with the Saskatoon Credit Union up to a maximum of \$150,000.

DIOCESE OF SASKATOON

Notes to Financial Statements (continued)

Year ended December 31, 2009

8. Order of St. Luke:

The Diocese acts as a trustee on behalf of the Order of St. Luke. The collection and distribution of monies are not reflected in the revenues or expenses of these financial statements.

9. Personnel:

	2009	2008
Episcopal:		
Stipend	\$ 55,268	\$ 52,685
Housing	14,400	12,000
General Secretary	51,198	48,908
Administrative Secretary	40,326	37,289
Accountant	14,181	13,860
Statutory benefits and other	33,378	37,260
Travel and hospitality	11,885	9,577
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	\$ 220,636	\$ 211,579

10. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

DIOCESE OF SASKATOON

Schedule of Fair Share Levy

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Cathedral Church of St. John the Evangelist	\$ 60,680	\$ 55,690
St. James' Church	39,336	37,428
St. Timothy's Church	30,689	31,518
St. Stephen's Church	29,654	27,740
Parish of Lloydminster	29,085	25,909
Parish of North Battleford	28,564	29,482
St. Mark's Church	17,673	17,237
All Saints Church	15,051	14,287
Christ Church	14,564	12,468
Parish of Lintlaw	13,066	12,008
Parkland Parish	12,212	12,845
St. George's Church	10,339	10,053
St. Matthew's Church	9,505	8,816
Parish of Humboldt	6,939	6,680
Holy Trinity Church	6,796	6,247
Greater Watrous Parish	5,585	6,316
Parish of Biggar - Perdue	5,454	5,382
Unity Central Parish	5,344	5,394
River Valley Parish	5,251	5,827
Quill View Parish	5,177	4,541
Parish of Porcupine Plain	4,369	-
Fair share levy on unspecified bequests (12%)	3,211	9,960
Meridan Parish	1,885	1,656
Good Shepherd Parish	1,736	1,819
	\$ 362,165	\$ 349,303