
Consolidated financial statements of
The Incorporated Synod of
the Diocese of Ottawa

December 31, 2022

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Independent Auditor's Report

To the Members of
The Incorporated Synod of the Diocese of Ottawa

Qualified Opinion

We have audited the consolidated financial statements of the Incorporated Synod of the Diocese of Ottawa (the "Synod"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of revenue and expenses and changes in fund balances, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, except for the possible effects of the matter described in the Basis for *Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Synod as at December 31, 2022, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Synod derives part of its revenue from the general public in the form of donations (inclusive of the parish fair share and special fundraising activities), the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our audit of revenue from these sources was limited to the amounts recorded in the Synod's records and we were not able to determine whether any adjustments might be necessary to the excess of revenue over expenses and cash flows from operations for the years ended December 31, 2022, and 2021, current assets as at December 31, 2022, and 2021, and fund balances as at January 1 and December 31 for both 2022 and 2021. Our audit opinion on the consolidated financial statements for the year ended December 31, 2022, was modified accordingly, because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Synod in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Synod's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Synod or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Synod's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Synod's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Synod's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Synod to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Synod to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our qualified audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
September 20, 2023

The Incorporated Synod of the Diocese of Ottawa
Consolidated statement of financial position
As at December 31, 2022

Notes	Operations Fund	Parochial Pay and Insurance Funds	Parish Managed Capital Asset Fund	Real Estate Stewardship Fund	Today for Tomorrow Fund	Extension Fund	Cornerstone Housing for Women	Interfund Eliminations	Total 2022	Total 2021		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Assets												
Current assets												
	Cash	3	(2,332,794)	—	—	(282,457)	(3,827)	2,434,529	2,609,126	—	2,424,577	872,938
	Loans receivable	4	459,322	823,464	—	—	—	645,733	512,533	(1,981,730)	459,322	479,761
	Accounts receivable	5	2,623,482	—	—	—	3,826	2,274	438,352	—	3,067,934	2,740,372
	Prepaid expenses and other		3,239	—	—	—	—	—	31,305	—	34,544	10,971
			753,249	823,464	—	(282,457)	(1)	3,082,536	3,591,316	(1,981,730)	5,986,377	4,104,042
Long-term assets												
	Restricted assets		—	—	—	—	—	73,668	—	—	73,668	206,568
	Investment in Consolidated Trust Fund	6	15,597,312	—	—	382,267	—	—	3,559,893	—	19,539,472	22,550,559
	Investment in Cathedral Hill Foundation	7	772,303	—	—	—	—	—	—	—	772,303	635,597
	Mortgages and promissory notes	8 and B	—	—	—	—	2,445,149	—	—	—	2,445,149	2,716,807
	Capital assets	9	14,031,216	—	18,178,756	—	—	—	25,504,578	—	57,714,550	42,864,333
	Non-Synod Consolidated Trust Fund assets		37,211,431	—	—	—	—	—	—	—	37,211,431	44,282,791
			68,365,511	823,464	18,178,756	99,810	(1)	5,527,685	32,729,455	(1,981,730)	123,742,950	117,360,697
Liabilities												
Current liabilities												
	Accounts payable and accrued liabilities	10	2,757,747	—	—	—	—	6,000	1,827,101	—	4,590,848	2,724,905
	Loans payable	4	4,988,125	—	—	—	—	459,322	—	(1,981,730)	3,465,717	3,624,908
	Deferred revenue											
	Community Ministries		923,737	—	—	—	—	—	—	—	923,737	1,096,343
	Other		109,186	—	—	—	—	—	—	—	109,186	103,883
	Deferred contributions	11	—	—	—	—	—	7,500	605,752	—	613,252	859,122
			8,778,795	—	—	—	—	472,822	2,432,853	(1,981,730)	9,702,740	8,409,161
Long-term liabilities												
	CMHC loan payable	4	4,924,472	—	—	—	—	—	—	—	4,924,472	1,886,126
	Deferred contributions – Designated Funds	6	10,614,903	—	—	—	—	—	—	—	10,614,903	12,442,065
	Deferred capital contributions	12	5,206,840	—	16,722,607	—	—	—	19,185,513	—	41,114,960	30,870,834
	Non-Synod Consolidated Trust Fund liabilities		37,211,431	—	—	—	—	—	—	—	37,211,431	44,282,791
			66,736,441	—	16,722,607	—	—	472,822	21,618,366	(1,981,730)	103,568,506	97,890,977
Commitments and contingencies												
		17										
Fund balances												
	Invested in capital assets		893,509	—	1,456,149	—	—	—	6,319,065	—	8,668,723	6,962,221
	Replacement reserve fund	17	—	—	—	—	—	—	698,587	—	698,587	607,914
	Internally restricted		1,695,758	823,464	—	99,810	(1)	53,478	1,734,974	—	4,407,483	5,803,090
	Unrestricted		(960,197)	—	—	—	—	5,001,385	2,358,463	—	6,399,651	6,096,495
			1,629,070	823,464	1,456,149	99,810	(1)	5,054,863	11,111,089	—	20,174,444	19,469,720
			68,365,511	823,464	18,178,756	99,810	(1)	5,527,685	32,729,455	(1,981,730)	123,742,950	117,360,697

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Approved by the Diocesan Council

 Member

 Member

The Incorporated Synod of the Diocese of Ottawa
Consolidated statement of revenue and expenses and changes in fund balances
Year ended December 31, 2022

Notes and schedules	Operations Fund	Parochial Pay and Insurance Funds	Parish Managed Capital Asset Fund	Real Estate Stewardship Fund	Today for Tomorrow Fund	Extension Fund	Cornerstone Housing for Women	Interfund Eliminations	Total 2022	Total 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Parish fair share	21	2,247,376	—	—	—	—	—	—	2,247,376	2,151,594
Episcopal - Office		103,752	—	—	—	—	—	—	103,752	104,308
Episcopal - Parish and clergy		407,028	—	—	—	—	—	—	407,028	346,515
Ministry Resources		85,266	—	—	—	—	—	—	85,266	87,425
Administration		1,094,714	—	—	—	—	—	(38,176)	1,056,538	697,259
Communications		16,557	—	—	—	—	—	—	16,557	16,605
Wider Anglican Community		117	—	—	—	—	—	—	117	729
Community Ministries	A	3,120,623	—	—	—	—	5,668,123	(61,176)	8,727,570	10,167,588
Recognition of deferred capital contributions		—	—	—	—	—	—	—	—	—
Gain on disposal of capital assets	9	—	—	118,461	—	—	—	—	118,461	—
Amortization of deferred capital contributions	12	37,890	—	732,800	—	—	434,923	—	1,205,613	1,328,549
Donations to GIFT campaign		—	—	—	—	—	—	—	—	—
Other contributions	21	—	7,704,230	—	14,123	180,548	103,241	921,500	(19,050)	9,639,540
		7,113,323	7,704,230	851,261	14,123	180,548	103,241	7,024,546	(118,402)	22,872,870
										24,540,112
Expenses										
Episcopal - Office		668,793	—	—	—	—	—	—	668,793	675,230
Episcopal - Parish and clergy		570,578	—	—	—	—	—	—	570,578	420,331
Ministry Resources		424,995	—	—	—	—	—	—	424,995	407,474
Administration		1,259,597	—	—	65,225	41,003	363,235	(57,226)	1,716,010	1,142,330
Communications		206,680	—	—	—	—	—	—	206,680	207,452
Wider Anglican Community		635,046	—	—	—	139,544	—	—	774,590	955,916
Community Ministries	A	3,733,435	—	—	—	—	5,668,123	(61,176)	9,340,382	10,789,173
Outreach		14,294	—	—	—	—	—	—	14,294	14,115
Forgiveness of parish debt		65,000	—	—	—	—	—	—	65,000	65,000
Parochial remuneration and insurance premiums paid		—	8,107,726	—	—	—	—	—	8,107,726	8,043,744
Contributions to Parishes and Rectory Trust		—	—	118,461	—	—	95,487	—	213,948	91,924
Amortization of capital assets		—	—	726,550	—	—	438,881	—	1,165,431	1,286,459
		7,578,418	8,107,726	845,011	65,225	180,547	6,470,239	(118,402)	23,268,427	24,099,148
Excess (deficiency) of revenue over expenses before the undernoted		(465,095)	(403,496)	6,250	(51,102)	1	(36,422)	554,307	(395,557)	440,964
Change in investment in Cathedral Hill Foundation	7	—	—	—	—	—	—	—	—	—
Change in fair value on investments		136,706	—	—	—	—	—	—	136,706	60,192
Reversal of deferred capital contributions due to impairment	12	(903,990)	—	—	(68,807)	—	(624,132)	—	(1,596,929)	671,150
Impairment of capital asset	9	718,708	—	—	—	—	—	—	718,708	—
(Deficiency) excess of revenue over expenses		(718,708)	—	—	—	—	—	—	(718,708)	—
		(1,232,379)	(403,496)	6,250	(119,909)	1	(36,422)	(69,825)	(1,855,780)	1,172,306
Balance, beginning of year		2,864,797	1,226,960	1,449,899	217,710	(2)	5,089,946	8,620,410	—	19,469,720
Contribution of land		—	—	—	—	—	—	2,560,504	—	2,560,504
Interfund transfers	13	(3,348)	—	—	2,009	—	1,339	—	—	—
Balance, end of year		1,629,070	823,464	1,456,149	99,810	(1)	5,054,863	11,111,089	—	20,174,444
										19,469,720

The accompanying notes and schedules are an integral part of the consolidated financial statements.

The Incorporated Synod of the Diocese of Ottawa
Consolidated statement of cash flows
Year ended December 31, 2022

	Notes	2022 \$	2021 \$
Operating activities			
Excess of revenue over expenses		(1,855,780)	1,172,306
Adjustments for			
Change in investment in Cathedral Hill Foundation		(136,706)	(60,192)
Amortization of capital assets		1,313,615	1,429,892
Amortization of deferred capital contributions		(1,205,613)	(1,328,549)
Gain on disposal of parish managed capital assets		(118,461)	—
Increase (decrease) in deferred revenue		(172,606)	201,236
Increase (decrease) in deferred contributions		(245,870)	73,251
Change in non-cash operating working capital balances			
Accounts receivable		(327,562)	(886,390)
Prepaid expenses and other		(23,573)	9,556
Restricted assets		132,900	365,069
Accounts payable and accrued liabilities		1,865,943	299,051
Reversal of deferred capital contributions due to impairment of capital assets		(718,706)	—
		(1,492,419)	1,275,230
Investing activities			
Repayment – loan receivable from			
St. James Anglican Church, Carleton Place		20,439	19,672
Change in investment in Consolidated Trust Fund promissory notes		3,011,087	(3,729,061)
Purchase of capital assets		271,658	247,954
Proceeds on disposal of parish managed capital assets	9	(16,882,538)	(5,520,859)
Impairment of capital assets		118,461	—
		718,706	—
		(12,742,187)	(8,982,294)
Financing activities			
Proceeds (repayment) from loan payable		2,879,155	2,225,057
Change in deferred revenue – other		5,303	(86,907)
Change in deferred contributions – Designated Funds		(1,827,162)	1,100,269
Contributions received for capital assets		14,728,949	692,588
		15,786,245	3,931,007
Net (decrease) increase in cash		1,551,639	(3,776,057)
Net cash, beginning of year		872,938	4,648,995
Cash, end of year		2,424,577	872,938

The accompanying notes and schedules are an integral part of the consolidated financial statements.

1. Description of organization

The Diocese of Ottawa is a partner in the worldwide Anglican Communion and in the universal Church. The Diocesan vision is to be a vibrant body of faithful Christians working to fulfill the mission that God has given. The Diocesan mission is to enable people to know Jesus Christ; to live and share the good News; to grow in faith; and to serve God's world.

The Synod is the governing body of the Anglican Church in the Ottawa Diocese. It was incorporated by a special act of the Ontario Legislature, under the name The Incorporated Synod of the Diocese of Ottawa (the "Synod"). It is a registered charitable organization and is exempt from income taxes.

2. Significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit-organizations and include the following significant accounting policies:

Basis of presentation

These consolidated financial statements present all the assets, liabilities, revenue, and expenses of the Synod and the following controlled entities on a consolidated basis: The Anglican Diocese of Ottawa Extension Fund Incorporated ("Extension Fund") and Cornerstone Housing for Women.

The Synod accounts for its interest in the Cathedral Hill Foundation ("CHF"), its joint arrangement, using the equity method of accounting. The investment in CHF is recorded in the consolidated statement of financial position within the Operations Fund.

These consolidated financial statements also report the assets and liabilities of the Consolidated Trust Fund ("CTF") which serves as the investment arm of the Synod and various diocesan bodies, and the activities of the Synod Trust.

The Synod is responsible under the provisions of Canon Law for the operation of various parishes and other controlled bodies of the diocese with day-to-day operations being conducted by persons appointed by the Synod. The accounts of these organizations have not been consolidated in these statements as each of these large numbers of organizations is not material to the presentation of the consolidated financial statements and because relevant financial information may not be available on a timely basis. The parishes' real estate, which includes land and buildings, is recorded in the Synod's Parish Managed Capital Asset Fund. Apportionment fees and charges of the Parochial Pay and Insurance Funds paid to the Synod by these bodies are included in revenue in these consolidated financial statements and payroll and certain other costs are included in expenses.

Financial instruments

Financial instruments consist of cash, investments, loans and accounts receivable, mortgages and promissory notes, accounts payable and accrued liabilities and loans payable.

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Synod becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Synod is in the capacity of management, are initially recognized at cost.

2. Significant accounting policies (continued)

Financial instruments (continued)

Initial measurement (continued)

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Synod in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost except for the following:

Investments in listed securities are measured at fair value at the balance sheet date. The fair value of securities is based on the latest closing price. Unrealized gains and losses on securities are recorded in the statement of revenue and expenses

Transaction costs

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

Impairment

With respect to financial assets measured at cost or amortized cost, the Synod recognizes an impairment loss, if any, in net earnings when there are indicators of impairment, and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

Related party transactions

Related party transactions in the normal course of business are measured at the exchange amount.

Fund accounting

In accordance with the principles of fund accounting, the Synod maintains its accounting records to ensure that limitations and restrictions placed on the use of available resources are observed. Under this method, all resources are classified for accounting and reporting purposes into funds that are in accordance with specific activities and objectives. Accordingly, separate accounts are maintained for the following funds: Operations Fund, Parochial Pay and Insurance Funds, Parish Managed Capital Asset Fund, the Real Estate Stewardship Fund and Today for Tomorrow Fund.

The Operations Fund accounts for the Synod's overall operating of activities and the related capital assets. Net assets related to the Second Century Fund are reflected as internally restricted net assets in the Operations Fund.

2. Significant accounting policies (continued)

Fund accounting (continued)

The Parochial Pay and Insurance Funds account for the payroll costs and related revenue of clergy and lay staff supported by the parishes. The insurance component relates to the property and liability insurance costs and related revenue.

The Parish Managed Capital Asset Fund accounts for the real property managed by the parishes within the Ottawa Diocese's geographic boundaries.

The Real Estate Stewardship Fund was established to manage and develop surplus properties under Diocesan control and to provide advice to parishes engaged in real estate initiatives.

The Today for Tomorrow Fund was established to account for the Diocesan annual appeal. This appeal will focus on two priorities identified by the people of the Diocese through our Embracing God's Future strategic plan, Engaging the World and Life-long Formation.

The Extension Fund is a controlled not-for-profit organization which was incorporated to provide loans to parishes for capital activities. The Extension Fund is a registered charitable organization and is exempt from income taxes.

Cornerstone Housing for Women is a controlled not-for-profit organization which was incorporated to promote the efficiency and effectiveness of the charitable programs of the Synod by providing and maintaining property and facilities for this purpose and by providing management services related thereto for the benefit of the Cornerstone Housing for Women program. Cornerstone Housing for Women is a registered charitable organization and is exempt from income taxes.

Fund balances

For consolidation purposes, net asset deficiencies within internally restricted funds are reclassified to unrestricted net assets.

Revenue recognition

The Synod follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the Operations Fund in the year received. Effective October 1, 2011, unrestricted non-property contributions, once recognized in the Operations Fund, are to be transferred at a minimum of 10% to the Extension Fund. In addition, the following policies have been implemented with regards to net proceeds from disposal of real property:

- Net proceeds from the sale of church buildings and the land on which they stand is recognized in the Parish Managed Capital Asset Fund. A minimum of 10% of the net proceeds is to be transferred to the Extension Fund. The remainder of the proceeds shall be assigned by the Property and Finance Committee in consultation with the Bishop.
- Parishes may apply to the Bishop for a portion of the remaining net proceeds to be designated to non-operational expenses relating to: the ongoing ministry of the parish (e.g., in the case of the amalgamation of congregations or of the continuation of multi-point parishes); the support for the congregation(s) involved in ongoing support of those affected by a church closure; or a purpose in keeping with the objective of promoting the ministry of the Anglican Church of Canada within the Diocese of Ottawa.
- Net proceeds from the sale of parochial real property (excluding church buildings and rectories), is recognized in the Parish Managed Capital Asset Fund as revenue and a contribution back to the parish, which may be deposited in the Consolidated Trust Fund in the name of the parish or returned to the parish for current parish capital projects.

2. Significant accounting policies (continued)

Revenue recognition (continued)

- Starting in 2017, net proceeds from the sale of non-parochial real properties is recognized in the Operating Fund with 10% allocated to the Extension Fund, and 15% allocated to the Real Estate Stewardship Fund. Previously, net proceeds from the sale of non-parochial real property were recognized as revenue in the respective fund/entity and a minimum of 10% of the net proceeds were transferred to the Extension Fund with the disposition of the remainder of the proceeds assigned by the Property and Finance Committee in consultation with the Bishop.

Restricted contributions, for which the Synod has no corresponding restricted fund, are deferred and recognized as revenue in the Operations Fund in the year in which the related expenses are incurred.

Contributions received in the form of capital assets are recorded at fair value if the asset would normally have been acquired, otherwise it is recorded at a value of nil. Contributions received in the form of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the contributed capital assets. Contributions received in the form of capital assets that will not be amortized are recognized as a direct increase in the Parish Managed Capital Asset Fund.

Contributed materials and services are recorded when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

Pledges and bequests are not recorded as revenue until collected.

Investment revenue and other revenue are recognized in the particular fund to which they apply, with the exception of the Parochial Pay and Insurance Fund, for which its investment revenue is recognized in the Operations Fund.

Deferred revenue

As the Community Ministry programs contain restricted funding and there is no corresponding restricted fund, with the exception of Cornerstone Housing for Women, to the extent that revenue for the year exceeds expenses, the excess revenue is deferred in the Operations Fund for use in the following year. To the extent that expenses for the year in individual Community Ministries exceed revenue, and that such deficiencies will not be funded by third parties, the excess expenses are charged against operations.

Salaries and benefits

Payroll costs for clergy and lay staff in parishes, including benefit costs, vacation pay and sick leave, are recovered from the parishes and ministries.

2. Significant accounting policies (continued)

Capital assets

Acquisitions of furniture and fixtures are amortized over a 3-year period on a straight-line basis. Leasehold improvements are amortized over a 10-year period on a straight-line basis.

Cornerstone Housing for Women's buildings are amortized on a straight-line basis over 40 years. Furnace, roofing, elevator and windows and air-conditioning system for Cornerstone Housing for Women's buildings are amortized on a straight-line basis over 25 years. Furniture and fixtures, computer hardware and software are amortized over a 3-year period.

Capital assets under construction or development are carried at cost, less any write-downs for impairment. Amortization of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Minor assets purchased for externally funded Community Ministries' Projects are charged directly to expense.

Subsequent to 1998, real estate owned by the Synod is recorded at cost. Other properties are carried at a nominal value of \$1 as the fair value cannot be reasonably determinable. Major improvements to the Diocese's administrative offices are being amortized on a straight-line basis over 10 years.

Parish managed capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives of 40 years. When the cost of a capital asset cannot be reasonably determined, a value of nil is recorded. Additional information pertaining to these assets is disclosed in a separate schedule.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the asset no longer has long-term service potential. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its residual value.

Pension benefits

The Synod provides pensions for both clergy and lay staff through the pension plans of the Anglican Church of Canada. The General Synod Pension Plan is a contributory target benefit specified multi-employer pension plan that specifies the expected benefits to be paid to members upon pension eligibility. For accounting purposes, the Plan is considered to be a defined contribution pension plan since contributions are limited to amounts determined by the Pension Committee and employers are not required to fund actuarially determined funding deficiencies that may occur from time to time. Rather, such actuarially determined funding deficiencies are addressed by options such as making changes to the contribution levels, making changes to the Plan's investment strategies and/or making adjustments to benefits paid by the Plan. The Diocese's share of the annual contribution to the pension plans is charged to operations in the year in which the contribution is made. Contributions for the year ended December 31, 2022, by the Synod for the General Synod Pension Plan were \$1,261,055 (\$1,184,638 in 2021) and for the Lay Retirement Pension Fund were \$73,147 (\$82,772 in 2021).

Capital management

The Synod defines capital as its fund balances. The Synod's main objective with respect to capital management is to maintain a sufficient level of fund balances, thereby ensuring the ongoing fulfilment of its mission. The purpose of the fund balances are disclosed above. The Synod has complied with all externally imposed capital restrictions. The Synod's definition and financial management of its capital have remained unchanged from the previous year.

2. Significant accounting policies (continued)

Allocation of costs

The Synod allocates amortization expense of its capital assets to departments based on usage.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management's estimates include the collectability of amounts receivable, valuation of investments, the estimated useful life of capital assets and the amount of certain accrued liabilities. Actual results could differ from these estimates.

3. Line of credit

The Synod has access to a line of credit of \$1,350,000 (\$1,350,000 in 2021) at a rate of prime plus 0.50% (6.95% in 2022, 3.75% in 2021). As at December 31, 2022 and 2021, nil had been borrowed. The line of credit is secured by the Synod's investment in the Consolidated Trust Fund.

4. Loans receivable and payable

In 2013, the Synod entered into a loan agreement with BMO Bank of Montreal for \$1,400,000, with an interest rate at the Bank of Montreal prime rate plus 3% (9.45% in 2022, 6.25% in 2021), payable monthly in arrears. As at December 31, 2022, the outstanding balance is \$459,322 (\$479,761 in 2021). The loan is secured by the Synod's investments held by RBC Phillip Hagers and North. The loan matures in 20 years.

The Synod advanced the funds to St. James Anglican Church, Carleton Place for construction upgrades and subsequently entered a loan agreement with the Extension Fund, such that the Extension Fund would then act as the agent for the borrowed funds. The balance receivable from St. James Anglican Church, Carleton Place is \$459,322 (\$479,761 in 2021).

The Synod has a loan agreement with BMO Bank of Montreal for \$3,226,093 with an interest rate at the Bank of Montreal prime rate plus 0.50% (6.95% in 2022, 3.75% in 2021), payable monthly in arrears. As at December 31, 2022, the outstanding balance is \$3,006,395 (\$3,145,152 in 2021). The loan is repayable on demand.

In 2021, the Synod entered into a loan agreement with the Canada Mortgage and Housing Corporation (CMHC) to finance the Hollyer House (CCBC) affordable housing project for \$6,640,279 with an interest rate of 1.91%. \$5,640,279 of this is repayable and \$1,000,000 is forgivable. As at December 31, 2022, the outstanding balance of this loan is \$4,924,472 (\$1,886,126). The loan matures in 10 years once the building is complete and a repayment schedule has been put in place. As collateral, CMHC has a first ranking charge on title of the property.

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5. Accounts receivable

	2022	2021
	\$	\$
Due from parishes	1,502,004	1,049,196
Due from CHF	646,800	492,007
Other	492,342	200,797
CEWS	—	249,851
Donations	40,067	39,354
City of Ottawa	187,283	528,048
Indirect taxes recoverable	170,804	264,775
Government remittances recoverable	30,625	31,439
	3,069,925	2,855,467
Allowance for doubtful accounts	(1,991)	(115,095)
	3,067,934	2,740,372

6. Synod investment in the Consolidated Trust Fund (CTF)

Changes in the unit holder capital balance during the year were as follows:

	Unrestricted	Second century	Real estate stewardship	Cornerstone Housing for Women	Designated	Total 2022
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	3,767,264	1,939,621	434,942	3,966,669	12,247,661	22,356,157
Add: contributions	10,045	—	2,009	87,673	41,762	141,489
Income and capital distributions	122,389	62,983	14,123	129,683	394,715	723,893
Change in fair value	(597,144)	(306,846)	(68,807)	(624,132)	(1,851,357)	(3,448,286)
Less: withdrawals	(15,902)	—	—	—	(412,280)	(428,182)
Change in income and capital distributions receivable	—	—	—	—	(26,208)	(26,208)
Balance, end of year	3,286,652	1,695,758	382,267	3,559,893	10,394,293	19,318,863
Income and capital distributions receivable	—	—	—	—	220,610	220,610
	3,286,652	1,695,758	382,267	3,559,893	10,614,903	19,539,473

	Unrestricted	Second century	Real estate stewardship	Cornerstone Housing for Women	Designated	Total 2021
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	3,405,926	1,746,004	391,525	1,936,247	11,173,868	18,653,570
Add: contributions	—	—	—	1,720,242	65,821	1,786,063
Income and capital distributions	98,455	50,481	11,320	80,232	322,555	563,043
Change in fair value	275,969	143,136	32,097	229,948	1,010,939	1,692,089
Less: withdrawals	(13,086)	—	—	—	(299,047)	(312,133)
Change in income and capital distributions receivable	—	—	—	—	(26,475)	(26,475)
Balance, end of year	3,767,264	1,939,621	434,942	3,966,669	12,247,661	22,356,157
Income and capital distributions receivable	—	—	—	—	194,402	194,402
	3,767,264	1,939,621	434,942	3,966,669	12,442,063	22,550,559

6. Synod investment in the Consolidated Trust Fund (CTF) (Continued)

The income and capital distributions receivable represents the outstanding distribution of \$0.96 per unit (\$0.79 per unit in 2021), which was payable by the CTF at year-end.

Market risk

Investment in financial instruments renders the Synod subject to investment risks. These include the risks arising from changes in interest rates, in rates of exchange for foreign currency, and in equity markets both domestic and foreign. They also include the risks arising from the failure of a counterparty to a financial instrument to discharge an obligation when it is due.

The Synod's investments consist of units held in the CTF. The CTF has adopted investment policies, standards and procedures to control the amount of risk to which it is exposed. The investment practices of the CTF are designed to avoid undue risk of loss and impairment of assets and to provide a reasonable expectation of fair return given the nature of the investments. The maximum investment risk to the Synod is represented by the market value of the investment

Concentration risk

Concentration risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. The relative proportions of the types of investments in the portfolio are as follows:

	2022	2021
	%	%
	of fair value	of fair value
Cash	5	2
Fixed income		
Canadian – mutual funds	19	19
International – mutual funds	16	15
	35	34
Equities		
Canadian	21	20
U.S.	9	10
International	30	34
	60	64
	100	100

Foreign currency risk

Foreign currency exposure arises from the CTF's holdings of non-Canadian denominated investments, which as noted above represented 55% (59% in 2021) of the total portfolio. The Synod does not enter into financial hedges for managing foreign currency risks.

Interest rate risk

The Synod is subject to interest rate risk through the Synod's credit facilities (Note 4), which have a variable interest rate. In addition, the fixed income investments also contain interest rate risk.

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7. Investment in Cathedral Hill Foundation (CHF)

As a 50% partner in CHF joint arrangement, the Synod includes half of CHF's excess of revenue over expenses, and any investment of assets in its determination of its investment in CHF.

In 2013, the Synod contributed land at a cost of \$135,201 to the joint arrangement. A summary of the changes during the year in the Synod's Investment in CHF is as follows:

	2022	2021
	\$	\$
Balance, beginning of year	635,597	575,405
Excess of revenue over expenses before distributions	341,706	60,192
Distribution to the Synod	(250,000)	—
Adjustment related to parking revenue	45,000	—
Balance, end of year	772,303	635,597

Summaries of CHF's statement of financial position, statement of revenue and expenses, and cash flows are as follows:

Summary statement of financial position

	2022	2021
	\$	\$
Assets	7,148,892	6,525,008
Liabilities	6,274,687	5,719,214
Net assets		
Christ Church Cathedral	237,103	260,398
Anglican Diocese of Ottawa	637,102	545,396
	874,205	805,794
Liabilities and net assets	7,148,892	6,525,008

Summary statement of revenue and expenses

	2022	2021
	\$	\$
Revenue	1,604,351	251,804
Expenses	400,816	290,527
Excess of revenue over expenses before undernoted	1,203,535	(38,723)
Change in fair value of investments	(520,124)	249,108
Distribution to Incorporated Synold Diocese of Ottawa	(250,000)	—
Distribution to Christ Church Cathedral	(365,000)	(110,000)
Excess of revenue over expenses	68,411	100,385

Certain comparative figures from the summarized financial statements of CHF have been reclassified to conform with the current year's presentation. In particular, an amount of \$90,000 that was initially classified as a parking expense in 2021, was reclassified as a distribution to the Christ Church Cathedral, which resulted in a \$45,000 increase in the Synod's net assets and a \$45,000 decrease in the Christ Church Cathedral's net assets as at December 31, 2021.

7. Investment in Cathedral Hill Foundation (CHF) (continued)

Summary statement of cash flows

	2022	2021
	\$	\$
Operating	1,230,327	236,383
Investing	(19,924)	(33,528)
Net cash inflows	1,210,403	202,855

Amounts due to/from the Synod and the Christ Church Cathedral have no fixed terms of repayment and are without interest.

8. Mortgages and promissory notes

The mortgages and promissory notes held by the Extension Fund as at December 31, 2022, are detailed in Schedule B.

Credit risk

The Extension Fund provides credit to the parishes in the normal course of business. In 2015, the Extension Fund provided a vendor take back mortgage to a third party. The Extension Fund performs ongoing credit evaluations and maintains allowances for potential credit losses, which to date, have been within the range of management's expectations.

The Extension Fund is exposed to credit risk in the event of non-performance by counterparties and to concentration risk due to the size of individual loan balances as a percentage of total outstanding loans with third parties as at December 31, 2022, as noted: St. Helen's, Orleans which represents 30% (29% in 2021); Mayet Strategic Consulting Limited (ASSH) which represents 24% (23% in 2021); St. James, Carleton Place which represents 15% (14% in 2021); and, St. Paul's Church, Kanata, which represents 15% (14% in 2021).

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9. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
	\$	\$	\$	\$
Operations Fund				
Synod				
Administrative office renovations	3,525,326	340,150	3,185,176	3,273,893
Furniture and fixtures Centre 454/ASSC renovations	50,655	22,486	28,169	26,223
St Luke's Renovation	1,014,230	254,698	759,532	784,888
Leasehold improvements	—	—	—	655,642
CCBC Affordable Housing	125,332	101,461	23,871	36,405
	10,034,468	—	10,034,468	4,859,348
	14,750,011	718,795	14,031,216	9,636,399
Parish Managed				
Capital Asset Fund				
Land	336,423	—	336,423	336,423
Buildings	31,526,422	13,684,089	17,842,333	17,900,872
	31,862,845	13,684,089	18,178,756	18,237,295
Cornerstone Housing for Women				
Land	6,129,324	—	6,129,324	3,568,820
Buildings	10,314,503	2,355,419	7,959,084	8,216,724
Building under construction	8,566,074	—	8,566,074	275,088
Furnace, roofing, elevator and windows	3,759,861	1,185,277	2,574,584	2,619,921
Air-conditioning system	423,787	173,753	250,034	266,986
Furniture and fixtures	541,912	516,434	25,478	43,100
Computer hardware and software	36,472	36,472	—	—
	29,771,933	4,267,355	25,504,578	14,990,639
	76,384,789	18,670,239	57,714,550	42,864,333

Additional information pertaining to the parish managed capital assets is disclosed in Schedule C.

During 2022, the Synod sold the following real properties from the Parish Managed Capital Asset Fund:

- Church & Building at 3027 Pierces Rd North Gower, for net proceeds of \$67,060 with a net book value of \$nil, thereby resulting in a gain of \$67,060.
- Church at 23 Chemin Bristol, for net proceeds of \$51,401 with a net book value of \$nil, thereby resulting in a gain of \$51,401.

Additionally, during 2022, St. Luke's Parish church suffered a fire. The Synod has written off the St. Luke's renovation in the Operations Fund in the amount of \$718,708 and recognized the reversal of deferred capital contributions for the same amount (note 12). The value of the asset in the Parish managed capital asset fund was not adjusted in the current year as the insured value exceeds its book value.

During 2021, the Synod did not sell any real properties from the Parish Managed Capital Asset Fund.

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10. Accounts payable and accrued liabilities

	2022	2021
	\$	\$
Refugee trusts	1,587,319	1,174,357
Trade/other	2,477,087	1,184,953
Payroll	526,442	365,595
	4,590,848	2,724,905

11. Deferred contributions

The Extension Fund's deferred contributions consist of donations to be used towards the purchase or construction of a new church in Ottawa South.

Cornerstone Housing for Women's deferred contributions represent restricted funding which will be used in subsequent periods for operating programs.

Changes in the deferred contributions balance during the year are as follows:

	2022	2021
	\$	\$
Balance, beginning of year	859,122	785,870
Contributions received	3,619,746	5,026,323
Change in contribution receivable	(218,960)	252,960
Grants recognized as revenue	(3,508,739)	(5,113,391)
Restricted donations recognized as revenue	(137,917)	(92,640)
Balance, end of year	613,252	859,122

12. Deferred capital contributions

Deferred capital contributions represent the unamortized portion of capital asset contributions.

	Operations Fund	Parish Managed Capital Assets Fund	Cornerstone Housing for Women	Total 2022
	\$	\$	\$	\$
Balance, beginning of year	2,740,854	16,787,396	11,342,584	30,870,834
Contributions received	3,222,582	668,011	10,838,356	14,728,949
Transfer of net assets for purchase of land	—	—	(2,560,504)	(2,560,504)
Reversal of contributions related to asset impairment	(718,706)	—	—	(718,706)
Amortization recognized as revenue	(37,890)	(732,800)	(434,923)	(1,205,613)
Balance, end of year	5,206,840	16,722,607	19,185,513	41,114,960

12. Deferred capital contributions (continued)

	Operations Fund \$	Parish Managed Capital Assets Fund \$	Cornerstone Housing for Women \$	Total 2021 \$
Balance, beginning of year	2,391,988	17,559,777	11,555,029	31,506,794
Contributions received	386,755	—	305,833	692,588
Amortization recognized as revenue	(37,890)	(772,381)	(518,278)	(1,328,549)
Balance, end of year	<u>2,740,854</u>	<u>16,787,396</u>	<u>11,342,584</u>	<u>30,870,834</u>

13. Interfund transfers

Cornerstone Housing for Women

	2022 \$	2021 \$
Contingency fund	1,650,648	2,246,427
Development fund	84,326	118,896
	<u>1,734,974</u>	<u>2,365,323</u>

For the year ended December 31, 2022, there were two transfers to the Replacement Reserve Fund one for \$58,119 (\$56,148 in 2021) relating to the Booth location consisting of a \$56,211 contribution (\$54,240 in 2021) and \$1,908 (\$1,908 in 2021) related to the amortization of the unit. Thus, bringing the net cumulative amount transferred to \$573,268 (\$515,149 in 2021)

For the year ended December 31, 2022 an amount of \$494,449 (income of \$310,180 in 2021), which represents the total investment loss recognized on Cornerstone Housing for Women's investment in the Consolidated Trust Fund for the year, was transferred from unrestricted net assets to internally restricted – Contingency Fund.

In addition, capital asset additions, which included new windows and elevator upgrades at the Princeton location, of \$101,330 (nil in 2021) were funded by the Contingency Fund. Hence a transfer of \$101,330 was made from internally restricted net assets – Contingency Fund to unrestricted net assets. Thus, bringing the total amount held in the Contingency Fund as at December 31, 2022 to \$1,650,649 (\$2,246,427 in 2021).

For the year ended December 31, 2022 an amount of \$nil (\$67,500 in 2021), was transferred from unrestricted net assets to internally restricted - Development Fund and a total of \$34,570 (\$nil in 2021) was transferred from the internally restricted net assets – Development Fund to the unrestricted net assets to fund the Co-Investment Fund Application for 172 O'Connor. Thus, bringing the total amount held in the Development Funds to \$84,326 (\$118,896 in 2021) .

13. Interfund transfers (continued)

Operating Fund and Real Estate Stewardship

The below table outlines a transfer from the Operating Fund to the Real Estate Stewardship Fund (RESF) and the Extension Fund for the year ended December 31, 2022 (nil in 2021).

	Operating Fund \$	RESF \$	2022 Extension Fund \$
Proceeds on sale of real property from the Sale of 152 Church Lane Chisholm	(3,348)	2,009	1,339

14. Donations and bequests

The Synod received, as an agent, donations of \$521,117 (\$198,744 in 2021) which are transferred directly to the related organizations and are not recorded in the consolidated statement of revenue and expenses.

15. Guarantees

Under Canon Bylaws and Regulations, upon the cessation of any parish, the residual assets or liabilities will flow to the Synod.

16. Parochial Pay and Insurance Funds

	Parochial Pay Fund \$	Insurance Fund \$	Total 2022 \$
Balance, beginning of year	910,503	316,456	1,226,959
Deficiency of revenue over expenses	(206,958)	(196,537)	(403,495)
Balance, end of year	703,545	119,919	823,464
	Parochial Pay Fund \$	Insurance Fund \$	Total 2021 \$
Balance, beginning of year	736,846	374,110	1,110,956
Excess (deficiency) of revenue over expenses	173,657	(57,654)	116,003
Balance, end of year	910,503	316,456	1,226,959

17. Commitments and contingencies

City of Ottawa – Affordable Housing Program (AHP) (Booth Location)

In fiscal 2010, the Organization entered into an AHP Agreement (the “Agreement”) with the City of Ottawa for a 20-year term. Under this Agreement, the Organization completed the construction of a 42-unit building at 314 Booth Street, Ottawa. The official occupancy date was May 19, 2011.

The terms of the Agreement require the establishment a Replacement Reserve Fund in respect of the project, which is to be funded at an annual rate of \$46,000 to commence by the end of the first calendar year of operations, increasing by the City of Ottawa consumer price index each subsequent year until the Replacement Reserve Fund reaches a value of 15% of the insured replacement cost of the project, including significant capital items. In 2013, the City of Ottawa agreed that an amount of \$47,689 could be used towards the purchase of a new air conditioning unit. As the unit is being amortized, an amount equal to the amortization expense is transferred to the Replacement Reserve Fund. The unamortized balance of the unit as at December 31, 2022 was \$34,336 (\$36,244 in 2021).

In 2022, total transfers to the Replacement Reserve Fund were \$58,119 (\$56,148 in 2021) consisting of a \$56,211 contribution (\$54,240 in 2021) and \$1,908 (\$1,908 in 2021) related to the amortization of the unit. Thus, bringing the net cumulative amount transferred to \$573,268 (\$515,149 in 2021).

The City of Ottawa (the “City”) has registered a mortgage against the project to secure its contributions to the project in the amount of \$6,684,518, which consisted of \$6,300,000 in cash for the building and a contribution of \$384,518, which included fees waived for building permit, school board charges, development and planning fees. No mortgage payments are required by the Organization as long as the project’s units constructed continually meet the definition of “Affordable Housing” as set out in the Agreement for 20 years from May 19, 2011, the date of first occupancy of the project’s units; otherwise, the principal amount of the City’s mortgage including interest shall become due and payable. At the end of the 20-year term of the Agreement, if all the project’s units have, throughout the term of this Agreement, met the Agreement’s definition of “Affordable Housing”, the principal amount of the City’s mortgage will be forgiven. A sliding scale for forgiveness has been set at 5% per year over the 20 years.

City of Ottawa – Social Infrastructure Fund (SIF) and conditional grant (Princeton Location)

In 2017, the Organization entered into an Affordable Housing Project Agreement (the “Agreement”) with the City of Ottawa for a 35-year term.

The terms of the Agreement require that the Organization, at the end of the first fiscal year of operations, establish a Replacement Reserve Fund in respect of the project, which will be funded at an annual rate of \$24,790 or 0.67% of the construction/total operating value of the project plus the consumer price index each subsequent year until the Replacement Reserve Fund reaches a value of 15% of the insured replacement cost of the project, including significant capital items.

In 2022, total transfers to the Replacement Reserve Fund were \$32,554 (\$31,525 in 2021). Thus, bringing the cumulative amount transferred to \$125,319 (\$92,765 in 2021).

The City has registered a charge on title to the property to secure its contributions to the project of \$6,472,622 which consisted of \$5,760,000 in cash for the purchase of the land and the payment of construction costs and a contribution of \$712,622, which includes fees waived for building permit, development charges, school board charges and parkland development charges. The charge shall remain in place for the 35-year term of the Agreement.

17. Commitments and contingencies (continued)

City of Ottawa – Affordable Housing Program (Action Ottawa, Rapid Housing Initiative and Social Services Relief Fund) (Eccles Location)

During the year, the Organization entered into an Affordable Housing Project Agreement with the City of Ottawa for a 20-year term. Under this Agreement, the Organization will complete the construction of a 46-unit building at 44 Eccles Street, Ottawa. The estimated occupancy date is Spring 2024.

The City of Ottawa received conditional funding approval from Canada Mortgage and Housing Corporation (CMHC) in the amount of \$15,727,190 for the development of the 44 Eccles project. In addition, the City allocated \$4,173,209 from the Social Services Relief Funding and \$1,575,416 of conditional grants for the project.

As at December 31, 2022, total contributions received from the above funding for the project totaled \$11,088,443; which consisted of \$8,690,444 for the purchase of the land and building and \$2,397,999 for development and planning fees and construction costs.

Provided all of the project units continually meet the definition of Affordable Housing and there is no other occurrence of an event of default during the 20-year term, which ends January 1, 2043, no repayment of the funding will be required, and the obligation will be forgiven as at January 1, 2043. Terms of the agreement require that Cornerstone Housing for Women establish a Replacement Reserve Fund in respect of the project. This Fund will be established and contributed to annually once construction is complete.

Land and Building at 44 Eccles street was purchased in January 2022 and construction began at the property. As at December 31, 2022, the construction project was 15% complete, with funds received under this Agreement and a receivable of \$127,448 owing from the City of Ottawa.

City of Ottawa – Affordable Housing Ontario Project (CCBC - Hollyer House)

In 2019, the Organization entered into a contribution agreement (the "Agreement") with the City of Ottawa for \$4,000,000 of Ontario Housing Priorities Initiative (OPHI) funding and \$740,000 capital grants for the acquisition and construction of affordable housing at 3865 Old Richmond Road (35 units). In April 2023, the City amended the agreement with additional capital funding of \$1,250,000, bringing the total cash funding to \$5,990,000. The City has also agreed to waive fees for building permit, school board charges, development and planning fees worth \$583,884. Thus, bringing the total value of the City's agreed contribution to \$6,573,884.

As at December 31, 2022, total cumulative cash contributions received to date from the City for the project were \$4,266,000 (\$1,566,000 in 2021).

Provided all of the project units continually meet the definition of Affordable Housing and there is no other occurrence of an event of default during the 35-years following the Occupancy Date. No repayment of the funding will be required, and the obligation will be forgiven as at the term date. As collateral the City has a second ranking charge on title of the property in the amount of \$6,573,884. Terms of the agreement require that the Organization establish a Replacement Reserve Fund in respect of the project. This Fund will be established and contributed to annually once construction is complete.

As at December 31, 2022, the total project costs capitalized were \$10,034,467 (\$4,859,348 in 2021) and the total deferred capital contributions were \$4,633,690 (\$1,732,316 in 2021).

The Organization also has a loan with CMHC for this project (note 4).

17. Commitments and contingencies (continued)

Cathedral Hill Foundation (CHF)

The Foundation has been assessed municipal property taxes in arrears for approximately \$916,788 (including penalty fees and interest costs) stemming back to 2012. In 2019, the Foundation accrued a liability for the taxes in the amount of \$39,416. In the current year, the Foundation has accrued an additional liability for the taxes of \$180,788 (\$137,584 in 2021), thus bringing the total accrued liability to \$421,627 (\$177,000 in 2021). The Foundation is continuing negotiations with the City of Ottawa to waive the associated interest and penalties charges of \$495,161. The Foundation has also filed a Notice of Application with the Superior Court for the 25 parking spots that CHF owns to have them exempt. Consequently, the Foundation has not accrued any interest and penalties.

18. Related party transactions

In addition to those related party transactions and balances disclosed elsewhere in these consolidated financial statements, during the year, the Synod entered into the following transactions with related parties:

Consolidated Trust Fund

The Operations Fund charged the Consolidated Trust Fund administration fees of \$665,080 (\$585,224 in 2021). Interest of \$8,512 (\$7,875 in 2021) was paid by the Operations Fund to the Consolidated Trust Fund for use of cash.

Extension Fund Incorporated

The Operations Fund charged the Extension Fund administration fees of \$38,176 (\$38,344 in 2021). The Extension Fund earned interest of \$19,050 (\$17,042 in 2021) from the Operations Fund.

Cornerstone Housing for Women

In 2022 the Synod made a \$61,176 contribution to Cornerstone Housing for Women (\$59,976 in 2021).

As at December 31, 2022, Cornerstone Housing for Women has a net receivable due from the Synod of \$512,533 (\$123,707 in 2021). The due to/from balances have no fixed terms of repayment and are without interest. Cornerstone Housing for Women received administrative and accounting services from the Synod for which Cornerstone Housing for Women paid a fee of nil (\$73,292 in 2021).

19. Fair value and related risks

The fair value of short-term investments, accounts receivable, accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

The fair value of the loans receivable, the mortgages and promissory notes, and long-term debt are not readily determinable.

It is management's opinion that they are not exposed to any significant credit, liquidity or market risks arising from these financial instruments.

20. Allocation of expenses

The Operations Fund allocates the amortization of capital assets to departments based on the actual use of the capital assets by the respective departments. For the year ended December 31, 2022, amortization expense of \$148,184 (\$143,434 in 2021) was allocated as follows:

	2022	2021
	\$	\$
Episcopal	40,540	28,097
Parish Ministry	455	641
Administration	107,189	114,696
	148,184	143,434

21. Government Subsidies related to COVID-19

As a result of COVID-19, the Canadian government has put in place the Canada Emergency Wage Subsidy ("CEWS") program. The purpose of this program was to provide a subsidy to eligible employers as an incentive to keep employees on payroll during the COVID-19 crisis. During the fiscal year, the Synod has recognized \$40,445 (\$807,150 in 2021) of CEWS funding of which \$nil (\$249,851 in 2021) was receivable as at December 31, 2022. The CEWS funding was recognized as revenue in the consolidated statement of revenue and expenses and changes in fund balances as follows: \$33,569 (\$669,934 in 2021) Other contributions in the Parochial Pay and Insurance Funds and \$6,876 (\$137,215 in 2021) as Parish fair share in the Operations Fund.

22. Booth Street Fire and Remediation

In fiscal 2022, Cornerstone Housing for Women had a fire at 314 Booth street, which resulted in significant water damage. All repair and renovations costs related to the fire are being paid directly by the insurance company to the contractor. Consequently, no amounts will be reported in the financial statements related to the repairs and renovations as they are being reported on a net basis.

Cornerstone Housing for Women incurred expenses related to the fire of \$227,662, which consisted of programing costs, food services, accommodations, business interruption loss and physical item replacement during the time the building was evacuated. The Organization received recoveries related to fire totaling \$212,324, which consisted of \$150,000 of additional funding from the City of Ottawa and \$62,324 of insurance recovery.

23. Comparative Figures

Certain comparative figures have been reclassified to conform with the presentation adopted in 2022.

The Incorporated Synod of the Diocese of Ottawa
Supporting schedules

Year ended December 31, 2022

Schedule A - Community Ministries

	Cornerstone Housing for Women	Belong Ottawa	Ottawa Pastoral Center	Community Ministry Support	Refugee Ministry Office	Centre 105	Total 2022	Total 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Government contributions (Federal, Provincial and Municipal)								
Community Homelessness Prevention Initiative - Emergency Shelter	93,074	20,546	—	—	—	—	113,620	2,651,137
Emergency shelter per diem	193,508	—	—	—	—	—	193,508	—
Homeless Partnership Initiative Grants	467,888	—	—	—	—	—	467,888	458,714
Reaching Home & Supportive Housing Project funding	2,621,935	—	—	—	—	—	2,621,935	1,462,178
Day program sustaining funding	—	288,474	—	—	—	—	288,474	218,915
COVID-19 support	—	1,397,290	—	—	—	—	1,397,290	1,366,238
Other	132,334	—	—	—	—	—	132,334	625,710
	—	522,640	—	—	—	—	522,640	287,736
	3,508,739	2,228,950	—	—	—	—	5,737,689	7,070,628
Rent	873,410	—	—	—	—	—	873,410	938,723
Donations from parishes and other	1,224,798	439,690	211,529	42,718	20,923	176,813	2,116,471	2,158,237
	5,606,947	2,668,640	211,529	42,718	20,923	176,813	8,727,570	10,167,588
Expenses								
Personnel	4,219,991	2,095,384	103,979	49,000	108,877	168,953	6,746,184	7,205,937
Capital expenditures	70,530	130,000	—	—	—	7,494	208,024	245,695
Operating expenses	1,071,686	728,268	142,188	60,618	17,470	20,909	2,041,139	3,086,461
Office	231,160	24,347	10,314	—	—	4,458	270,279	251,080
Fundraising	74,756	—	—	—	—	—	74,756	—
	5,668,123	2,977,999	256,481	109,618	126,347	201,814	9,340,382	10,789,173
Deficiency of revenue over expenses before Synod apportionment	(61,176)	(309,359)	(44,952)	(66,900)	(105,424)	(25,001)	(612,812)	(621,585)
Synod apportionment to Community Ministries								
Budgeted	61,176	309,359	44,952	66,900	81,110	25,001	588,498	621,585
Non-budgeted	—	—	—	—	24,314	—	24,314	—
Excess of revenue over expenses after Synod apportionment	—	—	—	—	—	—	—	—

The Incorporated Synod of the Diocese of Ottawa

Supporting schedules

Year ended December 31, 2022

Schedule B - Mortgages and promissory notes

	Due date	Interest rate %	Principal balance 2021 \$	Advances \$	Principal repayments \$	Principal balance 2022 \$
St. Paul's Church, Kanata	June 2019	4.00	478,307	—	27,202	451,105
St. John's, South March	December 2015	4.00	106,077	—	106,077	—
St. John the Evangelist, Ottawa	December 2019	4.00	61,048	—	9,240	51,808
Ascension, Ottawa	December 2020	4.00	172,225	—	26,757	145,468
St. Helen's, Orleans	December 2025	4.00	974,207	—	47,691	926,516
Mayet Strategic Consulting (ASSH)	December 2025	4.00	770,789	—	27,746	743,043
St. John the Evangelist, Ottawa	December 2020	4.00	75,329	—	—	75,329
St. Barnabas, Deep River	June 2022	4.00	78,825	—	26,945	51,880
			2,716,807	—	271,658	2,445,149

The Incorporated Synod of the Diocese of Ottawa
Supporting schedules
Year ended December 31, 2022

Schedule C – Parish managed capital assets

Location	Cost			Value for Insurance Purposes (unaudited)			
	Buildings \$	Land \$	Combined \$	Church \$	Rectory \$	Buildings \$	Total \$
Alice, Ontario – St. George's	—	—	—	395,472	—	—	395,472
Almonte, Ontario – St. Paul's	122,517	—	122,517	1,337,974	970,936	324,988	2,633,897
Antrim, Ontario – St. John's	—	—	—	460,954	—	—	460,954
Arnprior, Ontario – Emmanuel Church	161,000	—	161,000	1,920,562	403,825	—	2,324,387
Ashton, Ontario – Christ Church	—	—	—	767,284	205,018	—	972,302
Old Church Ashton	—	—	—	164,166	—	—	164,166
Prospect (St. Augustine)	—	—	—	191,440	—	236,901	428,341
Aylmer, Quebec – Christ Church	452,678	—	452,678	2,648,989	310,946	—	2,959,935
Balderson, Ontario – St. John's, Drummond	—	—	—	314,863	—	—	314,863
Barrhaven, Good Shepherd	76,000	—	76,000	—	—	—	—
Bathurst, Ontario – St. Stephen's (Brook)	—	—	—	612,786	—	—	612,786
Beachburg, Ontario – St. Augustine's	—	—	—	527,848	—	—	527,848
Bearbrook, Ontario – Holy Trinity	—	—	—	607,145	—	—	607,145
Bouchette, Quebec – St. Georges By The Lake	—	—	—	110,511	—	—	110,511
Bristol Corners, Quebec – St. Thomas	—	—	—	126,033	—	—	126,033
Buckingham, Quebec – St. Stephen's	62,835	—	62,835	1,461,024	—	—	1,461,024
Carleton Place, Ontario – St. James	1,581,042	—	1,581,042	3,587,443	—	870,981	4,458,424
Carp, Ontario – St. James	60,200	—	60,200	1,571,897	—	—	1,571,897
Carp, Ontario 3rd Line – Christ Church	—	—	—	740,857	393,743	—	1,134,600
Carp, Ontario 6th Line – St. John's	—	—	—	323,129	—	—	323,129
Charteris, Quebec – St. Matthews	—	—	—	184,457	—	—	184,457
Chelsea, Quebec – St. Mary Magdalene	300,000	—	300,000	974,061	—	—	974,061
Chisolm, St Johns	—	—	—	62,252	—	—	62,252
Clayton, Ontario – St. George's	53,000	—	53,000	591,400	—	—	591,400
Clontarf, Ontario – St. Clement's	—	—	—	196,222	—	—	196,222
Cobden, Ontario – St. Paul's	—	—	—	496,017	—	143,567	639,584
Cornwall, Ontario – Trinity	768,354	—	768,354	7,946,918	511,634	—	8,458,552
Danford Lake, Quebec – Trinity Church	—	—	—	194,318	—	277,584	471,901
Deep River, Ontario – St. Barnabas	586,113	—	586,113	1,887,196	—	—	1,887,196
Drummond Twp, Ontario – St. Augustine's	—	—	—	486,582	—	—	486,582
Dunrobin, Ontario – St. Mary's 6th Line	70,000	—	70,000	800,844	—	—	800,844
Dunrobin, Ontario – St. Paul's	54,845	—	54,845	621,256	—	—	621,256
Eardley, Quebec – St. Luke's	—	—	—	270,265	—	—	270,265
Eganville, Ontario – St. John's	—	—	—	1,414,904	455,612	—	1,870,516
Fenaghvale, Ontario – St. Paul's	—	—	—	337,406	—	—	337,406
Fitzroy Harbour, Ontario – St. Georges	—	—	—	685,528	299,745	—	985,273
Franktown, Ontario – St. James	—	—	—	595,521	—	50,957	646,478
Gatineau, Quebec – St. George's	—	—	—	688,020	—	—	688,020
Glen Almond, Quebec – St. John's	—	—	—	111,056	—	—	111,056
Gloucester, Ontario – Epiphany	1,388,122	—	1,388,122	1,264,834	—	—	1,264,834
Gloucester, St. Mary The Virgin	—	—	—	309,673	167,372	—	477,045
Gracefield, Quebec, St. James	—	—	—	224,939	—	—	224,939
Greely, Ontario – All Saints	—	—	—	273,859	—	—	273,859
Greermount, Quebec – St. Stephen's	—	—	—	346,497	—	—	346,497
(East) Hawkesbury, Ontario – St. Paul's	—	—	—	378,245	—	—	378,245
Hawkesbury, Ontario – Holy Trinity	74,634	—	74,634	1,975,248	469,479	—	2,444,727
Innisville, Ontario – St. John's	—	—	—	562,343	—	—	562,343
Iroquois, Ontario – St. John's	—	—	—	1,894,831	—	—	1,894,831
Kanata, Ontario Hazeldean – St. Paul's	2,800,000	—	2,800,000	4,315,208	—	—	4,315,208
Kars, Ontario – St. John The Baptist	62,800	—	62,800	482,578	—	—	482,578
Kazabazua, Quebec – St. Stephen's	—	—	—	132,808	—	—	132,808
Killaloe, Ontario – Church of The Ascension	—	—	—	388,998	—	—	388,998
Lanark, Ontario – St. Paul's	—	—	—	359,579	—	—	359,579
Lancaster, Ontario – St. John's	92,000	—	92,000	1,382,959	—	—	1,382,959
Lascelles, Quebec – Holy Trinity	—	—	—	434,695	—	—	434,695
Leitrim, Ontario – St. James	—	—	—	335,495	—	—	335,495
Long Sault, Ontario – Christ Church	536,001	—	536,001	1,525,820	255,922	—	1,781,742
Maberley, Ontario – St. Alban's	—	—	—	161,093	—	—	161,093
Madawaska, Ontario – Holy Trinity	—	—	—	268,012	—	—	268,012
Maniwaki, Quebec – Christ Church	—	—	—	164,317	—	—	164,317
Manotick, Ontario – St. James	265,000	—	265,000	1,784,770	—	—	1,784,770
Mattawa, Ontario – St. Alban's	—	—	—	454,182	—	—	454,182
Maxville, Ontario – St. Michael's	—	—	—	931,947	—	—	931,947
Metcalfe, Ontario – Holy Trinity	53,968	—	53,968	1,442,911	—	—	1,442,911
Micksburg, Ontario – St. Patrick's	—	—	—	631,340	299,732	—	931,071
Morrisburg, Ontario – St. James	—	—	—	4,452,969	424,018	—	4,876,988
Navan, Ontario – St. Mary's	314,240	—	314,240	1,428,997	219,924	—	1,648,921
Nepean, Ontario – Christ Church	344,462	—	344,462	2,785,882	304,423	—	3,090,305
Nolans Corners, Ontario – St. Bede's	283,084	—	283,084	371,825	—	229,721	601,546
North Gower, Ontario – Holy Trinity	117,892	—	117,892	1,574,825	350,242	—	1,925,068
Orleans, Ontario – St. Helen's	640,175	265,000	905,175	1,996,992	—	—	1,996,992
Total to carryforward	11,320,962	265,000	11,585,962	71,453,265	6,042,571	2,134,699	79,630,536

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Year ended December 31, 2022

Schedule C – Parish managed capital assets (continued)

Location	Cost			Value for Insurance Purposes (unaudited)			Total
	Buildings	Land	Combined	Church	Rectory	Buildings	
	\$	\$	\$	\$	\$	\$	
Brought forward	11,320,962	265,000	11,585,962	71,453,265	6,042,571	2,134,699	79,630,536
Osgoode, Ontario – St. Paul's	52,000	—	52,000	972,597	—	—	972,597
Ottawa, Ontario – All Saints (Westboro)	886,369	—	886,369	5,793,036	—	—	5,793,036
Ottawa, Ontario – Ascension	442,595	—	442,595	1,217,857	—	—	1,217,857
Ottawa, Ontario – Christ Church Cathedral	2,375,424	—	2,375,424	24,339,341	—	—	24,339,341
Ottawa, Ontario – St. Aidan's	—	—	—	2,953,839	—	—	2,953,839
Ottawa, Ontario – St. Alban's	2,086,162	—	2,086,162	3,022,247	—	—	3,022,247
Ottawa, Ontario – St. Barnabas	629,543	—	629,543	3,717,364	—	—	3,717,364
Ottawa, Ontario – St. Bartholomew's	1,419,767	—	1,419,767	2,283,768	423,761	—	2,707,529
Ottawa, Ontario – St. Columba	—	—	—	2,400,696	363,878	—	2,764,574
Ottawa, Ontario – St. John The Evangelist	2,721,850	—	2,721,850	6,468,741	—	—	6,468,741
Ottawa, Ontario – St. Luke's	262,903	—	262,903	2,969,132	—	147,720	3,116,851
Ottawa, Ontario – St. Mark's	416,855	—	416,855	1,896,611	—	—	1,896,611
Ottawa, Ontario – St. Martin's	164,000	—	164,000	3,453,245	287,446	—	3,740,691
Ottawa, Ontario – St. Matthew's	2,500,258	—	2,500,258	10,224,447	—	—	10,224,447
Ottawa, Ontario – Julian (St. Richard's)	167,203	—	167,203	4,455,965	—	263,451	4,719,416
Ottawa, Ontario – St. Stephen's	169,066	—	169,066	3,013,957	—	—	3,013,957
Ottawa, Ontario – St. Thomas The Apostle	808,602	—	808,602	3,926,802	274,630	—	4,201,432
Ottawa, Ontario – Trinity	271,020	—	271,020	4,722,694	320,741	—	5,043,435
Otter Lake, Quebec – St. James	—	—	—	221,588	—	—	221,588
Pakenham, Ontario – St. Mark's	—	—	—	890,618	441,267	—	1,331,884
Pembroke, Ontario – Holy Trinity	496,014	—	496,014	3,027,245	547,254	—	3,574,499
Perth, Ontario – St. James	257,427	—	257,427	5,813,013	430,605	—	6,243,617
Petawawa, Ontario – All Saints	70,000	—	70,000	423,073	244,897	—	667,970
Poltimore, Quebec – Christ Church	—	—	—	272,099	—	—	272,099
Radford, Quebec – Holy Trinity	—	—	—	194,227	—	81,838	276,065
Rankin, Ontario – St. Thomas	—	—	—	414,778	—	—	414,778
Renfrew, Ontario – St. Paul's	—	—	—	1,192,022	—	—	1,192,022
Richmond, Ontario – St. John's The Baptist	—	—	—	1,261,775	279,042	—	1,540,817
Riverside Heights, Ontario – Trinity Church	—	—	—	784,260	—	—	784,260
Russell, Ontario – St. Mary's	—	—	—	1,223,487	—	—	1,223,487
Rutherford, Ontario – St. Margaret's	—	—	—	217,958	—	144,726	362,683
Shawville, Quebec – St. Paul's	—	—	—	1,256,707	357,081	—	1,613,788
Silver Creek, Québec – St. Thomas	—	—	—	1,098,376	—	—	1,098,376
Smiths Falls, Ontario – St. John's	782,320	—	782,320	2,848,568	211,067	—	3,059,635
South March, Ontario – St. John's	1,421,583	—	1,421,583	1,515,706	274,314	—	1,790,019
Stafford, Ontario – St. Stephen's	—	—	—	643,225	—	—	643,225
Stittsville, Ontario – St. Thomas	673,000	—	673,000	1,416,160	—	—	1,416,160
Thorne Centre, Quebec – St. George's	—	—	—	218,494	—	—	218,494
Tramore, Ontario (St. John's)	—	—	—	177,316	—	—	177,316
Vanier, Ontario – St. Margaret's	130,043	—	130,043	1,395,706	—	—	1,395,706
Vankleek Hill, Ontario – St. John's	—	—	—	679,247	—	—	679,247
Vars, Ontario – St. Andrew's	—	—	—	297,125	—	—	297,125
Vernon, Ontario – St. George's	—	—	—	446,424	—	—	446,424
Waba, Ontario – St. George's	—	—	—	127,623	—	—	127,623
Wakefield, Quebec – Good Shephard	—	—	—	444,802	—	—	444,802
Whitney, Ontario – St. Anthony's	—	—	—	418,147	—	—	418,147
Winchester, Ontario – St. Clare	1,001,456	71,423	1,072,879	1,436,398	—	—	1,436,398
Woodlawn, Ontario – St. Thomas	—	—	—	888,099	—	—	888,099
Totals	31,526,422	336,423	31,862,845	190,529,869	10,498,554	2,772,434	203,800,856
Accumulated amortization	13,684,089	—	13,684,089	—	—	—	—
Net book value	17,842,333	336,423	18,178,756	—	—	—	—