

**BAY OF QUINTE CONFERENCE, THE  
UNITED CHURCH OF CANADA**

**FINANCIAL STATEMENTS**

December 31, 2016

## REVIEW ENGAGEMENT REPORT

To the Members of  
**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

We have reviewed the statement of financial position of **BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA** as at December 31, 2016 and the statements of changes in fund balances, operations and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Conference.

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

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Trenton, Ontario  
May 17, 2017

  
CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA  
STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2016**

	<u>Operating Fund</u>	<u>Capital Asset Fund</u>	<u>Restricted Funds (Schedule 1)</u>	<u>Endowment Funds (Schedule 2)</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>CURRENT ASSETS</b>						
Cash and deposits	\$379,277	\$ -	\$9,136	\$ -	\$388,413	\$ 756,835
Accounts receivable	111,504	-	375	-	111,879	19,254
Current portion - mortgage receivable	3,335	-	-	-	3,335	3,479
	<u>494,116</u>	<u>-</u>	<u>9,511</u>	<u>-</u>	<u>503,627</u>	<u>779,568</u>
<b>DUE FROM (TO) OTHER FUNDS</b>						
INVESTMENTS - note 4	(985,128)	-	858,381	126,747	-	-
MORTGAGE RECEIVABLE - note 5	797,632	-	-	16,653	814,285	677,689
CAPITAL ASSETS - note 6	83,197	-	-	-	83,197	86,260
	<u>-</u>	<u>19,979</u>	<u>-</u>	<u>-</u>	<u>19,979</u>	<u>28,169</u>
	<u>\$389,817</u>	<u>\$ 19,979</u>	<u>\$867,892</u>	<u>\$143,400</u>	<u>\$1,421,088</u>	<u>\$1,571,686</u>

**LIABILITIES AND FUND BALANCES**

<b>CURRENT LIABILITIES</b>	\$57,234	\$ -	\$ -	\$ -	\$57,234	\$73,105
Accounts payable and accrued liabilities						
<b>FUND BALANCES</b>						
Internally restricted - Invested in capital assets	-	19,979	-	-	19,979	28,169
Internally restricted - Schedule 1	-	-	708,241	-	708,241	735,588
Externally restricted - Schedules 1 and 2	-	-	159,651	143,400	303,051	345,306
Unrestricted	332,583	-	-	-	332,583	389,518
	<u>332,583</u>	<u>19,979</u>	<u>867,892</u>	<u>143,400</u>	<u>1,363,854</u>	<u>1,498,581</u>
	<u>\$389,817</u>	<u>\$19,979</u>	<u>\$867,892</u>	<u>\$143,400</u>	<u>\$1,421,088</u>	<u>\$1,571,686</u>

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

(Unaudited) (See accompanying notes)

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2016**

	Operating Fund	Capital Asset Fund	Restricted Funds (Schedule 1)	Endowment Funds (Schedule 2)	2016 Total	2015 Total
Fund balances, beginning of year	\$389,518	\$28,169	\$937,494	\$143,400	\$1,498,581	\$1,382,613
Net revenues (expenses)	(40,322)	(8,190)	(86,215)	-	(134,727)	115,968
Interfund transfers - note 7	<u>(16,613)</u>	-	16,613	-	-	-
Fund balances, end of year	<u>\$ 332,583</u>	<u>\$19,979</u>	<u>\$867,892</u>	<u>\$143,400</u>	<u>\$ 1,363,854</u>	<u>\$1,498,581</u>

*(Unaudited)*  
(See accompanying notes)

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2016**

	<u>Operating Fund</u>	<u>Capital Asset Fund</u>	<u>Restricted Funds (Schedule 1)</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>REVENUES</b>					
Presbytery assessments	\$562,634	\$ -	\$ -	\$ 562,634	\$580,829
General Council Grant - salaries and benefits	191,052	-	-	191,052	272,932
Annual meeting registrations	11,438	-	-	11,438	16,040
Northern Pastoral Region	93	-	-	93	351
Investment income	25,247	-	-	25,247	21,257
Other income	168	-	-	168	4,777
Restricted funds (Schedule 1)	-	-	50,186	50,186	342,884
	<u>790,632</u>	<u>-</u>	<u>50,186</u>	<u>840,818</u>	<u>1,239,070</u>
<b>EXPENSES</b>					
Annual meeting	56,480	-	-	56,480	68,909
Conference office -salaries and benefits	484,577	-	-	484,577	491,344
Conference office - administrative costs	79,541	-	-	79,541	87,316
Conference support services	71,620	-	-	71,620	72,074
Conference units	9,846	-	-	9,846	16,313
Northern Pastoral Region	1,636	-	-	1,636	(24)
Standing committees	18,144	-	-	18,144	25,235
Divisions	58,013	-	-	58,013	51,982
Grants	58,256	-	-	58,256	61,500
Youth Mission Awareness	-	-	-	-	2,693
Amortization	-	8,190	-	8,190	8,211
GST/HST	6,561	-	-	6,561	7,021
Restricted funds (Schedule 1)	-	-	135,824	135,824	182,254
	<u>844,674</u>	<u>8,190</u>	<u>135,824</u>	<u>988,688</u>	<u>1,074,828</u>
	<u>(54,042)</u>	<u>(8,190)</u>	<u>(85,638)</u>	<u>(147,870)</u>	<u>164,242</u>
<b>NET REVENUES (EXPENSES), before items below</b>					
Adjustments to fair market value of investments - <i>note 10</i>	13,720	-	(577)	13,143	(19,491)
Loss on sale of long lived assets	-	-	-	-	(28,783)
<b>NET REVENUES (EXPENSES)</b>	<u>\$ (40,322)</u>	<u>\$ (8,190)</u>	<u>\$ (86,215)</u>	<u>\$(134,727)</u>	<u>\$115,968</u>

*(Unaudited)*  
*(See accompanying notes)*

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2016**

	Operating Fund	Capital Asset Fund	Restricted Funds (Schedule 1)	Endowment Funds (Schedule 2)	2016 Total	2015 Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net revenues (expenses)	\$ (40,322)	\$ (8,190)	\$ (86,215)	\$ -	\$ (134,727)	\$ 115,968
Adjustments for:						
Amortization	-	8,190	-	-	8,190	8,211
Loss on sale of long lived assets	-	-	-	-	-	28,783
Adjustments to fair market value of investments	(13,720)	-	577	-	(13,143)	19,491
	<u>(54,042)</u>	<u>-</u>	<u>(85,638)</u>	<u>-</u>	<u>(139,680)</u>	<u>172,453</u>
Changes in the level of:						
Accounts receivable	(92,625)	-	-	-	(92,625)	79,337
Prepaid expenses	-	-	-	-	-	2,052
Accounts payable and accrued liabilities	(15,871)	-	-	-	(15,871)	4,651
	<u>(162,538)</u>	<u>-</u>	<u>(85,638)</u>	<u>-</u>	<u>(248,176)</u>	<u>258,493</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds on sale of long lived assets	-	-	-	-	-	3,189
Mortgage receivable repayment	3,207	-	-	-	3,207	261
Proceeds on sale of investments	-	-	-	-	-	64,000
Purchase of investments	(123,453)	-	-	-	(123,453)	(678,568)
	<u>(120,246)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,246)</u>	<u>(611,118)</u>
<b>TOTAL CASH AND DEPOSITS PROVIDED</b>	<u>(282,784)</u>	<u>-</u>	<u>(85,638)</u>	<u>-</u>	<u>(368,422)</u>	<u>(352,625)</u>
<b>CASH AND DEPOSITS, beginning of year</b>	709,577	-	47,258	-	756,835	1,109,460
Interfund adjustments	<u>(47,516)</u>	<u>-</u>	<u>47,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH AND DEPOSITS, end of year</b>	<u>\$ 379,277</u>	<u>\$ -</u>	<u>\$ 9,136</u>	<u>\$ -</u>	<u>\$ 388,413</u>	<u>\$ 756,835</u>
<b>CASH AND DEPOSITS CONSIST OF:</b>						
Cash	\$ 379,277	\$ -	\$ 2,936	\$ -	\$ 382,213	\$ 750,740
Term deposits	-	-	6,200	-	6,200	6,095
	<u>\$ 379,277</u>	<u>\$ -</u>	<u>\$ 9,136</u>	<u>\$ -</u>	<u>\$ 388,413</u>	<u>\$ 756,835</u>

*(Unaudited) (See accompanying notes)*

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**  
**SCHEDULE OF RESTRICTED FUNDS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>2015</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Adjustments</u>	<u>Transfer</u>	<u>Interfund</u>	<u>2016</u>
	<u>Balance</u>	<u>(Recovery)</u>	<u>to fair market</u>	<u>from (to)</u>	<u>Transfers</u>	<u>Balance</u>	
			<u>investments</u>	<u>Operating</u>			
			<u>Fund</u>				
<b><u>Internally Restricted</u></b>							
Legal & Pastoral Charge Support Fund	\$ 15,000	\$ -	\$ 6,832	\$ -	\$ -	\$ 8,168	
Working Fund	90,000	-	-	-	-	90,000	
Presbytery Support Fund	45,000	-	-	-	-	45,000	
Program Development Fund	2,000	-	-	-	(2,000)	-	
Transformational Ministry Fund	128,876	4,200	48,330	2,667	-	87,413	
Church Sale Fund - note 11	429,712	-	(16,620)	6,328	-	452,660	
Office Capital Equipment Fund	25,000	-	-	-	-	25,000	
	<u>735,588</u>	<u>4,200</u>	<u>38,542</u>	<u>8,995</u>	<u>(2,000)</u>	<u>708,241</u>	
<b><u>Externally Restricted</u></b>							
Bursary Fund	2,828	11,793	15,476	(577)	3,435	2,003	
Queen's Theology Alumni Executive Fund	3,809	-	-	-	107	3,916	
Queen's Theology Alumni Annual Conference Fund	8,274	9,397	11,859	-	198	6,010	
Queen's Theology Rural Ministry Symposium Fund	27,239	6,535	13,460	-	683	20,997	
Stewardship Initiatives Project Fund	6,063	-	-	-	157	6,220	
Learning Grant	5,400	7,640	6,910	-	206	8,336	
Charlie Ketcheson Camp and Leadership Fund	6,964	108	-	-	180	7,252	
Eldorado United Church Accessibility Fund	76,419	-	-	-	1,982	78,401	
Library & Resource Ministry Fund	25,885	-	39	-	670	26,516	
Lennox & Addington Refugee Group Enthusiasts	39,025	10,513	49,538	-	-	-	
	<u>201,906</u>	<u>45,986</u>	<u>97,282</u>	<u>(577)</u>	<u>7,618</u>	<u>159,651</u>	
Total	<u>\$ 937,494</u>	<u>\$ 50,186</u>	<u>\$ 135,824</u>	<u>\$ (577)</u>	<u>\$ 16,613</u>	<u>\$ 867,892</u>	

(Unaudited)  
(See accompanying notes)

## BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA

## SCHEDULE OF ENDOWMENT FUND BALANCES

## YEAR ENDED DECEMBER 31, 2016

	<u>2015</u> <u>Balance</u>	<u>Received in</u> <u>Year</u>	<u>2016</u> <u>Balance</u>
Oshawa Trust Fund	\$ 93,400	\$ -	\$ 93,400
Staples Bequest	25,000	-	25,000
Gladys Margaret McCord Memorial Scholarship	<u>25,000</u>	<u>-</u>	<u>25,000</u>
	<u>\$ 143,400</u>	<u>\$ -</u>	<u>\$ 143,400</u>

*(Unaudited)*  
*(See accompanying notes)*



**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**1. PURPOSE OF ORGANIZATION**

The purpose of the Bay of Quinte Conference, The United Church of Canada is to be responsible to providing leadership and resources in order that the life and work of Jesus Christ may be known in the Church and in the world. The Conference is a regional office and consists of eight presbyteries in Eastern Ontario.

The Conference was established by the United Church of Canada as an unincorporated entity and is a registered charity and therefore exempt from income tax.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Fund Accounting**

The Bay of Quinte Conference, The United Church of Canada, follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Conference's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Conference's capital assets.

Internally restricted funds (see Schedule 1) account for transfers, approved at meetings by the executive, to various reserve accounts and the individual transactions charged to these reserves.

Externally restricted funds (see Schedule 1) account for funds received from outside the organization which must be spent for the purpose designated by the funder.

Endowment funds (see Schedule 2) account for contributions received in which the contributor has specified that the capital be permanently maintained as an endowment. Investment income earned on the endowment funds is recorded as income of the fund as designated in the original endowments.

**Revenue Recognition**

Presbytery assessments are recognized in the fiscal year for which they are levied. General Council Grant is recognized in the period in which the salaries that are being funded are incurred. Annual meeting registrations are recognized in the period in which the annual meeting occurs. Interest income is recognized as earned. Other income is recognized when received with those revenues with restrictions attached accounted for as in the fund accounting note above.

**Cash and Deposits**

Cash and deposits include cash held in bank accounts as well as amounts invested for short-term purposes in term deposits or similar instruments that can be redeemed at anytime for face value plus interest accrued to the redemption date.

*(Unaudited)*

Welch LLP

An incorporation: "Welch" is a registered trademark of Welch LLP

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial Instruments**

The Conference initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

Except for investments, the Conference subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Investments are subsequently measured at fair value. The purchase and sale of investments are accounted for using settlement date accounting. Investment management fees are expensed as incurred.

**Capital Assets and Amortization**

Capital assets are stated at acquisition cost. Amortization is provided on a straight-line basis over 10 years for furniture and fixtures, 5 years for computer equipment, and 5 years for leasehold improvements.

**Use of Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Conference makes estimates in determining the estimated useful lives of its capital assets and significant accrued liabilities. Actual results could differ from those estimates.

*(Unaudited)*

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**3. FINANCIAL INSTRUMENTS**

**Credit Risk**

The Conference is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Conference could incur a financial loss. The Conference's maximum exposure to credit risk is represented by the carrying value of its cash and deposits, accounts receivable and guaranteed investment certificates. The Conference's cash and deposits and guaranteed investment certificates are on deposit with a Canadian Chartered bank and therefore it is management's opinion that the Conference is not subject to significant credit risk with respect to cash and deposits and guaranteed investment certificates. The Conference's accounts receivable are amounts due from its member Presbyteries and HST rebates and there is not significant exposure to credit risk.

**Liquidity Risk**

Liquidity risk is the risk that the Conference cannot meet its commitments when they become due. Liquidity risk also includes the risk of the Conference not being able to liquidate assets in a timely manner. The Conference's management manages this risk by reviewing expected cash flow requirements through its budget process, anticipating investing and financing activities and holding assets that can be readily converted into cash.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

**Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Conference's mutual funds which invest in global equities are denominated in Canadian dollars and therefore currency risk exposure is minimal.

**Interest Rate Risk**

Interest rate risk refers to the risk that the fair value of financial instruments and future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Conference's exposure to interest rate risk arises from its interest bearing assets. The Conference ladders its portfolio of guaranteed investment certificates into maturity dates with six month intervals in order to reduce its exposure to interest rate risk.

*(Unaudited)*

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**3. FINANCIAL INSTRUMENTS (continued)**

**Other Price Risk**

Other price risk refers to the risk that the fair value of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are specific to the individual instrument or its issuer or factors affecting all similar instruments trading in the same market. The Conference is exposed to market risk through its investments in mutual funds.

**Changes in Risks**

There have not been significant changes in any of the above risks in the current year.

**4. INVESTMENTS**

	2016		2015	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
<u>Operating Fund</u>				
Mutual funds	\$ 467,632	\$ 472,020	\$ 440,459	\$ 458,568
Guaranteed Investment Certificates	330,000	330,000	220,000	220,000
	<u>\$ 797,632</u>	<u>\$ 802,020</u>	<u>\$ 660,459</u>	<u>\$ 678,568</u>
<u>Endowment Fund</u>				
Mutual funds	<u>\$ 16,653</u>	<u>\$ 25,000</u>	<u>\$ 17,230</u>	<u>\$ 25,000</u>

The Conference has adopted an investment policy in which all funds beyond those required for ongoing liquidity are pooled and invested in a combination of mutual funds and Guaranteed Investment Certificates with laddered maturity dates. The income earned by the investments including any bank account interest and any realized or unrealized gains or losses on investments are allocated pro-rata between the operating fund, externally and internally restricted funds and endowment funds. The investment income and gains/losses are shown as income of the operating fund with the allocation to the various funds shown as a fund transfer between the operating fund and the other funds. The exception to this policy is that the Staples Bequest endowment fund of \$25,000 is invested outside the pooled funds and this investment income is not included in the income allocation nor does the Staples Bequest share in the pooled investment income. Endowment Funds included in the pooled investment funds are the Oshawa Trust Fund (\$93,400) and the Gladys Margaret McCord Memorial Scholarship (\$25,000).

The mutual funds consist of a mixture of equity and fixed income securities.

The Guaranteed Investment Certificates bear interest at rates from 1.75% to 2.05% per annum and mature between March 6, 2017 and May 7, 2018.

*(Unaudited)*

**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**5. MORTGAGE RECEIVABLE**

The mortgage receivable bears interest at 4% per annum and is repayable in blended monthly instalments of \$559 until October 30, 2018.

	<u>2016</u>	<u>2015</u>
Mortgage receivable	\$ 86,532	\$ 89,739
Less current portion	<u>3,335</u>	<u>3,479</u>
	<u>\$ 83,197</u>	<u>\$ 86,260</u>

**6. CAPITAL ASSETS**

Capital assets consist of the following:

	<u>2016</u>			<u>2015</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and fixtures	\$ 23,857	\$ 20,695	\$ 3,162	\$ 3,991
Computer equipment	58,682	53,833	4,849	7,577
Leasehold improvements	<u>23,164</u>	<u>11,196</u>	<u>11,968</u>	<u>16,601</u>
	<u>\$ 105,703</u>	<u>\$ 85,724</u>	<u>\$ 19,979</u>	<u>\$ 28,169</u>

**7. INTERFUND TRANSFERS**

During the year, the following interfund transfers took place:

	<u>Operating Fund</u>	<u>Restricted Funds</u>	<u>Capital Asset Fund</u>
Investment income allocated	<u>\$ (16,613)</u>	<u>\$ 16,613</u>	<u>\$ -</u>

Amounts due to other funds have no fixed terms of repayment. The other funds share in the pooled investment income according to their pro-notes share of the investment income as disclosed in note 4.

*(Unaudited)*

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BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

8. OPERATING GRANT

The United Church of Canada General Council Office provides an annual grant for staff salaries. Bay of Quinte Conference's share of salary expense was as follows:

	<u>2016</u>	<u>2015</u>
Total salary expense	\$ 484,577	\$ 491,344
General Council Office grant	<u>(191,052)</u>	<u>(272,932)</u>
	<u>\$ 293,525</u>	<u>\$ 218,412</u>

9. ENDOWMENT FUND INVESTMENT INCOME

Investment income earned on direct endowment investments of \$1,635 (2015 - \$1,635) has been recorded in the year as income of the Bursary Fund. Additionally, the bursary fund has been allocated \$3,071 of income of endowment funds included in the pooled investment funds.

10. ADJUSTMENTS TO FAIR MARKET VALUE OF INVESTMENTS

	<u>2016</u>	<u>2015</u>
<u>Operating Fund</u>		
Unrealized gains (losses) arising in the year	<u>\$ 13,720</u>	<u>\$ (18,445)</u>
<u>Endowment Fund</u>		
Unrealized losses arising in the year	<u>\$ (577)</u>	<u>\$ (1,046)</u>

The adjustments to fair market value of investments in the endowment fund have been charged to the bursary fund and recognized as an interfund loan on the statement of financial position.

(Unaudited)

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**BAY OF QUINTE CONFERENCE, THE UNITED CHURCH OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**11. CHURCH SALE FUND**

Revenue reported represents 70% of proceeds retained by the Conference according to Conference Policy. The remaining 30% is disbursed immediately after the sale in equal shares to the General Council Mission and Service Fund, the Presbytery the property sold is located in and the General Council New Church Development Fund. The Conference Executive internally restricts the retained amount for specific purposes. Revenues retained from Church property sales and funds expended from those funds are as follows:

	2015 Balance	Revenue	Expenditures (Recovery)	Transfer from Operating Fund	2016 Balance
Knox United Church -					
- Peterborough	\$ 162,883	\$ -	\$ (75,355)	\$ 4,222	\$ 242,460
Grace United Church					
- Sydenham	58,735	-	58,735	-	-
Plevna Ompah	81,202	-	-	2,106	83,308
Myrtle United Church	126,892	-	-	-	126,892
	<u>\$ 429,712</u>	<u>\$ -</u>	<u>\$ (16,620)</u>	<u>\$ 6,328</u>	<u>\$ 452,660</u>

*(Unaudited)*

Welch LLP

A Professional Corporation of the Province of Ontario