

**MANITOBA/NORTHWESTERN ONTARIO SYNOD  
OF THE EVANGELICAL LUTHERAN CHURCH  
IN CANADA INC.**

**Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Manitoba/Northwestern Ontario Synod of the Evangelical Lutheran Church in Canada Inc.

We have audited the accompanying non-consolidated financial statements of Manitoba/Northwestern Ontario Synod of the Evangelical Lutheran Church in Canada Inc., which comprise the non-consolidated statement of financial position as at December 31, 2015 and the non-consolidated statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Non-consolidated Financial Statements

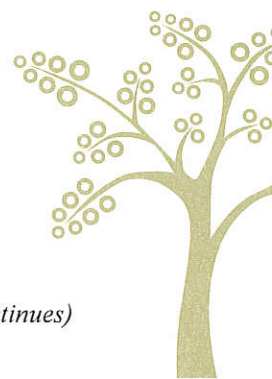
Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Synod's preparation and fair presentation of the non-consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

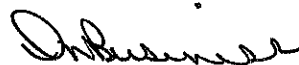


Independent Auditor's Report to the Members of Manitoba/Northwestern Ontario Synod of the Evangelical Lutheran Church in Canada Inc. *(continued)*

Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of Manitoba/Northwestern Ontario Synod of the Evangelical Lutheran Church in Canada Inc. as at December 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba  
March 16, 2016



Chartered Professional Accountants Inc.

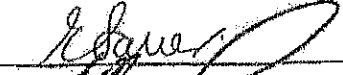
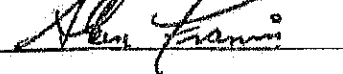
**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN  
CHURCH IN CANADA INC.**

**Non-Consolidated Statement of Financial Position**

**December 31, 2015**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short term investments <i>(Note 4)</i>	\$ 659,196	\$ 592,762
Benevolence receivable	64,806	64,962
Other receivables	10,446	3,163
Goods and services tax recoverable	1,429	2,797
Prepaid expenses	6,174	8,487
	<b>742,051</b>	<b>672,171</b>
<b>FIXED ASSETS <i>(Note 5)</i></b>	<b>35,340</b>	<b>44,971</b>
	<b>\$ 777,391</b>	<b>\$ 717,142</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 62,647	\$ 64,901
Current portion of long term debt <i>(Note 6)</i>	6,539	6,416
	<b>69,186</b>	<b>71,317</b>
<b>LONG TERM DEBT <i>(Note 6)</i></b>	<b>18,633</b>	<b>25,172</b>
<b>DEFERRED CONTRIBUTIONS <i>(Note 8)</i></b>	<b>403,058</b>	<b>297,656</b>
<b>DEFERRED CONTRIBUTIONS RELATED TO FIXED ASSETS <i>(Note 9)</i></b>	<b>7,132</b>	<b>11,685</b>
	<b>498,009</b>	<b>405,830</b>
<b>NET ASSETS</b>		
Operating fund	41,771	42,409
Internally restricted program fund <i>(Note 10)</i>	234,575	267,205
Invested in fixed assets	3,036	1,698
	<b>279,382</b>	<b>311,312</b>
	<b>\$ 777,391</b>	<b>\$ 717,142</b>

**ON BEHALF OF THE SYNOD COUNCIL**

 Director  
 Director

See Accompanying Notes

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Non-Consolidated Statement of Revenues and Expenditures  
Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>		
Benevolence from congregations	\$ 481,745	\$ 489,270
Directed income <i>(Note 11)</i>	182,114	167,255
Deferred contributions	126,198	84,844
Mission as Hope Appeal	28,560	33,474
Youth ministry	16,599	75,393
MNO Synod Foundation Income Grant	15,000	15,000
Registration fees - study conference	11,725	13,500
Donated life insurance premiums <i>(Note 16)</i>	11,049	11,049
Interest and other income	8,522	6,681
Deferred contributions related to fixed assets	4,553	4,553
Biennial convention	-	32,562
Church closure distributions	-	158,017
	<b>886,065</b>	<b>1,091,598</b>
<b>EXPENSES</b>		
Amortization	12,746	8,934
Biennial convention	-	26,793
Brokenhead shared ministry	20,786	-
Cameroon appeal	8,263	6,629
Cameroon mission trip: Women in leadership	11,846	-
Canada Lutheran - MNO Insert	4,304	4,304
Committees <i>(Note 12)</i>	69,967	113,802
Directed income <i>(Note 11)</i>	182,114	167,255
ELCIC benevolence paid	125,253	127,210
First Call Program - Western Synods	33,922	24,364
Internships	-	5,875
Life insurance premiums <i>(Note 16)</i>	11,049	11,049
Luther Village Inc.	18,332	20,000
Lutheran Theological Seminary	37,091	40,000
Lutheran Urban Ministry	18,332	20,000
Meetings and conferences	19,694	18,085
Mission as Hope New Initiatives	5,903	17,069
Office	37,096	37,393
Salaries and employee benefits	259,371	249,384
Staff travel	26,512	29,412
Young adult ministry	15,414	20,391
	<b>917,995</b>	<b>947,949</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>(31,930)</b>	<b>143,649</b>
<b>OTHER INCOME</b>		
Gain on disposal of fixed assets	-	3,000
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (31,930)</b>	<b>\$ 146,649</b>

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN  
CHURCH IN CANADA INC.**

**Non-Consolidated Statement of Changes in Net Assets  
Year Ended December 31, 2015**

	Operating Fund	Internally Restricted Program Fund	Invested in Fixed Assets	2015	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 42,409	\$ 267,205	\$ 1,698	\$ 311,312	\$ 164,663
Deficiency of revenue over expenses	(23,737)	-	(8,193)	(31,930)	146,649
Transfer - operating fund	40,007	(40,007)	-	-	-
Transfer - Mission as Hope New Initiatives	(8,968)	8,968	-	-	-
Purchase of fixed assets	(1,524)	(1,591)	3,115	-	-
Repayment of long-term debt related to fixed assets	(6,416)	-	6,416	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 41,771	\$ 234,575	\$ 3,036	\$ 279,382	\$ 311,312

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN  
CHURCH IN CANADA INC.**

**Non-Consolidated Statement of Cash Flow**

**Year Ended December 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (31,930)	\$ 146,649
Items not affecting cash:		
Amortization of fixed assets	12,746	8,934
Deferred contributions	(126,198)	(84,844)
Deferred contributions related to fixed assets	(4,553)	(4,553)
Gain on disposal of fixed assets	-	(3,000)
	<b>(149,935)</b>	<b>63,186</b>
Changes in non-cash working capital:		
Benevolence receivable	156	22,652
Other receivables	(7,283)	(2,454)
Goods and services tax recoverable	1,368	(1,491)
Prepaid expenses	2,313	(761)
Accounts payable and accrued liabilities	(2,254)	(88)
	<b>(5,700)</b>	<b>17,858</b>
Cash flow from (used by) operating activities	<b>(155,635)</b>	<b>81,044</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(3,115)	(35,439)
Proceeds on disposal of fixed assets	-	3,000
Deferred contributions received	231,600	95,440
Cash flow from investing activities	<b>228,485</b>	<b>63,001</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	-	33,174
Repayment of long term debt	(6,416)	(1,585)
Cash flow from (used by) financing activities	<b>(6,416)</b>	<b>31,589</b>
<b>INCREASE IN CASH FLOW</b>	<b>66,434</b>	<b>175,634</b>
<b>CASH AND SHORT TERM INVESTMENTS - BEGINNING OF YEAR</b>	<b>592,762</b>	<b>417,128</b>
<b>CASH AND SHORT TERM INVESTMENTS - END OF YEAR</b>	<b>\$ 659,196</b>	<b>\$ 592,762</b>



**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

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1. PURPOSE OF THE SYNOD

The Manitoba/Northwestern Ontario Synod (the Synod) of the Evangelical Lutheran Church in Canada Inc. (ELCIC) is a regional synod, the mission of which, as the regional expression of the ELCIC and in faithfulness to the Lord of the Church, shall facilitate and advance the mission of this church within its territory. Guided and empowered by the Holy Spirit, it shall carry out this mission by shepherding its congregations and rostered ministers, and by engaging in other forms of ministry that proclaim God's Word and serve to bring reconciliation to the world.

The Synod was incorporated under the laws of Manitoba on December 31, 1985 as a not-for-profit organization, and is a registered charity under the Income Tax Act of Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Non-Consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

*Measurement of financial instruments*

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments measured at amortized cost include cash and short term investments, benevolence receivable, other receivables, goods and services tax recoverable, accounts payable and accrued liabilities, current portion of long term debt, and long term debt.

Short term investments

Short term investments, which consists primarily of commercial paper with original maturities at date of purchase beyond three months and less than twelve months, are carried at amortized cost.

*(continues)*



**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

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

Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated amortization. The estimated useful lives, residual values and amortization methods are reviewed if events or changes in circumstances indicate the carrying amount may not be recoverable. Fixed assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Automobile	5 years
Computer and equipment	5 years
Furniture and equipment	10 years

Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease.

Fixed assets acquired during the year are not amortized until they are placed into use. Fixed assets are amortized at one-half the normal rate in the year of acquisition.

Amortization expense is reported in the invested in fixed asset fund. Funding related to the purchase of fixed assets is amortized on the same basis as the related asset.

Fund accounting

Manitoba/Northwestern Ontario Synod of the Evangelical Lutheran Church in Canada Inc. follows the deferral method of accounting for contributions.

The unrestricted operating fund is used to record the operating revenues and expenses of the Synod.

The internally restricted program fund represents funds restricted for use by the Synod to facilitate various programs.

The invested in fixed assets fund reports the assets, liabilities, revenues and expenses related to the Synod's fixed assets.

Revenue recognition

Restricted contributions, received to administer programs (as listed in Notes 7 and 8) are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions (which includes benevolence from congregations, donated life insurance premiums, Mission as Hope Appeal, MNO Foundation income grant and other unrestricted funds) are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Income from pledges is not recorded until the pledged cash is received.

Interest income comprises interest from cash and interest from fixed income investments. Revenue is recognized on an accrual basis.

Registration fees related to the biennial convention and the study conference are recognized as revenue when the event is held, the amount can be reasonably estimated and ultimate collection is assured.

All other revenue is recorded when received.

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**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

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

Contributed services

A substantial number of unpaid volunteers have made significant contributions in carrying out the Synod's activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Exclusion of controlled entities

These financial statements have been prepared on a non-consolidated basis with the consent of the Synod Council. In accordance with ASNFPO, financial summaries of the controlled entities are presented for information purposes (Note 15).

3. FINANCIAL INSTRUMENTS

The Synod is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Synod's risk exposure and concentration as of December 31, 2015.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Synod is exposed to credit risk from member congregations. The Synod has a significant number of members which minimizes concentration of credit risk.

The Synod has no allowance for doubtful accounts at the statement of financial position dates.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Synod is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, long-term debt, and accounts payable and accrued liabilities.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Synod is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Synod manages exposure through its normal operating and financing activities. The Synod is exposed to interest rate risk primarily through its fixed interest rates on cash and short term investments.

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

**4. CASH AND SHORT TERM INVESTMENTS**

	<b>2015</b>	<b>2014</b>
Cash	\$ 587,256	\$ 521,993
Short term investments	71,940	70,769
	<b>\$ 659,196</b>	<b>\$ 592,762</b>

Cash has an average effective interest rate of 1.5%. Short term investments have an average effective interest rate of 1.57% (2014 - 1.53%), with maturity dates ranging from January 8, 2016 to June 21, 2016.

The Synod maintains cash and short term investments with one financial institution; however, since it is fully insured under the Deposit Guarantee Corporation of Manitoba, it mitigates the credit risk for this concentration of cash and short-term investments.

**5. FIXED ASSETS**

	Cost	Accumulated amortization	<b>2015 Net book value</b>
Automobile	\$ 35,439	\$ 10,632	\$ 24,807
Computer and equipment	9,064	5,227	3,837
Furniture and equipment	2,140	1,819	321
Leasehold improvements	17,000	10,625	6,375
	<b>\$ 63,643</b>	<b>\$ 28,303</b>	<b>\$ 35,340</b>

	Cost	Accumulated amortization	2014 Net book value
Automobile	\$ 35,439	\$ 3,544	\$ 31,895
Computer and equipment	5,949	4,033	1,916
Furniture and equipment	2,140	1,605	535
Leasehold improvements	17,000	6,375	10,625
	<b>\$ 60,528</b>	<b>\$ 15,557</b>	<b>\$ 44,971</b>

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

6. LONG TERM DEBT

	2015	2014
Volkswagon Credit loan bearing fixed interest at 1.9% per annum, repayable in monthly blended payments of \$580. The loan matures on September 30, 2019 and is secured by the 2015 Volkswagen Tiguan.	\$ 25,172	\$ 31,588
Amounts payable within one year	(6,539)	(6,416)
	<b>\$ 18,633</b>	<b>\$ 25,172</b>

Principal repayment terms are approximately:

2016	\$ 6,539
2017	6,664
2018	6,792
2019	5,177
	<u>25,172</u>
	<b>\$ 25,172</b>

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN  
CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

7. SCHEDULE OF FUNDS HELD FOR PROGRAM USE

	Deferred Contributions (Note 8)	Internally Restricted Program Fund (Note 10)	2015	2014
Aboriginal Outreach	\$ -	\$ -	\$ -	\$ 2,000
Beautiful Feet Initiative	1,320	-	1,320	-
Brokenhead Shared Ministry	6,214	-	6,214	-
Bishop's Discretionary	-	2,512	2,512	606
Cameroon Appeal	33,748	-	33,748	34,726
Cameroon Mission - Women in Leadership, Canada Trip	-	-	-	713
Canadian Mission Development	50,400	16,000	66,400	66,400
Church Extension Capital Fund	130,743	-	130,743	102,269
CECF Acts of the MNO	100,000	-	100,000	-
Companion Synod	156	8,289	8,445	8,445
Faith Winnipeg Mission	-	-	-	1,492
First Call Program - Western Synods	27,512	-	27,512	44,934
Internships	11,069	28,009	39,078	21,784
Lay Ministry	2,713	110	2,823	-
Mission as Hope New Initiatives	-	22,208	22,208	42,652
Multipling Ministries	-	-	-	2,713
Small and Struggling Congregations	493	-	493	493
Sophia Fund	-	-	-	511
Student Aid	22,284	-	22,284	21,857
Young Adult Ministries	6,406	-	6,406	2,528
Young Adult Ministries - The Plunge	-	3,000	3,000	-
Youth Ministries	10,000	24,509	34,509	50,889
Youth Stewardship	-	-	-	1,832
<u>Funds to be allocated:</u>				
Our Saviours Winnipeg - Church Closure	-	126,157	126,157	153,821
St. John's Snow Lake - Church Closure	-	3,781	3,781	4,196
	\$ 403,058	\$ 234,575	\$ 637,633	\$ 564,861

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

8. DEFERRED CONTRIBUTIONS

	January 1, 2015	Restricted contributions received (transfers) in the year	Revenue recognized in the year	December 31, 2015
Aboriginal Outreach	\$ 2,000	\$ -	\$ (2,000)	\$ -
Beautiful Feet Initiative	-	1,320	-	1,320
Brokenhead Shared Ministry	-	27,000	(20,786)	6,214
Cameroon Appeal	34,726	7,285	(8,263)	33,748
Cameroon Mission - Women in Leadership, Canada Trip	713	5,000	(5,713)	-
Canadian Mission Development	50,400	-	-	50,400
Church Extension Capital Fund	102,269	63,126	(34,652)	130,743
CECF Acts of the MNO	-	100,000	-	100,000
Companion Synod	156	-	-	156
Compassionate Justice Initiatives	-	5,449	(5,449)	-
Lay Ministry Workshop	-	2,713	-	2,713
Faith Winnipeg Mission	1,492	(1,492)	-	-
First Call Program - Western Synods	44,934	16,500	(33,922)	27,512
Internships	7,864	3,205	-	11,069
Multiplying Ministries	2,713	(2,713)	-	-
Small or Struggling Congregations	493	-	-	493
Sophia Fund	511	(511)	-	-
Student Aid	21,857	427	-	22,284
Young Adult Ministry	2,528	19,291	(15,413)	6,406
Youth Ministry	25,000	(15,000)	-	10,000
	\$ 297,656	\$ 231,600	\$ (126,198)	\$ 403,058

9. DEFERRED CONTRIBUTIONS RELATED TO FIXED ASSETS

	Opening balance	Amount recognized into revenue	2015
Computer and equipment	\$ 1,060	\$ (303)	\$ 757
Leasehold improvements	10,625	(4,250)	6,375
	\$ 11,685	\$ (4,553)	\$ 7,132

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements  
Year Ended December 31, 2015**

10. INTERNALLY RESTRICTED PROGRAM FUND

Internal restrictions on net assets are imposed at the discretion of the Synod Council, at the biennial convention or in accordance with existing Synod policies.

	January 1	Transfers (to) from operating and invested in fixed assets funds	Transfers from operating fund for Mission as Hope New Initiatives	December 31
<u>2015</u>				
Bishop's Discretionary	\$ 606	\$ 1,906	\$ -	\$ 2,512
Canadian Mission Development	16,000	-	-	16,000
Companion Synod	8,289	-	-	8,289
Internships	13,920	14,089	-	28,009
Lay Ministry	-	110	-	110
Mission as Hope New Initiatives	42,652	(29,412)	8,968	22,208
Young Adult Ministries - The Plunge	-	3,000	-	3,000
Youth Ministry	25,889	(1,380)	-	24,509
Youth Stewardship	1,832	(1,832)	-	-
<u>Funds to be allocated:</u>				
Our Saviours Winnipeg - Church Closure	153,821	(27,664)	-	126,157
St. Johns Snow Lake - Church Closure	4,196	(415)	-	3,781
	\$ 267,205	\$ (41,598)	\$ 8,968	\$ 234,575
<u>2014</u>				
Bishop's Discretionary	\$ 671	\$ (65)	\$ -	\$ 606
Canadian Mission Development	16,000	-	-	16,000
Companion Synod	8,289	-	-	8,289
Internships	13,920	-	-	13,920
Mission as Hope New Initiatives	55,482	(17,069)	4,239	42,652
Youth Ministry	25,775	114	-	25,889
Youth Stewardship	1,832	-	-	1,832
<u>Funds to be allocated:</u>				
Our Saviours Winnipeg - Church Closure	-	153,821	-	153,821
St. Johns Snow Lake - Church Closure	-	4,196	-	4,196
	\$ 121,969	\$ 140,997	\$ 4,239	\$ 267,205

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

**11. DIRECTED INCOME**

During the year, the Synod received directed income from congregations that was used to fund special appeal programs noted below:

	2015	2014
Canadian Bible Society	\$ 70	\$ 453
Canadian Lutheran World Relief (CLWR)	100,509	87,669
ELCIC Praise Appeal	4,400	4,691
ELCIC Reformation Challenge	2,244	-
Luther Village Inc.	7,320	7,018
Lutheran Association of Missionaries and Pilots (LAMP)	12,551	7,496
Lutheran Theological Seminary	1,799	2,115
Lutheran Urban Ministry Inc.	36,561	33,307
Northend Sponsorship Team (NEST)	518	672
Other programs	1,340	2,430
Winnipeg Harvest	215	193
World Mission - designated	150	750
World Mission - undesignated	14,437	20,461
	<b>\$ 182,114</b>	<b>\$ 167,255</b>

**12. COMMITTEES**

The Synod oversees committees, each with their own mandates and mission. Committees incur expenses limited to Synod Council approved budgets and each committee is responsible for disbursements within their designated deferred contribution funds. During the year, the Synod transferred restricted program funds for committee spending. Committee spending is as follows:

Committee	Operating Fund	Deferred contribution and restricted program fund spending	2015	2014
Candidacy	\$ 1,349	\$ -	\$ 1,349	\$ 2,658
Church in Society	2,192	7,449	9,641	15,602
Mission	2,032	34,652	36,684	18,615
Youth Ministry	22,293	-	22,293	76,927
	<b>\$ 27,866</b>	<b>\$ 42,101</b>	<b>\$ 69,967</b>	<b>\$ 113,802</b>



**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

13. RELATED PARTIES

Luther Village Inc.

The assets of Luther Village Inc. (Luther Village) are held in trust by its Board of Directors for the Synod, whose directors are appointed by the Synod. Luther Village provides a program of church camping in keeping with the principles and goals of the Synod. The Synod paid \$18,332 (2014 - \$20,000) in annual support payments to Luther Village.

MNO Foundation for Mission and Ministry Inc. (The Foundation)

The Synod incorporated The Foundation without share capital under the laws of the Province of Manitoba on July 11, 1996. Its objectives are to promote the mission and ministry of the Synod.

The Foundation's membership consists of all Synod Council members. The Foundation's members elect its Board of Directors. The Foundation has been designated as a Public Foundation and is a registered charity under the Income Tax Act. The Synod received \$15,000 (2014 - \$15,000) in the form of income grants from the Foundation during the year.

The most recent financial summaries of these unconsolidated entities are disclosed in Note 15.

Amounts are in the normal course of operations and reported at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14. LEASE COMMITMENTS

The Synod leases office space under a long term lease agreement that began July 1, 2013 and ends June 30, 2017. Annual minimum payments under the lease agreement are \$9,504 including the Synod's proportionate share of utilities, property taxes, common area maintenance and other related costs for the licensed premises.

Future minimum lease payments as at December 31, 2015, are as follows:

2016	\$	9,504
2017		4,752
	\$	14,256

15. DISCLOSURE OF CONTROLLED ENTITIES

The relationship between the Synod and certain of its controlled entities is more particularly outlined in Note 2 and Note 13. There are no significant differences in accounting policies of the Synod and its controlled entities. The most recent financial summaries of these unconsolidated entities is as follows:

**LUTHER VILLAGE INC.**

	2013	2012
<b>Financial Position</b>		
Total assets	\$ 323,827	\$ 365,971

*(continues)*

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

15. DISCLOSURE OF CONTROLLED ENTITIES *(continued)*

	2013	2012
Total liabilities	\$ 162,696	\$ 205,097
Total net assets	161,131	160,874
	<b>\$ 323,827</b>	<b>\$ 365,971</b>
<b>Results of operations</b>		
Total revenue	\$ 422,438	\$ 470,291
Total expenses	(422,181)	(433,747)
Excess of revenue over expenses	\$ 257	\$ 36,544

The above financial statements have been prepared on a review basis (without audit) as at December 31, 2013 and December 31, 2012.

As at the financial statement date, Luther Village Inc.'s reviewed financial statements as at December 31, 2014 and December 31, 2015 were not available.

**MNO SYNOD FOUNDATION FOR MISSION AND MINISTRY INC.**

	2015	2014
<b>Financial position</b>		
Total assets	\$ 410,838	\$ 416,438
Total liabilities	\$ 73,836	\$ 73,835
Total net assets	337,002	342,603
	<b>\$ 410,838</b>	<b>\$ 416,438</b>
<b>Results of operations</b>		
Total revenue	\$ 11,420	\$ 12,275
Total expenses	(17,021)	(16,759)
	<b>\$ (5,601)</b>	<b>\$ (4,484)</b>

The above financial statements have been prepared on a review basis (without audit) as at December 31, 2015 and December 31, 2014.

16. LIFE INSURANCE POLICIES

The Synod is the assigned owner and beneficiary of several life insurance policies on members of the Synod congregations, with an aggregate benefit value of \$295,220 (2014 - \$295,220). The premiums for these policies have been funded each year by the insured individuals themselves. In 2015, premiums of \$11,049 were paid by the insured individuals on behalf of the Synod (2014 - \$11,049), resulting in a charitable donation receipt.

**MANITOBA/NORTHWESTERN ONTARIO SYNOD OF THE EVANGELICAL LUTHERAN CHURCH IN CANADA INC.**

**Notes to Non-Consolidated Financial Statements**

**Year Ended December 31, 2015**

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17. DEFINED CONTRIBUTION PLAN

The defined contribution plan, which is a pension plan reported in salaries and benefits, consists of an employee contribution of 7% (2014 - 7%) based on current earnings plus an employer portion of 8% (2014 - 8%).

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	2015	2014
Current service cost	\$ 17,878	\$ 17,594

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