
**THE ANGLICAN CHURCH OF CANADA
CONSOLIDATED TRUST FUND
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Financial Management Committee of the General Synod of the Anglican Church of Canada as Trustees of
The Anglican Church of Canada Consolidated Trust Fund
TORONTO
Ontario

Opinion

We have audited the accompanying financial statements of The Anglican Church of Canada Consolidated Trust Fund ("The Consolidated Trust Fund") which comprise the statement of financial position as at December 31, 2023 and the statement of operations and changes in net assets attributed to unitholders for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Consolidated Trust Fund as at December 31, 2023 and the results of its operations and changes in net assets attributable to unitholders for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Consolidated Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Consolidated Trust Fund'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 Consolidated Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Consolidated Trust Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Consolidated Trust Fund'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 Consolidated Trust Fund'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 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 Consolidated Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
May 30, 2024

THE ANGLICAN CHURCH OF CANADA CONSOLIDATED TRUST FUND
STATEMENT OF FINANCIAL POSITION

As at December 31,

2023

2022

ASSETS

Current

Cash	\$ 136,280	\$ 161,436
Accrued income	24,556	23,575
Investments (Note 3)	<u>39,836,009</u>	<u>36,515,212</u>
	<u>\$ 39,996,845</u>	<u>\$ 36,700,223</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 10,395	\$ 5,197
Distributions payable	<u>1,190,746</u>	<u>1,907,207</u>
	<u>\$ 1,201,141</u>	<u>\$ 1,912,404</u>

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	<u>38,795,704</u>	<u>34,787,819</u>
	<u>\$ 39,996,845</u>	<u>\$ 36,700,223</u>

Approved by the Board:

_____ Trustee

_____ Trustee

THE ANGLICAN CHURCH OF CANADA CONSOLIDATED TRUST FUND
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended December 31,

	Income		Capital		Total	
	2023	2022	2023	2022	2023	2022
INCOME						
Interest and dividends	\$ 1,395,353	\$ 1,384,409	\$ -	\$ -	\$ 1,395,353	\$ 1,384,409
Realized gains on investments	-	-	509,810	982,912	509,810	982,912
Change in unrealized gains (losses) on investments	-	-	1,686,176	(4,523,093)	1,686,176	(4,523,093)
	<u>\$ 1,395,353</u>	<u>\$ 1,384,409</u>	<u>\$ 2,195,986</u>	<u>\$ (3,540,181)</u>	<u>\$ 3,591,339</u>	<u>\$ (2,155,772)</u>
EXPENSES						
Investment management and other fees	<u>194,611</u>	<u>187,513</u>	<u>-</u>	<u>-</u>	<u>194,611</u>	<u>187,513</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>\$ 1,200,742</u>	<u>\$ 1,196,896</u>	<u>\$ 2,195,986</u>	<u>\$ (3,540,181)</u>	<u>\$ 3,396,728</u>	<u>\$ (2,343,285)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS - Beginning	<u>\$ (21,364)</u>	<u>\$ 17,824</u>	<u>\$ 34,809,183</u>	<u>\$ 36,465,495</u>	<u>\$ 34,787,819</u>	<u>\$ 36,483,319</u>
Additions to capital invested	\$ -	\$ -	\$ 2,541,149	\$ 6,018,331	\$ 2,541,149	\$ 6,018,331
Withdrawal of capital invested	-	-	(113,100)	(3,151,550)	(113,100)	(3,151,550)
Distributions	<u>(1,307,082)</u>	<u>(1,236,084)</u>	<u>(509,810)</u>	<u>(982,912)</u>	<u>(1,816,892)</u>	<u>(2,218,996)</u>
	<u>\$ (1,307,082)</u>	<u>\$ (1,236,084)</u>	<u>\$ 1,918,239</u>	<u>\$ 1,883,869</u>	<u>\$ 611,157</u>	<u>\$ 647,785</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS - Ending	<u>\$ (127,704)</u>	<u>\$ (21,364)</u>	<u>\$ 38,923,408</u>	<u>\$ 34,809,183</u>	<u>\$ 38,795,704</u>	<u>\$ 34,787,819</u>

See accompanying notes

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THE ANGLICAN CHURCH OF CANADA CONSOLIDATED TRUST FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

NATURE OF OPERATIONS

The Anglican Church of Canada Consolidated Trust Fund ("The Consolidated Trust Fund") is a trust established pursuant to the Church of England Consolidated Trust Fund Act, 1951 (Chap. 34, Statutes of Canada, 1951 (2nd Session)). The name of the trust was changed to its present form in 1956 (Chap. 57, Statutes of Canada, 1956). The Consolidated Trust Fund is authorized to receive personal property, securities and moneys of The General Synod of the Anglican Church of Canada ("General Synod") and The Missionary Society of the Anglican Church of Canada ("The Missionary Society") and to manage and invest such as one general trust fund. In addition, The Consolidated Trust Fund may hold for investment any trust funds or other securities or moneys vested in or held by any department, board, council or committee of General Synod or of The Missionary Society, or held by any Provincial or Diocesan Synod in Canada or any board or committee thereof.

The Consolidated Trust Fund is managed as a pooled fund with participants being allocated units pro-rata to the value of their contributions made to The Consolidated Trust Fund for investment purposes.

All participants in The Consolidated Trust Fund are registered charities under the Income Tax Act (Canada) and are exempt from income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises and include the following significant accounting policies:

a) Basis of Presentation

Realized and unrealized gains (losses) on investments and foreign exchange are recorded as capital in the statement of operations and changes in net assets attributable to unitholders.

Interest and dividends are recorded as income in the statement of operations and changes in net assets attributable to unitholders.

A statement of cash flows was not presented as it would not provide additional useful information.

b) Revenue Recognition

Investment income, which consists of interest, dividends, unrealized gains and losses on foreign exchange, and realized and unrealized gains and losses, is recorded in the statement of operations and changes in net assets attributable to unitholders on an accrual basis.

THE ANGLICAN CHURCH OF CANADA CONSOLIDATED TRUST FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

c) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the date of the statement of financial position. Non-monetary assets and liabilities are translated at the historical rate. Exchange gains and losses are recorded in the statement of operations and changes in net assets attributable to unitholders.

d) Financial Instruments

Initial Measurement

The Consolidated Trust Fund initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at costs. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

Subsequent Measurement

The Consolidated Trust Fund subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in fixed income, equity, alternatives and real estate instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets subsequently measured at amortized cost include cash. Financial liabilities measured at amortized cost include accounts payable and distributions payable.

Transaction Costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred.

Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the increase (decrease) in net assets attributable to unitholders and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

THE ANGLICAN CHURCH OF CANADA CONSOLIDATED TRUST FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

e) **Unit Valuation**

The Consolidated Trust Fund is a unitized fund which is valued quarterly. Additions to capital are permitted at the beginning of each quarter and are valued at the unit value as at the end of the previous quarter. Withdrawals of capital are valued at the unit value as at the end of the previous quarter.

f) **Distributions**

Distributions are allocated to unitholders quarterly, pro-rata based on the number of units held at the end of each quarter.

2. **INVESTMENTS**

Investments consist of the following:

	<u>2023</u>		<u>2022</u>	
Fixed income				
Canadian fixed income pooled fund	<u>\$ 12,685,963</u>	31.8%	<u>\$ 11,320,747</u>	31.0%
Equities				
Canadian equities	\$ 8,044,641	20.2%	\$ 7,889,920	21.6%
U.S. equities	6,437,854	16.2%	5,260,310	14.4%
Global equity pooled funds	<u>3,063,661</u>	7.7%	<u>2,889,139</u>	7.9%
	<u>\$ 17,546,156</u>		<u>\$ 16,039,369</u>	
Alternative investments				
Multi-strategy hedge fund	\$ 5,427,090	13.6%	\$ 4,775,801	13.1%
Infrastructure pooled fund	<u>1,759,873</u>	4.4%	<u>1,637,186</u>	4.5%
	<u>\$ 7,186,963</u>		<u>\$ 6,412,987</u>	
Real estate				
Canadian real estate pooled fund	<u>\$ 2,416,927</u>	6.1%	<u>\$ 2,742,109</u>	7.5%
	<u>\$ 39,836,009</u>	100.0%	<u>\$ 36,515,212</u>	100.0%

Investments are managed by Connor, Clark & Lunn Private Capital Ltd.

THE ANGLICAN CHURCH OF CANADA CONSOLIDATED TRUST FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. PARTICIPANTS' UNITS AND INCOME DISTRIBUTIONS

All investments are pooled and each participant in The Consolidated Trust Fund is allocated units. As at December 31, 2023, there were 1,355,597 units (2022 - 1,266,914) issued, of which 1,047,463 (2022 - 969,520) were held by the General Synod.

Per unit data is as follows:

	2023	2022
Market value, as at December 31	\$ 28.62	\$ 27.46
Income distributions during the year	\$ 0.96	\$ 0.98
Realized distributions during the year	\$ 0.38	\$ 0.78
Net earnings (loss) for the year	\$ 2.51	\$ (1.85)

4. TRANSACTIONS WITH THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

The General Synod of the Anglican Church of Canada is a separate non-profit corporation and registered charity, which is the central representative body of the Anglican Church of Canada. The two organizations are related by virtue of certain common governance team members and common members. Approximately 70% of the investments held by the Consolidated Trust Fund relates to the General Synod. General Synod receives contributions and makes payments on behalf of The Consolidated Trust Fund and provides administrative services at no cost.

5. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Consolidated Trust Fund is exposed to various risks through its financial instruments. The following analysis provides a summary of The Consolidated Trust Fund's exposure to and concentrations of risk at December 31, 2023:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Consolidated Trust Fund's main credit risks relate to its accrued income. There were no concentrations of credit risk as at December 31, 2023 and there has been no change in the assessment of credit risk from the prior year.

THE ANGLICAN CHURCH OF CANADA CONSOLIDATED TRUST FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

5. FINANCIAL INSTRUMENTS - Continued

b) Liquidity Risk

Liquidity risk is the risk that The Consolidated Trust Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Consolidated Trust Fund is exposed to this risk mainly with respect to its accounts payable and accrued liabilities and distributions payable. The Consolidated Trust Fund manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) 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 risk, interest rate risk, and price risk. The Consolidated Trust Fund is exposed to market risk as follows:

i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Consolidated Trust Fund is exposed to foreign currency risk with respect to its investments denominated in foreign currencies held.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of market changes in interest rates. The Consolidated Trust Fund is exposed to interest rate risk with respect to its investment in pooled funds that hold fixed income securities because the fair value will fluctuate due to changes in market interest rates.

iii) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Consolidated Trust Fund is exposed to price risk through its investments in equities and pooled funds.