
**THE GENERAL SYNOD OF THE
ANGLICAN CHURCH OF CANADA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Primate and the Members of
The General Synod of the Anglican Church of Canada
TORONTO
Ontario

Opinion

We have audited the accompanying consolidated financial statements of The General Synod of the Anglican Church of Canada which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the entity as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Consolidated Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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 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 consolidated 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 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 entity'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 entity'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 entity 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.

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.

Anton McMullen CPA

NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
May 30, 2024

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31,

2023

2022

ASSETS

Current

Cash	\$ 1,361,930	\$ 3,329,613
Accounts receivable	1,559,465	2,024,090
Inventory	33,065	37,809
Prepaid expenses and other assets	<u>62,100</u>	<u>161,786</u>
	\$ 3,016,560	\$ 5,553,298

Investments (Note 2)	33,701,691	29,583,993
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Vehicle Loans Receivable (Note 3)	106,940	53,331
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Capital Assets (Note 4)	<u>2,085,686</u>	<u>2,176,098</u>
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	<u>\$ 38,910,877</u>	<u>\$ 37,366,720</u>
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LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 642,292	\$ 731,536
Deferred contributions (Note 5)	<u>5,102,323</u>	<u>5,355,031</u>
	\$ 5,744,615	\$ 6,086,567

Annuities (Note 6)	<u>1,019,970</u>	<u>1,112,027</u>
	\$ 6,764,585	\$ 7,198,594

NET ASSETS

Unrestricted	\$ 11,844,540	\$ 9,402,430
Internally designated (Note 7)	13,740,151	14,654,772
Endowments	<u>6,561,601</u>	<u>6,110,924</u>
	\$ 32,146,292	\$ 30,168,126

	<u>\$ 38,910,877</u>	<u>\$ 37,366,720</u>
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Contingencies (Note 11)

Approved by the Board:

_____ Director

_____ Director

See accompanying notes

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

As at December 31,

	<u>UNRESTRICTED</u>	<u>INTERNALLY DESIGNATED</u>	<u>ENDOWMENTS</u>	<u>TOTAL 2023</u>	<u>TOTAL 2022</u>
NET ASSETS - BEGINNING	\$ 9,402,430	\$ 14,654,772	\$ 6,110,924	\$ 30,168,126	\$ 32,243,582
Excess (deficiency) of revenues over expenses	1,527,489	-	-	1,527,489	(1,548,492)
Transfer to (from) internally designated net assets, net	914,621	(914,621)	-	-	-
Endowment contributions	-	-	-	-	-
Net investment income (losses) allocated to externally restricted endowments	-	-	450,677	450,677	(526,964)
NET ASSETS - ENDING	<u>\$ 11,844,540</u>	<u>\$ 13,740,151</u>	<u>\$ 6,561,601</u>	<u>\$ 32,146,292</u>	<u>\$ 30,168,126</u>

See accompanying notes

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA
CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31,

2023

2022

REVENUES

Contributions from Dioceses	\$ 6,746,330	\$ 7,149,636
Anglican Journal	679,710	738,932
Grants and other contributions	657,348	528,310
Other revenue (Note 8)	626,896	724,277
Resources for mission	451,124	659,182
	<u>\$ 9,161,408</u>	<u>\$ 9,800,337</u>

EXPENSES

Council of the North Grants	\$ 2,150,000	\$ 2,150,000
Indigenous ministries	1,367,917	721,332
Administration	1,247,799	1,476,714
Governance	1,068,323	698,629
Anglican Journal	883,473	941,615
Communications	835,778	658,176
Other program initiatives	580,576	662,309
Primate and House of Bishops	563,266	701,044
Global relations	474,450	254,344
Faith, worship and ministry	439,257	398,539
Resources for mission	305,215	293,847
Affiliations	289,875	314,343
Public Witness for Social and Ecological Justice	190,570	130,682
	<u>\$ 10,396,499</u>	<u>\$ 9,401,574</u>

**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES
FROM OPERATIONS**

\$ (1,235,091) \$ 398,763

Investment income (loss)	\$ 2,762,580	\$ (1,697,255)
Legal settlement	-	(250,000)
	<u>\$ 2,762,580</u>	<u>\$ (1,947,255)</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES

\$ 1,527,489 \$ (1,548,492)

See accompanying notes

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THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31,

2023

2022

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (deficiency) of revenue over expenditures	\$ 1,527,489	\$ (1,548,492)
Items not affecting cash:		
Amortization	129,716	125,808
Net unrealized loss (gains)	(1,508,663)	2,968,404
Net realized gains	(491,917)	(522,001)
Income distributions	(477,239)	(678,143)
Recognition of deferred contributions	<u>(1,048,191)</u>	<u>(549,394)</u>
	\$ (1,868,805)	\$ (203,818)
 Net change in non-cash working capital balances:		
Accounts receivable	464,625	121,548
Inventory	4,744	5,164
Prepaid expense and other assets	99,686	(10,042)
Accounts payable and accrued liabilities	(89,242)	(47,963)
Deferred contributions	<u>(164,069)</u>	<u>388,651</u>
	\$ (1,553,061)	\$ 253,540

INVESTING ACTIVITIES

Purchase of capital assets	\$ (39,306)	\$ (32,013)
Purchase of investments	(142,494)	(3,500,000)
Contributions to The Consolidated Trust Fund	-	(400,000)
Advances for car loans	(95,050)	(21,941)
Repayment of car loans	41,442	49,855
Annuities, net	<u>(179,214)</u>	<u>(107,237)</u>
	\$ (414,622)	\$ (4,011,336)

DECREASE IN CASH

\$ (1,967,683) \$ (3,757,796)

CASH - Beginning

3,329,613 7,087,409

CASH - Ending

\$ 1,361,930 \$ 3,329,613

See accompanying notes

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THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

NATURE OF OPERATIONS

The General Synod of the Anglican Church of Canada ("The General Synod") was incorporated by Act of Parliament in 1921 as the central representative body of the Anglican Church of Canada (the "Church") with authority and jurisdiction in all matters affecting in any way the general interest and well-being of the whole Church including: relations of the Church to other religious bodies in Canada and elsewhere; relations of the Church to the worldwide Anglican Communion; the definition of the doctrines of the Church in harmony with the Solemn Declaration adopted in 1893; structural uniformity in relation to the episcopal prerogative of licensing clergy; the basic standards of theological education and the qualifications and training of candidates for the ministry of the Church; and as a partner in the worldwide Anglican Communion and in the universal church, to proclaim and celebrate the gospel of Jesus Christ in worship and action.

The General Synod is a registered charity with Canada Revenue Agency, and thus, is not subject to income taxes.

The Missionary Society of the Anglican Church of England in Canada ("The Missionary Society") was incorporated by Act of Parliament in 1903 to carry out the general missionary work of the Church and consisted of all members of The Church of England in Canada, known as the Anglican Church of Canada after 1955. Subject to the authority of The General Synod, the work of the society was administered by a Board of Management. Originally a very active body, the work and structure of The Missionary Society changed over several decades, and currently only provides car loans to the missionary dioceses and holds a small number of externally restricted endowments. While the Board of Management has not had administrative or operational duties since 1970, it still meets once a year to approve the consolidated financial statements and to deal with any business related to remaining funds.

The Missionary Society is a registered charity with Canada Revenue Agency, and thus, is not subject to income taxes.

The consolidated financial statements include the assets, liabilities, net assets, revenue and expenses of The General Synod and The Missionary Society (the "Organization").

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. 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:

a) Use of Estimates

The presentation of the Organization consolidated financial statements, in conformity with ASNPO, requires management to make estimates and assumptions that affect the amounts in the consolidated financial statements and the disclosure in the notes thereto. Actual results could differ from those estimates used in preparing the consolidated financial statements. Balances which require some degree of estimation are allowance of doubtful accounts, inventory obsolescence, investments, useful lives and impairment of capital assets, accrued liabilities, valuation of annuities, and allocated expenses.

b) Revenue recognition

The Organization follows the deferral method of accounting for contributions, which include grants, bequests and other donations. Unrestricted grants and bequests are recorded in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations which are unrestricted are recorded when received, since pledges are not legally enforceable claims.

Externally restricted contributions, excluding endowment contributions, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Externally restricted endowment contributions are recognized as direct increases in net assets when initially recorded in the accounts.

Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, is recorded in the consolidated statement of operations, except to the extent that it is externally restricted, in which case it is added to or deducted from endowment net assets or other restricted balances.

Anglican journal revenue includes contributions, advertising and subscription revenue. Contributions are recognized as noted above. Advertising and subscription revenues are recognized when the publication is distributed.

Resources for mission revenue represents contributions received and are recognized as noted above.

c) Endowments

Endowments represent contributions where the donor has required that the capital be maintained permanently with the income available for various purposes.

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

d) **Grant expenses**

Grant expenses are recorded when approved and the recipient has met all conditions.

e) **Inventory**

Inventory comprises stock of Anglican Book Centre, which is carried at the lower of cost, as determined using the first-in, first-out method, and net realizable value.

f) **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 consolidated statement of financial position. Non-monetary assets and liabilities are translated at the historical rate. Exchange gains and losses are included in the consolidated statement of operations, except to the extent that they relate to investments, in which case they are accounted for consistent with the related investment income (loss).

g) **Pension plan**

The Organization participates in a multi-employer defined benefit plan. As required under ASNPO, defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the participating employers do not individually have sufficient information to apply defined benefit plan accounting.

h) **Capital Assets**

Capital assets are carried at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets over the following periods:

	<u>Rate</u>	<u>Method</u>
Buildings	40 years	Straight-line
Furniture and Equipment	3 to 10 years	Straight-line

i) **Impairment of Capital Assets**

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

j) Contributed Materials and Services

Contributed materials and services are not recognized in these consolidated financial statements.

k) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures all of its financial assets and liabilities originated or exchanged in arm's length transactions at fair value and subsequently measures all of its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, investments (other than those quoted in an active market) and vehicle loans receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

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 excess of revenues over expenses 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.

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. INVESTMENTS

Investments of The General Synod are held in The Anglican Church of Canada Consolidated Trust Fund ("The Consolidated Trust Fund"), a trust that invests funds of The General Synod and other organizations. The two organizations are related by virtue of certain common governance team members and common members. Approximately 70% of the investments belong to The General Synod. The Consolidated Trust Fund's investments are managed by Connor, Clark & Lunn Private Capital Ltd. The General Synod provides administrative support to The Consolidated Trust Fund at no cost.

As at December 31, the Organization's share of The Consolidated Trust Fund's investments, which are recorded at fair value, consists of the following:

	<u>2023</u>		<u>2022</u>	
Cash	\$ <u>120,650</u>	0%	\$ <u>132,374</u>	1%
Fixed income				
Canadian pooled fund	\$ <u>9,516,470</u>	32%	\$ <u>8,099,830</u>	31%
Equities				
Canadian equities	\$ <u>6,034,748</u>	20%	\$ 5,645,189	22%
U.S. equities	<u>4,829,404</u>	16%	3,763,718	14%
Global equity pooled funds	<u>2,298,228</u>	8%	<u>2,067,161</u>	8%
	<u>\$ 13,162,380</u>		<u>\$ 11,476,068</u>	44%
Alternative investments				
Multi-strategy fund	\$ <u>4,071,172</u>	14%	\$ 3,417,395	13%
Infrastructure Fund	<u>1,320,182</u>	4%	<u>1,171,396</u>	4%
	<u>\$ 5,391,354</u>		<u>\$ 4,588,791</u>	18%
Real estate				
Canadian real estate pooled fund	\$ <u>1,813,076</u>	6%	\$ <u>1,786,930</u>	7%
	<u>\$ 30,003,930</u>	100%	<u>\$ 26,083,993</u>	100%

Investments not held within the Consolidated Trust Fund:

	<u>2023</u>	<u>2022</u>
GIC - 5.60%, maturing September 27, 2024	\$ <u>3,171,438</u>	\$ 3,500,000
High interest savings	<u>526,323</u>	-
	<u>\$ 3,697,761</u>	<u>\$ 3,500,000</u>
Total	<u>\$ 33,701,691</u>	<u>\$ 29,583,993</u>

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. INVESTMENTS - Continued

Investment income includes the following:

	2023	2022
Net unrealized capital gains (loss)	\$ 1,508,663	\$ (2,968,404)
Net realized capital gains	491,917	522,001
Income distributions	477,239	678,580
Interest on deposits and GIC's	<u>284,761</u>	<u>70,568</u>
	<u>\$ 2,762,580</u>	<u>\$ (1,697,255)</u>

Investment income was recognized as revenue as follows:

	2023	2022
Total investment income	<u>\$ 3,483,665</u>	<u>\$ (2,018,358)</u>
Allocated to		
Externally restricted endowments	\$ 450,677	\$ (526,964)
Deferred contributions (Note 5)	183,251	134,122
Annuities	<u>87,157</u>	<u>71,739</u>
	<u>\$ 721,085</u>	<u>\$ (321,103)</u>
Investment income recognized in the consolidated statement of operations	<u>\$ 2,762,580</u>	<u>\$ (1,697,255)</u>

3. VEHICLE LOANS RECEIVABLE

Vehicle loans are available to clergy and lay workers in the assisted dioceses, with the maximum individual loan being \$16,000. Car loans are non-interest bearing, due within 48 months of date of issue, and guaranteed by dioceses.

4. CAPITAL ASSETS

Capital assets consist of the following:

	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 3,722,203	\$ 1,686,174	\$ 2,036,029	\$ 2,127,807
Furniture and equipment	<u>802,232</u>	<u>752,575</u>	<u>49,657</u>	<u>48,291</u>
	<u>\$ 4,524,435</u>	<u>\$ 2,438,749</u>	<u>\$ 2,085,686</u>	<u>\$ 2,176,098</u>

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted funds received by the Organization to be spent in future years. Deferred contributions are held for various restricted purposes including education, bursaries and work of the Church in the North and overseas. Revenue recognized in the consolidated statement of operations with respect to these contributions is equal to expenses incurred for the restricted purposes during the year.

The continuity of the deferred contributions balance is as follows:

	2023	2022
Increase		
Donations, grants and bequests	\$ 612,232	\$ 666,155
Investment (Note 2)	<u>183,251</u>	<u>134,122</u>
	\$ 795,483	\$ 800,277
Decrease		
Income recognized related to expense for restricted purposes	<u>1,048,191</u>	<u>549,394</u>
Net increase (decrease) in deferred contributions	\$ (252,708)	\$ 250,883
Balance - Beginning	<u>5,355,031</u>	<u>5,104,148</u>
Balance - Ending	<u>\$ 5,102,323</u>	<u>\$ 5,355,031</u>

6. ANNUITIES

The Organization holds charitable gift annuities. A charitable gift annuity permits the donor to designate a beneficiary who receives any residual funds upon the death of the annuitant. These beneficiaries include dioceses, parishes, The Anglican Foundation of Canada, Primate's World Relief and Development Fund, and The General Synod. The most recent valuation of the annuities liability was completed as of December 31, 2023.

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. INTERNALLY DESIGNATED NET ASSETS

Internally designated net assets are amounts set aside for various special purposes based on decisions by the Organization. The amounts internally designated are for the following purposes as at December 31:

	Balances, January 1, 2023	Net Transfers	Balances, December 31, 2023
Ministry Investment Fund	\$ 5,475,552	\$ (88,424)	\$ 5,387,128
Amounts invested in capital assets	2,176,095	(129,716)	2,046,379
Provision for contingencies	3,214,098	-	3,214,098
Provision for Sacred Circle	867,795	(345,325)	522,470
Provision for General Synod	827,698	(324,091)	503,607
Healing Fund	500,000	-	500,000
ACCRC returned funds	27,065	(27,065)	-
Other internally designated net assets	<u>1,566,469</u>	<u>-</u>	<u>1,566,469</u>
	<u>\$ 14,654,772</u>	<u>\$ (914,621)</u>	<u>\$ 13,740,151</u>

All undesignated legacies are transferred to the Ministry Investment Fund. The Ministry Investment Fund provides funding for internal projects that meet certain criteria.

Other represents certain unrestricted trusts that were transferred to internally designated net assets in 2003.

8. OTHER REVENUE

Other revenue includes the following:

	2023	2022
Anglican Book Centre	\$ 315,593	\$ 349,520
Cost sharing recovery	213,675	234,251
Bequests (formerly undesignated legacies)	74,455	123,216
Other	<u>23,173</u>	<u>17,290</u>
	<u>\$ 626,896</u>	<u>\$ 724,277</u>

THE GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

9. LINE OF CREDIT

The Organization has a demand operating line of credit of \$2,000,000 with interest payable at prime plus 1.0% with substantially all of its assets pledged as security. As at December 31, 2023 and 2022, no amount was outstanding.

10. PENSION PLAN

The Organization and its employees make contributions to The General Synod Pension Plan (the "Plan"), a multi-employer defined benefit pension plan administered by the Board of Trustees of the Plan which covers certain dioceses and other church institutions. The most recent valuation for financial reporting purposes completed by the Plan as of December 31, 2023 disclosed net assets available for benefits of \$1,088,707,000 with pension obligations of \$835,283,000, resulting in a surplus of \$253,424,000. The next valuation is expected as of December 31, 2025.

During the year, the Organization made contributions of \$490,636 (2022 - \$507,689) to the Plan.

11. CONTINGENCIES

The Organization is a defendant or co-defendant with several dioceses in a number of legal claims. The potential liability, if any, with respect to these claims is not determinable. However, the Organization believes it has good defenses to these claims or adequate insurance coverage for any successful claims. Any additional losses related to claims would be recorded in the year during which the amount of the liability is able to be estimated or adjustments to the amount recorded are determined to be required.

12. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization 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 Organization's main credit risks relate to its accounts receivable and vehicle loans receivable. 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 GENERAL SYNOD OF THE ANGLICAN CHURCH OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

12. FINANCIAL INSTRUMENTS - Continued

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities, and annuities. The Organization manages this risk by managing its working capital, ensuring that sufficient credit is available 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 Organization is not exposed to significant market risk.

i) Foreign 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 Organization 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 of or future cash flows from a financial instrument will fluctuate because of market changes in interest rates. The Organization is exposed to interest rate risk with respect to the vehicle loans, the investments in fixed income investments held by the Organization, and its annuities payable because the fair value of each 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 financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to price risk in connection with investments in equity securities and pooled funds held.