

Financial Statements

**The Anglican Church of Canada Consolidated
Trust Fund**

December 31, 2009

29/03/2010

Draft for Discussion

AUDITORS' REPORT

To the Financial Management and Development Committee of
The General Synod of the Anglican Church of Canada
as Trustees of **The Anglican Church of Canada Consolidated Trust Fund**

We have audited the statement of financial position of **The Anglican Church of Canada Consolidated Trust Fund** as at December 31, 2009 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Fund's trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Fund's trustees, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada,
February 19, 2010.

The Anglican Church of Canada Consolidated Trust Fund

STATEMENT OF FINANCIAL POSITION

As at December 31

	2009	2008
	\$	\$
ASSETS		
Cash	114,150	60,720
Accrued income	14,700	8,766
Investments, at market value <i>[note 3]</i>	11,866,477	9,016,877
	11,995,327	9,086,363
LIABILITIES		
Accounts payable and accrued liabilities	22,000	20,672
Income distributions accrued	86,635	76,856
	108,635	97,528
Net assets held in trust	11,886,692	8,988,835
Fund balances		
Income	247,962	247,962
Capital	11,638,730	8,740,873
Total fund balances	11,886,692	8,988,835

See accompanying notes

The Anglican Church of Canada Consolidated Trust Fund

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended December 31

	Total		Income		Capital	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
INCOME						
Interest and dividends	434,393	421,827	434,393	421,827	—	—
Gain (loss) on foreign exchange	(120,638)	117,246	—	—	(120,638)	117,246
Realized loss on investments	(767,108)	(201,169)	—	—	(767,108)	(201,169)
Change in unrealized gain (loss) on investments	2,566,212	(1,951,097)	—	—	2,566,212	(1,951,097)
	2,112,859	(1,613,193)	434,393	421,827	1,678,466	(2,035,020)
EXPENSES						
Fees	105,758	119,351	105,758	119,351	—	—
Excess (deficiency) of income over expenses for the year	2,007,101	(1,732,544)	328,635	302,476	1,678,466	(2,035,020)
Fund balances, beginning of year	8,988,835	8,443,317	247,962	247,962	8,740,873	8,195,355
Additions to capital invested	1,219,391	2,730,538	—	—	1,219,391	2,730,538
Withdrawal of capital invested	—	(150,000)	—	—	—	(150,000)
Income distributions	(328,635)	(302,476)	(328,635)	(302,476)	—	—
Fund balances, end of year	11,886,692	8,988,835	247,962	247,962	11,638,730	8,740,873

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NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. DESCRIPTION AND PURPOSE OF THE TRUST

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 not liable for income taxes as all participants in The Consolidated Trust Fund are registered charities under the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and present the net assets held in trust on behalf of the participants and changes in the net assets held during the year.

Significant accounting policies

The significant accounting policies are summarized as follows:

- [a] Investment income and expenses are accrued in the year to which they relate.
- [b] Realized and unrealized gains (losses) on investments are recorded as capital transactions. Gains are not made available for distribution as income.

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- [c] Publicly traded securities are valued based on the latest bid prices and pooled funds are valued based on reported unit values. Short-term securities are valued based on cost plus accrued income, which approximates market value. Transactions are recorded on a settlement date basis and transaction costs are expensed as incurred. The market value of investments denominated in foreign currencies is translated at year-end exchange rates. Income from these investments is translated at exchange rates in effect when the income is received.
- [d] 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.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual amounts could differ from those estimates.

3. INVESTMENTS

Investments are held in a diversified portfolio of equities and fixed income securities including pooled funds. Investments are managed by Connor, Clark & Lunn Private Capital Ltd.

The Consolidated Trust Fund is subject to market risk, foreign currency risk and interest rate price risk with respect to its investment portfolio. To manage these risks, The Consolidated Trust Fund has established a target mix of investment types designed to achieve the optimal return within reasonable risk tolerances.

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Investments at market value consist of the following:

	<u>2009</u>		<u>2008</u>	
	\$	%	\$	%
Fixed income				
Pooled funds	5,971,717	50.3	5,423,804	60.2
Total fixed income	5,971,717	50.3	5,423,804	60.2
Equities				
Canadian equities	4,325,022	36.5	2,510,336	27.8
U.S. equities	823,712	6.9	586,455	6.5
Global pooled equity funds	746,026	6.3	496,282	5.5
Total equities	5,894,760	49.7	3,593,073	39.8
	11,866,477	100.0	9,016,877	100.0

4. PARTICIPANTS' UNITS AND INCOME DISTRIBUTIONS

All investments are pooled and each participant in The Consolidated Trust Fund is allocated units. At December 31, 2009, there were 542,663 units [2008 – 478,861] issued. The market value of each unit at December 31, 2009 was \$21.90 [2008 - \$18.77].

Income distributions during the year were \$0.63 per unit [2008 - \$0.65].

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

[a] General Synod receives contributions to and makes payments on behalf of The Consolidated Trust Fund. As at December 31, 2009 and 2008, there was no amount due to General Synod. Any amount due to General Synod is non-interest bearing and due on demand.

[b] General Synod provides administrative services at no cost to The Consolidated Trust Fund.

6. STATEMENT OF CASH FLOWS

A separate statement of cash flows has not been presented since cash flows from operating, investing and financing activities are readily apparent from the other financial statements.