



## Consolidated Financial Statements

The General Synod of the  
Anglican Church of Canada

December 31, 2021

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# Independent auditor's report

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

## Opinion

We have audited the accompanying consolidated financial statements of The General Synod of the Anglican Church of Canada ("The General Synod"), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The General Synod as at December 31, 2021 and the results of its operations and 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 General Synod 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 ethical 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 General Synod'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 General Synod or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The General Synod'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.

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 General Synod'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 General Synod'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 General Synod 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Toronto, Canada  
January 17, 2023

Chartered Professional Accountants  
Licensed Public Accountants

# The General Synod of the Anglican Church of Canada

## Consolidated Statement of Operations

Year ended December 31

2021

2020

### Revenue

Contributions from Dioceses	\$ 7,251,881	\$ 7,669,189
Anglican Journal	1,032,985	1,036,874
Other (Note 3)	899,126	1,272,155
Resources for Mission	<u>601,682</u>	<u>468,230</u>
	<u>9,785,674</u>	<u>10,446,448</u>

### Expenses

Council of the North Grants	2,150,000	2,150,000
Administration	1,406,651	1,364,812
Anglican Journal	924,705	1,049,437
Indigenous Ministries	712,707	721,626
Communications	604,297	620,097
Other Program Initiatives	573,272	716,319
Governance	483,526	540,695
Primate and House of Bishops	426,674	510,818
Faith, Worship and Ministry	296,079	321,448
Resources for Mission	286,135	287,932
Affiliations	283,430	281,500
Global Relations	224,019	324,569
Public Witness for Social and Ecological Justice	<u>148,283</u>	<u>152,619</u>
	<u>8,519,778</u>	<u>9,041,872</u>

Excess of revenue over expenses before  
the following

1,265,896 1,404,576

Investment income (Note 5)

2,530,924 2,051,409

Undesignated Legacies

569,435 1,073,475

Excess of revenue over expenses

\$ 4,366,255 \$ 4,529,460

# The General Synod of the Anglican Church of Canada

## Consolidated Statement of Changes in Net Assets

Year ended December 31

	<u>Unrestricted</u>	<u>Internally designated</u>	<u>Endowments</u>	<u>Total 2021</u>	<u>Total 2020</u>
Net assets, beginning of year	\$ 7,541,926	\$ 13,697,512	\$ 5,900,125	\$ 27,139,563	\$ 21,963,230
Excess of revenue over expenses	4,486,327	(120,072)	-	4,366,255	4,529,460
Transfer to (from) internally designated net assets, net (Note 9)	(1,141,124)	1,141,124	-	-	-
Endowment contributions	-	-	1,917	1,917	23,500
Investment income allocated to externally restricted endowments (Note 5)	-	-	735,846	735,846	623,373
Net assets, end of year	<u>\$ 10,887,129</u>	<u>\$ 14,718,564</u>	<u>\$ 6,637,888</u>	<u>\$ 32,243,581</u>	<u>\$ 27,139,563</u>

# The General Synod of the Anglican Church of Canada

## Consolidated Statement of Financial Position

December 31

2021

2020

### Assets

#### Current

Cash and cash equivalents	\$ 7,087,409	\$ 4,668,234
Accounts receivable	2,145,638	2,181,110
Inventory	42,973	55,565
Prepaid expenses and other assets	<u>151,744</u>	<u>145,967</u>
	9,427,764	7,050,876
Investments (Note 5)	27,790,616	24,507,518
Car loans (Note 6)	81,246	95,826
Capital assets (Note 7)	<u>2,269,892</u>	<u>2,336,999</u>
	<u>\$ 39,569,518</u>	<u>\$ 33,991,219</u>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 779,502	\$ 884,687
Deferred contributions (Note 4)	<u>5,099,429</u>	<u>4,527,153</u>
	5,878,931	5,411,840
Annuities (Note 8)	<u>1,447,006</u>	<u>1,439,816</u>
	<u>7,325,937</u>	<u>6,851,656</u>

### Net assets

Unrestricted	10,887,129	7,541,926
Internally designated (Note 9)	14,718,564	13,697,512
Endowments (Note 2)	<u>6,637,888</u>	<u>5,900,125</u>
	32,243,581	27,139,563
	<u>\$ 39,569,518</u>	<u>\$ 33,991,219</u>

Contingencies (Note 10)

On behalf of the Council of General Synod of the Anglican Church of Canada

# The General Synod of the Anglican Church of Canada

## Consolidated Statement of Cash Flows

Year ended December 31

2021

2020

Increase (decrease) in cash and cash equivalents

### Operating

Excess of revenue over expenses	\$ 4,366,255	\$ 4,529,460
Items not affecting cash		
Amortization	120,072	116,119
Net unrealized gains	(1,383,675)	(1,114,356)
Net realized gains	(825,242)	(699,615)
Recognition of deferred contributions	<u>(914,152)</u>	<u>(804,052)</u>

1,363,258 2,027,556

Change in non-cash working capital items

Accounts receivable	35,472	(1,247,554)
Inventory	12,592	6,174
Prepaid expense and other assets	(5,777)	(14,269)
Accounts payable and accrued liabilities	(105,185)	(124,925)
Receipt of deferred contributions	<u>1,486,428</u>	<u>1,054,588</u>

2,786,788 1,701,570

### Investing

Purchase of capital assets	(50,965)	(88,131)
(Contributions) to The Consolidated Trust Fund, net (including income allocated to endowments)	(1,076,181)	(390,385)
Repayment of car loans	14,580	3,302
Annuities, net	<u>7,190</u>	<u>(82,106)</u>

(1,105,376) (557,320)

### Financing

Endowment contributions	<u>737,763</u>	<u>646,873</u>
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Increase in cash and cash equivalents 2,419,175 1,791,123

Cash and cash equivalents, beginning of year 4,668,234 2,877,111

Cash and cash equivalents, end of year \$ 7,087,409 \$ 4,668,234

### Cash and cash equivalents consist of:

Cash	\$ 5,087,409	\$ 4,668,224
Cash equivalents	<u>2,000,000</u>	<u>-</u>
Cash and cash equivalents	<u>\$ 7,087,409</u>	<u>\$ 4,668,234</u>



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# **The General Synod of the Anglican Church of Canada**

## **Notes to the Consolidated Financial Statements**

December 31, 2021

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### **1. Purpose of the organization and basis of presentation**

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 established as a non-profit corporation under the Canada Not-for-profit Corporations Act and 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 financial statements and to deal with any business related to remaining funds.

The Missionary Society is established as a non-profit corporation under the Canada Not-for-profit Corporations Act and 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.

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### **2. Summary of significant accounting policies**

#### **Basis of accounting**

The General Synod has prepared its consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### **Revenue recognition**

The General Synod 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.

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# **The General Synod of the Anglican Church of Canada**

## **Notes to the Consolidated Financial Statements**

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December 31, 2021

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### **2. Summary of significant accounting policies (continued)**

#### **Revenue recognition (continued)**

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.

#### **Endowments**

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

#### **Grant expenses**

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

#### **Financial instruments**

Investments are initially recorded and subsequently measured at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Annuities are initially recorded at fair value and are subsequently measured at the greater of: (i) the net present value of the future obligations as determined by an actuary; and (ii) the amounts contributed, net of investment income, payments and an administration fee. Any amount remaining in an annuitant's account upon the death of the annuitant is payable to the designated beneficiary

All, other financial instruments, including cash and cash equivalents, accounts receivable, car loans and accounts payable are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment in the case of financial assets.

#### **Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand, units in money market funds and short-term deposits with original maturities of less than 90 days from the date of purchase. Cash meeting the definition of Cash that are held for investing rather than operating purposes are classified as long-term investments.

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# The General Synod of the Anglican Church of Canada

## Notes to the Consolidated Financial Statements

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December 31, 2021

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### 2. Summary of significant accounting policies (continued)

#### 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.

#### 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:

Building	40 years
Furniture and equipment	3 to 10 years

#### 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).

#### Contributed materials and services

Contributed materials and services are not recognized in these consolidated financial statements due to difficulty in determining fair value.

#### Pension plan

The General Synod 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.

#### Use of estimates

The presentation of The General Synod's 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 accounts receivable (allowance for doubtful accounts), inventory (obsolescence), investments (measurement), capital assets (useful lives and impairment), accrued liabilities (measurement), annuities (valuation), and allocated expenses (measurement).

# The General Synod of the Anglican Church of Canada

## Notes to the Consolidated Financial Statements

December 31, 2021

### 3. Other revenue

Other revenue includes the following:

	<u>2021</u>	<u>2020</u>
Grants and other contributions	\$ 362,912	\$ 465,952
COVID-19 Canada Emergency Wage Subsidy	-	266,714
Cost-sharing	248,252	228,159
Anglican Book Centre	267,528	223,685
Other	<u>20,434</u>	<u>87,645</u>
	<u>\$ 899,126</u>	<u>\$ 1,272,155</u>

### 4. Deferred contributions

Deferred contributions represent externally restricted funds received by The General Synod 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:

	<u>2021</u>	<u>2020</u>
Increase		
Donations, grants and bequests	\$ 1,309,744	\$ 918,282
Investment income (Note 5)	<u>176,684</u>	<u>136,306</u>
	1,486,428	1,054,588
Decrease		
Income recognized related to expenses for restricted purposes	<u>914,152</u>	<u>804,052</u>
Net increase in deferred contributions	572,276	250,536
Balance, beginning of year	<u>4,527,153</u>	<u>4,276,617</u>
Balance, end of year	<u>\$ 5,099,429</u>	<u>\$ 4,527,153</u>

# The General Synod of the Anglican Church of Canada

## Notes to the Consolidated Financial Statements

December 31, 2021

### 5. 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 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 General Synod's share of The Consolidated Trust Fund's investments, which are recorded at fair value, consists of the following:

	<u>2021</u>		<u>2020</u>	
Cash	<u>\$ 155,069</u>	<u>1%</u>	<u>\$ 182,939</u>	<u>1%</u>
Fixed income				
Canadian fixed income pooled fund	<u>7,472,483</u>	<u>27%</u>	<u>7,612,890</u>	<u>31%</u>
Equities				
Canadian equities	<u>6,461,015</u>	<u>23%</u>	<u>4,355,597</u>	<u>18%</u>
U.S. equities	<u>5,012,003</u>	<u>18%</u>	<u>4,780,021</u>	<u>20%</u>
Global equity pooled funds	<u>2,569,867</u>	<u>9%</u>	<u>2,656,318</u>	<u>11%</u>
	<u>14,042,885</u>	<u>50%</u>	<u>11,791,936</u>	<u>49%</u>
Alternative investments				
Multi-strategy fund	<u>3,558,912</u>	<u>13%</u>	<u>2,753,255</u>	<u>11%</u>
Infrastructure fund	<u>911,192</u>	<u>3%</u>	<u>746,838</u>	<u>3%</u>
	<u>4,470,104</u>	<u>16%</u>	<u>3,500,093</u>	<u>14%</u>
Real estate				
Canadian real estate pooled fund	<u>1,650,075</u>	<u>6%</u>	<u>1,419,660</u>	<u>5%</u>
	<u>\$ 27,790,616</u>	<u>100%</u>	<u>\$ 24,507,518</u>	<u>100%</u>

# The General Synod of the Anglican Church of Canada

## Notes to the Consolidated Financial Statements

December 31, 2021

### 5. Investments (continued)

Investment income includes the following:

	<u>2021</u>	<u>2020</u>
Net unrealized capital gains	\$ 1,383,675	\$ 1,114,356
Income distributions	322,007	237,438
Net realized capital gains	<u>825,242</u>	<u>699,615</u>
	<u>\$ 2,530,924</u>	<u>\$ 2,051,409</u>

Investment income was recognized as revenue as follows:

	<u>2021</u>	<u>2020</u>
Total investment income	<u>\$ 3,574,677</u>	<u>\$ 2,995,818</u>
Allocated to		
Externally restricted endowments	735,846	623,373
Deferred contributions related to (Note 4)		
Endowments	173,390	59,680
Other	3,294	76,626
Annuities	<u>131,223</u>	<u>184,730</u>
	<u>1,043,753</u>	<u>944,409</u>

Investment income recognized in the consolidated statement of operations	<u>\$ 2,530,924</u>	<u>\$ 2,051,409</u>
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### 6. Car loans

Car 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.

### 7. Capital assets

			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building	\$ 3,703,772	\$ 1,482,023	\$ 2,221,749	\$ 2,195,331
Furniture and equipment	<u>734,345</u>	<u>686,202</u>	<u>48,143</u>	<u>141,668</u>
	\$ 4,438,117	\$ 2,168,225	\$ 2,269,892	\$ 2,336,999

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# The General Synod of the Anglican Church of Canada

## Notes to the Consolidated Financial Statements

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December 31, 2021

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### 8. Annuities

The General Synod 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, 2021.

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### 9. Internally designated net assets

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

	Balances, January 1, 2021	Net transfers	Balances, December 31, 2021
Ministry Investment Fund	\$ 4,870,037	\$ 539,035	\$ 5,409,072
Amounts invested in capital assets	2,336,999	(67,107)	2,269,892
Provision for contingencies	3,214,098	-	3,214,098
Provision for Sacred Circle	567,795	300,000	867,795
Provision for General Synod – 2022	527,698	300,000	827,698
Healing Fund	500,000	-	500,000
ACCRC returned funds	138,653	(50,876)	87,777
Provision for Lambeth	30,002	-	30,002
Other	1,512,230	-	1,512,230
	<u>\$ 13,697,512</u>	<u>\$ 1,021,052</u>	<u>\$ 14,718,564</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.

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### 10. Contingencies

The General Synod 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 General Synod believes it has good defences 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.

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# **The General Synod of the Anglican Church of Canada**

## **Notes to the Consolidated Financial Statements**

December 31, 2021

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### **11. Pension plan**

The General Synod 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 January 1, 2020 disclosed net assets available for benefits of \$893,288,000 with pension obligations of \$672,264,000, resulting in a surplus of \$221,024,000. The next valuation is expected as of January 1, 2023.

During the year, The General Synod made contributions of \$355,072 (2020 - \$403,302) to the Plan.

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### **12. Line of credit**

The General Synod 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, 2021 and 2020, no amount was outstanding.

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### **13. Financial instruments**

The General Synod is exposed to various financial risks through transactions in financial instruments.

#### **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 General Synod is exposed to foreign currency risk with respect to its investments denominated in foreign currencies held.

#### **Credit risk**

Credit risk is the risk of potential non-performance by counterparties of contract obligations which could lead to a financial loss to The General Synod. The General Synod is exposed to credit risk in connection with its accounts receivable, car loans, and fixed income investments

#### **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 General Synod is exposed to interest rate risk with respect to the car loans, the investments in fixed income investments held by The General Synod, and its annuities payable because the fair value of each will fluctuate due to changes in market interest rates.



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# **The General Synod of the Anglican Church of Canada**

## **Notes to the Consolidated Financial Statements**

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December 31, 2021

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### **13. Financial instruments (continued)**

#### **Other price risk**

Other 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 General Synod is exposed to other price risk in connection with investments in equity securities and pooled funds held.

#### **Liquidity risk**

Liquidity risk is the risk that The General Synod will encounter difficulty in meeting its obligations. The General Synod meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.