

---

Financial statements of  
The Consolidated Trust Fund of the  
Incorporated Synod of the Diocese  
of Ottawa

December 31, 2023

---

---

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of revenue, expenses and distributions	4
Notes to the financial statements	5-9

---

## Independent Auditor's Report

To the Members of  
The Incorporated Synod of the Diocese of Ottawa

### Opinion

We have audited the financial statements of the Consolidated Trust Fund of the Incorporated Synod of the Diocese of Ottawa (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statement of revenue, expenses and distributions for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and the results of its operations 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 "Canadian GAAS"). 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 Organization in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

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

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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.

As part of an audit in accordance with Canadian GAAS, 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 Organization'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 Organization'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 Organization 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.



The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized script font followed by "LLP" in a clean, sans-serif font.

Chartered Professional Accountants  
Licensed Public Accountants  
September 10, 2024

**The Consolidated Trust Fund of the Incorporated Synod of the Diocese of Ottawa**  
**Statement of financial position**  
As at December 31, 2023

	Notes	2023 \$	2022 \$
<b>Assets</b>			
Current assets			
Cash		<b>1,218,868</b>	669,218
Accounts receivable		<b>8,008</b>	5,621
Accrued interest		<b>50,000</b>	50,000
		<b>1,276,876</b>	724,839
Investments	3	<b>58,615,350</b>	56,026,064
		<b>59,892,226</b>	56,750,903
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		<b>32,000</b>	33,044
Distributions payable		<b>373,942</b>	323,356
		<b>405,942</b>	356,400
Unit holder capital	4	<b>59,486,284</b>	56,394,503
		<b>59,892,226</b>	56,750,903

The accompanying notes are an integral part of the financial statements.

Approved by the [Diocesan Council]  
  
Member  
  
Member

**The Consolidated Trust Fund of the Incorporated Synod of the Diocese of Ottawa**  
**Statement of revenue, expenses and distributions**  
Year ended December 31, 2023

		<b>2023</b>	2022
	Notes	\$	\$
<b>Revenue</b>			
Interest, dividends and other income		<b>1,323,577</b>	1,206,735
Change in fair value of investments		<b>4,330,954</b>	(8,584,339)
		<b>5,654,531</b>	(7,377,604)
<b>Expenses</b>			
Administration fees	5	<b>563,944</b>	665,080
Investment management and custodial fees		<b>310,874</b>	288,614
		<b>874,818</b>	953,694
Excess (deficiency) of revenue over expenses before distributions		<b>4,779,713</b>	(8,331,298)
<b>Distributions</b>			
Income and capital distributions to unit holders	6	<b>2,240,021</b>	2,145,400
Increase (decrease) in unit holder capital	4	<b>2,539,692</b>	(10,476,698)
		<b>4,779,713</b>	(8,331,298)
<b>Excess of revenue over expenses and distributions</b>		<b>—</b>	<b>—</b>

The accompanying notes are an integral part of the financial statements.

**1. Nature of activities**

The Consolidated Trust Fund (CTF) of the Incorporated Synod of the Diocese of Ottawa (the "Synod") is a separate fund of the Anglican Church in the Ottawa Diocese. CTF holds and manages investments for parishes, the Synod, third parties and for various cemeteries.

The Synod is a registered charitable organization and is exempt from income taxes.

**2. Significant accounting policies**

*Basis of presentation*

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit-organizations and include the following significant accounting policies:

*Financial instruments*

Financial instruments consist of cash, investments, accounts receivable, accrued interest, accounts and distributions payable and accrued liabilities.

*Initial measurement*

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when CTF becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with CTF is in the capacity of management, are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by CTF in the transaction.

*Subsequent measurement*

All financial instruments are subsequently measured at amortized cost except for the following:

Investments in listed securities which are measured at fair value at the balance sheet date. The fair value of listed securities is based on the latest closing price. Changes in fair value are reported in the statement of revenue, expenses and distributions.

*Transaction costs*

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

## **2. Significant accounting policies (continued)**

### *Financial instruments (continued)*

#### *Impairment*

With respect to financial assets measured at cost or amortized cost, CTF recognizes an impairment loss, if any, in net earnings when there are indicators of impairment, and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

#### *Related party transactions*

Related party transactions that are in the normal course of business are recorded at the exchange amount.

#### *Foreign currency*

Transactions denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Investments and cash balances denominated in foreign currencies are translated at the rates in effect at year-end. Resulting gains or losses from changes in these rates are included in investment earnings.

#### *Capital management*

CTF's objective in managing capital is disclosed in Note 1. Capital consists of the unit holder capital. CTF has complied with all externally imposed capital restrictions.

#### *Use of estimates*

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 amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management's estimates include the collectible amounts of receivables, valuation of investments, and the amount of accrued liabilities. Actual results could differ from these estimates.

## **3. Investments**

	<b>2023</b>	2022
	<b>\$</b>	\$
Cash	<b>1,737,243</b>	2,591,643
Fixed income	<b>18,780,509</b>	19,374,911
Equities	<b>35,395,226</b>	34,059,510
Alternatives	<b>2,702,372</b>	—
	<b>58,615,350</b>	56,026,064



### **3. Investments (continued)**

#### *Determination of fair values*

Fixed income consists of debt obligations of governments and corporate bodies paying interest at rates appropriate to the market at the date of their purchase. Bonds are recorded at prices based upon published market quotations.

Equities consist of listed securities recorded at prices based upon public market quotations.

#### *Investment risk*

Investment in financial instruments renders CTF subject to investment risks. These include the risks arising from changes in interest rates, in rates of exchange for foreign currency, and in equity markets both domestic and foreign. They also include the risks arising from the failure of a counterparty to a financial instrument to discharge an obligation when it is due.

CTF has adopted investment policies, standards and procedures to control the amount of risk to which it is exposed. The investment practices of CTF are designed to avoid undue risk of loss and impairment of assets and to provide a reasonable expectation of fair return given the nature of the investments. The maximum investment risk to CTF is represented by the fair value of the investments.

#### *(a) Concentration risk*

Concentration risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. The relative proportions of the types of investments in the portfolio are as follows:

	<b>% of fair value 2023 \$</b>	<b>% of fair value 2022 \$</b>
Cash	<b>3</b>	5
Fixed income		
Canadian – mutual funds	<b>16</b>	19
International – mutual funds	<b>16</b>	16
	<b>32</b>	35
Equities		
Canadian	<b>18</b>	21
U.S.	<b>10</b>	9
International	<b>32</b>	30
	<b>60</b>	60
Alternatives	<b>5</b>	—
	<b>100</b>	100

#### *(b) Foreign currency risk*

Foreign currency exposure arises from CTF's holdings of non-Canadian denominated investments, which represents 58% (55% in 2022) of the total portfolio.

### 3. Investments (continued)

#### *Investment risk (continued)*

##### *(c) Interest rate risk*

CTF is exposed to interest rate risk arising from fluctuations in interest rates depending on prevailing rates at renewal. To manage interest rate exposure, CTF invests in various fixed income, Canadian and foreign equities.

##### *(d) Liquidity risk*

Liquidity risk is the risk that the CTF will encounter difficulty in meeting obligations associated with financial liabilities. The CTF is exposed to this risk mainly in respect of its accounts payable.

### 4. Unit holder capital

Changes in the unit holder capital balance during the year were as follows:

	<b>2023</b>	2022
	<b>\$</b>	\$
Balance, beginning of year	<b>56,394,503</b>	66,507,966
Issuance of units	<b>3,176,059</b>	1,360,676
Redemption of units	<b>(2,623,970)</b>	(997,441)
Increase (decrease) in unit value	<b>2,539,692</b>	(10,476,698)
Balance, end of year	<b>59,486,284</b>	56,394,503
Units outstanding at year-end	<b>2,282,833</b>	2,265,997
Value per unit	<b>26.06</b>	24.89

During the year, 122,774 units were issued and 105,938 units were redeemed (54,335 units were issued and 37,932 units were redeemed in 2022).

Amounts held in trust are as follows:

	<b>2023</b>	2022
	<b>\$</b>	\$
Parish	<b>25,734,999</b>	25,233,382
Synod	<b>21,593,117</b>	19,318,861
Rectory	<b>5,631,413</b>	5,544,117
Cathedral Hill Foundation	<b>2,897,884</b>	2,767,657
Clergy Retirement Allowance Fund	<b>1,299,522</b>	1,332,710
Cemetery	<b>1,434,096</b>	1,363,994
Third parties	<b>895,253</b>	833,782
	<b>59,486,284</b>	56,394,503

### 5. Related party transactions

Administration fees of \$563,944 (\$665,080 in 2022) were charged by the Synod based on 1% of the closing unit holder capital of the preceding year. Interest of \$48,325 (\$8,512 in 2022) was paid by the Operations Fund during the year for use of cash.

**6. Income and capital distributions**

During the year, an annual distribution of \$1.00 (\$0.96 in 2022) was declared and payable per outstanding unit on a quarterly basis.

**7. Fair value and related risks**

The fair value of cash, accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

It is management's opinion that they are not exposed to any significant credit, liquidity or market risks arising from these financial instruments.

The fair value of investments and related risks are disclosed in Note 3.