Continuing Education Plan of the Anglican Church of Canada

Financial Statements

For the year ended December 31, 2025

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Independent Auditor's Report

To the Board of Trustees of
Continuing Education Plan of the Anglican Church of Canada

Qualified Opinion

We have audited the financial statements of Continuing Education Plan of the Anglican Church of Canada (the "Plan"), which comprise the statement of financial position as at December 31, 2025, and the statement of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2025, 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 Qualified Opinion

As agreed to by the Trustees of the Plan and in common with many benefit fund audits, the scope of our audit was limited to the records of the Plan and therefore, did not extend to an examination of the payroll records of the contributing employers. Accordingly, our verification of contribution revenue was limited to the amounts recorded in the records of the Plan and we were not able to determine whether any adjustments might be necessary to contribution revenue and increase in net assets for the years ended December 31, 2025 and 2024, assets as at December 31, 2025 and 2024 and net assets as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 Plan 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 of our qualified audit 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 Plan’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 Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan'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.

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 Plan'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 Plan'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 Plan 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 23, 2026

Continuing Education Plan of the Anglican Church of Canada
Statement of Financial Position

December 31	2025	2024
Assets		
Cash	**$ 734,063**	$ 543,296
Accounts receivable	**8,000**	4,000
Contributions receivable	**73,926**	81,017
Due from related party (Note 3)	**30,405**	4,550
Investments (Note 4)	**9,746,350**	8,863,006
	$ 10,592,744	$ 9,495,869
Liabilities and Net Assets		
Accounts payable and accrued liabilities	**$ 97,015**	$ 51,130
Net Assets		
Internally restricted (Note 6)	**5,212,602**	4,984,298
Unrestricted	**5,283,127**	4,460,441
	10,495,729	9,444,739
	$ 10,592,744	$ 9,495,869

On behalf of the Board:

Signed by:
Josephine Marks
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Chairperson

DocuSigned by:
Stephen Tam
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Trustee

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

Continuing Education Plan of the Anglican Church of Canada
Statement of Operations

For the year ended December 31	2025	2024
Revenue		
Employer contributions	**$ 1,018,647**	$ 1,073,245
Investment income (Note 5)	**904,515**	984,930
	1,923,162	2,058,175
Expenditures		
Benefits paid to employees	**570,013**	620,193
Administrative expenses (Note 7)	**228,393**	230,156
Sabbatical and special grants	**39,266**	102,352
Group training grants	**34,500**	37,009
	872,172	989,710
Excess of revenue over expenditures	**1,050,990**	1,068,465
Net assets, beginning of year	**9,444,739**	8,376,274
Net assets, end of year	**$ 10,495,729**	$ 9,444,739

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

Continuing Education Plan of the Anglican Church of Canada
Statement of Changes in Net Assets

For the year ended December 31				2025	2024
	Internally Restricted				
	Group Training Fund	Employee Accounts Fund	Unrestricted	Total	Total
Net assets, beginning of the year	$ 62,728	$ 4,921,570	$ 4,460,441	$ 9,444,739	$ 8,376,274
Excess (deficiency) of revenue over expenditures	(34,500)	514,818	570,672	1,050,990	1,068,465
Transfer between funds	38,790	(290,804)	252,014	-	-
Net assets, end of year	$ 67,018	$ 5,145,584	$ 5,283,127	$ 10,495,729	$ 9,444,739

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

Continuing Education Plan of the Anglican Church of Canada
Statement of Cash Flows

For the year ended December 31	2025	2024
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures	**$ 1,050,990**	$ 1,068,465
Adjustments to reconcile excess of revenue over expenditures to net cash provided by (used in) operating activities		
Realized gain on sale of investments	**(966,629)**	(96,658)
Current period change in fair value of investments	**852,638**	(373,273)
Changes in non-cash working capital balance		
Accounts receivable	**(4,000)**	3,000
Contributions receivable	**7,091**	(13,380)
Accounts payable and accrued liabilities	**45,885**	2,787
	985,975	590,941
Investing activities		
Net acquisition of investments	**(769,353)**	(775,731)
Decrease (increase) in due from related party	**(25,855)**	10,371
	(795,208)	(765,360)
Net increase (decrease) in cash	**190,767**	(174,419)
Cash, beginning of year	**543,296**	717,715
Cash, end of year	**$ 734,063**	$ 543,296

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

1. Significant Accounting Policies

Nature and Purpose of the Plan

The Continuing Education Plan of the Anglican Church of Canada (the "Plan") provides for the continuing education of the clergy and lay employees of participating employers in order to improve their work-related skills and abilities. The rules adopted by the Church have established the basic provision of the Plan as reflected in Canon XII and the related regulations. Effective January 1, 2012, the Plan was registered as a charitable organization.

Basis of Presentation

These financial statements are prepared using Canadian accounting standards for not-for-profit organizations (the “ASNPO”).

Funding Policy

The Plan is an employer sponsored plan where the employers are required to contribute $900 (2024 - $900) per eligible employee per year.

Investments and Investment Income

All investment transactions are recorded when the risks and rewards of ownership are transferred. Investment transactions are recorded on a trade date basis. Investments are stated at their fair values. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where ascertainable, fair values of the underlying assets are based on public market prices or independent quotations. Where public market prices or quotations are not ascertainable, fair values are derived from use of inputs observed from markets, using methods such as discounted cash flows, earnings multiples, appraisals, prevailing market rates for instruments with similar characteristics and other pricing models, as appropriate.

Pooled funds

Pooled funds are managed investments that pool assets in a diversified portfolio. The Fund holds pooled fund investments in publicly traded equities and fixed income investments.

Pooled funds are valued at the unit net asset values supplied by the pooled fund administrator, which represents the Plan's proportionate share of underlying net assets. The unit net asset value is determined based on the fair value of the underlying assets and liabilities of the pooled fund.

The Plan’s fair value holding in pooled funds is calculated as the unit net asset value of the pooled fund, multiplied by the number of units held by the Fund.

Investment income is the increase or decrease in the fair value of the pooled funds reflective of the fair value of the underlying investments held by the pooled funds. Dividends and interest are reinvested within the pooled funds. Distributions from pooled funds are recorded when declared by the pooled fund managers.

1. Significant Accounting Policies (Continued)

Investments and Investment Income (Continued)
Pooled funds (Continued)
The realized gain or losses on sale of investments sold during in the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess of fair value over cost of investments at the beginning of the year.

The current period change in fair value of investments represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

Financial Instruments
Financial instruments, excluding investments, are recorded at fair value when acquired or issued and subsequently measured at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

Revenue Recognition
The Plan follows the deferral method of accounting for contributions. Contributions are based on amounts reported by employers for the periods up to and including December, to the extent that these contributions are reported by the report date. Contributions reported after this date are included in the next fiscal period.

Interest income is recognized on a time proportionate basis, using the effective interest method. This method ensures that interest income is recognized in accordance with the passage of time and the applicable interest rate, reflecting the economic benefits earned during the reporting period.

Use of Estimates
The preparation of financial statements in accordance with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Income Tax Status
The Plan is registered as a charitable organization for income tax purposes and is exempt from income tax under section 149(1)(f) of the Income Tax Act.

2. Description of the Plan

The following description of the Continuing Education Plan of the Anglican Church of Canada is a summary only. For more complete information, reference should be made to the Plan Regulations.

General

The Continuing Education Plan of the Anglican Church of Canada was established to collect contributions from participating employers within the Church to provide for continuing education of the Church's clergy and lay workers in order to improve their work-related skills and abilities.

The Plan is administered under Canon XII of the General Synod of the Anglican Church of Canada which outlines terms of membership, contribution rates and benefit credits and payments.

Continuing Education Plan Benefits

Employers contribute $900 (2024 - $900) per year for each eligible employee. 75% of eligible expenses are reimbursed from contributions accumulated for the employee. A bonus may be added from the Plan. The bonus was 10% in 2025 (2024 - 10%).

The Plan also pays for group training through grants to employers. These grants are approved each year for all participating employers. The employers have 5 years to use the grants for qualifying expenses or they expire.

Additional grants are made for sabbatical leave and retraining for employees who have more than 5 years participation in the Plan, subject to approval.

3. Related Party Transactions and Balances

The Pension Office Corporation of the Anglican Church of Canada (the "Corporation") administers the Plan. Under the terms of a Cost Sharing and Agency with the Plans, the Corporation pays shared expenses of the Plans and is reimbursed. In the current year, an amount of $181,210 has been allocated to the Plan (2024 - $176,182) at its exchange value (the amount of consideration established and agreed to by the related parties).

The following amount is due from (to) the related parties at year end:

	2025	2024
Pension Office Corporation of the Anglican Church of Canada	**$ 30,590**	$ 4,550
General Synod Pension Plan of the Anglican Church of Canada	**(41)**	-
Long Term Disability Plan of the Anglican Church of Canada	**(144)**	-
	$ 30,405	$ 4,550

The amounts are unsecured, non-interest bearing and due on demand. The Plan has a common Board of Directors/Trustees with these related plans.

December 31, 2025

4. Investments

	2025		2024	
	Cost	**Market Value**	Cost	Market Value
PH&N Balanced Pension Trust	**$ 3,319,350**	**$ 3,281,201**	$ -	$ -
PH&N Short Core Plus Bond Fund	**6,884,101**	**6,465,149**	-	-
PH&N Core Plus Bond Fund	**-**	**-**	5,640,458	5,114,364
PH&N Canadian Equity Value Fund	**-**	**-**	404,740	626,845
RBC QUBE Low Volatility Canadian Equity Fund	**-**	**-**	490,874	622,541
RBC Global Equity Focus Fund	**-**	**-**	923,276	1,247,935
RBC QUBE Low Volatility Global Equity Fund	**-**	**-**	1,008,121	1,251,321
	$10,203,451	**$ 9,746,350**	$ 8,467,469	$ 8,863,006

5. Investment Income

	2025	2024
Pooled fund distributions	**$ 769,353**	$ 475,731
Realized gain on sale of investments	**966,629**	96,658
Current period change in fair value of investments	**(852,638)**	373,273
Interest income	**21,171**	39,268
	$ 904,515	$ 984,930

6. Internally Restricted Funds

Internally restricted funds include two separate funds. The group training fund consists of the accumulated approved grants for group training. The employee accounts fund is comprised of accumulated contributions made by member employers on account of employees, which have not yet been used to fund eligible expenses.

The balance in these funds as at year end is as follows:

	2025			2024
	Group Training Fund	**Employee Accounts Fund**	**Total**	Total
Balance, beginning of the year	**$ 62,728**	**$ 4,921,570**	**$ 4,984,298**	$ 4,535,362
Contributions	**-**	**1,018,647**	**1,018,647**	1,073,245
Transfers from unrestricted	**38,790**	**-**	**38,790**	40,895
	38,790	**1,018,647**	**1,057,437**	1,114,140
Benefits paid to employees	**-**	**(503,829)**	**(503,829)**	(547,299)
Group training grants	**(34,500)**	**-**	**(34,500)**	(37,009)
Transfers to unrestricted	**-**	**(290,804)**	**(290,804)**	(80,896)
	(34,500)	**(794,633)**	**(829,133)**	(665,204)
Net increase in fund balance	**4,290**	**224,014**	**228,304**	448,936
Balance, ending of the year	**$ 67,018**	**$ 5,145,584**	**$ 5,212,602**	$ 4,984,298

7. Administrative Expenses

	2025	2024
Administrative fees (Note 3)	**$ 181,210**	$ 176,182
Audit fees	**14,878**	12,212
CEP Employer contribution interest recovered	**-**	(686)
Insurance	**8,746**	8,745
Investment management fees	**32,833**	31,718
Legal fees	**41**	41
Website management	**1,660**	7,138
Sales tax rebates	**(10,975)**	(5,194)
	$ 228,393	$ 230,156

8. Financial Risk Management

The Plan's activities expose it to a variety of direct and indirect financial risks: credit risk, liquidity risk and market risk (including currency risk, interest risk and other price risk). These risks have not changed from the prior year.

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Plan’s financial instruments that are exposed to concentrations of credit risk relate primarily to cash and investments. The Plan manages its exposure to this risk by maintaining its cash with a major Schedule 1 bank and maintaining its fixed income investments in a professionally managed diversified balanced pooled fund.

The Plan also has credit risk to the extent that contributions receivables are not collectible. The Plan manages this risk by closely monitoring delinquent contributors and ensuring late contributions and deviations are pursued. This risk has not changed from the prior year.

Liquidity Risk
Liquidity risk is the risk that the Plan encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Plan will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and due to related parties. The Plan continues to focus on maintaining adequate liquidity to meet operating working capital requirements and capital expenditures.

The Plan is also exposed to *liquidity risk* in the event that investments must be sold quickly. The Plan's assets are invested in investments that can be readily disposed of as liquidity needs arise, assuming orderly markets. This risk has not changed from the prior year.

Market Risk
The Plan is exposed to fluctuations in equity markets on its investments within the pooled funds. This risk has not changed from the prior year.

Currency Risk
Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate with changes in foreign currency exchange rates. The Plan is exposed to currency risk from the possibility that changes in exchange rates will affect the value of investments denominated in foreign currencies within the pooled funds. This risk has not changed from the prior year.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Plan is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments within the pooled funds. This risk has not changed from the prior year.

8. Financial Risk Management (Continued)

Other Price Risk

Other price risk is the risk that the value of an investment will fluctuate as a result 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 a market.