Endowment Fund 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
Endowment Fund of the Anglican Church of Canada

Opinion

We have audited the financial statements of Endowment Fund of the Anglican Church of Canada (the "Fund"), which comprise the statement of financial position as at December 31, 2025, and the statements 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025, and its results of 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 Financial Statements* section of our report. We are independent of the Fund 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 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)
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 Fund'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 Fund'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 Fund 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 9, 2026

Endowment Fund of the Anglican Church of Canada
Statement of Financial Position

December 31		2025		2024
Assets				
Cash	**$**	**268,812**	$	164,845
Accounts receivable		**2,243**		2,564
Due from related party (Note 3)		**9,135**		2,551
Investments (Note 4)		**5,681,959**		5,487,116
	$	**5,962,149**	$	5,657,076
Liabilities and Net Assets				
Accounts payable and accrued liabilities	**$**	**24,422**	$	17,353
Due to related party (Note 3)		**20,756**		12,845
		45,178		30,198
Net Assets				
Endowment Fund		**1,072,038**		1,072,038
Externally Restricted - Special Funds		**2,215,513**		2,091,123
Unrestricted - Ordinary Funds		**2,629,420**		2,463,717
		5,916,971		5,626,878
	$	**5,962,149**	$	5,657,076

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.

Endowment Fund of the Anglican Church of Canada
Statement of Operations

For the year ended December 31	2025	2024
Revenue		
Donations received (Note 5)	**$ 90,087**	$ 15,758
Investment income (Note 6)	**562,339**	666,183
	652,426	681,941
Expenditures		
Benefits paid	**281,715**	273,118
Administrative expenses (Note 7)	**80,618**	76,890
	362,333	350,008
Excess of revenue over expenditures	**$ 290,093**	$ 331,933

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

Endowment Fund of the Anglican Church of Canada
Statement of Changes in Net Assets

For the year ended December 31				2025	2024
	Endowment Fund	**Externally Restricted - Special Funds**	**Unrestricted Ordinary Funds**	**Total**	Total
Net assets available, beginning of the year	**$ 1,072,038**	**$ 2,091,123**	**$ 2,463,717**	**$ 5,626,878**	$ 5,294,945
Excess of revenue over expenditures	**-**	**124,390**	**165,703**	**290,093**	331,933
Net assets available, end of year	**$ 1,072,038**	**$ 2,215,513**	**$ 2,629,420**	**$ 5,916,971**	$ 5,626,878

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

Endowment Fund 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	**$ 290,093**	$ 331,933
Adjustments to reconcile excess of revenue over expenditures to net cash provided by (used in) operating activities		
Realized gain on sale of investments	**(632,434)**	(108,709)
Current period change in fair value of investments	**540,582**	(237,476)
Changes in non-cash working capital balance		
Accounts receivable	**321**	(1,764)
Accounts payable and accrued liabilities	**7,069**	856
	205,631	(15,160)
Investing activities		
Net disposal (purchase) of investments	**(102,991)**	46,590
Decrease (increase) in due from related party	**(6,584)**	1,179
	(109,575)	47,769
Financing activity		
Increase in due to related party	**7,911**	12,845
Net increase in cash	**103,967**	45,454
Cash, beginning of year	**164,845**	119,391
Cash, end of year	**$ 268,812**	$ 164,845

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

1. Significant Accounting Policies

Nature and Purpose of the Fund

Endowment Fund of the Anglican Church of Canada (the "Fund") is a charitable organization that receives donations and bequests that are used to supplement the pensions of retired members of the General Synod Pension Plan of the Anglican Church of Canada.

Basis of Presentation

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

Funding Policy

The Fund receives donations and bequests and earns investment income on the undistributed amounts in the Fund.

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 Fund'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 Fund'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 Fund uses the deferral method of accounting for contributions. Endowment contributions are recognized as direct increases in net assets in the current period. Restricted contributions for expenses are deferred and recognized as revenue in the same period as the related expenses are recognized. Unrestricted contributions are recognized as revenue in the current 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 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 Fund is registered as a charitable organization for income tax purposes and is exempt from income tax under section 149(1)(l) of the Income Tax Act.

2. Description of the Fund

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

General

Funds are received by way of gift, donation or bequest as an enhancement to benefits of the General Synod Pension Plan.

Components of the Fund can be described as follows:

i) Endowment Fund - represents accumulated contributions that are to be preserved by the Fund. Investment returns are recognized as increases in either the special fund or the ordinary fund and can be disbursed in accordance with the Fund's benefit payment policy as established by the Endowment Committee of the General Synod of the Anglican Church of Canada.

ii) Special Funds - represents funds received that are disbursed in accordance with the restrictions stipulated by donors or trusts.

iii) Ordinary Funds - represents unrestricted funds received that may be disbursed at the discretion of the Endowment Committee of The General Synod of the Anglican Church of Canada.

The Pension Committee is the Endowment Committee of the Anglican Church of Canada who is the Administrator of the Fund. The Board of Trustees has the ultimate responsibility for all aspects of the investment of the Fund. The members of the Board of Trustees are appointed by the Pension Committee of the General Synod.

Fund Benefits

The Fund payment is made once a year and the amount varies according to investment returns of the Fund. The distribution rate will normally be the same as the target rate of return for the Fund of 5%. This may be reduced if necessary to preserve the capital in the special and ordinary funds for future distributions.

3. Related Party Transactions and Balances

The Pension Office Corporation of the Anglican Church of Canada administers the Fund. Effective January 1, 2015, the Fund entered into a cost sharing and agency agreement between the various pension and benefit plans of the Anglican Church of Canada (the "Plans") and the Pension Office Corporation. In the current year, the Fund paid the Pension Office Corporation $45,302 (2024 - $44,046) to cover the Fund's share of the operating expenses. This transaction is measured at its exchange value (the amount of consideration established and agreed to by the related party).

The following amounts are due from (to) related parties at year end:

	2025	2024
General Synod Pension Plan of the Anglican Church of Canada	**$ (20,756)**	$ (12,845)
Pension Office Corporation of the Anglican Church of Canada	**9,135**	2,551
	$ (11,621)	$ (10,294)

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

4. Investments

Investments consist of units in the following funds, which are recorded at market value:

	2025		2024	
	Cost	**Market Value**	Cost	Market Value
PH&N Balanced Pension Trust	**$ 3,994,158**	**$ 3,751,082**	$ -	$ -
PH&N Short Core Plus Bond Fund	**1,953,326**	**1,930,877**	-	-
PH&N Core Plus Bond Fund	**-**	**-**	3,534,043	3,166,375
PH&N Canadian Equity Value Fund	**-**	**-**	233,728	388,084
RBC QUBE Low Volatility Canadian Equity Fund	**-**	**-**	290,782	385,455
RBC Global Equity Focus Fund	**-**	**-**	546,077	772,458
RBC QUBE Low Volatility Global Equity Fund	**-**	**-**	607,429	774,744
	$ 5,947,484	**$ 5,681,959**	$ 5,212,059	$ 5,487,116

5. Donations

During the year, the Fund received $64,619 relating to a bequest from an estate. An additional amount of $25,000 has been retained by the estate pending clearance of outstanding tax matters with the Canada Revenue Agency.

As at December 31, 2025, the Fund has not recognized the additional amount as a receivable or donation revenue as the ultimate amount, if any, to be received by the Fund has not yet been determined.

6. Investment Income

	2025	2024
Pooled fund distributions	**$ 452,991**	$ 303,410
Realized gain on sale of investments	**632,434**	108,709
Current period change in fair value of investments	**(540,582)**	237,476
Interest income	**17,496**	16,588
	$ 562,339	$ 666,183

7. Administrative Expenses

	2025	2024
Administrative fees (Note 3)	**$ 45,302**	$ 44,046
Audit fees	**14,878**	12,212
Bank charges	**354**	350
Insurance	**2,151**	2,187
Investment management fees	**20,166**	20,649
Legal fees	**10**	10
Sales tax rebates	**(2,243)**	(2,564)
	$ 80,618	$ 76,890

8. Financial Risk Management

The Fund'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 Fund’s financial instruments that are exposed to concentrations of credit risk relate primarily to cash and investments. The Fund manages its exposure to this risk by maintaining its cash with a major Schedule 1 bank and maintaining its fixed income investments in a prudently managed diversified balanced pooled fund. This risk has not changed from the prior year.

8. Financial Risk Management (Continued)

Liquidity Risk

Liquidity risk is the risk that the Fund encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Fund 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 party. The Fund continues to focus on maintaining adequate liquidity to meet operating working capital requirements and capital expenditures.

The Fund is also exposed to *liquidity risk* in the event that investments must be sold quickly. The Fund'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 Fund 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 Fund 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 value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's fixed income investments within the diversified balanced pooled fund are subject to interest rate risk. This risk has not changed from the prior year.

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.