



Financial Statements

**The Consolidated Trust Fund of the Incorporated
Synod of the Diocese of Toronto**

December 31, 2009

Contents

	Page
Auditors' Report	1
Statement of Earnings	2
Statement of Changes in Net Assets	3
Statement of Net Assets	4
Notes to the Financial Statements	5 - 7

Auditors' Report

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To the Unitholders of

The Consolidated Trust Fund of the Incorporated Synod of the Diocese of Toronto

We have audited the statement of net assets of **The Consolidated Trust Fund of the Incorporated Synod of the Diocese of Toronto** as at December 31, 2009 and the statements of earnings and changes in net assets for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Grant Thornton LLP

Toronto, Ontario
April 15, 2010

Chartered Accountants
Licensed Public Accountants

**The Consolidated Trust Fund
of the Incorporated Synod of the Diocese of Toronto
Statement of Earnings**

Year Ended December 31

2009

2008

Revenue		
Interest and dividends	\$ <u>3,117,812</u>	\$ <u>3,280,644</u>
Expenses		
Investment counsel fees	365,076	354,374
Administration expenses - Diocese (Note 3)	92,602	90,439
Custodian fee	46,553	43,222
Other	783	1,852
	<u>505,014</u>	<u>489,887</u>
Net investment income	2,612,798	2,790,757
Capital appreciation (depreciation)	<u>12,955,827</u>	<u>(23,035,592)</u>
Net gain (loss)	\$ <u>15,568,625</u>	\$ <u>(20,244,835)</u>
Average number of units outstanding	<u>544,321</u>	<u>497,284</u>
Net gain (loss) per unit	\$ <u>28.60</u>	\$ <u>(40.71)</u>

See accompanying notes to the financial statements.

**The Consolidated Trust Fund
of the Incorporated Synod of the Diocese of Toronto
Statement of Changes in Net Assets**

Year Ended December 31	2009	2008
Net assets, beginning of year	\$ <u>84,765,865</u>	\$ <u>96,874,330</u>
Net gain (loss)	<u>15,568,625</u>	<u>(20,244,835)</u>
Unit transactions		
Contributions received to purchase units	6,329,508	22,023,314
Redemption amounts paid on cancellation of units	<u>(2,809,675)</u>	<u>(8,268,457)</u>
	<u>3,519,833</u>	<u>13,754,857</u>
Distributions to unit holders		
Net investment income	(2,612,798)	(2,790,757)
Distribution from capital in the year	<u>(3,494,783)</u>	<u>(2,827,730)</u>
	<u>(6,107,581)</u>	<u>(5,618,487)</u>
Net assets, end of year	\$ <u>97,746,742</u>	\$ <u>84,765,865</u>
Number of units outstanding, end of year (Note 6)	<u>554,675</u>	<u>533,966</u>
Net assets, end of year, per unit	\$ <u>176.22</u>	\$ <u>158.75</u>
Distribution per unit	\$ <u>11.27</u>	\$ <u>11.27</u>

See accompanying notes to the financial statements.

**The Consolidated Trust Fund
of the Incorporated Synod of the Diocese of Toronto
Statement of Net Assets**

December 31 2009 2008

Assets

Investments, at fair value (Note 4)	\$ 100,101,145	\$ 88,353,711
Cash	2,507,873	392,645
Interest receivable	<u>66,930</u>	<u>81,328</u>
	<u>102,675,948</u>	<u>88,827,684</u>

Liabilities

Dividend payable and accruals	3,804,538	3,413,081
Amounts due to Incorporated Synod of the Diocese of Toronto (Note 3)	<u>1,124,666</u>	<u>648,738</u>
	<u>4,929,204</u>	<u>4,061,819</u>

Net assets

	\$ <u>97,746,744</u>	\$ <u>84,765,865</u>
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Represented by:

Parish funds	\$ 46,658,120	\$ 40,901,602
Anglican Diocese of Toronto Foundation funds	6,621,205	4,934,880
Diocesan funds	<u>44,467,419</u>	<u>38,929,383</u>
	<u>\$ 97,746,744</u>	<u>\$ 84,765,865</u>

On behalf of the Diocesan Council

See accompanying notes to the financial statements.

The Consolidated Trust Fund of the Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2009

1. Purpose

The Consolidated Trust Fund (the "Fund") was created by statute (54 Victoria, C101) on May 4, 1891 to provide for the management and investment of the trust funds under the control of Synod as one undivided fund. By statute (1936) parishes and other church related bodies were permitted to invest in the Fund. The Incorporated Synod of the Diocese of Toronto and its parishes are registered charities under the Income Tax Act and are exempt from income taxes under Section 149 of the Act.

2. Summary of significant accounting policies

Unit valuation

The Fund is a unitized fund which is valued quarterly. Deposits and withdrawals are valued at the unit value as at the end of the quarter in which they occur.

Distribution

The aggregate income and capital distribution for the year was at the rate of \$11.27 per unit, being 5% of the unit value as at March 31, 2007. The Investment Committee and the Treasury Board of the Diocese review this rate annually, to ensure that it is reasonable relative to the total return of the fund and the annual rate of inflation.

The dividend is allocated to unitholders quarterly, pro-rata to the number of units held at the beginning of the quarter.

Translation of foreign currencies

Investments in foreign currencies are translated into Canadian dollars at the year-end rate of exchange. Translation gains and losses are included in earnings.

Revenue and expense recognition

Revenue and expenses are recorded on the accrual basis.

Investments

Investments are stated at fair value which has been determined by reference to last bid price of these investments.

Use of estimates

In preparing the Fund's financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

The Consolidated Trust Fund of the Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2009

3. Related party transactions

a) Administration expenses - Diocese

The Incorporated Synod of the Diocese of Toronto provides accounting services and administrative oversight to the Consolidated Trust Fund and charges these costs to the Fund on a cost recovery basis. The amount charged is set as a flat amount and forms part of the Diocese's budget approved by Synod.

b) Amounts due to the Incorporated Synod of the Diocese of Toronto

The amounts due to the Incorporated Synod of the Diocese of Toronto, a related party due to common oversight, arise from transactions in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The amounts bear interest at the prime rate of interest as determined by reference to the Diocese's bank prime rate and are due on demand with no specific terms of repayment.

4. Investments

Investments are carried at fair value which results in capital gains or losses being allocated to unitholders.

	<u>2009</u>	<u>%</u>	<u>2008</u>	<u>%</u>
Short term deposits	\$ 1,105,125	1	\$ 5,001,080	6
Bonds - Government of Canada	1,206,549	1	689,940	1
- Provinces of Canada	7,025,682	7	5,469,087	6
- Corporations	27,461,998	28	26,116,993	29
Stocks	63,301,791	63	51,063,925	58
Mortgages	-	-	12,686	-
	<u>\$ 100,101,145</u>	<u>100</u>	<u>\$ 88,353,711</u>	<u>100</u>

5. Financial instruments

Interest rate risk

The Fund's earnings are exposed to the interest rate risk that arises from fluctuations in interest rates and the degree of volatility of these rates. The Fund does not use derivative instruments to alter its exposure to interest rate risk.

Fair value

The Fund's estimate of the fair value of interest receivable, dividend payable and accruals and amounts due to Synod Operating Fund approximates the carrying value due to the relatively short term nature of the instruments.

**The Consolidated Trust Fund
of the Incorporated Synod of the Diocese of Toronto
Notes to the Financial Statements**

December 31, 2009

6. Continuity of units outstanding	<u>2009</u>	<u>2008</u>
Units, beginning of year	533,966	460,601
Subscriptions	37,520	118,409
Redemptions	<u>(16,811)</u>	<u>(45,044)</u>
Units, end of year	<u>554,675</u>	<u>533,966</u>