Doane Grant Thornton

Financial Statements

The Incorporated Synod of the Diocese of Toronto

December 31, 2025

Contents

Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Incorporated Synod of the Diocese of Toronto (the "Diocese"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenue and expenses, changes in fund balances 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 Diocese 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 ("ASNPO").

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 Diocese 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.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Schedule is presented for the purposes of additional information and has been subjected to the auditing procedures applied only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

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 ASNPO, 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 Diocese'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 Diocese or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Diocese’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 Diocese’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 Diocese’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 Diocese 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.

Doane Grant Thornton LLP

Toronto, Canada
June 19, 2026

Chartered Professional Accountants
Licensed Public Accountants

The Incorporated Synod of the Diocese of Toronto
Statement of Financial Position
As at December 31

	Unrestricted Funds	Capital Asset Fund	Restricted Funds	Endowment Funds	**Total 2025**	Total 2024
Assets						
Current						
Cash	$ 2,425,188	$ -	$ 1,432,822	$ -	**$ 3,858,010**	$ 15,121,934
Receivables – parishes	951,550	-	-	-	**951,550**	631,049
– loans (Note 3)	616,738	-	36,009	-	**652,747**	442,444
– other	1,134,220	-	292,173	-	**1,426,393**	1,393,228
Prepaid expenses	2,161	-	-	-	**2,161**	33,337
	5,129,857	-	1,761,004	-	**6,890,861**	17,621,992
Loans receivable (Note 3)	8,791,869	-	757,049		**9,548,918**	10,615,488
Investments in the Consolidated Trust Fund (Note 4)	153,214,044	-	31,870,828	40,835,075	**225,919,947**	203,531,419
Investments – other (Note 5)	12,712,870	-	3,921,849		**16,634,719**	9,361,369
Capital assets and properties (Note 6)	2,328,000	1,031,115	-	-	**3,359,115**	2,695,448
Other property (Note 7)	-	-	-	-	**-**	-
	$ 182,176,640	$ 1,031,115	$ 38,310,730	$ 40,835,075	**$ 262,353,560**	$ 243,825,716
Liabilities						
Current						
Accounts payable and accrued liabilities (Note 8)	$ 16,044,900	$ -	$ -	$ -	**$ 16,044,900**	$ 18,313,783
Distributions payable	-	-	1,272,125	-	**1,272,125**	1,201,443
	16,044,900		1,272,125		**17,317,025**	19,515,226
Defined benefit liability (Note 9)	-	-	7,761,100	-	**7,761,100**	8,393,600
Parish Consolidated Trust Fund liabilities (Note 4)	106,619,956	-	-	-	**106,619,956**	97,804,604
	122,664,856	-	9,033,225	-	**131,698,081**	125,713,430
Fund balances						
Unrestricted	59,511,784	1,031,115	-	-	**60,542,899**	55,264,386
Internally restricted (Note 10)	-	-	28,418,535	97,963	**28,516,498**	24,827,939
Externally restricted	-	-	858,970	23,613,081	**24,472,051**	20,895,930
Endowment	-	-	-	17,124,031	**17,124,031**	17,124,031
	59,511,784	1,031,115	29,277,505	40,835,075	**130,655,479**	118,112,286
	$ 182,176,640	$ 1,031,115	$ 38,310,730	$ 40,835,075	**$ 262,353,560**	$ 243,825,716

Commitments (Note 17)

On behalf of the Synod Council + Andrew Toronto T. V. Balenton

The Incorporated Synod of the Diocese of Toronto
Statement of Revenue and Expenses
Year ended December 31

	Unrestricted Funds	Capital Asset Fund	Restricted Funds	Endowment Funds	**Total 2025**	Total 2024
Revenue						
Parishes	$ 5,762,268	$ -	$ -	$ -	**$ 5,762,268**	$ 5,586,912
Fees and donations	1,701,254	-	-	-	**1,701,254**	605,112
Donations – Faithworks (Note 11)	-	-	1,489,892	-	**1,489,892**	1,275,746
Donations – Our Faith Our Hope Capital Campaign	-	-	-	-	**-**	50
Investment income	1,755,848	-	1,259,050	1,433,012	**4,447,910**	4,241,392
Other income	881,966	-	2,095,873	-	**2,977,839**	4,693,813
	10,101,336	-	4,844,815	1,433,012	**16,379,163**	16,403,025
Expenses (Note 13)						
Corporate governance and support services	2,724,430	-	-	-	**2,724,430**	2,560,757
Church growth and development	2,783,398	-	197,651	-	**2,981,049**	2,315,822
The Wider Church	1,680,526	-	-	-	**1,680,526**	1,637,493
Episcopal care and leadership	1,606,448	-	-	-	**1,606,448**	1,572,657
Supporting ordained and lay leaders	824,720	-	-	-	**824,720**	1,065,376
Church and society	84,061	-	-	-	**84,061**	89,385
Campaign costs – Faithworks (Note 11)	-	-	200,770	-	**200,770**	194,811
Campaign costs – Our Faith Our Hope Capital Campaign	-	-	62	-	**62**	455
Fund disbursements – Faithworks (Note 11)	-	-	1,227,072	-	**1,227,072**	1,200,419
Fund disbursements – Our Faith Our Hope Capital Campaign	-	-	589,879	-	**589,879**	641,048
Amortization of capital assets	-	106,545	-	-	**106,545**	74,238
	9,703,583	106,545	2,215,434	-	**12,025,562**	11,352,461
Excess (deficiency) of revenue over expenses before other items	397,753	(106,545)	2,629,381	1,433,012	**4,353,601**	5,050,564
Capital appreciation	3,676,870	-	2,208,227	2,985,612	**8,870,709**	8,595,791
Property revenue (Note 6b)	444,749	-	-	-	**444,749**	1,201,058
Post retirement benefits (Note 9)	-	-	(179,600)	-	**(179,600)**	(185,600)
Fund disbursements – other	(30,085)	-	(57,442)	(455,836)	**(543,363)**	(1,146,969)
Parish support (Note 14)	(1,215,003)	-	-	-	**(1,215,003)**	(1,846,890)
	2,876,531	-	1,971,185	2,529,776	**7,377,492**	6,617,390
Excess (deficiency) of revenue over expenses	$ 3,274,284	$ (106,545)	$ 4,600,566	$ 3,962,788	**$ 11,731,093**	$ 11,667,954

The Incorporated Synod of the Diocese of Toronto
Statement of Changes in Fund Balances
Year ended December 31

	Unrestricted Funds	Capital Asset Fund	Restricted Funds: Internally Restricted Fund	Restricted Funds: Externally Restricted Fund	Endowment Funds	**Total 2025**	Total 2024
Fund balances, beginning of year	$ 54,464,938	$ 799,448	$ 24,738,740	$ 754,003	$ 37,355,157	**$ 118,112,286**	$ 106,330,432
Excess (deficiency) of revenue over expenses	3,274,284	$ (106,545)	4,495,599	104,967	3,962,788	**11,731,093**	11,667,954
Retirement benefits remeasurements and other items (Note 15)	-	-	812,100	-	-	**812,100**	113,900
Interfund transfers (Note 16)	1,772,562	338,212	(1,627,904)	-	(482,870)	**-**	-
Fund balances, end of year	$ 59,511,784	$ 1,031,115	$ 28,418,535	$ 858,970	$ 40,835,075	**$ 130,655,479**	$ 118,112,286
Fund balances, end of year							
Unrestricted	$ 59,511,784	$ 1,031,115	$ -	$ -	$ -	**$ 60,542,899**	$ 55,264,386
Internally restricted (Note 10)	-	-	28,418,535	-	97,963	**28,516,498**	24,827,939
Externally restricted	-	-	-	858,970	23,613,081	**24,472,051**	20,895,930
Endowment	-	-	-	-	17,124,031	**17,124,031**	17,124,031
	$ 59,511,784	$ 1,031,115	$ 28,418,535	$ 858,970	$ 40,835,075	**$ 130,655,479**	$ 118,112,286

The Incorporated Synod of the Diocese of Toronto
Statement of Cash Flows
Year ended December 31

	Unrestricted Funds	Capital Asset Fund	Restricted Funds	Endowment Funds	**Total 2025**	Total 2024
(Decrease) increase in cash						
Operating activities						
Excess (deficiency) of revenue over expenses	$ 3,274,284	$ (106,545)	$ 4,600,566	$ 3,962,788	**$ 11,731,093**	$ 11,667,954
Add (deduct):						
Capital appreciation	(3,676,870)	-	(2,208,227)	(2,985,612)	**(8,870,709)**	(8,595,791)
Unrealized gains on assets held for sale	(432,000)	-	-	-	**(432,000)**	(1,201,058)
Non-cash portion of defined benefit liability	-	-	549,700	-	**549,700**	543,000
Amortization of capital assets	-	106,545	-	-	**106,545**	74,238
	(834,586)	-	2,942,039	977,176	**3,084,629**	2,488,343
Change in non-cash working capital (Page 7)	(2,640,177)	-	119,486	-	**(2,520,691)**	7,866,992
	(3,474,763)	-	3,061,525	977,176	**563,938**	10,355,335
Financing activity						
Interfund transfers	1,772,562	338,212	(1,627,904)	(482,870)	**-**	-
Investing activities						
(Increase) decrease in investments (net)	(10,192,944)	-	(1,288,567)	(494,306)	**(11,975,817)**	3,877,438
Decrease (increase) in loans receivable (net)	820,968	-	35,299	-	**856,267**	(2,453,737)
Purchase of capital assets	-	(338,212)	-	-	**(338,212)**	(156,665)
Proceeds from sale of assets held for sale received	-	-	-	-	**-**	49,058
Pension benefits paid (Note 9)	-	-	(370,100)	-	**(370,100)**	(357,400)
	(9,371,976)	(338,212)	(1,623,368)	(494,306)	**(11,827,862)**	958,694
Net (decrease) increase in cash	(11,074,177)	-	(189,747)	-	**(11,263,924)**	11,314,029
Cash, beginning of year	13,499,365	-	1,622,569	-	**15,121,934**	3,807,905
Cash, end of year	$ 2,425,188	$ -	$ 1,432,822	$ -	**$ 3,858,010**	$ 15,121,934

The Incorporated Synod of the Diocese of Toronto
Statement of Cash Flows (continued)
Year ended December 31

	Unrestricted Funds	Capital Asset Fund	Restricted Funds	Endowment Funds	**Total 2025**	Total 2024
Change in non-cash working capital						
Parish and other receivables	$ (402,470)	$ -	$ 48,804	$ -	**$ (353,666)**	$ 78,826
Prepaid expenses	31,176	-	-	-	**31,176**	(11,218)
Accounts payables and accrued liabilities	(2,268,883)	-	-	-	**(2,268,883)**	7,777,541
Distributions payable	-	-	70,682	-	**70,682**	21,843
	$ (2,640,177)	$ -	$ 119,486	$ -	**$ (2,520,691)**	$ 7,866,992

	Unrestricted Funds	Capital Asset Fund	Restricted Funds	Endowment Funds	**Total 2025**	Total 2024
Additional cash flow information						
Remeasurements and other items	$ -	$ -	$ (812,100)	$ -	**$ (812,100)**	$ (113,900)

1. Purpose

The Diocese of Toronto was incorporated by *“An Act to Incorporate the Synod of the Diocese of Toronto, and to unite the Church Society of the Diocese of Toronto therewith”*, an act of the Legislature of Ontario passed on January 23, 1869. The corporation created by this statute is “The Incorporated Synod of the Diocese of Toronto” (the “Diocese”). The Diocese is a registered charitable organization and is exempt from income tax.

The mission of the Diocese is to build healthy, missional Anglican communities that engage faithfully with the world and share the gospel of Jesus Christ.

The purpose of the Diocese is the encouragement and support of clergy, the augmentation of stipends and making provision for the widows and orphans of clergy, the encouragement of education, the granting of assistance where necessary to those preparing for the ministry, the circulation of the bible and prayer books in the Diocese, the obtaining and granting of aid towards the erection, endowment and maintenance of churches, and the orderly management of property, affairs and interests of the Church.

Related parties to the Diocese include The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto (“The Cemetery Fund”), The Anglican Diocese of Toronto Foundation (“ADTF”) and the parishes of the Diocese.

2. Summary of significant accounting policies

Basis of accounting

The Diocese has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”).

ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The following are the policies selected by the Diocese and applied in these financial statements.

<u>Financial statements</u>

The financial statements report the accounts of the Diocese including funds managed in the Consolidated Trust Fund (the “Fund”), which acts as the investment arm of the Diocese and parishes. They do not include the assets, liabilities, revenue and expenses of the parishes other than what is held in the Fund on their behalf. It also does not include the assets of The Cemetery Fund or ADTF. Financial statements are prepared for The Cemetery Fund and ADTF separately as they are separate entities. The financial statements also do not include the affairs of any diocesan related organizations which are separately incorporated and controlled.

2. Summary of significant accounting policies (continued)

Fund accounting

The activities of the Diocese are accounted for utilizing the concepts of fund accounting.

Unrestricted Funds

Revenue and expenses for service delivery activities and administration are reported in the Unrestricted Funds.

Unrestricted investment funds and related investment income and expenditures are reported as Unrestricted Funds.

Former parish properties assumed by the Diocese are recognized as property in the Unrestricted Funds when the Synod Council ("Council") reaches a decision to sell the former parish property. The related contribution of the property is recognized at fair value as property revenue in the Unrestricted Funds.

Capital Asset Fund

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to capital assets.

Restricted Funds

Funds externally restricted by donors, Canons of Synod, or other persons and internally restricted by Council are reported as Restricted Funds. Related investment income is reported in the Restricted Funds.

Restricted Funds include FaithWorks and Our Faith Our Hope Capital Campaign donations. Revenue and expenses incurred in raising revenue and distributions to participants for the Faithworks campaign is disclosed in Note 11.

Restricted Funds also include the accumulated remeasurements and other items (actuarial gains and losses, past service costs and gains or losses from curtailments or settlements) related to the retirement health care benefit plan. This is internally restricted as the funding for the retirement health care benefit plan is from Restricted Funds.

Endowment Funds

Endowment contributions, representing donations where external restrictions require the principal to be maintained in perpetuity, are recognized as revenue of the Endowment Funds. Related investment income is reported in the Endowment Funds, separately identified as internally restricted or externally restricted as applicable.

2. Summary of significant accounting policies (continued)

Revenue recognition

The Diocese follows the restricted fund method of accounting for contributions. Donations are recorded when the amount can be reasonably estimated and collection is reasonably assured. Donations for the Our Faith Our Hope Capital Campaign are recognized on a cash basis due to the uncertainty of ultimate collection. Donor-restricted donations for endowment purposes are presented as revenue in the Endowment Funds. Other donor-restricted donations are recognized as revenue in the Restricted Funds. Unrestricted donations are recognized as revenue in the Unrestricted Funds.

From time to time, the Diocese assumes the management of Church properties from parishes or congregations (former parish properties). This can occur when a church is closed or when a parish or congregation is disestablished or amalgamated with another parish or congregation. Former parish properties assumed by the Diocese are not held as investments used for the operations of the Diocese or to provide the services of the Diocese - the preferred use of the assets is the establishment of a new parish. Management does not exercise control over these former parish properties (other than property management) unless a decision is made to sell the former parish property by Council. When Council reaches a decision to sell a former parish property, the fair value of the former parish property less any amount due to a parish is recognized as a contribution to the Ministry Allocation Fund (Unrestricted Funds).

Where any parish disposes of surplus real property, fifty per cent (50%) of the proceeds of the sale shall be designated as the Diocesan share at the time of sale. This percentage may be altered with Council approval. The Diocesan share from the disposition or the sale of any of the above is recognized as a contribution to the Ministry Allocation Fund.

In the event that the fair value is deemed to have declined, an allowance is recorded to reduce that value. Aside from a sale, properties would only be removed from the financial statements when Council approves the property to be allocated for parish work or outreach and not be sold.

Sundry revenue received from the rental of such properties and the costs of maintaining these properties are included in revenue and expenses of the Unrestricted Funds.

Parishes revenue, investment income, capital appreciation and other income are recognized as earned.

Financial instruments

The Diocese considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Diocese’s financial instruments comprise cash, parishes, loans and other receivables, investments, accounts payable, distributions payable, and Parish Consolidated Trust Fund liabilities.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets and liabilities obtained in arm's length transactions are initially measured at their fair value. The Diocese subsequently measures its arm's length financial assets and liabilities at amortized cost, except for investments, which are measured at fair value. Investments are stated at fair value which has been determined by reference to the last bid price of these investments.

Financial assets and liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Diocese does not have any financial assets or liabilities in related party transactions which are initially measured at fair value. Gains or losses arising on initial measurement differences are generally recognized in the statement of revenue and expenses when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and liabilities recognized in related party transactions are subsequently measured based on how the Diocese initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Diocese has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Capital assets

As the historical costs of the Diocese's capital assets acquired prior to January 1, 1993 are not reasonably determinable, these assets have not been capitalized and amortized. This includes other properties in Notes 7a and 7b.

Capital assets acquired after December 31, 1992 are recorded at cost and amortized over the useful lives of the assets. The annual rates used to amortize assets are as follows:

Computer hardware	- 3 years, straight-line
Computer software	- 2 years, straight-line
Leasehold improvements	- 5 years, straight-line
Diocesan centre renovations	- 10 years, straight-line
Diocesan house - building	- 20 years, straight-line
Diocesan parking lot	- over building lease term
Other Diocesan buildings – renovations	- 10 years, straight-line

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of revenue and expenses. Any impairment recognized is not reversed.

2. Summary of significant accounting policies (continued)

Employee future benefits

Defined benefit liability

The Diocese accrues its obligations under clergy and employee benefits plans and the related costs, net of plan assets. The Diocese has adopted the following accounting policies:

- The cost of employee future benefits earned by clergy and employees are actuarially determined using the projected benefit method prorated on service and management's best estimate of the expected future health care costs and retirement ages of employees and the continuing of the employee future benefits program as currently supported by the Diocese.
- The current service cost and finance cost related to the plan are expensed in the statement of revenue and expenses each period.

Employee pension plan

The clergy and the lay employees of the Diocese are also members of the General Synod Pension Plan, a specified multi-employer pension plan administered by the Pension Office of the Anglican Church of Canada. Accordingly, the information that would normally be required to be disclosed is not available. As a result, disclosure is primarily limited to disclosing contributions to the plan. Contributions to the employee pension plan are made by clergy, parishes, employees and the Diocese.

Use of estimates

Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. These estimates are reviewed periodically and adjustments are made to assets, liabilities and excess (deficiency) of revenue over expenses as appropriate in the year they become known.

Significant items subject to estimates include the allowance for doubtful accounts, the useful lives of capital assets and properties, the fair value of parish properties and investments and assumptions used in the calculation of employee future benefit obligations.

3. Loans receivable

Loans receivable relate to loans to related parties, primarily parishes, bearing interest from zero to the prime rate of interest and having terms of repayment varying from on demand to periods not exceeding twenty-five years. The prime rate of interest is determined by reference to the Diocese's bank prime rate.

4. 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 the Diocese as one undivided fund. By statute (1936), parishes and other church related bodies are permitted to invest in the Fund.

The assets and liabilities of the Fund are as follows:

	2025	2024
Assets		
Cash	**$ 388,186**	$ 277,948
Due from the Diocese	**4,665,851**	6,315,396
Investments at fair value (Schedule 1)	**225,547,016**	203,394,704
	230,601,053	209,988,048
Liabilities		
Dividends payable	**7,585,972**	6,790,875
Accrued liabilities	**15,255**	141,233
	7,601,227	6,932,108
Net assets	**222,999,826**	203,055,940
Elimination of liabilities related to the Diocese:		
Dividends payable to Diocese and Parishes	**7,585,972**	6,790,875
Due from the Diocese	**(4,665,851)**	(6,315,396)
	2,920,121	475,479
Adjusted net assets	**$ 225,919,947**	$ 203,531,419

Details of the Fund are contained in Schedule 1 to the financial statements.

	2025	2024
Diocese:		
Share of undistributed assets	**$ 116,810,481**	$ 105,787,097
Share of dividends payable	**7,155,361**	6,255,114
Due from the Diocese	**(4,665,851)**	(6,315,396)
	119,299,991	105,726,815
Parishes (not available for Diocesan use):		
Share of undistributed assets	**106,189,345**	97,268,843
Share of dividends payable	**430,611**	535,761
	106,619,956	97,804,604
	$ 225,919,947	$ 203,531,419

5. Investments - other

Investments - other relate to funds held by the Diocese for parishes. The corresponding payables are recorded in accounts payable and accrued liabilities. Investments – other consists of GICs with annual interest rates between 2.35% and 3.10% (2024 – 3.40% and 5.53%), maturing between January and February 2026 (2024 – January and October 2025) of $15,963,861 (2024 - $4,781,954), cash and cash equivalents of $Nil (2024 - $3,925,339) and investment savings accounts of $670,858 (2024 - $654,076). Investments – other are intended to be invested for the long-term and thus have been presented as long-term.

6. Capital assets and properties

a) Capital assets

	Cost	Accumulated Amortization	**2025 Net Book Value**	2024 Net Book Value
Computer hardware	$ 263,316	$ 246,681	**$ 16,635**	$ 27,192
Computer software	57,611	57,611	**-**	-
Leasehold improvements	660,573	660,573	**-**	-
Diocesan centre renovations	1,821,361	1,771,414	**49,947**	57,477
Diocesan house – land	331,602	-	**331,602**	331,602
Diocesan house – building	191,834	62,346	**129,488**	139,080
Diocesan parking lot	175,049	126,424	**48,625**	58,349
Other Diocesan buildings – renovations	550,997	96,179	**454,818**	185,748
	$ 4,052,343	$ 3,021,228	**$ 1,031,115**	$ 799,448

In fiscal 2019, the Diocesan house was purchased as a See House for the Diocese. A contribution of $1,700,000 from the Anglican Diocese of Toronto Foundation was received in order to assist in funding the purchase of the See House. The above represents the portion of the property owned by the Diocese.

b) Properties

During the year, parcels of a parish property were sold for which proceeds are receivable by the Diocese. In addition, two properties continue to be held for sale and one property was added based on the current fair market value. These transactions results in net property revenue in the Unrestricted Funds of $444,749 (2024 – $1,201,058).

Properties are held as follows:

	2025	2024
Balance, beginning of year	**$ 1,896,000**	$ 744,000
Add: properties held for sale	**432,000**	1,728,000
Less: properties revalued	**-**	(576,000)
Balance, end of year	**$ 2,328,000**	$ 1,896,000

7. Other property

a) The Diocesan Centre is situated on land that is leased by the Diocese from The Cathedral Church of St. James. Based on the agreement dated December 9, 2013, the land lease, which expired on March 31, 2005 was extended to March 31, 2030. The Diocese agrees to pay an annual base rent of $30,000 for 2008 and thereafter, subject to an annual increase for inflation. The Diocesan Centre is located at 135 Adelaide Street East, Toronto.

b) The Diocese owns land which is rented under a 99-year lease (commencing in 1983). The cost of the land is not recorded in these financial statements. Rental income from the 99-year lease of this property in the amount of $1,868,785 (2024 - $1,817,853) has been recorded as other income of the Restricted Funds.

In addition, the Diocese owns undeveloped land on Columbus Road, Oshawa, and the Former St. Alban, Camilla which are not recorded in these financial statements.

c) The Diocese has assumed parish properties it continues to manage for the benefit of its members and their communities. These properties have been held by the parishes for a substantial amount of time, prior to January 1, 1993, and thus the historical costs are not reasonably determinable and these assets have not been capitalized and amortized.

8. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of $76,921 (2024 - $129,127).

9. Defined benefit liability

Retirement benefits

The Diocese provides retirement health care benefits to its clergy and employees. Under the cost sharing arrangement, 75% of premiums are paid by the Diocese. The obligation recorded in the financial statements and the information provided below is the Diocese's portion and does not include the portion (25%) paid by the retirees.

Information about the health care benefits plan is as follows:

	2025	2024
Expense for the year	**$ 179,600**	$ 185,600
Accrued benefit obligation	**$ 7,761,100**	$ 8,393,600
Market value of plan assets	**-**	-
Funded status before segregated restricted funds - plan deficit	**$ 7,761,100**	$ 8,393,600
Restricted funds segregated for retirement benefits	**$ 21,975,222**	$ 19,500,433

9. Defined benefit liability (continued)

	2025	2024
Other information:		
Benefits paid during the year	**$ 370,100**	$ 357,400

	2025	2024
Significant actuarial assumptions are as follows:		
Health care cost trend rates		
Health	**7.0%**	4.0%
Dental	**6.0%**	4.0%

A discount rate of 4.8% (2024 – 4.6%) was used to determine the defined benefit liability as of December 31, 2025. A full valuation of the post-retirement benefits was performed as of December 31, 2025. The next valuation will be performed as of December 31, 2028.

Employee pension plan

The Diocese and its employees make contributions to the General Synod Pension Plan (the "Plan"), a target 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 December 31, 2024, disclosed net assets available for benefits of $1,128 million with pension obligations of $885 million, resulting in a surplus of $244 million.

The Diocese's share of contributions made to the pension plan amounted to $451,703 (2024 - $434,111).

10. Internally restricted funds

Internally restricted funds consist of the following:

Restricted Funds	2025	2024
Funds for retirement benefits	**$ 3,134,938**	$ 2,904,733
Funds for retirement allowances	**15,839,887**	12,327,449
Funds for other strategic purposes	**6,000,364**	5,638,259
Funds for Bishops Company	**326,754**	296,663
Funds for Our Faith Our Hope	**3,116,592**	3,571,636
	28,418,535	24,738,740
Endowment Funds		
Funds for other strategic purposes	**97,963**	89,199
	$ 28,516,498	$ 24,827,939

11. FaithWorks

FaithWorks activity during the year was as follows:

	2025	2024
Revenue		
Donations - Other	**$ 505,095**	$ 238,224
- Parishioners	**564,297**	591,722
- Foundation	**288,530**	313,827
- Corporate campaign	**131,970**	131,973
	1,489,892	1,275,746
Interest income	**29,253**	43,264
	$ 1,519,145	$ 1,319,010

	2025	2024
Distributions		
All Saints Church Community Centre	**$ 298,000**	$ 298,000
Flemingdon Park Ministries	**185,000**	185,000
Alongside Hope (formerly Primate's World Relief Development Fund)	**150,000**	150,000
The Dam	**85,000**	70,000
TUNM (Toronto Urban Native Ministry)	**77,500**	72,492
Anglican United Refugee Alliance	**70,000**	70,000
One City Peterborough	**50,000**	50,000
St. Stephen in the fields outreach	**50,000**	40,000
Migrant Worker Ministry	**44,000**	44,000
Holy Trinity, Trinty Square	**40,000**	20,000
North House	**30,000**	30,000
Parish retainers	**29,000**	28,525
Philip Aziz Centre	**20,000**	20,000
Regeneration Outreach Community	**20,000**	-
St. James Cathedral Footcare Clinic	**20,000**	18,400
St. Margaret, New Toronto	**20,000**	10,000
St. James, Orillia	**15,000**	10,000
A Place Called Home	**10,000**	14,400
Other designated	**6,405**	16,619
Samaritan House	**3,227**	378
Jubilee House – Redwood Park Communities	**2,800**	7,015
Inn from the Cold	**1,040**	540
Orillia Christian Ministries	**100**	390
Area grants	**-**	43,650
One Roof Community Centre	**-**	1,010
	$ 1,227,072	$ 1,200,419

11. FaithWorks (continued)

	2025	2024
Campaign costs		
Staffing	**$ 118,284**	$ 112,159
Campaign materials	**24,557**	28,599
Miscellaneous	**19,648**	18,931
Shipping and postage	**16,925**	18,823
Design and artwork	**12,444**	12,005
Events	**5,199**	-
Travel and meetings	**2,254**	3,403
Website and marketing	**1,459**	891
	200,770	194,811
Total distributions and campaign costs	**1,427,842**	1,395,230
(Deficiency) excess of revenue over distributions and campaign costs	**$ 91,303**	$ (76,220)

12. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

Credit risk

The Diocese is subject to credit risk through parishes, loans and other receivables. The Diocese maintains a provision for potential losses relating to receivables – parishes of $2,038,324 (2024 - $1,958,645) and any such losses to date have been within management's expectations.

Liquidity risk

The Diocese is exposed to liquidity risk mainly in respect to accounts payable and distributions payable. The Diocese manages its liquidity risk by forecasting cash flows from operations, investing excess funds and ensuring appropriate financing is in place.

At December 31, 2025, the Diocese had an unsecured operating line of credit of $2,000,000 (2024 - $2,000,000), of which $Nil (2024 - $Nil) has been drawn. Interest on funds drawn on the line is calculated at the prime rate of interest as determined by the Diocese's bank.

Interest rate risk

The Diocese's earnings are exposed to interest rate risk that arises from fluctuations in interest rates and the degree of volatility of these rates, particularly in relation to its loans receivable and investments. The Diocese does not use derivative instruments to alter its exposure to interest rate risk. The Diocese manages this risk by investing in a diversified portfolio of investments.

12. Financial instruments (continued)

Market risk

The Diocese's investments are subject to market rate risk that arises from fluctuations in market prices and the degree of volatility of these prices. The Diocese manages this risk by investing in a diversified portfolio of investments.

Currency risk

Currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Diocese's foreign currency purchase and sale transactions and its assets and liabilities that are denominated in foreign currencies are minimal.

13. Expense allocation

	Corporate governance and support services	Church growth and development	The Wider Church	Episcopal care and leadership	Supporting ordained and lay leaders	Church and society	**Total 2025**	Total 2024
Direct costs	$ 1,514,276	$ 938,615	$ 1,680,526	$ 259,290	$ 789,561	$ 5,969	**$ 5,188,237**	$ 4,977,440
Salaries and benefits	1,210,154	1,844,783	-	1,347,158	35,159	78,092	**4,515,346**	4,086,092
	$ 2,724,430	$ 2,783,398	$ 1,680,526	$ 1,606,448	$ 824,720	$ 84,061	**$ 9,703,583**	$ 9,063,532

Personnel costs are allocated based on the estimated time spent by staff on each functional area.

14. Parish support

The Diocese is able to support Parishes through the Ministry Allocation Fund. Grants from these funds are used for capital purposes, ministry enhancements and to support new forms of ministry. During the year, the following grants were distributed.

	2025	2024
Ministry Grants		
Land reconciliation grants	**$ 175,000**	$ -
Property committee	**171,300**	135,736
Trinity Church, Streetsville	**117,250**	117,750
Trinity Church, Barrie	**100,000**	34,535
St. Paul on the Hill, Pickering	**76,000**	-
St. John the Baptist, Oak Ridges	**64,250**	-
Church of the Holy Wisdom	**62,500**	75,000
Epiphany & St. Mark, Parkdale	**43,460**	-
Church of the Redeemer	**40,000**	-
St. Peter, Erindale	**40,000**	-
Prince of Peace, Wasaga Beach	**35,000**	32,084
St. Andrew, Scarborough	**32,400**	32,400
St. Mary Magdalene	**31,186**	-
St. Matthias, Bellwoods	**31,186**	-
Carleton fund grants	**28,200**	69,700

14. Parish support (continued)

	2025	2024
Ministry Grants (continued)		
St. Anne, Toronto	**$ 28,125**	$ 45,000
St. Michael & All Angels	**24,337**	26,643
St. Paul, L'Amoreaux	**24,000**	11,000
Good Shepherd Stayner	**21,950**	-
Orillia regionalized ministry	**20,859**	-
Holy Trinity, Guildwood	**20,000**	35,500
All Saints, Kingsway	**18,000**	29,378
Reach grants	**5,000**	25,000
All Saints, Collingwood	**5,000**	-
All Saints Church Community Centre	**-**	30,000
St. Aidan, Toronto	**-**	54,600
St. Andrew by the Lake	**-**	40,000
St. Bartholomew	**-**	20,000
St. Clement	**-**	30,000
St. Elizabeth	**-**	43,000
St. John the Evangelist, Peterborough	**-**	23,333
St. Jude, Wexford	**-**	40,000
St. Margaret's, Barrie	**-**	753,731
St. Margaret New Toronto	**-**	12,500
St. Saviour, Durham	**-**	30,000
Curve Lake Cultural Centre	**-**	25,000
Toronto Indigenous Harm Reduction	**-**	50,000
Trans Pride, Toronto	**-**	25,000
	$ 1,215,003	$ 1,846,890

15. Retirement benefits remeasurements and other items

Retirement benefits remeasurements and other items for the period include actuarial gains and losses, past service costs and gains and losses arising from any settlements and curtailments of benefits. These amounts are recorded directly in the statement of changes in fund balances rather than the statement of revenue and expenses.

16. Interfund transfers

During the year, there were transfers made between the funds of the Diocese as follows:

- $1,627,904 from the Restricted Funds to the Unrestricted Funds primarily to support expenditures on operations.
- $482,870 from the Endowment Funds to the Unrestricted Funds primarily to support expenditures on operations.
- $338,212 from the Unrestricted Funds to the Capital Assets Fund primarily to fund capital asset purchases.

17. Commitments

The Diocese is committed under various agreements for vehicles and office rentals for future minimum annual payments over the next 5 years as follows:

2026	$	75,256
2027		58,916
2028		60,110
2029		58,713
2030		40,988

The Incorporated Synod of the Diocese of Toronto
Schedule 1 - Details of the Consolidated Trust Fund
As at and year ended December 31

Investments
Investments are carried at fair value which results in capital appreciation or depreciation being allocated to unit holders.

	2025	%	2024	%
Short-term deposits	**$ 7,325,952**	**3**	$ 2,140,760	1
Stocks	**72,669,544**	**32**	64,328,453	32
Pooled funds	**90,129,570**	**40**	86,064,341	42
Infrastructure pooled funds	**55,421,950**	**25**	50,861,150	25
	$ 225,547,016	**100**	$ 203,394,704	100

Changes in net assets
Changes in the net assets of the Fund are as follows:

	2025	2024
Net assets, beginning of year	**$ 203,055,940**	$ 184,275,142
Add: Contributions	**5,731,144**	6,268,752
Capital appreciation	**18,875,663**	19,192,171
Interest and dividends	**7,139,927**	6,618,058
Less: Withdrawals	**(2,790,836)**	(4,397,697)
Distributions	**(8,110,986)**	(7,630,082)
Expenses	**(901,026)**	(1,270,404)
Net assets, end of the year	**$ 222,999,826**	$ 203,055,940
Number of units outstanding, end of year	**672,918**	663,714
Number of units owned by the Diocese	**352,484**	345,779
Number of units owned by the parishes	**320,434**	317,935
Net assets, end of year, per unit	**$ 331.39**	$ 305.94
Distribution per unit	**$ 12.16**	$ 11.57
Net earnings	**$ 25,114,572**	$ 24,539,825
Average number of units outstanding	**667,022**	659,471
Net gain per unit	**$ 37.65**	$ 37.21

The Consolidated Trust 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.

The aggregate income and capital distribution for the year was at the rate of $12.16 (2024 - $11.57) per unit, based upon a 4.50% (2024 – 4.50%) yield rate on investments times a three-year rolling average of the unit value of the fund, calculated annually. The Investment Committee of the Diocese reviews this rate annually to ensure that it is reasonable relative to the total return of the Consolidated Trust 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.