



Financial Statements

**The Cemetery Fund of The Incorporated Synod of
the Diocese of Toronto**

December 31, 2011

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Grant Thornton

Independent Auditor's Report

Grant Thornton LLP
19th Floor, Royal Bank Plaza South Tower
200 Bay Street, Box 55
Toronto, ON
M5J 2P9
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

To the Unitholders of

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto

We have audited the accompanying financial statements of **The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto**, which comprise the statement of net assets as at December 31, 2011, December 31, 2010 and January 1, 2010 and the statements of earnings and changes in net assets for the years ended December 31, 2011 and December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for private enterprises 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Diocese's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto** as at December 31, 2011, December 31, 2010 and January 1, 2010 and the results of its operations and change in net assets for the years ended December 31, 2011 and December 31, 2010 in accordance with Canadian accounting standards for private enterprises.

Grant Thornton LLP

Toronto, Canada
May 17, 2012

Chartered Accountants
Licensed Public Accountants

**The Cemetery Fund
of the Incorporated Synod of the Diocese of Toronto
Statement of Earnings**

Year Ended December 31 2011 2010

Revenue		
Interest and dividends	\$ <u>472,244</u>	\$ <u>426,092</u>
Expenses		
Investment counsel fees	44,993	40,918
Administration expenses - Diocese (Note 5)	11,253	10,750
Other	<u>628</u>	<u>445</u>
	<u>56,874</u>	<u>52,113</u>
Net investment earnings	<u>415,370</u>	<u>373,979</u>
Capital (depreciation) appreciation	<u>(254,168)</u>	<u>626,635</u>
Net earnings	\$ <u>161,202</u>	\$ <u>1,000,614</u>
Average number of units outstanding	<u>88,648</u>	<u>85,592</u>
Net earnings per unit	\$ <u>1.82</u>	\$ <u>11.69</u>

See accompanying notes to the financial statements.

The Cemetery Fund
of the Incorporated Synod of the Diocese of Toronto
Statement of Changes in Net Assets

Year Ended December 31	2011	2010
Net assets, beginning of year	\$ <u>12,618,724</u>	\$ <u>11,735,852</u>
Net earnings	161,202	1,000,614
Unit transactions		
Contributions received to purchase units	602,968	765,728
Redemption of units	<u>(29,889)</u>	<u>(463,152)</u>
	<u>573,079</u>	<u>302,576</u>
Distributions to unit holders		
Net investment income	(415,370)	(373,979)
Distribution from capital in the year	<u>(127,973)</u>	<u>(46,339)</u>
	<u>(543,343)</u>	<u>(420,318)</u>
Net assets, end of year	\$ <u>12,809,662</u>	\$ <u>12,618,724</u>
Number of units outstanding, end of year (Note 8)	<u>90,654</u>	<u>86,643</u>
Net assets, end of year per unit	\$ <u>141.30</u>	\$ <u>145.64</u>
Distribution per unit	\$ <u>6.18</u>	\$ <u>5.00</u>

See accompanying notes to the financial statements.

The Cemetery Fund of the Incorporated Synod of the Diocese of Toronto Statement of Net Assets

December 31	2011	2010	January 1, 2010
Assets			
Investments, at fair value (Note 6)	\$ 12,360,596	\$ 12,289,587	\$ 11,325,103
Cash	<u>460,186</u>	<u>331,117</u>	<u>411,810</u>
	12,820,782	12,620,704	11,736,913
Liabilities			
Payables and accruals	<u>11,120</u>	<u>1,980</u>	<u>1,061</u>
Net assets			
Funds held for parishes (Note 9)	\$ <u>12,809,662</u>	\$ <u>12,618,724</u>	\$ <u>11,735,852</u>

On behalf of the Diocesan Council




The Cemetery Fund of the Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2011

1. Purpose

The Cemetery Fund (the "Fund") was set up by the Synod as of October 1, 1993 to provide a trust fund meeting the requirements of the Cemeteries Act, 1990 Section 35 to hold cemetery care and maintenance funds for cemeteries of parishes in the Diocese of Toronto. Under terms of a trust agreement made by the Synod dated July 27, 1993, Scotiabank (formerly the Montreal Trust Company) is the trustee of the funds. 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. Statement of compliance with Canadian accounting standards for private enterprises

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises.

3. First-time adoption of Canadian accounting standards for private enterprises

These financial statements are the first financial statements for which the Company has applied the Canadian accounting standards for private enterprises ("ASPE").

The date of transition to ASPE is January 1, 2010. The Company's transition from Canadian Generally Accepted Accounting Policies ("previous GAAP") to ASPE has had no significant impact on the opening retained earnings as at January 1, 2010 or the statement of earnings for the year ended December 31, 2010 or the statement of cash flows for the year ended December 31, 2010.

The reconciliations and disclosures required by Section 1500 First-time adoption, for the retained earnings at the transition date, the comparative period earnings and the cash flow statement are not necessary and have not been presented in these financial statement notes.

The Cemetery Fund of the Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2011

4. 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 distribution rate has been set at \$6.18 for 2011, 4.5% on a June 30, 2010 3 year rolling average, calculated semi-annually. The Investment Committee of the Diocese reviews 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 Cemetery Fund of the Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2011

5. Related party transactions

Administration expenses – Diocese

The Incorporated Synod of the Diocese of Toronto provides accounting services and administrative oversight to the Cemetery 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.

6. Investments

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

	<u>2011</u>	<u>%</u>	<u>2010</u>	<u>%</u>	January 1, <u>2010</u>	<u>%</u>
Short term deposits	\$ 578,000	5	\$ 828,000	7	\$ 477,000	4
Bonds - Government of Canada	1,674,913	14	1,402,557	11	1,486,489	13
- Provinces of Canada	1,489,485	12	1,351,488	11	1,489,281	13
- Corporations	2,891,363	23	2,874,967	23	2,747,058	24
Stocks	<u>5,726,835</u>	<u>46</u>	<u>5,832,575</u>	<u>48</u>	<u>5,125,275</u>	<u>46</u>
	<u>\$ 12,360,596</u>	<u>100</u>	<u>\$ 12,289,587</u>	<u>100</u>	<u>\$ 11,325,103</u>	<u>100</u>

7. 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 payables and accruals, approximates the carrying value due to the relatively short term nature of the instruments.

The Cemetery Fund of the Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2011

8. Continuity of units outstanding	2011	2010
Units, beginning of year	\$ 86,643	\$ 84,541
Subscriptions	4,220	5,380
Redemptions	<u>(209)</u>	<u>(3,278)</u>
Units, end of year	\$ 90,654	\$ 86,643

9. Funds held for parishes	2011	2010	January 1, 2010
All Saints, Collingwood Care and maintenance	\$ 83,002	\$ 84,757	\$ 79,763
All Saints, Collingwood Monument	16,383	15,473	12,586
All Saints, King City Care and maintenance	5,451	5,619	4,760
All Saints, Kingsway Care and maintenance	12,053	12,423	11,219
Christ Church, Banda Care and maintenance	16,956	12,160	11,590
Christ Church, Batteau Care and maintenance	70,371	72,531	69,133
Christ Church, Campbellford Care and maintenance	19,094	19,680	18,759
Christ Church, Campbellford Monument	762	577	550
Christ Church, Campbellford Pre-need	3,641	3,594	3,307
Christ Church, Holland Landing Care and maintenance	78,742	80,975	76,499
Christ Church, Holland Landing Monument	941	636	508
Christ Church, Ivy Care and maintenance	13,853	14,279	12,428
Christ Church, Mimico Care and maintenance	132,031	132,265	114,075
Christ Church, Roche's Point Care and maintenance	203,060	199,486	181,898
Christ Church, Roche's Point Monument	1,085	971	708
Christ Church, Woodbridge Care and maintenance	47,041	47,693	43,492
Good Shepherd, Wyebridge Care and maintenance	20,742	20,745	19,773
Good Shepherd, Wyebridge Monument	4,708	4,356	4,009
Grace Church, Markham Care and maintenance	42,958	43,720	40,528
Grace Church, Markham Monument	4,614	4,639	4,371
Holy Trinity, Thornhill Care and maintenance	75,424	74,143	66,824
Janetville Care and maintenance	27,522	28,366	27,038
Lloydtown Care and maintenance	50,069	51,408	48,646
Lloydtown Monument	2,878	2,571	2,450
Middleton St. Clair Care and maintenance	3,678	3,632	3,343
Middleton St. Clair Capital gains	2,439	2,407	2,216
Redeemer Duntroon Care and maintenance	84,846	87,380	83,210
Redeemer Duntroon Monument	425	438	418
St. Clement Eglinton Care and maintenance	18,402	17,934	16,504
St. David, Everett Care and maintenance	28,231	28,752	26,575
St. George, Apsley Care and maintenance	16,082	15,747	14,701
St. George, Apsley Monument	2,868	2,957	2,717
St. George, Barrie Care and maintenance	22,145	22,724	20,881
St. George, Fairvalley Care and maintenance	43,767	43,513	36,137
St. George, Fairvalley Monument	6,653	6,341	5,472

The Cemetery Fund

of the Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2011

9. Funds held for parishes (continued)

		<u>2011</u>	<u>2010</u>	January 1, <u>2010</u>
St. George, Georgina	Care and maintenance	\$ 69,704	\$ 69,405	\$ 60,862
St. George, Georgina	Monument	1,393	1,127	961
St. George, Gore's Landing	Care and maintenance	15,935	16,424	15,655
St. George, Gore's Landing	Monument	1,238	1,276	1,216
St. George, Grafton	Care and maintenance	25,274	25,802	22,998
St. George, Grafton	Monument	2,822	2,709	2,485
St. George, Oshawa	Care and maintenance	10,651	10,113	9,286
St. George, Pickering	Care and maintenance	23,383	23,903	22,326
St. George, Pickering	Monument	2,237	2,206	2,002
St. James, Brock	Care and maintenance	27,044	27,874	26,568
St. James, Caledon	Care and maintenance	9,838	10,140	9,474
St. James, Crowne Hill	Care and maintenance	-	-	1,995
St. James, Penetanguishene	Care and maintenance	131,175	133,111	126,198
St. James, Penetanguishene	Monument	11,297	10,659	9,731
St. James, Roseneath	Care and maintenance	9,155	9,436	8,994
St. James, Sutton	Care and maintenance	12,323	12,701	12,106
St. John, Norway	Care and maintenance	2,182,568	2,198,695	2,015,625
St. John, Norway	Monument	97,795	87,757	79,900
St. John, Norway	Pre-need	633,847	650,947	572,860
St. John, Blackstock	Care and maintenance	27,612	28,460	26,618
St. John, Blackstock	Monument	2,818	2,801	2,429
St. John, Cookstown	Care and maintenance	37,192	38,127	35,283
St. John, Craighurst	Care and maintenance	78,722	80,931	75,234
St. John, Ida	Care and maintenance	63,368	65,313	62,091
St. John, Ida	Monument	6,668	6,873	6,298
St. John, Matchedash	Care and maintenance	24,119	24,280	22,197
St. John, Matchedash	Monument	3,855	3,564	3,348
St. John (Dixie) Mississauga	Care and maintenance	3,646,456	3,382,654	3,288,065
St. John (Dixie) Mississauga	Monument	191,865	188,294	170,726
St. John, Mono	Care and maintenance	143,872	146,410	135,891
St. John, Mono	Monument	12,016	12,128	10,987
St. John, Oakridges	Care and maintenance	37,833	38,448	36,647
St. John, Tecumseth	Care and maintenance	49,465	50,766	45,391
St. John, Tecumseth	Monument	4,283	4,208	3,915
St. John, Waverley	Care and maintenance	17,929	18,479	17,613
St. John, Waverley	Monument	1,732	1,711	1,576
St. John, Whitby	Care and maintenance	55,843	56,465	52,866
St. John, Whitby	Monument	5,042	4,733	4,512
St. John, York Mills	Care and maintenance	276,285	281,258	250,960
St. John, York Mills	Monument	11,461	11,399	10,561
St. Jude, Wexford	Care and maintenance	48,490	49,659	46,918
St. Jude, Wexford	Monument	2,734	2,818	2,686
St. Luke, Hamlet	Care and maintenance	53,663	54,757	85,520
St. Luke, Hamlet	Investment	39,942	40,073	-
St. Luke, Hamlet	Monument	2,525	2,498	2,875

The Cemetery Fund of the Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2011

9. Funds held for parishes (continued)				January 1,
		<u>2011</u>	<u>2010</u>	<u>2010</u>
St. Luke, Mississauga	Care and maintenance	\$ 1,967	\$ 2,027	\$ 1,932
St. Margaret, West Hill	Care and maintenance	1,195,981	1,203,921	1,111,812
St. Mark, East Oro	Care and maintenance	8,246	8,500	8,101
St. Mark, Midland	Care and maintenance	72,846	73,196	68,261
St. Mark, Midland	Monument	10,844	10,764	9,784
St. Mark, Otonabee	Care and maintenance	37,794	38,955	37,130
St. Mark, Otonabee	Monument	230	237	226
St. Mark, Port Hope	Care and maintenance	4,615	4,757	4,416
St. Mary, Lifford	Care and maintenance	70,057	69,414	65,916
St. Paul, L'Amoreaux	Care and maintenance	43,906	45,150	43,035
St. Paul, L'Amoreaux	Monument	4,146	4,273	4,024
St. Paul, Cavan	Care and maintenance	23,513	24,235	23,049
St. Paul, Cavan	Monument	1,153	938	894
St. Paul, Columbus	Care and maintenance	43,417	43,222	39,524
St. Paul, Columbus	Monument	1,173	1,091	1,040
St. Paul, Coulson Hill	Care and maintenance	62,433	64,350	54,647
St. Paul, Innisfil	Care and maintenance	240,192	241,488	223,589
St. Paul, Innisfil	Monument	24,208	24,127	22,040
St. Paul, Lasswade	Care and maintenance	411	424	404
St. Paul, Newmarket	Care and maintenance	5,272	5,434	5,179
St. Paul, Washago	Care and maintenance	31,234	31,217	28,677
St. Paul, Washago	Investment	17,467	16,064	-
St. Paul, Washago	Monument	6,387	6,375	5,317
St. Peter, Erindale	Care and maintenance	111,505	113,887	116,467
St. Peter, Churchill	Care and maintenance	28,321	28,993	26,681
St. Peter, Churchill	Monument	1,119	1,153	1,051
St. Peter, Cobourg	Care and maintenance	252,522	254,662	236,400
St. Peter, Maple Lake	Care and maintenance	29,802	29,925	28,326
St. Philip, Etobicoke	Care and maintenance	912,421	928,541	837,861
St. Philip, Etobicoke	Monument	33,852	34,118	32,520
St. Philip, Etobicoke	Pre-need	80,637	74,156	60,425
St. Philip, Unionville	Care and maintenance	59,533	57,490	53,961
St. Philip, Unionville	Monument	1,058	1,091	1,040
St. Thomas, Shanty Bay	Care and maintenance	53,972	55,352	52,759
Trinity, Port Credit	Care and maintenance	31,834	32,811	31,133
Trinity, Streetsville	Care and maintenance	10,341	10,658	10,159
Trinity, Colborne	Care and maintenance	18,867	19,444	18,535
Total		\$ 12,809,662	\$ 12,618,724	\$ 11,735,852