



Financial Statements

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

December 31, 2012

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Independent Auditor's Report

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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, 2012 and the statements of earnings, changes in net assets and cash flows for the year then ended, 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 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 entity'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 entity'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, 2012 and the results of its operations, change in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Toronto, Canada
June 20, 2013

Chartered Accountants
Licensed Public Accountants

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

Year Ended December 31	2012	2011
Revenue		
Interest and dividends	\$ <u>496,740</u>	\$ <u>472,244</u>
Expenses		
Investment counsel fees	46,724	44,993
Administration expenses - Diocese (Note 3)	11,669	11,253
Other	<u>648</u>	<u>628</u>
	<u>59,041</u>	<u>56,874</u>
Net investment earnings	<u>437,699</u>	<u>415,370</u>
Capital (depreciation) appreciation	<u>318,530</u>	<u>(254,168)</u>
Net earnings	\$ <u>756,229</u>	\$ <u>161,202</u>
Average number of units outstanding	<u>92,221</u>	<u>88,648</u>
Net earnings per unit	\$ <u>8.20</u>	\$ <u>1.82</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	2012	2011
Net assets, beginning of year	\$ <u>12,809,662</u>	\$ <u>12,618,724</u>
Net earnings	756,229	161,202
Unit transactions		
Contributions received to purchase units	495,919	602,968
Redemption of units	<u>(49,096)</u>	<u>(29,889)</u>
	<u>446,823</u>	<u>573,079</u>
Distributions to unit holders		
Net investment income	(437,699)	(415,370)
Distribution from capital in the year	<u>(131,455)</u>	<u>(127,973)</u>
	<u>(569,154)</u>	<u>(543,343)</u>
Net assets, end of year	\$ <u>13,443,560</u>	\$ <u>12,809,662</u>
Number of units outstanding, end of year (Note 6)	<u>93,788</u>	<u>90,654</u>
Net assets, end of year per unit	\$ <u>143.34</u>	\$ <u>141.30</u>
Distribution per unit	\$ <u>6.20</u>	\$ <u>6.18</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 2012 2011

Assets

Investments, at fair value (Note 4)	\$ 13,260,905	\$ 12,360,596
Cash	<u>196,730</u>	<u>460,186</u>
	13,457,635	12,820,782

Liabilities

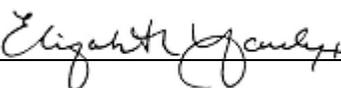
Payables and accruals	<u>14,075</u>	<u>11,120</u>
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Net assets

Funds held for parishes (Note 7)	<u>\$ 13,443,560</u>	<u>\$ 12,809,662</u>
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On behalf of the Diocesan Council





**The Cemetery Fund
of The Incorporated Synod of the Diocese of Toronto
Statement of Cash Flows**

Year Ended December 31 2012 2011

Operating activities

Net earnings	\$	756,229	\$	161,202
Change in non-cash working capital:				
Payable and accruals		<u>2,955</u>		<u>9,140</u>
		<u>759,184</u>		<u>170,342</u>

Investing activities

Contributions received to purchase units		495,919		602,968
Redemption of units		(49,096)		(29,889)
Distributions to unit holders		(569,154)		(543,343)
Purchase of investments - net		<u>(900,309)</u>		<u>(71,009)</u>
		<u>(1,022,640)</u>		<u>(41,273)</u>

Net change in cash		(263,456)		129,069
Cash, beginning of year		<u>460,186</u>		<u>331,117</u>
Cash, end of year	\$	<u>196,730</u>	\$	<u>460,186</u>

See accompanying notes to the financial statements.

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto Notes to the Financial Statements

December 31, 2012

1. Purpose

The Cemetery Fund (the "Fund") was set up by The Incorporated Synod of the Diocese of Toronto 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, Scotiatrust (formerly the Montreal Trust Company) is the trustee of the funds.

2. Summary of significant accounting policies

Basis of accounting

The Fund has prepared these financial statements in accordance with Canadian accounting standards for private enterprises (ASPE). ASPE are part of Canadian generally accepted accounting principles.

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

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 \$6.20 for 2012, 4.5% on a June 30, 2011 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.

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

Notes to the Financial Statements

December 31, 2012

2. Summary of significant accounting policies (continued)

Investments

Investments are stated at fair value which has been determined by reference to the 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.

3. 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. The amount charged is set as a flat amount and forms part of the Diocese's budget approved by the Synod.

4. Investments

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

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
Short term deposits	\$ 865,800	7	\$ 578,000	5
Bonds - Government of Canada	1,638,557	12	1,674,913	14
- Provinces of Canada	1,664,395	12	1,489,485	12
- Corporations	2,778,795	21	2,891,363	23
Stocks	<u>6,313,358</u>	<u>48</u>	<u>5,726,835</u>	<u>46</u>
	<u>\$ 13,260,905</u>	<u>100</u>	<u>\$ 12,360,596</u>	<u>100</u>

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

Notes to the Financial Statements

December 31, 2012

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

Market risk

The Fund is exposed to market risk on its investments in equities quoted in an active market since changes in market prices could result in changes in the fair value of these instruments.

6. Continuity of units outstanding

	<u>2012</u>		<u>2011</u>
Units, beginning of year	\$ 90,654	\$	86,643
Subscriptions	3,478		4,220
Redemptions	<u>(344)</u>		<u>(209)</u>
Units, end of year	<u>\$ 93,788</u>	\$	<u>90,654</u>

7. Funds held for parishes

		<u>2012</u>		<u>2011</u>
All Saints, Collingwood	Care and maintenance	\$ 86,401	\$	83,002
All Saints, Collingwood	Monument	16,719		16,383
All Saints, King City	Care and maintenance	5,530		5,451
All Saints, Kingsway	Care and maintenance	12,227		12,053
Christ Church, Banda	Care and maintenance	17,201		16,956
Christ Church, Batteau	Care and maintenance	71,385		70,371
Christ Church, Campbellford	Care and maintenance	19,369		19,094
Christ Church, Campbellford	Monument	773		762
Christ Church, Campbellford	Pre-need	3,559		3,641
Christ Church, Holland Landing	Care and maintenance	80,239		78,742
Christ Church, Holland Landing	Monument	955		941
Christ Church, Ivy	Care and maintenance	14,752		13,853
Christ Church, Mimico	Care and maintenance	138,574		132,031
Christ Church, Roche's Point	Care and maintenance	217,948		203,060
Christ Church, Roche's Point	Monument	1,303		1,085
Christ Church, Woodbridge	Care and maintenance	47,719		47,041

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

Notes to the Financial Statements

December 31, 2012

7. Funds held for parishes (continued)		2012	2011
Good Shepherd, Wyebridge	Care and maintenance	\$ 21,851	\$ 20,742
Good Shepherd, Wyebridge	Monument	5,296	4,708
Grace Church, Markham	Care and maintenance	44,027	42,958
Grace Church, Markham	Monument	4,962	4,614
Holy Trinity, Thornhill	Care and maintenance	79,854	75,424
Janetville	Care and maintenance	27,918	27,522
St. Alban, Lloydtown	Care and maintenance	50,791	50,069
Lloydtown	Monument	3,120	2,878
Middleton St. Clair	Care and maintenance	3,896	3,678
Middleton St. Clair	Pre-need	2,583	2,439
Redeemer Duntroon	Care and maintenance	86,068	84,846
Redeemer Duntroon	Monument	431	425
St. Clement Eglinton	Care and maintenance	19,491	18,402
St. David, Everett	Care and maintenance	28,638	28,231
St. George, Apsley	Care and maintenance	16,474	16,082
St. George, Apsley	Monument	2,910	2,868
St. George, Barrie	Care and maintenance	22,665	22,145
St. George, Cooper's Fall	Care and maintenance	13,513	-
St. George, Copper's Fall	Monument	2,326	-
St. George, Fairvalley	Care and maintenance	47,187	43,767
St. George, Fairvalley	Monument	6,849	6,653
St. George, Georgina	Care and maintenance	70,708	69,704
St. George, Georgina	Monument	1,413	1,393
St. George, Gore's Landing	Care and maintenance	16,164	15,935
St. George, Gore's Landing	Monument	1,256	1,238
St. George, Grafton	Care and maintenance	26,363	25,274
St. George, Grafton	Monument	3,215	2,822
St. George, Oshawa	Care and maintenance	11,169	10,651
St. George, Pickering	Care and maintenance	23,720	23,383
St. George, Pickering	Monument	2,369	2,237
St. James, Brock	Care and maintenance	27,434	27,044
St. James, Caledon	Care and maintenance	11,529	9,838
St. James, Penetanguishene	Care and maintenance	134,526	131,175
St. James, Penetanguishene	Monument	12,010	11,297
St. James, Roseneath	Care and maintenance	9,287	9,155
St. James, Sutton	Care and maintenance	12,501	12,323
St. John, Norway	Care and maintenance	2,282,561	2,182,568
St. John, Norway	Monument	92,883	97,795
St. John, Norway	Pre-need	675,011	633,847
St. John, Blackstock	Care and maintenance	28,310	27,612
St. John, Blackstock	Monument	2,959	2,818
St. John, Cookstown	Care and maintenance	39,023	37,192
St. John, Craighurst	Care and maintenance	82,856	78,722
St. John, Ida	Care and maintenance	65,562	63,368
St. John, Ida	Monument	7,214	6,668

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

Notes to the Financial Statements

December 31, 2012

7. Funds held for parishes (continued)		<u>2012</u>	<u>2011</u>
St. John, Matchedash	Care and maintenance	\$ 25,027	\$ 24,119
St. John, Matchedash	Monument	4,061	3,855
St. John (Dixie) Mississauga	Care and maintenance	3,896,213	3,646,456
St. John (Dixie) Mississauga	Monument	202,550	191,865
St. John, Mono	Care and maintenance	145,945	143,872
St. John, Mono	Monument	12,190	12,016
St. John, Oakridges	Care and maintenance	38,378	37,833
St. John, Tecumseth	Care and maintenance	51,660	49,465
St. John, Tecumseth	Monument	4,545	4,283
St. John, Waverley	Care and maintenance	18,187	17,929
St. John, Waverley	Monument	1,836	1,732
St. John, Whitby	Care and maintenance	58,247	55,843
St. John, Whitby	Monument	5,414	5,042
St. John, York Mills	Care and maintenance	282,266	276,285
St. John, York Mills	Monument	11,728	11,461
St. Jude, Wexford	Care and maintenance	59,300	48,490
St. Jude, Wexford	Monument	2,774	2,734
St. Luke, Hamlet	Care and maintenance	54,436	53,663
St. Luke, Hamlet	Investment	42,298	39,942
St. Luke, Hamlet	Monument	2,662	2,525
St. Luke, Mississauga	Care and maintenance	1,995	1,967
St. Margaret, West Hill	Care and maintenance	1,224,937	1,195,981
St. Mark, East Oro	Care and maintenance	8,365	8,246
St. Mark, Midland	Care and maintenance	77,153	72,846
St. Mark, Midland	Monument	11,649	10,844
St. Mark, Otonabee	Care and maintenance	38,719	37,794
St. Mark, Otonabee	Monument	334	230
St. Mark, Port Hope	Care and maintenance	4,681	4,615
St. Mary, Lifford	Care and maintenance	72,930	70,057
St. Paul, L'Amoreaux	Care and maintenance	44,538	43,906
St. Paul, L'Amoreaux	Monument	4,826	4,146
St. Paul, Cavan	Care and maintenance	23,852	23,513
St. Paul, Cavan	Monument	1,170	1,153
St. Paul, Columbus	Care and maintenance	44,484	43,417
St. Paul, Columbus	Monument	1,190	1,173
St. Paul, Coulson Hill	Care and maintenance	64,473	62,433
St. Paul, Innisfil	Care and maintenance	243,983	240,192
St. Paul, Innisfil	Monument	24,707	24,208
St. Paul, Lasswade	Care and maintenance	417	411
St. Paul, Newmarket	Care and maintenance	5,348	5,272
St. Paul, Washago	Care and maintenance	32,406	31,234
St. Paul, Washago	Investment	5,372	17,467
St. Paul, Washago	Monument	6,728	6,387
St. Peter, Erindale	Care and maintenance	115,612	111,505
St. Peter, Churchill	Care and maintenance	1,135	28,321

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

December 31, 2012

7. Funds held for parishes (continued)		<u>2012</u>	<u>2011</u>
St. Peter, Churchill	Monument	\$ 29,031	\$ 1,119
St. Peter, Cobourg	Care and maintenance	261,080	252,522
St. Peter, Maple Lake	Care and maintenance	32,234	29,802
St. Philip, Etobicoke	Care and maintenance	967,719	912,421
St. Philip, Etobicoke	Monument	34,340	33,852
St. Philip, Etobicoke	Pre-need	86,981	80,637
St. Philip, Unionville	Care and maintenance	63,485	59,533
St. Philip, Unionville	Monument	1,475	1,058
St. Thomas, Shanty Bay	Care and maintenance	57,030	53,972
Trinity, Port Credit	Care and maintenance	32,293	31,834
Trinity, Streetsville	Care and maintenance	10,490	10,341
Trinity, Colborne	Care and maintenance	<u>21,134</u>	<u>18,867</u>
Total		<u>\$ 13,443,560</u>	<u>\$ 12,809,662</u>