



## Financial Statements

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

December 31, 2014

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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, 2014 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

*Grant Thornton LLP*

Toronto, Canada  
May 21, 2015

Chartered Accountants  
Licensed Public Accountants

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

Year Ended December 31 2014 2013

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Revenue		
Interest and dividends	<u>\$ 365,585</u>	<u>\$ 394,279</u>
Expenses		
Investment counsel fees	37,471	38,132
Administration expenses - Diocese (Note 3)	7,892	8,985
Other	<u>611</u>	<u>1,005</u>
	<u>45,974</u>	<u>48,122</u>
Net investment earnings	319,611	346,157
Capital appreciation	<u>605,651</u>	<u>621,322</u>
Net earnings	<u>\$ 925,262</u>	<u>\$ 967,479</u>
Average number of units outstanding (Note 6)	<u>67,800</u>	<u>80,395</u>
Net earnings per unit	<u>\$ 13.65</u>	<u>\$ 12.03</u>

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

Year Ended December 31	2014	2013
Net assets, beginning of year	<u>\$ 10,042,474</u>	<u>\$ 13,443,560</u>
Net earnings	<u>925,262</u>	<u>967,479</u>
Unit transactions		
Contributions received to purchase units	253,558	331,966
Redemption of units	<u>(4,100)</u>	<u>(4,235,872)</u>
	<u>249,458</u>	<u>(3,903,906)</u>
Distributions to unit holders		
Net investment income	(319,610)	(346,157)
Distribution from capital in the year	<u>(114,258)</u>	<u>(118,502)</u>
	<u>(433,868)</u>	<u>(464,659)</u>
Net assets, end of year	<u>\$ 10,783,326</u>	<u>\$ 10,042,474</u>
Number of units outstanding, end of year (Note 6)	<u>68,599</u>	<u>67,002</u>
Net assets, end of year per unit	<u>\$ 157.19</u>	<u>\$ 149.88</u>
Distribution per unit <sup>1</sup>	<u>\$ 6.44</u>	<u>\$ 6.36</u>

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<sup>1</sup>Distributions are determined on a quarterly basis, based on the number of units on hand at the beginning of the quarter

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

December 31 2014 2013

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## Assets

Cash	\$ 153,591	\$ 196,737
Investments, at fair value (Note 4)	<u>10,643,487</u>	<u>9,858,613</u>
	<b>10,797,078</b>	10,055,350

## Liabilities

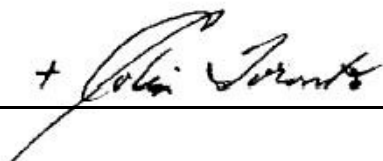
Accounts payable and accrued liabilities	<u>13,752</u>	<u>12,876</u>
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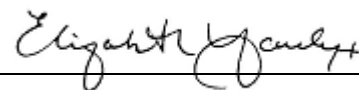
## Net assets

Funds held for parishes (Note 7)	<u>\$ 10,783,326</u>	<u>\$ 10,042,474</u>
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On behalf of the Diocesan Council

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

Year Ended December 31 2014                      2013

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### Operating activities

Net earnings	\$	925,262	\$	967,479
Item not affecting cash				
Capital appreciation		<u>(605,651)</u>		<u>(621,322)</u>

		319,611		346,157
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Change in non-cash working capital:

Accounts payable and accrued liabilities		<u>876</u>		<u>(1,199)</u>
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		<u>320,487</u>		<u>344,958</u>
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### Investing activities

Contributions received to purchase units		253,558		331,966
Redemption of units		(4,100)		(4,235,872)
Distributions to unit holders		(433,868)		(464,659)
Sale (purchase) of investments - net		<u>(179,223)</u>		<u>4,023,614</u>

		<u>(363,633)</u>		<u>(344,951)</u>
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Net change in cash

		(43,146)		7
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Cash, beginning of year

		<u>196,737</u>		<u>196,730</u>
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Cash, end of year

	\$	<u>153,591</u>	\$	<u>196,737</u>
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# **The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto Notes to the Financial Statements**

December 31, 2014

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## **1. Purpose**

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto (the "Fund") was created by The Incorporated Synod of the Diocese of Toronto as of October 1, 1993 to provide a trust fund meeting the requirements of the Funeral, Burial and Cremations Act, 2002 to hold cemetery care and maintenance funds for cemeteries of parishes in the Diocese of Toronto. Under the 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. The Fund is a registered charitable organization and is exempt from income tax.

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## **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. Accounting standards for private enterprises are part of Canadian generally accepted accounting principles.

Accounting standards for private enterprises 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.

### **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.

### **Financial instruments**

The Fund considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Fund's financial instruments comprise cash, investments, and accounts payable.

Financial assets and liabilities obtained in arm's length transactions are initially recorded at their fair value and financial assets and liabilities obtained in related party transactions are initially measured at their exchange amount. The Fund subsequently measures all of its financial assets and liabilities at amortized cost, except for investments, which are measured at fair value.

### **Revenue and expense recognition**

Revenue and expenses are recorded on an accrual basis.

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

December 31, 2014

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## **2. Summary of significant accounting policies (continued)**

### **Foreign currency translation**

The Fund translates transactions denominated in foreign currencies at the exchange rates at the date of the statement of net assets for monetary assets and liabilities, and the average exchange rates during the year for revenue and expenses. Unrealized translation gains and losses are recognized in capital appreciation in the statement of earnings.

### **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 set at the rate of \$6.44 (2013 - \$6.36) per unit, representing a 4.5% return on investments on June 30, 2013 based on a three 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 distribution is allocated to unitholders quarterly, pro-rata based on the number of units held at the beginning of the quarter.

### **Investments**

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

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## **3. Administration expenses – Diocese**

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

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

## Notes to the Financial Statements

December 31, 2014

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### 4. Investments

Investments are carried at fair value which results in capital gains or losses being allocated to unitholders. Details of investment assets by type are as follows:

	<u>2014</u>	<u>%</u>	<u>2013</u>	<u>%</u>
Short term deposits	\$ 325,800	3	\$ 287,800	3
Bonds - Government of Canada	929,575	9	928,603	9
- Provinces of Canada	1,073,683	10	750,225	8
- Corporations	2,973,993	28	2,131,064	22
Stocks	<u>5,340,436</u>	<u>50</u>	<u>5,760,921</u>	<u>58</u>
	<u>\$ 10,643,487</u>	<u>100</u>	<u>\$ 9,858,613</u>	<u>100</u>

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### 5. 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 extended risk related to financial instruments.

#### Interest rate risk

The Fund's earnings are exposed to the 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.

#### 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.

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### 6. Continuity of units outstanding

	<u>2014</u>	<u>2013</u>
Units, beginning of year	67,002	93,788
Subscriptions	1,623	2,259
Redemptions	<u>(26)</u>	<u>(29,045)</u>
Units, end of year	<u>68,599</u>	<u>67,002</u>
Average units	<u>67,800</u>	<u>80,395</u>

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

December 31, 2014

## 7. Funds held for parishes

		<u>2014</u>	<u>2013</u>
All Saints, Collingwood	Care and maintenance	\$ 98,095	\$ 92,563
All Saints, Collingwood	Monument	19,182	17,996
All Saints, King City	Care and maintenance	6,065	5,782
All Saints, Kingsway	Care and maintenance	16,023	14,585
Christ Church, Banda	Care and maintenance	18,863	17,986
Christ Church, Batteau	Care and maintenance	78,284	74,643
Christ Church, Campbellford	Care and maintenance	22,020	20,755
Christ Church, Campbellford	Monument	956	911
Christ Church, Campbellford	Pre-need	4,488	3,637
Christ Church, Holland Landing	Care and maintenance	89,442	84,610
Christ Church, Holland Landing	Monument	1,047	998
Christ Church, Ivy	Care and maintenance	16,485	15,566
Christ Church, Mimico	Care and maintenance	171,740	152,739
Christ Church, Roche's Point	Care and maintenance	263,635	238,555
Christ Church, Roche's Point	Monument	2,460	1,786
Christ Church, Woodbridge	Care and maintenance	54,122	51,318
Good Shepherd, Wyebridge	Care and maintenance	25,626	24,128
Good Shepherd, Wyebridge	Monument	6,322	5,784
Grace Church, Markham	Care and maintenance	48,935	46,062
Grace Church, Markham	Monument	5,620	5,358
Holy Trinity, Thornhill	Care and maintenance	95,592	88,551
St. Alban, Janetville	Care and maintenance	30,617	29,193
St. Alban, Lloydtown	Care and maintenance	56,180	53,109
St. Alban, Lloydtown	Monument	3,631	3,366
Middleton St. Clair	Care and maintenance	4,653	4,255
Middleton St. Clair	Pre-need	3,084	2,821
Redeemer Duntroon	Care and maintenance	94,387	89,997
Redeemer Duntroon	Monument	473	451
St. Clement Eglinton	Care and maintenance	25,673	23,053
St. David, Everett	Care and maintenance	33,336	31,044
St. George, Apsley	Care and maintenance	19,032	17,226
St. George, Apsley	Monument	3,400	3,145
St. George, Barrie	Care and maintenance	25,989	24,205
St. George, Cooper's Falls	Care and maintenance	14,819	14,129
St. George, Cooper's Falls	Monument	2,661	2,538
St. George, Fairvalley	Care and maintenance	56,474	50,891
St. George, Fairvalley	Monument	8,531	7,561
St. George, Georgina	Care and maintenance	81,895	73,936
St. George, Georgina	Monument	2,132	1,594
St. George, Gore's Landing	Care and maintenance	17,727	16,902
St. George, Gore's Landing	Monument	1,377	1,313
St. George, Grafton	Care and maintenance	30,573	29,152
St. George, Grafton	Monument	3,952	3,672

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

December 31, 2014

## 7. Funds held for parishes (continued)

		<u>2014</u>	<u>2013</u>
St. George, Oshawa	Care and maintenance	12,447	11,868
St. George, Pickering Village	Care and maintenance	26,751	25,213
St. George, Pickering Village	Monument	2,701	2,478
St. James, West Brock	Care and maintenance	31,082	29,636
St. James, Caledon East	Care and maintenance	10,944	10,435
St. James, Penetanguishene	Care and maintenance	148,917	141,798
St. James, Penetanguishene	Monument	14,390	13,528
St. James, Roseneath	Care and maintenance	10,185	9,711
St. James, Sutton West	Care and maintenance	13,814	13,171
St. John, Norway	Care and maintenance	2,611,750	2,440,929
St. John, Norway	Monument	108,590	100,097
St. John, Norway	Pre-need	855,293	758,931
St. John, Blackstock	Care and maintenance	35,062	32,005
St. John, Blackstock	Monument	3,754	3,294
St. John, Cookstown	Care and maintenance	42,795	40,804
St. John, Craighurst	Care and maintenance	96,560	90,638
St. John, Ida	Care and maintenance	77,010	71,718
St. John, Ida	Monument	8,718	8,262
St. John, Matchedash	Care and maintenance	27,750	26,459
St. John, Matchedash	Monument	5,233	4,509
St. John, East Orangeville	Care and maintenance	173,280	161,215
St. John, East Orangeville	Monument	14,797	13,822
St. John, Oak Ridges	Care and maintenance	44,253	40,130
St. John, Tecumseth	Care and maintenance	58,983	55,228
St. John, Tecumseth	Monument	5,294	4,953
St. John, Waverley	Care and maintenance	19,945	19,017
St. John, Waverley	Monument	2,190	2,005
St. John, Whitby	Care and maintenance	65,806	61,906
St. John, Whitby	Monument	6,756	6,061
St. John, York Mills	Care and maintenance	318,305	298,026
St. John, York Mills	Monument	13,635	12,620
St. Jude, Wexford	Care and maintenance	75,362	65,310
St. Jude, Wexford	Monument	3,410	3,204
St. Luke, Hamlet	Care and maintenance	60,072	57,278
St. Luke, Hamlet	Investment	50,448	47,456
St. Luke, Hamlet	Monument	3,336	2,990
St. Luke, Dixie South	Care and maintenance	6,105	5,822
St. Margaret, West Hill	Care and maintenance	1,363,231	1,293,234
St. Mark, East Oro	Care and maintenance	9,174	8,747
St. Mark, Midland	Care and maintenance	89,761	84,222
St. Mark, Midland	Monument	14,103	12,781
St. Mark, Otonabee	Care and maintenance	43,392	40,640
St. Mark, Otonabee	Monument	472	401
St. Mark, Port Hope	Care and maintenance	6,201	5,912

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

December 31, 2014

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**7. Funds held for parishes (continued)**

		<u>2014</u>	<u>2013</u>
St. Mary, Lifford	Care and maintenance	<b>86,218</b>	82,208
St. Michael, Westwood	Care and maintenance	<b>2,188</b>	-
St. Paul, L'Amoreaux	Care and maintenance	<b>48,843</b>	46,572
St. Paul, L'Amoreaux	Monument	<b>5,867</b>	5,350
St. Paul, Cavan	Care and maintenance	<b>26,157</b>	24,941
St. Paul, Cavan	Monument	<b>1,283</b>	1,223
St. Paul, Columbus	Care and maintenance	<b>50,386</b>	47,828
St. Paul, Columbus	Monument	<b>1,305</b>	1,244
St. Paul, Coulson Hill	Care and maintenance	<b>73,174</b>	69,674
St. Paul, Innisfil	Care and maintenance	<b>278,830</b>	262,512
St. Paul, Innisfil	Monument	<b>29,488</b>	27,401
St. Paul, Lasswade	Care and maintenance	<b>457</b>	436
St. Paul, Newmarket	Care and maintenance	<b>5,865</b>	5,592
St. Paul, Washago	Care and maintenance	<b>36,304</b>	33,886
St. Paul, Washago	Investment	<b>19,761</b>	15,541
St. Paul, Washago	Monument	<b>8,052</b>	7,292
St. Peter, Erindale	Care and maintenance	<b>128,087</b>	120,889
St. Peter, Churchill	Care and maintenance	<b>31,837</b>	30,356
St. Peter, Churchill	Monument	<b>1,346</b>	1,187
St. Peter, Cobourg	Care and maintenance	<b>308,640</b>	290,184
St. Peter, Maple Lake	Care and maintenance	<b>38,519</b>	36,727
St. Philip, Etobicoke	Care and maintenance	<b>1,095,753</b>	1,021,243
St. Philip, Etobicoke	Monument	<b>37,760</b>	35,907
St. Philip, Etobicoke	Pre-need	<b>95,389</b>	90,952
St. Philip, Unionville	Care and maintenance	<b>75,496</b>	68,228
St. Philip, Unionville	Monument	<b>2,404</b>	2,003
St. Thomas, Shanty Bay	Care and maintenance	<b>63,807</b>	59,934
Trinity, Port Credit	Care and maintenance	<b>37,775</b>	33,767
Trinity, Streetsville	Care and maintenance	<b>11,503</b>	10,968
Trinity, Colborne	Care and maintenance	<b>23,177</b>	22,099
		<b><u>\$ 10,783,326</u></b>	<b><u>\$ 10,042,474</u></b>