



Financial Statements

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

December 31, 2013

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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, 2013 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, 2013 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
September 25, 2014

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

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

Year Ended December 31 2013 2012

Revenue		
Interest and dividends	<u>\$ 394,279</u>	<u>\$ 496,740</u>
Expenses		
Investment counsel fees	38,132	46,724
Administration expenses - Diocese (Note 3)	8,985	11,669
Other	<u>1,005</u>	<u>648</u>
	<u>48,122</u>	<u>59,041</u>
Net investment earnings	346,157	437,699
Capital appreciation	<u>621,322</u>	<u>318,530</u>
Net earnings	<u>\$ 967,479</u>	<u>\$ 756,229</u>
Average number of units outstanding (Note 6)	<u>80,395</u>	<u>92,221</u>
Net earnings per unit	<u>\$ 12.03</u>	<u>\$ 8.20</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	2013	2012
Net assets, beginning of year	<u>\$ 13,443,560</u>	<u>\$ 12,809,662</u>
Net earnings	<u>967,479</u>	<u>756,229</u>
Unit transactions		
Contributions received to purchase units	331,966	495,919
Redemption of units	<u>(4,235,872)</u>	<u>(49,096)</u>
	<u>(3,903,906)</u>	<u>446,823</u>
Distributions to unit holders		
Net investment income	(346,157)	(437,699)
Distribution from capital in the year	<u>(118,502)</u>	<u>(131,455)</u>
	<u>(464,659)</u>	<u>(569,154)</u>
Net assets, end of year	<u>\$ 10,042,474</u>	<u>\$ 13,443,560</u>
Number of units outstanding, end of year (Note 6)	<u>67,002</u>	<u>93,788</u>
Net assets, end of year per unit	<u>\$ 149.88</u>	<u>\$ 143.34</u>
Distribution per unit	<u>\$ 6.36</u>	<u>\$ 6.20</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 2013 2012

Assets

Investments, at fair value (Note 4)	\$ 9,858,613	\$ 13,260,905
Cash	<u>196,737</u>	<u>196,730</u>
	10,055,350	13,457,635

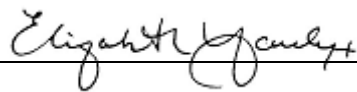
Liabilities

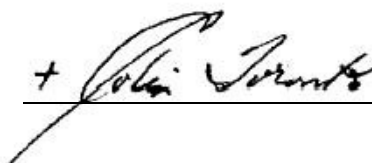
Payables and accruals	<u>12,876</u>	<u>14,075</u>
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Net assets

Funds held for parishes (Note 7)	<u>\$ 10,042,474</u>	<u>\$ 13,443,560</u>
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On behalf of the Diocesan Council





See accompanying notes to the financial statements.

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

Year Ended December 31

2013

2012

Operating activities

Net earnings	\$ 967,479	\$ 756,229
Change in non-cash working capital:		
Payable and accruals	<u>(1,199)</u>	<u>2,955</u>
	<u>966,280</u>	<u>759,184</u>

Investing activities

Contributions received to purchase units	331,966	495,919
Redemption of units	(4,235,872)	(49,096)
Distributions to unit holders	(464,659)	(569,154)
Sale (purchase) of investments - net	<u>3,402,292</u>	<u>(900,309)</u>
	<u>(966,273)</u>	<u>(1,022,640)</u>

Net change in cash	7	(263,456)
Cash, beginning of year	<u>196,730</u>	<u>460,186</u>
Cash, end of year	<u>\$ 196,737</u>	<u>\$ 196,730</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, 2013

1. Purpose

The Cemetery Fund (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 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. 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.

Revenue and expense recognition

Revenue and expenses are recorded on the accrual basis.

Foreign currencies 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 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.

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

December 31, 2013

2. Summary of significant accounting policies (continued)

Distribution

The aggregate income and capital distribution for the year was set at the rate of \$6.36 (2012 - \$6.20) per unit being 4.5% on a June 30, 2012, 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.

3. 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>2013</u>	<u>%</u>	<u>2012</u>	<u>%</u>
Short term deposits	\$ 287,800	3	\$ 865,800	7
Bonds - Government of Canada	928,603	9	1,638,557	12
- Provinces of Canada	750,225	8	1,664,395	12
- Corporations	2,131,064	22	2,778,795	21
Stocks	<u>5,760,921</u>	<u>58</u>	<u>6,313,358</u>	<u>48</u>
	<u>\$ 9,858,613</u>	<u>100</u>	<u>\$ 13,260,905</u>	<u>100</u>

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

Notes to the Financial Statements

December 31, 2013

5. 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.

6. Continuity of units outstanding

	<u>2013</u>	<u>2012</u>
Units, beginning of year	93,788	90,654
Subscriptions	2,259	3,478
Redemptions	<u>(29,045)</u>	<u>(344)</u>
Units, end of year	<u>67,002</u>	<u>93,788</u>
Average units	<u>80,395</u>	<u>92,221</u>

7. Funds held for parishes

		<u>2013</u>	<u>2012</u>
All Saints, Collingwood	Care and maintenance	\$ 92,563	\$ 86,401
All Saints, Collingwood	Monument	17,996	16,719
All Saints, King City	Care and maintenance	5,782	5,530
All Saints, Kingsway	Care and maintenance	14,585	12,227
Christ Church, Banda	Care and maintenance	17,986	17,201
Christ Church, Batteau	Care and maintenance	74,643	71,385
Christ Church, Campbellford	Care and maintenance	20,755	19,369
Christ Church, Campbellford	Monument	911	773
Christ Church, Campbellford	Pre-need	3,637	3,559
Christ Church, Holland Landing	Care and maintenance	84,610	80,239
Christ Church, Holland Landing	Monument	998	955
Christ Church, Ivy	Care and maintenance	15,566	14,752
Christ Church, Mimico	Care and maintenance	152,739	138,574
Christ Church, Roche's Point	Care and maintenance	238,555	217,948
Christ Church, Roche's Point	Monument	1,786	1,303

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

December 31, 2013

7. Funds held for parishes (continued)

		<u>2013</u>	<u>2012</u>
Christ Church, Woodbridge	Care and maintenance	\$ 51,318	\$ 47,719
Good Shepherd, Wyebridge	Care and maintenance	24,128	21,851
Good Shepherd, Wyebridge	Monument	5,784	5,296
Grace Church, Markham	Care and maintenance	46,062	44,027
Grace Church, Markham	Monument	5,358	4,962
Holy Trinity, Thornhill	Care and maintenance	88,551	79,854
Janetville	Care and maintenance	29,193	27,918
St. Alban, Lloydtown	Care and maintenance	53,109	50,791
Lloydtown	Monument	3,366	3,120
Middleton St. Clair	Care and maintenance	4,255	3,896
Middleton St. Clair	Pre-need	2,821	2,583
Redeemer Duntroon	Care and maintenance	89,997	86,068
Redeemer Duntroon	Monument	451	431
St. Clement Eglinton	Care and maintenance	23,053	19,491
St. David, Everett	Care and maintenance	31,044	28,638
St. George, Apsley	Care and maintenance	17,226	16,474
St. George, Apsley	Monument	3,145	2,910
St. George, Barrie	Care and maintenance	24,205	22,665
St. George, Cooper's Fall	Care and maintenance	14,129	13,513
St. George, Copper's Fall	Monument	2,538	2,326
St. George, Fairvalley	Care and maintenance	50,891	47,187
St. George, Fairvalley	Monument	7,561	6,849
St. George, Georgina	Care and maintenance	73,936	70,708
St. George, Georgina	Monument	1,594	1,413
St. George, Gore's Landing	Care and maintenance	16,902	16,164
St. George, Gore's Landing	Monument	1,313	1,256
St. George, Grafton	Care and maintenance	29,152	26,363
St. George, Grafton	Monument	3,672	3,215
St. George, Oshawa	Care and maintenance	11,868	11,169
St. George, Pickering	Care and maintenance	25,213	23,720
St. George, Pickering	Monument	2,478	2,369
St. James, Brock	Care and maintenance	29,636	27,434
St. James, Caledon	Care and maintenance	10,435	11,529
St. James, Penetanguishene	Care and maintenance	141,798	134,526
St. James, Penetanguishene	Monument	13,528	12,010
St. James, Roseneath	Care and maintenance	9,711	9,287
St. James, Sutton	Care and maintenance	13,171	12,501
St. John, Norway	Care and maintenance	2,440,929	2,282,561
St. John, Norway	Monument	100,097	92,883
St. John, Norway	Pre-need	758,931	675,011
St. John, Blackstock	Care and maintenance	32,005	28,310
St. John, Blackstock	Monument	3,294	2,959
St. John, Cookstown	Care and maintenance	40,804	39,023
St. John, Craighurst	Care and maintenance	90,638	82,856

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

December 31, 2013

7. Funds held for parishes (continued)

		<u>2013</u>	<u>2012</u>
St. John, Ida	Care and maintenance	\$ 71,718	\$ 65,562
St. John, Ida	Monument	8,262	7,214
St. John, Matchedash	Care and maintenance	26,459	25,027
St. John, Matchedash	Monument	4,509	4,061
St. John (Dixie) Mississauga	Care and maintenance	-	3,896,213
St. John (Dixie) Mississauga	Monument	-	202,550
St. John, Mono	Care and maintenance	161,215	145,945
St. John, Mono	Monument	13,822	12,190
St. John, Oakridges	Care and maintenance	40,130	38,378
St. John, Tecumseth	Care and maintenance	55,228	51,660
St. John, Tecumseth	Monument	4,953	4,545
St. John, Waverley	Care and maintenance	19,017	18,187
St. John, Waverley	Monument	2,005	1,836
St. John, Whitby	Care and maintenance	61,906	58,247
St. John, Whitby	Monument	6,061	5,414
St. John, York Mills	Care and maintenance	298,026	282,266
St. John, York Mills	Monument	12,620	11,728
St. Jude, Wexford	Care and maintenance	65,310	59,300
St. Jude, Wexford	Monument	3,204	2,774
St. Luke, Hamlet	Care and maintenance	57,278	54,436
St. Luke, Hamlet	Investment	47,456	42,298
St. Luke, Hamlet	Monument	2,990	2,662
St. Luke, Mississauga	Care and maintenance	5,822	1,995
St. Margaret, West Hill	Care and maintenance	1,293,234	1,224,937
St. Mark, East Oro	Care and maintenance	8,747	8,365
St. Mark, Midland	Care and maintenance	84,222	77,153
St. Mark, Midland	Monument	12,781	11,649
St. Mark, Otonabee	Care and maintenance	40,640	38,719
St. Mark, Otonabee	Monument	401	334
St. Mark, Port Hope	Care and maintenance	5,912	4,681
St. Mary, Lifford	Care and maintenance	82,208	72,930
St. Paul, L'Amoreaux	Care and maintenance	46,572	44,538
St. Paul, L'Amoreaux	Monument	5,350	4,826
St. Paul, Cavan	Care and maintenance	24,941	23,852
St. Paul, Cavan	Monument	1,223	1,170
St. Paul, Columbus	Care and maintenance	47,828	44,484
St. Paul, Columbus	Monument	1,244	1,190
St. Paul, Coulson Hill	Care and maintenance	69,674	64,473
St. Paul, Innisfil	Care and maintenance	262,512	243,983
St. Paul, Innisfil	Monument	27,401	24,707
St. Paul, Lasswade	Care and maintenance	436	417
St. Paul, Newmarket	Care and maintenance	5,592	5,348
St. Paul, Washago	Care and maintenance	33,886	32,406
St. Paul, Washago	Investment	15,541	5,372

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

December 31, 2013

7. Funds held for parishes (continued)

		<u>2013</u>	<u>2012</u>
St. Paul, Washago	Monument	\$ 7,292	\$ 6,728
St. Peter, Erindale	Care and maintenance	120,889	115,612
St. Peter, Churchill	Care and maintenance	30,356	29,031
St. Peter, Churchill	Monument	1,187	1,135
St. Peter, Cobourg	Care and maintenance	290,184	261,080
St. Peter, Maple Lake	Care and maintenance	36,727	32,234
St. Philip, Etobicoke	Care and maintenance	1,021,243	967,719
St. Philip, Etobicoke	Monument	35,907	34,340
St. Philip, Etobicoke	Pre-need	90,952	86,981
St. Philip, Unionville	Care and maintenance	68,228	63,485
St. Philip, Unionville	Monument	2,003	1,475
St. Thomas, Shanty Bay	Care and maintenance	59,934	57,030
Trinity, Port Credit	Care and maintenance	33,767	32,293
Trinity, Streetsville	Care and maintenance	10,968	10,490
Trinity, Colborne	Care and maintenance	<u>22,099</u>	<u>21,134</u>
Total		<u>\$ 10,042,474</u>	<u>\$ 13,443,560</u>