



Grant Thornton

Financial Statements

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

December 31, 2015

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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, 2015 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, 2015 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 19, 2016

Chartered Professional Accountants
Licensed Public Accountants

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

Statement of Earnings

Year Ended December 31	2015	2014
Revenue		
Interest and dividends	<u>\$ 406,079</u>	<u>\$ 365,585</u>
Expenses		
Investment counsel fees	38,862	37,471
Administration expenses - Diocese (Note 3)	7,701	7,892
Other	<u>619</u>	<u>611</u>
	<u>47,182</u>	<u>45,974</u>
Net investment earnings	358,897	319,611
Capital (loss) appreciation	<u>(184,011)</u>	<u>605,651</u>
Net earnings	<u>\$ 174,886</u>	<u>\$ 925,262</u>
Average number of units outstanding (Note 6)	<u>69,418</u>	<u>67,800</u>
Net earnings per unit	<u>\$ 2.52</u>	<u>\$ 13.65</u>

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

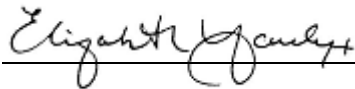
Year Ended December 31	2015	2014
Net assets, beginning of year	<u>\$ 10,783,326</u>	<u>\$ 10,042,474</u>
Net earnings	<u>174,886</u>	<u>925,262</u>
Unit transactions		
Contributions received to purchase units	283,581	253,558
Redemption of units	<u>(30,940)</u>	<u>(4,100)</u>
	<u>252,641</u>	<u>249,458</u>
Distributions to unit holders		
Net investment income	(358,897)	(319,611)
Distribution from capital in the year	<u>(93,266)</u>	<u>(114,257)</u>
	<u>(452,163)</u>	<u>(433,868)</u>
Net assets, end of year	<u>\$ 10,758,690</u>	<u>\$ 10,783,326</u>
Number of units outstanding, end of year (Note 6)	<u>70,237</u>	<u>68,599</u>
Net assets, end of year per unit	<u>\$ 153.18</u>	<u>\$ 157.19</u>
Distribution per unit ¹	<u>\$ 6.55</u>	<u>\$ 6.44</u>

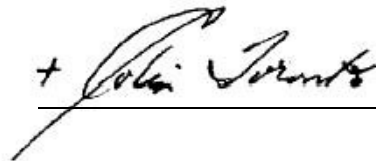
¹Distributions are determined on a quarterly basis, based on the number of units on hand at the beginning of the quarter

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

December 31	2015	2014
Assets		
Cash	\$ 147,283	\$ 153,591
Investments, at fair value (Note 4)	<u>10,623,566</u>	<u>10,643,487</u>
	10,770,849	10,797,078
Liabilities		
Accounts payable and accrued liabilities	<u>12,159</u>	<u>13,752</u>
Net assets		
Funds held for parishes (Note 7)	<u>\$ 10,758,690</u>	<u>\$ 10,783,326</u>

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	2015	2014
Operating activities		
Net earnings	\$ 174,886	\$ 925,262
Item not affecting cash		
Capital loss (appreciation)	<u>184,011</u>	<u>(605,651)</u>
	358,897	319,611
Change in non-cash working capital:		
Accounts payable and accrued liabilities	<u>(1,593)</u>	<u>876</u>
	<u>357,304</u>	<u>320,487</u>
Investing activities		
Contributions received to purchase units	283,581	253,558
Redemption of units	(30,940)	(4,100)
Distributions to unit holders	(452,163)	(433,868)
Purchase of investments - net	<u>(164,090)</u>	<u>(179,223)</u>
	<u>(363,612)</u>	<u>(363,633)</u>
Net change in cash	(6,308)	(43,146)
Cash, beginning of year	<u>153,591</u>	<u>196,737</u>
Cash, end of year	<u>\$ 147,283</u>	<u>\$ 153,591</u>

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

Notes to the Financial Statements

December 31, 2015

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 (the "Diocese") 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.

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.

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

December 31, 2015

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 \$6.55 (2014 - \$6.44) per unit, representing a 4.5% return on investments on June 30, 2014 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.

3. Administration expenses – Diocese

The Diocese 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.

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

Notes to the Financial Statements

December 31, 2015

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>2015</u>	<u>%</u>	<u>2014</u>	<u>%</u>
Short term deposits	\$ 743,800	7	\$ 325,800	3
Bonds - Government of Canada	202,840	2	929,575	9
- Provinces of Canada	732,419	7	1,073,683	10
- Corporations	3,746,156	35	2,973,993	28
Stocks	<u>5,198,351</u>	<u>49</u>	<u>5,340,436</u>	<u>50</u>
	<u>\$ 10,623,566</u>	<u>100</u>	<u>\$ 10,643,487</u>	<u>100</u>

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.

Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in the rate of exchange between Canadian and foreign currencies. It is management's opinion that the Fund is not exposed to significant currency risk arising from its financial instruments as management has developed an investment policy to ensure the portfolio meets specific requirements to limit such risk.

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

Notes to the Financial Statements

December 31, 2015

6. Continuity of units outstanding

	<u>2015</u>	<u>2014</u>
Units, beginning of year	68,599	67,002
Subscriptions	1,837	1,623
Redemptions	<u>(199)</u>	<u>(26)</u>
Units, end of year	<u>70,237</u>	<u>68,599</u>
Average units	<u>69,418</u>	<u>67,800</u>

7. Funds held for parishes

		<u>2015</u>	<u>2014</u>
All Saints, Collingwood	Care and maintenance	\$ 96,166	\$ 98,095
All Saints, Collingwood	Monument	18,982	19,182
All Saints, King City	Care and maintenance	5,910	6,065
All Saints, Kingsway	Care and maintenance	15,613	16,023
Christ Church, Banda	Care and maintenance	18,381	18,863
Christ Church, Batteau	Care and maintenance	76,284	78,284
Christ Church, Campbellford	Care and maintenance	21,457	22,020
Christ Church, Campbellford	Monument	931	956
Christ Church, Campbellford	Pre-need	4,560	4,488
Christ Church, Holland Landing	Care and maintenance	87,703	89,442
Christ Church, Holland Landing	Monument	1,069	1,047
Christ Church, Ivy	Care and maintenance	16,583	16,485
Christ Church, Mimico	Care and maintenance	183,076	171,740
Christ Church, Roche's Point	Care and maintenance	270,919	263,635
Christ Church, Roche's Point	Monument	2,754	2,460
Christ Church, Woodbridge	Care and maintenance	53,509	54,122
Good Shepherd, Wyebridge	Care and maintenance	25,587	25,626
Good Shepherd, Wyebridge	Monument	6,426	6,322
Grace Church, Markham	Care and maintenance	48,498	48,935
Grace Church, Markham	Monument	5,476	5,620
Holy Trinity, Thornhill	Care and maintenance	94,939	95,592
St. Alban, Janetville	Care and maintenance	32,835	30,617
St. Alban, Lloydtown	Care and maintenance	55,305	56,180
St. Alban, Lloydtown	Monument	3,739	3,631
Middleton St. Clair	Care and maintenance	4,730	4,653
Middleton St. Clair	Pre-need	3,136	3,084
Redeemer Duntroon	Care and maintenance	92,475	94,387
Redeemer Duntroon	Monument	461	473
St. Clement Eglinton	Care and maintenance	26,587	25,673
St. David, Everett	Care and maintenance	33,791	33,336
St. George, Apsley	Care and maintenance	18,766	19,032
St. George, Apsley	Monument	3,313	3,400
St. George, Barrie	Care and maintenance	26,123	25,989

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

Notes to the Financial Statements

December 31, 2015

7. Funds held for parishes (continued)

		<u>2015</u>	<u>2014</u>
St. George, Cooper's Falls	Care and maintenance	14,740	14,819
St. George, Cooper's Falls	Monument	2,593	2,661
St. George, Fairvalley	Care and maintenance	56,581	56,474
St. George, Fairvalley	Monument	8,613	8,531
St. George, Georgina	Care and maintenance	80,083	81,895
St. George, Georgina	Monument	2,077	2,132
St. George, Gore's Landing	Care and maintenance	17,274	17,727
St. George, Gore's Landing	Monument	1,342	1,377
St. George, Grafton	Care and maintenance	30,211	30,573
St. George, Grafton	Monument	3,949	3,952
St. George, Oshawa	Care and maintenance	12,129	12,447
St. George, Pickering Village	Care and maintenance	26,068	26,751
St. George, Pickering Village	Monument	2,632	2,701
St. James, West Brock	Care and maintenance	31,427	31,082
St. James, Caledon East	Care and maintenance	10,664	10,944
St. James, Penetanguishene	Care and maintenance	148,573	148,917
St. James, Penetanguishene	Monument	14,431	14,390
St. James, Roseneath	Care and maintenance	10,330	10,185
St. James, Sutton West	Care and maintenance	13,461	13,814
St. John, Norway	Care and maintenance	2,636,945	2,611,750
St. John, Norway	Monument	110,377	108,590
St. John, Norway	Pre-need	871,118	855,293
St. John, Blackstock	Care and maintenance	34,166	35,062
St. John, Blackstock	Monument	3,757	3,754
St. John, Cookstown	Care and maintenance	42,208	42,795
St. John, Craighurst	Care and maintenance	102,093	96,560
St. John, Ida	Care and maintenance	75,042	77,010
St. John, Ida	Monument	8,495	8,718
St. John, Matchedash	Care and maintenance	27,759	27,750
St. John, Matchedash	Monument	5,350	5,233
St. John, East Orangeville	Care and maintenance	170,051	173,280
St. John, East Orangeville	Monument	14,869	14,797
St. John, Oak Ridges	Care and maintenance	45,655	44,253
St. John, Tecumseth	Care and maintenance	60,595	58,983
St. John, Tecumseth	Monument	5,559	5,294
St. John, Waverley	Care and maintenance	19,435	19,945
St. John, Waverley	Monument	2,224	2,190
St. John, Whitby	Care and maintenance	64,125	65,806
St. John, Whitby	Monument	6,734	6,756
St. John, York Mills	Care and maintenance	315,935	318,305
St. John, York Mills	Monument	13,639	13,635
St. Jude, Wexford	Care and maintenance	82,727	75,362
St. Jude, Wexford	Monument	3,623	3,410
St. Luke, Hamlet	Care and maintenance	58,537	60,072
St. Luke, Hamlet	Investment	51,889	50,448
St. Luke, Hamlet	Monument	3,448	3,336

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

Notes to the Financial Statements

December 31, 2015

7. Funds held for parishes (continued)

		<u>2015</u>	<u>2014</u>
St. Luke, Dixie South	Care and maintenance	7,870	6,105
St. Margaret, West Hill	Care and maintenance	1,343,268	1,363,231
St. Mark, East Oro	Care and maintenance	9,566	9,174
St. Mark, Midland	Care and maintenance	89,845	89,761
St. Mark, Midland	Monument	13,743	14,103
St. Mark, Otonabee	Care and maintenance	42,524	43,392
St. Mark, Otonabee	Monument	749	472
St. Mark, Port Hope	Care and maintenance	6,043	6,201
St. Mary, Lifford	Care and maintenance	85,075	86,218
St. Michael, Westwood	Care and maintenance	2,132	2,188
St. Paul, L'Amoreaux	Care and maintenance	47,595	48,843
St. Paul, L'Amoreaux	Monument	5,816	5,867
St. Paul, Cavan	Care and maintenance	25,489	26,157
St. Paul, Cavan	Monument	1,250	1,283
St. Paul, Columbus	Care and maintenance	49,098	50,386
St. Paul, Columbus	Monument	1,271	1,305
St. Paul, Coulson Hill	Care and maintenance	71,502	73,174
St. Paul, Innisfil	Care and maintenance	276,243	278,830
St. Paul, Innisfil	Monument	29,585	29,488
St. Paul, Lasswade	Care and maintenance	446	457
St. Paul, Newmarket	Care and maintenance	5,715	5,865
St. Paul, Washago	Care and maintenance	36,119	36,304
St. Paul, Washago	Investment	5,064	19,761
St. Paul, Washago	Monument	8,189	8,052
St. Peter, Erindale	Care and maintenance	126,453	128,087
St. Peter, Churchill	Care and maintenance	31,023	31,837
St. Peter, Churchill	Monument	1,311	1,346
St. Peter, Cobourg	Care and maintenance	300,753	308,640
St. Peter, Maple Lake	Care and maintenance	37,775	38,519
St. Philip, Etobicoke	Care and maintenance	1,080,391	1,095,753
St. Philip, Etobicoke	Monument	36,795	37,760
St. Philip, Etobicoke	Pre-need	92,951	95,389
St. Philip, Unionville	Care and maintenance	76,638	75,496
St. Philip, Unionville	Monument	2,442	2,404
St. Thomas, Shanty Bay	Care and maintenance	62,176	63,807
Trinity, Port Credit	Care and maintenance	38,417	37,775
Trinity, Streetsville	Care and maintenance	5,167	11,503
Trinity, Colborne	Care and maintenance	22,584	23,177
		<u>\$ 10,758,690</u>	<u>\$ 10,783,326</u>