



Financial Statements

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

December 31, 2016

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Independent Auditor's Report

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T +1 416 366 0100
F +1 416 360 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, 2016 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, 2016 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 27, 2017

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	2016	2015
Revenue		
Interest and dividends	<u>\$ 343,178</u>	<u>\$ 406,079</u>
Expenses		
Investment counsel fees	39,192	38,862
Administration expenses - Diocese (Note 3)	7,489	7,701
Other	<u>482</u>	<u>619</u>
	<u>47,163</u>	<u>47,182</u>
Net investment earnings	296,015	358,897
Capital (loss) appreciation	<u>470,365</u>	<u>(184,011)</u>
Net earnings	<u>\$ 766,380</u>	<u>\$ 174,886</u>
Average number of units outstanding (Note 6)	<u>71,142</u>	<u>69,418</u>
Net earnings per unit	<u>\$ 10.77</u>	<u>\$ 2.52</u>

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

Year Ended December 31	2016	2015
Net assets, beginning of year	<u>\$ 10,758,690</u>	<u>\$ 10,783,326</u>
Net earnings	<u>766,380</u>	<u>174,886</u>
Unit transactions		
Contributions received to purchase units	286,082	283,581
Redemption of units	<u>(3,186)</u>	<u>(30,940)</u>
	<u>282,896</u>	<u>252,641</u>
Distributions to unit holders		
Net investment income	(296,015)	(358,897)
Distribution from capital in the year	<u>(157,186)</u>	<u>(93,266)</u>
	<u>(453,201)</u>	<u>(452,163)</u>
Net assets, end of year	<u>\$ 11,354,765</u>	<u>\$ 10,758,690</u>
Number of units outstanding, end of year (Note 6)	<u>72,048</u>	<u>70,237</u>
Net assets, end of year per unit	<u>\$ 157.60</u>	<u>\$ 153.18</u>
Distribution per unit ¹	<u>\$ 6.40</u>	<u>\$ 6.55</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

2016

2015

Assets

Cash	\$ 277,863	\$ 147,283
Investments, at fair value (Note 4)	<u>11,088,278</u>	<u>10,623,566</u>
	11,366,141	10,770,849

Liabilities

Accounts payable and accrued liabilities	<u>11,376</u>	<u>12,159</u>
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Net assets

Funds held for parishes (Note 7)	<u>\$ 11,354,765</u>	<u>\$ 10,758,690</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	2016	2015
Operating activities		
Net earnings	\$ 766,380	\$ 174,886
Item not affecting cash		
Capital (appreciation) loss	<u>(470,365)</u>	<u>184,011</u>
	296,015	358,897
Change in non-cash working capital:		
Accounts payable and accrued liabilities	<u>(783)</u>	<u>(1,593)</u>
	<u>295,232</u>	<u>357,304</u>
Investing activities		
Contributions received to purchase units	286,082	283,581
Redemption of units	(3,186)	(30,940)
Distributions to unit holders	(453,201)	(452,163)
Purchase of investments - net	<u>5,653</u>	<u>(164,090)</u>
	<u>(164,652)</u>	<u>(363,612)</u>
Net change in cash	130,580	(6,308)
Cash, beginning of year	<u>147,283</u>	<u>153,591</u>
Cash, end of year	<u>\$ 277,863</u>	<u>\$ 147,283</u>

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

December 31, 2016

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 (formerly The Cemeteries Act) 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 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 in stocks, 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, 2016

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 \$6.40 (2015 - \$6.55) per unit, representing a 4.25% return on investments on June 30, 2015 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, 2016

4. Investments

Investments in stocks 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>2016</u>	<u>%</u>	<u>2015</u>	<u>%</u>
Short term deposits	\$ 470,800	4	\$ 743,800	7
Bonds - Government of Canada	322,235	3	202,840	2
- Provinces of Canada	722,741	7	732,419	7
- Corporations	3,791,459	34	3,746,156	35
Stocks	<u>5,781,043</u>	<u>52</u>	<u>5,198,351</u>	<u>49</u>
	<u>\$ 11,088,278</u>	<u>100</u>	<u>\$ 10,623,566</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.

Credit risk

The Fund is subject to credit risk through investments in fixed income securities. It is management's opinion that the Fund is not exposed to significant credit 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, 2016

6. Continuity of units outstanding

	<u>2016</u>	<u>2015</u>
Units, beginning of year	70,237	68,599
Subscriptions	1,832	1,837
Redemptions	<u>(21)</u>	<u>(199)</u>
Units, end of year	<u>72,048</u>	<u>70,237</u>
Average units	<u>71,142</u>	<u>69,418</u>

7. Funds held for parishes

		<u>2016</u>	<u>2015</u>
All Saints, Collingwood	Care and maintenance	\$ 101,904	\$ 96,166
All Saints, Collingwood	Monument	19,990	18,982
All Saints, King City	Care and maintenance	6,080	5,910
All Saints, Kingsway	Care and maintenance	16,294	15,613
Christ Church, Banda	Care and maintenance	18,912	18,381
Christ Church, Batteau	Care and maintenance	78,486	76,284
Christ Church, Campbellford	Care and maintenance	22,077	21,457
Christ Church, Campbellford	Monument	958	931
Christ Church, Campbellford	Pre-need	4,887	4,560
Christ Church, Holland Landing	Care and maintenance	90,235	87,703
Christ Church, Holland Landing	Monument	1,100	1,069
Christ Church, Ivy	Care and maintenance	17,062	16,583
Christ Church, Mimico	Care and maintenance	193,616	183,076
Christ Church, Roche's Point	Care and maintenance	284,510	270,919
Christ Church, Roche's Point	Monument	2,953	2,754
Christ Church, Woodbridge	Care and maintenance	56,228	53,509
Good Shepherd, Wyebridge	Care and maintenance	26,325	25,587
Good Shepherd, Wyebridge	Monument	6,887	6,426
Grace Church, Markham	Care and maintenance	50,839	48,498
Grace Church, Markham	Monument	5,916	5,476
Holy Trinity, Thornhill	Care and maintenance	98,431	94,939
St. Alban, Janetville	Care and maintenance	33,782	32,835
St. Alban, Lloydtown	Care and maintenance	56,901	55,305
St. Alban, Lloydtown	Monument	3,847	3,739
Middleton St. Clair	Care and maintenance	5,068	4,730
Middleton St. Clair	Pre-need	3,358	3,136
Redeemer Duntroon	Care and maintenance	95,145	92,475
Redeemer Duntroon	Monument	474	461
St. Clement Eglinton	Care and maintenance	28,496	26,587
St. David, Everett	Care and maintenance	35,019	33,791
St. George, Apsley	Care and maintenance	20,570	18,766
St. George, Apsley	Monument	3,711	3,313
St. George, Barrie	Care and maintenance	27,282	26,123

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

Notes to the Financial Statements

December 31, 2016

7. Funds held for parishes (continued)

		<u>2016</u>	<u>2015</u>
St. George, Cooper's Falls	Care and maintenance	15,166	14,740
St. George, Cooper's Falls	Monument	2,771	2,593
St. George, Fairvalley	Care and maintenance	60,115	56,581
St. George, Fairvalley	Monument	8,862	8,613
St. George, Georgina	Care and maintenance	86,196	80,083
St. George, Georgina	Monument	2,137	2,077
St. George, Gore's Landing	Care and maintenance	17,773	17,274
St. George, Gore's Landing	Monument	1,381	1,342
St. George, Grafton	Care and maintenance	31,511	30,211
St. George, Grafton	Monument	4,165	3,949
St. George, Oshawa	Care and maintenance	12,479	12,129
St. George, Pickering Village	Care and maintenance	28,250	26,068
St. George, Pickering Village	Monument	2,859	2,632
St. James, West Brock	Care and maintenance	32,335	31,427
St. James, Caledon East	Care and maintenance	10,972	10,664
St. James, Penetanguishene	Care and maintenance	153,482	148,573
St. James, Penetanguishene	Monument	15,454	14,431
St. James, Roseneath	Care and maintenance	12,228	10,330
St. James, Sutton West	Care and maintenance	13,850	13,461
St. John, Norway	Care and maintenance	2,777,991	2,636,945
St. John, Norway	Monument	115,981	110,377
St. John, Norway	Pre-need	954,331	871,118
St. John, Blackstock	Care and maintenance	35,953	34,166
St. John, Blackstock	Monument	4,019	3,757
St. John, Cookstown	Care and maintenance	44,542	42,208
St. John, Craighurst	Care and maintenance	115,040	102,093
St. John, Ida	Care and maintenance	81,191	75,042
St. John, Ida	Monument	9,557	8,495
St. John, Matchedash	Care and maintenance	30,166	27,759
St. John, Matchedash	Monument	5,760	5,350
St. John, East Orangeville	Care and maintenance	177,979	170,051
St. John, East Orangeville	Monument	15,650	14,869
St. John, Oak Ridges	Care and maintenance	46,973	45,655
St. John, Tecumseth	Care and maintenance	64,685	60,595
St. John, Tecumseth	Monument	6,019	5,559
St. John, Waverley	Care and maintenance	19,996	19,435
St. John, Waverley	Monument	2,383	2,224
St. John, Whitby	Care and maintenance	65,976	64,125
St. John, Whitby	Monument	6,928	6,734
St. John, York Mills	Care and maintenance	328,854	315,935
St. John, York Mills	Monument	14,233	13,639
St. Jude, Wexford	Care and maintenance	87,265	82,727
St. Jude, Wexford	Monument	4,285	3,623
St. Luke, Hamlet	Care and maintenance	60,227	58,537
St. Luke, Hamlet	Investment	56,195	51,889
St. Luke, Hamlet	Monument	3,546	3,448

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

Notes to the Financial Statements

December 31, 2016

7. Funds held for parishes (continued)

		<u>2016</u>	<u>2015</u>
St. Luke, Dixie South	Care and maintenance	8,097	7,870
St. Margaret, West Hill	Care and maintenance	1,399,012	1,343,268
St. Mark, East Oro	Care and maintenance	10,353	9,566
St. Mark, Midland	Care and maintenance	93,249	89,845
St. Mark, Midland	Monument	14,789	13,743
St. Mark, Otonabee	Care and maintenance	43,751	42,524
St. Mark, Otonabee	Monument	1,076	749
St. Mark, Port Hope	Care and maintenance	6,217	6,043
St. Mary, Lifford	Care and maintenance	90,005	85,075
St. Michael, Westwood	Care and maintenance	2,194	2,132
St. Paul, L'Amoreaux	Care and maintenance	48,969	47,595
St. Paul, L'Amoreaux	Monument	6,146	5,816
St. Paul, Cavan	Care and maintenance	26,225	25,489
St. Paul, Cavan	Monument	1,286	1,250
St. Paul, Columbus	Care and maintenance	51,436	49,098
St. Paul, Columbus	Monument	1,308	1,271
St. Paul, Coulson Hill	Care and maintenance	75,733	71,502
St. Paul, Innisfil	Care and maintenance	292,193	276,243
St. Paul, Innisfil	Monument	31,548	29,585
St. Paul, Lasswade	Care and maintenance	459	446
St. Paul, Newmarket	Care and maintenance	5,880	5,715
St. Paul, Washago	Care and maintenance	37,982	36,119
St. Paul, Washago	Investment	7,333	5,064
St. Paul, Washago	Monument	8,728	8,189
St. Peter, Erindale	Care and maintenance	132,393	126,453
St. Peter, Churchill	Care and maintenance	31,919	31,023
St. Peter, Churchill	Monument	1,349	1,311
St. Peter, Cobourg	Care and maintenance	321,105	300,753
St. Peter, Maple Lake	Care and maintenance	39,887	37,775
St. Philip, Etobicoke	Care and maintenance	1,147,246	1,080,391
St. Philip, Etobicoke	Monument	37,857	36,795
St. Philip, Etobicoke	Pre-need	95,635	92,951
St. Philip, Unionville	Care and maintenance	80,395	76,638
St. Philip, Unionville	Monument	2,712	2,442
St. Thomas, Shanty Bay	Care and maintenance	65,502	62,176
Trinity, Port Credit	Care and maintenance	39,526	38,417
Trinity, Streetsville	Care and maintenance	6,979	5,167
Trinity, Colborne	Care and maintenance	23,237	22,584
		<u>\$ 11,354,765</u>	<u>\$ 10,758,690</u>