



## Financial Statements

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

December 31, 2017

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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, 2017 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, 2017 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 24, 2018

Chartered Professional 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	2017	2016
Revenue		
Interest and dividends	<u>\$ 368,261</u>	<u>\$ 343,178</u>
Expenses		
Investment counsel fees	41,115	39,192
Administration expenses - Diocese (Note 3)	7,257	7,489
Other	<u>33</u>	<u>482</u>
	<u>48,405</u>	<u>47,163</u>
Net investment earnings	319,856	296,015
Capital appreciation	<u>254,005</u>	<u>470,365</u>
Net earnings	<u>\$ 573,861</u>	<u>\$ 766,380</u>
Average number of units outstanding (Note 6)	<u>73,057</u>	<u>71,142</u>
Net earnings per unit	<u>\$ 7.85</u>	<u>\$ 10.77</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	2017	2016
Net assets, beginning of year	<u>\$ 11,354,765</u>	<u>\$ 10,758,690</u>
Net earnings	<u>573,861</u>	<u>766,380</u>
Unit transactions		
Contributions received to purchase units	351,615	286,082
Redemption of units	<u>(32,169)</u>	<u>(3,186)</u>
	<u>319,446</u>	<u>282,896</u>
Distributions to unit holders		
Net investment income	(319,856)	(296,015)
Distribution from capital	<u>(157,106)</u>	<u>(157,186)</u>
	<u>(476,962)</u>	<u>(453,201)</u>
Net assets, end of year	<u>\$ 11,771,110</u>	<u>\$ 11,354,765</u>
Number of units outstanding, end of year (Note 6)	<u>74,066</u>	<u>72,048</u>
Net assets, end of year per unit	<u>\$ 158.93</u>	<u>\$ 157.60</u>
Distribution per unit <sup>1</sup>	<u>\$ 6.56</u>	<u>\$ 6.40</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 2017 2016

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**Assets**

Cash	\$ 109,764	\$ 277,863
Accounts receivable	47,876	-
Investments, at fair value (Note 4)	<u>11,626,011</u>	<u>11,088,278</u>
	11,783,651	11,366,141

**Liabilities**

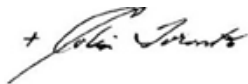
Accounts payable and accrued liabilities	<u>12,541</u>	<u>11,376</u>
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**Net assets**

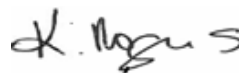
Funds held for parishes (Note 7)	<u>\$ 11,771,110</u>	<u>\$ 11,354,765</u>
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On behalf of the Diocesan Council



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

Year Ended December 31	2017	2016
<b>Operating activities</b>		
Net earnings	\$ 573,861	\$ 766,380
Item not affecting cash		
Capital appreciation	<u>(254,005)</u>	<u>(470,365)</u>
	319,856	296,015
Change in non-cash working capital:		
Accounts receivable	(47,876)	-
Accounts payable and accrued liabilities	<u>1,165</u>	<u>(783)</u>
	<u>273,145</u>	<u>295,232</u>
<b>Investing activities</b>		
Contributions received to purchase units	351,615	286,082
Redemption of units	(32,169)	(3,186)
Distributions to unit holders	(476,962)	(453,201)
Purchase of investments - net	<u>(283,728)</u>	<u>5,653</u>
	<u>(441,244)</u>	<u>(164,652)</u>
Net change in cash	(168,099)	130,580
Cash, beginning of year	<u>277,863</u>	<u>147,283</u>
Cash, end of year	<u>\$ 109,764</u>	<u>\$ 277,863</u>



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

December 31, 2017

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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 (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.

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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, accounts receivable, 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 cash and investments in stocks, which are measured at fair value. Investments at fair value are determined by reference to the last bid price of the investments.

### **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, 2017

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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 as 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 \$6.56 (2016 - \$6.40) per unit, representing a 4.25% return on investments on June 30, 2016 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 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 Diocesan 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, 2017

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#### 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>2017</u>	<u>%</u>	<u>2016</u>	<u>%</u>
Short term deposits	\$ 381,200	3	\$ 470,800	4
Bonds - Government of Canada	310,747	3	322,235	3
- Provinces of Canada	507,886	4	722,741	7
- Corporations	4,132,913	36	3,791,459	34
Stocks	<u>6,293,265</u>	<u>54</u>	<u>5,781,043</u>	<u>52</u>
	<u>\$ 11,626,011</u>	<u>100</u>	<u>\$ 11,088,278</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.

##### 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 accounts receivable and 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, 2017

## 6. Continuity of units outstanding

	<u>2017</u>	<u>2016</u>
Units, beginning of year	72,048	70,237
Subscriptions	2,221	1,832
Redemptions	<u>(203)</u>	<u>(21)</u>
Units, end of year	<u>74,066</u>	<u>72,048</u>
Average units	<u>73,057</u>	<u>71,142</u>

## 7. Funds held for parishes

		<u>2017</u>	<u>2016</u>
All Saints, Collingwood	Care and maintenance	\$ 103,360	\$ 101,904
All Saints, Collingwood	Monument	20,408	19,990
All Saints, King City	Care and maintenance	6,530	6,080
All Saints, Kingsway	Care and maintenance	17,463	16,294
Christ Church, Banda	Care and maintenance	19,071	18,912
Christ Church, Batteau	Care and maintenance	79,148	78,486
Christ Church, Campbellford	Care and maintenance	22,262	22,077
Christ Church, Campbellford	Monument	966	958
Christ Church, Campbellford	Pre-need	5,136	4,887
Christ Church, Holland Landing	Care and maintenance	91,508	90,235
Christ Church, Holland Landing	Monument	1,110	1,100
Christ Church, Ivy	Care and maintenance	17,406	17,062
Christ Church, Mimico	Care and maintenance	209,099	193,616
Christ Church, Roche's Point	Care and maintenance	295,095	284,510
Christ Church, Roche's Point	Monument	3,471	2,953
Christ Church, Woodbridge	Care and maintenance	56,853	56,228
Good Shepherd, Wyebridge	Care and maintenance	27,385	26,325
Good Shepherd, Wyebridge	Monument	7,239	6,887
Grace Church, Markham	Care and maintenance	52,367	50,839
Grace Church, Markham	Monument	6,100	5,916
Holy Trinity, Thornhill	Care and maintenance	100,559	98,431
Middleton St. Clair	Care and maintenance	5,326	5,068
Middleton St. Clair	Pre-need	3,530	3,358
Redeemer Duntroon	Care and maintenance	91,895	95,145
Redeemer Duntroon	Monument	478	474
St. Alban, Janetville	Care and maintenance	34,066	33,782
St. Alban, Lloydtown	Care and maintenance	57,481	56,901
St. Alban, Lloydtown	Monument	3,879	3,847
St. Clement Eglinton	Care and maintenance	30,931	28,496
St. David, Everett	Care and maintenance	35,566	35,019
St. George, Apsley	Care and maintenance	20,996	20,570
St. George, Apsley	Monument	3,943	3,711
St. George, Barrie	Care and maintenance	28,211	27,282

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

## Notes to the Financial Statements

December 31, 2017

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

		<u>2017</u>	<u>2016</u>
St. George, Cooper's Falls	Care and maintenance	<b>15,359</b>	15,166
St. George, Cooper's Falls	Monument	<b>2,894</b>	2,771
St. George, Fairvalley	Care and maintenance	<b>63,722</b>	60,115
St. George, Fairvalley	Monument	<b>9,237</b>	8,862
St. George, Georgina	Care and maintenance	<b>90,718</b>	86,196
St. George, Georgina	Monument	-	2,137
St. George, Gore's Landing	Care and maintenance	<b>17,922</b>	17,773
St. George, Gore's Landing	Monument	<b>1,392</b>	1,381
St. George, Grafton	Care and maintenance	<b>32,196</b>	31,511
St. George, Grafton	Monument	<b>4,300</b>	4,165
St. George, Oshawa	Care and maintenance	<b>19,710</b>	12,479
St. George, Pickering Village	Care and maintenance	<b>29,053</b>	28,250
St. George, Pickering Village	Monument	<b>2,984</b>	2,859
St. James, Caledon East	Care and maintenance	<b>11,064</b>	10,972
St. James, Penetanguishene	Care and maintenance	<b>160,457</b>	153,482
St. James, Penetanguishene	Monument	<b>16,339</b>	15,454
St. James, Roseneath	Care and maintenance	<b>12,530</b>	12,228
St. James, Sutton West	Care and maintenance	<b>13,966</b>	13,850
St. James, West Brock	Care and maintenance	<b>32,607</b>	32,335
St. John, Blackstock	Care and maintenance	<b>37,435</b>	35,953
St. John, Blackstock	Monument	<b>4,053</b>	4,019
St. John, Cookstown	Care and maintenance	<b>46,431</b>	44,542
St. John, Craighurst	Care and maintenance	<b>116,010</b>	115,040
St. John, East Orangeville	Care and maintenance	<b>180,690</b>	177,979
St. John, East Orangeville	Monument	<b>15,983</b>	15,650
St. John, Ida	Care and maintenance	<b>82,914</b>	81,191
St. John, Ida	Monument	<b>9,887</b>	9,557
St. John, Matchedash	Care and maintenance	<b>30,573</b>	30,166
St. John, Matchedash	Monument	<b>6,111</b>	5,760
St. John, Norway	Care and maintenance	<b>2,850,576</b>	2,777,991
St. John, Norway	Monument	<b>120,129</b>	115,981
St. John, Norway	Pre-need	<b>1,017,711</b>	954,331
St. John, Oak Ridges	Care and maintenance	<b>47,368</b>	46,973
St. John, Tecumseth	Care and maintenance	<b>68,350</b>	64,685
St. John, Tecumseth	Monument	<b>6,419</b>	6,019
St. John, Waverley	Care and maintenance	<b>20,651</b>	19,996
St. John, Waverley	Monument	<b>2,504</b>	2,383
St. John, Whitby	Care and maintenance	<b>66,532</b>	65,976
St. John, Whitby	Monument	<b>6,986</b>	6,928
St. John, York Mills	Care and maintenance	<b>342,576</b>	328,854
St. John, York Mills	Monument	<b>14,804</b>	14,233
St. Jude, Wexford	Care and maintenance	<b>93,445</b>	87,265
St. Jude, Wexford	Monument	<b>4,536</b>	4,285
St. Luke, Hamlet	Care and maintenance	<b>60,734</b>	60,227
St. Luke, Hamlet	Investment	<b>59,709</b>	56,195
St. Luke, Hamlet	Monument	<b>3,877</b>	3,546

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

## Notes to the Financial Statements

December 31, 2017

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

		<u>2017</u>	<u>2016</u>
St. Luke, Dixie South	Care and maintenance	<b>8,692</b>	8,097
St. Margaret, West Hill	Care and maintenance	<b>1,461,721</b>	1,399,012
St. Mark, East Oro	Care and maintenance	<b>10,440</b>	10,353
St. Mark, Midland	Care and maintenance	<b>95,657</b>	93,249
St. Mark, Midland	Monument	<b>15,314</b>	14,789
St. Mark, Otonabee	Care and maintenance	<b>44,619</b>	43,751
St. Mark, Otonabee	Monument	<b>1,185</b>	1,076
St. Mark, Port Hope	Care and maintenance	<b>6,270</b>	6,217
St. Mary, Lifford	Care and maintenance	<b>90,764</b>	90,005
St. Michael, Westwood	Care and maintenance	<b>2,212</b>	2,194
St. Paul, L'Amoreaux	Care and maintenance	<b>49,382</b>	48,969
St. Paul, L'Amoreaux	Monument	<b>6,198</b>	6,146
St. Paul, Cavan	Care and maintenance	<b>26,445</b>	26,225
St. Paul, Cavan	Monument	<b>1,297</b>	1,286
St. Paul, Columbus	Care and maintenance	<b>55,413</b>	51,436
St. Paul, Columbus	Monument	<b>1,570</b>	1,308
St. Paul, Coulson Hill	Care and maintenance	<b>76,929</b>	75,733
St. Paul, Innisfil	Care and maintenance	<b>296,553</b>	292,193
St. Paul, Innisfil	Monument	<b>32,364</b>	31,548
St. Paul, Lasswade	Care and maintenance	<b>462</b>	459
St. Paul, Newmarket	Care and maintenance	<b>5,930</b>	5,880
St. Paul, Washago	Care and maintenance	<b>40,518</b>	37,982
St. Paul, Washago	Investment	<b>15,354</b>	7,333
St. Paul, Washago	Monument	<b>9,353</b>	8,728
St. Peter, Erindale	Care and maintenance	<b>135,602</b>	132,393
St. Peter, Churchill	Care and maintenance	<b>32,188</b>	31,919
St. Peter, Churchill	Monument	<b>1,462</b>	1,349
St. Peter, Cobourg	Care and maintenance	<b>335,168</b>	321,105
St. Peter, Maple Lake	Care and maintenance	<b>41,220</b>	39,887
St. Philip, Etobicoke	Care and maintenance	<b>1,198,129</b>	1,147,246
St. Philip, Etobicoke	Monument	<b>38,176</b>	37,857
St. Philip, Etobicoke	Pre-need	<b>96,441</b>	95,635
St. Philip, Unionville	Care and maintenance	<b>83,402</b>	80,395
St. Philip, Unionville	Monument	<b>2,935</b>	2,712
St. Thomas, Shanty Bay	Care and maintenance	<b>67,573</b>	65,502
Trinity, Port Credit	Care and maintenance	<b>39,859</b>	39,526
Trinity, Streetsville	Care and maintenance	<b>8,599</b>	6,979
Trinity, Colborne	Care and maintenance	<b>23,432</b>	23,237
		<b><u>\$ 11,771,110</u></b>	<b><u>\$ 11,354,765</u></b>