



Financial Statements

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

December 31, 2020

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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

Opinion

We have audited the financial statements of The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto (the "Fund"), which comprise the statement of net assets as at December 31, 2020, and the statements of earnings, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASPE, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Toronto, Canada
June 17, 2021

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	2020	2019
Revenue		
Interest and dividends	<u>\$ 393,421</u>	<u>\$ 408,966</u>
Expenses		
Investment counsel fees	43,358	43,140
Administration expenses - Diocese (Note 3)	<u>5,000</u>	<u>5,000</u>
	<u>48,358</u>	<u>48,140</u>
Net investment earnings	345,063	360,826
Capital appreciation	<u>403,584</u>	<u>1,011,557</u>
Net earnings	<u>\$ 748,647</u>	<u>\$ 1,372,383</u>
Average number of units outstanding (Note 6)	<u>79,588</u>	<u>77,110</u>
Net earnings per unit	<u>\$ 9.41</u>	<u>\$ 17.80</u>

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

Year ended December 31	2020	2019
Net assets, beginning of year	\$ 12,913,466	\$ 11,571,033
Net earnings	<u>748,647</u>	<u>1,372,383</u>
Unit transactions		
Contributions received to purchase units	395,585	335,536
Redemption of units	<u>(3,577)</u>	<u>(4,660)</u>
	<u>392,008</u>	<u>330,876</u>
Distributions to unit holders		
Net investment income	<u>(345,063)</u>	<u>(360,826)</u>
Net assets, end of year	<u>\$ 13,709,058</u>	<u>\$ 12,913,466</u>
Number of units outstanding, end of year (Note 6)	<u>80,564</u>	<u>78,124</u>
Net assets, end of year, per unit	<u>\$ 170.16</u>	<u>\$ 165.29</u>
Distribution per unit	<u>\$ 4.28</u>	<u>\$ 4.62</u>

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

December 31 2020 2019

Assets

Cash	\$ 545,064	\$ 716,208
Investments (Note 4)	<u>13,218,154</u>	<u>12,245,154</u>
	13,763,218	12,961,362

Liabilities

Accounts payable and accrued liabilities	<u>54,160</u>	<u>47,896</u>
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Net assets

Funds held for parishes (Note 7)	<u>\$ 13,709,058</u>	<u>\$ 12,913,466</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	2020	2019
Operating activities		
Net earnings	\$ 748,647	\$ 1,372,383
Item not affecting cash		
Capital appreciation	<u>(403,584)</u>	<u>(1,011,557)</u>
	345,063	360,826
Change in non-cash working capital:		
Accounts receivable	-	73,159
Accounts payable and accrued liabilities	<u>6,264</u>	<u>21,187</u>
	<u>351,327</u>	<u>455,172</u>
Investing activities		
Contributions received to purchase units	395,585	335,536
Redemption of units	(3,577)	(4,660)
Distributions to unit holders	(345,063)	(360,826)
(Purchase of) proceeds on sale of investments - net	<u>(569,416)</u>	<u>18,238</u>
	<u>(522,471)</u>	<u>(11,712)</u>
(Decrease) increase in cash	(171,144)	443,460
Cash, beginning of year	<u>716,208</u>	<u>272,748</u>
Cash, end of year	<u>\$ 545,064</u>	<u>\$ 716,208</u>

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

December 31, 2020

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.

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 ("ASPE").

ASPE 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.

Revenue recognition

Interest, dividends and capital appreciation are recognized as earned.

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 its investments, which are measured at fair value. Investments at fair value are determined by reference to the last bid price of the investments.

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 (depreciation) in the statement of earnings.

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

Notes to the Financial Statements

December 31, 2020

2. Summary of significant accounting policies (continued)

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

In compliance with Bereavement Authority of Ontario's requirement, the dividend distribution is limited to the investment income earned during the year. As a result, the income distribution for the year was set at the rate of \$4.28 per unit, representing a 2.6% return on investments on December 31, 2020. The aggregate income and capital distribution for the year ended December 31, 2019 was set at the rate of \$4.62 per unit, representing a 2.8% return on investments on June 30, 2019. 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.

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.

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>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Short term deposits	\$ 1,138,110	9	\$ 461,814	4
Bonds - Government of Canada	-	-	200,549	2
- Provinces of Canada	416,572	3	501,752	4
- Corporations	4,351,316	33	4,063,187	33
Canadian equities	5,178,268	39	5,361,752	43
Foreign equities	<u>2,133,888</u>	<u>16</u>	<u>1,656,100</u>	<u>14</u>
	<u>\$ 13,218,154</u>	<u>100</u>	<u>\$ 12,245,154</u>	<u>100</u>

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

Notes to the Financial Statements

December 31, 2020

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. This risk is limited to short term deposits and bonds held by the Fund. 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 relating to foreign equities 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 short-term deposits and bonds. 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.

6. Continuity of units outstanding

	<u>2020</u>	<u>2019</u>
Units, beginning of year	78,124	76,097
Subscriptions	2,461	2,055
Redemptions	<u>(21)</u>	<u>(28)</u>
Units, end of year	<u>80,564</u>	<u>78,124</u>
Average units outstanding	<u>79,588</u>	<u>77,110</u>

Average units outstanding is calculated based the average of the units outstanding on a quarterly basis.

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

Notes to the Financial Statements

December 31, 2020

7. Funds held for parishes

		<u>2020</u>	<u>2019</u>
All Saints, Collingwood	Care and maintenance	\$ 119,750	\$ 113,455
All Saints, Collingwood	Monument	22,795	21,751
All Saints, King City	Care and maintenance	7,627	7,205
All Saints, Kingsway	Care and maintenance	19,935	19,364
Christ Church, Banda	Care and maintenance	20,420	19,835
Christ Church, Batteau	Care and maintenance	84,743	82,318
Christ Church, Campbellford	Care and maintenance	24,111	23,421
Christ Church, Campbellford	Monument	1,035	1,005
Christ Church, Campbellford	Pre Need	5,976	5,651
Christ Church, Holland	Care and maintenance	98,836	96,008
Christ Church, Holland	Monument	1,188	1,154
Christ Church, Ivy	Care and maintenance	20,665	19,782
Christ Church, Mimico	Care and maintenance	259,361	238,746
Christ Church, Roche's Point	Care and maintenance	354,151	321,068
Christ Church, Roche's Point	Monument	4,775	4,137
Christ Church, Woodbridge	Care and maintenance	66,202	64,151
Good Shepherd, Wyebridge	Care and maintenance	29,321	28,482
Good Shepherd, Wyebridge	Monument	8,656	7,964
Grace Church, Markham	Care and maintenance	61,812	57,874
Grace Church, Markham	Monument	7,215	6,729
Holy Trinity, Thornhill	Care and maintenance	110,693	106,360
Lloydtown	Care and maintenance	62,527	60,465
Lloydtown	Monument	4,307	4,136
Middleton St. Clair	Care and maintenance	6,197	5,860
Middleton St. Clair	Pre Need	4,106	3,883
Redeemer, Duntroon	Care and maintenance	98,392	95,576
Redeemer, Duntroon	Monument	573	557
St. Alban, Janetville	Care and maintenance	36,475	35,431
St. Clement, Eglinton	Care and maintenance	37,060	35,047
St. David Everett	Care and maintenance	38,986	37,137
St. George, Allandale	Care and maintenance	31,377	30,059
St. George, Apsley	Care and maintenance	22,741	21,837
St. George, Apsley	Monument	4,385	4,260
St. George, Cooper's Falls	Care and maintenance	16,775	16,138
St. George, Cooper's Falls	Monument	3,424	3,228
St. George, Fairvalley	Care and maintenance	76,215	72,480
St. George, Fairvalley	Monument	11,299	10,635
St. George, Georgina	Care and maintenance	107,169	98,151
St. George, Gore's Landing	Care and maintenance	19,189	18,640
St. George, Gore's Landing	Monument	1,491	1,448
St. George, Grafton	Care and maintenance	36,269	35,231
St. George, Grafton	Monument	5,185	4,835
St. George, Oshawa	Care and maintenance	21,104	20,500
St. George, Pickering Village	Care and maintenance	32,923	31,249
St. George, Pickering Village	Monument	3,572	3,312

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

Notes to the Financial Statements

December 31, 2020

7. Funds held for parishes (continued)

		<u>2020</u>	<u>2019</u>
St. James, Caledon East	Care and maintenance	\$ 11,847	\$ 11,508
St. James, Penetanguishene	Care and maintenance	176,569	169,068
St. James, Penetanguishene	Monument	18,604	17,683
St. James, Roseneath	Care and maintenance	17,816	14,690
St. James, Sutton West	Care and maintenance	14,954	14,526
St. James, West Brock	Care and maintenance	35,762	34,738
St. John, Blackstock (Ascension)	Care and maintenance	40,082	38,935
St. John, Blackstock (Ascension)	Monument	4,744	4,556
St. John, Cookstown	Care and maintenance	51,910	49,028
St. John, Craighurst	Care and maintenance	158,538	147,201
St. John, East Orangeville	Care and maintenance	223,140	193,234
St. John, East Orangeville	Monument	20,108	17,462
St. John, Ida	Care and maintenance	92,074	89,439
St. John, Ida	Monument	12,277	11,926
St. John, Matchedash	Care and maintenance	32,734	31,798
St. John, Matchedash	Monument	6,859	6,663
St. John, Norway	Care and maintenance	3,307,524	3,138,192
St. John, Norway	Monument	132,878	128,283
St. John, Norway	Pre-need	1,299,768	1,179,246
St. John, Oak Ridges	Care and maintenance	52,984	49,266
St. John, Tecumseth	Care and maintenance	73,867	71,753
St. John, Tecumseth	Monument	7,639	7,420
St. John, Waverley	Care and maintenance	22,111	21,478
St. John, Waverley	Monument	2,915	2,757
St. John, Whitby	Care and maintenance	71,409	69,197
St. John, Whitby	Monument	7,708	7,319
St. John, York Mills	Care and maintenance	394,406	373,710
St. John, York Mills	Monument	17,079	16,123
St. Jude, Wexford	Care and maintenance	151,853	136,754
St. Jude, Wexford	Monument	5,929	5,607
St. Luke, Hamlet (Good Samaritan)	Care and maintenance	65,940	64,053
St. Luke, Hamlet (Good Samaritan)	Investment	70,235	67,478
St. Luke, Hamlet (Good Samaritan)	Monument	4,894	4,446
St. Luke, Dixie South	Care and maintenance	9,621	9,098
St. Margaret, West Hill	Care and maintenance	1,680,125	1,589,316
St. Mark, East Oro	Care and maintenance	11,289	10,966
St. Mark, Midland	Care and maintenance	109,351	102,752
St. Mark, Midland	Monument	16,788	16,308
St. Mark, Otonabee	Care and maintenance	51,354	48,205
St. Mark, Otonabee	Monument	1,947	1,443
St. Mark, Port Hope	Care and maintenance	8,022	7,302
St. Mary, Lifford	Care and maintenance	104,940	101,451
St. Michael, Westwood	Care and maintenance	3,003	2,917

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

Notes to the Financial Statements

December 31, 2020

7. Funds held for parishes (continued)

		<u>2020</u>	<u>2019</u>
St. Paul, L'Amoreaux	Care and maintenance	\$ 58,080	\$ 54,256
St. Paul, L'Amoreaux	Monument	6,851	6,655
St. Paul, Cavan	Care and maintenance	28,315	27,505
St. Paul, Cavan	Monument	1,388	1,349
St. Paul, Columbus	Care and maintenance	65,632	62,456
St. Paul, Columbus	Monument	2,212	2,149
St. Paul, Coulson Hill	Care and maintenance	84,144	81,209
St. Paul, Innisfil	Care and maintenance	328,657	317,684
St. Paul, Innisfil	Monument	36,902	34,789
St. Paul, Lasswade	Care and maintenance	495	481
St. Paul, Newmarket	Care and maintenance	6,349	6,167
St. Paul, Washago	Care and maintenance	47,306	45,372
St. Paul, Washago	Investment	21,948	19,296
St. Paul, Washago	Monument	11,233	10,813
St. Peter, Erindale	Care and maintenance	150,323	145,013
St. Peter, Churchill	Care and maintenance	36,960	35,396
St. Peter, Churchill	Monument	1,669	1,521
St. Peter, Cobourg	Care and maintenance	383,783	361,563
St. Philip, Etobicoke	Care and maintenance	1,416,276	1,330,439
St. Philip, Etobicoke	Monument	40,875	39,705
St. Philip, Etobicoke	Pre-need	103,259	100,304
St. Philip, Unionville	Care and maintenance	98,962	93,233
St. Philip, Unionville	Monument	4,734	4,403
St. Thomas, Shanty Bay	Care and maintenance	79,969	74,525
Trinity, Port Credit	Care and maintenance	42,677	41,456
Trinity, Streetsville	Care and maintenance	10,365	9,506
Trinity, Colborne	Care and maintenance	25,089	24,371
		<u>\$ 13,709,058</u>	<u>\$ 12,913,466</u>

8. COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, organizations were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

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

December 31, 2020

8. COVID-19 (continued)

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Fund for future periods. As of the audit report date, investment funds have steadily appreciated, indicating the long-term sustainability of the Fund.