



## Financial Statements

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

December 31, 2019

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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, 2019, 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, 2019, 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.

*Grant Thornton LLP*

Toronto, Canada  
October 22, 2020

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	2019	2018
Revenue		
Interest and dividends	<u>\$ 408,966</u>	<u>\$ 377,567</u>
Expenses		
Investment counsel fees	43,140	42,314
Administration expenses - Diocese (Note 3)	5,000	10,000
Other	<u>-</u>	<u>39</u>
	<u>48,140</u>	<u>52,353</u>
Net investment earnings	360,826	325,214
Capital appreciation (depreciation)	<u>1,011,557</u>	<u>(493,603)</u>
Net earnings (loss)	<u>\$ 1,372,383</u>	<u>\$ (168,389)</u>
Average number of units outstanding (Note 6)	<u>77,110</u>	<u>75,081</u>
Net earnings (loss) per unit	<u>\$ 17.80</u>	<u>\$ (2.24)</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	2019	2018
Net assets, beginning of year	<u>\$ 11,571,033</u>	<u>\$ 11,771,110</u>
Net earnings (loss)	<u>1,372,383</u>	<u>(168,389)</u>
Unit transactions		
Contributions received to purchase units	335,536	372,814
Redemption of units	<u>(4,660)</u>	<u>(55,693)</u>
	<u>330,876</u>	<u>317,121</u>
Distributions to unit holders		
Net investment income	(360,826)	(325,214)
Distribution from capital	<u>-</u>	<u>(23,595)</u>
	<u>(360,826)</u>	<u>(348,809)</u>
Net assets, end of year	<u>\$ 12,913,466</u>	<u>\$ 11,571,033</u>
Number of units outstanding, end of year (Note 6)	<u>78,124</u>	<u>76,097</u>
Net assets, end of year per unit	<u>\$ 165.29</u>	<u>\$ 152.06</u>
Distribution per unit	<u>\$ 4.62</u>	<u>\$ 4.58</u>

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

December 31 2019 2018

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**Assets**

Cash	\$ 716,208	\$ 272,748
Accounts receivable	-	73,159
Investments, at fair value (Note 4)	<u>12,245,154</u>	<u>11,251,835</u>
	<b>12,961,362</b>	<b>11,597,742</b>

**Liabilities**

Accounts payable and accrued liabilities	<u>47,896</u>	<u>26,709</u>
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**Net assets**

Funds held for parishes (Note 7)	<u>\$ 12,913,466</u>	<u>\$ 11,571,033</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	2019	2018
<b>Operating activities</b>		
Net earnings (loss)	\$ 1,372,383	\$ (168,389)
Item not affecting cash		
Capital depreciation (appreciation)	<u>(1,011,557)</u>	<u>493,603</u>
	<b>360,826</b>	325,214
Change in non-cash working capital:		
Accounts receivable	73,159	(25,283)
Accounts payable and accrued liabilities	<u>21,187</u>	<u>14,168</u>
	<u><b>455,172</b></u>	<u>314,099</u>
<b>Investing activities</b>		
Contributions received to purchase units	335,536	372,814
Redemption of units	(4,660)	(55,693)
Distributions to unit holders	(360,826)	(348,809)
Proceeds on sale of (purchase of) investments - net	<u>18,238</u>	<u>(119,427)</u>
	<u>(11,712)</u>	<u>(151,115)</u>
Increase in cash	<b>443,460</b>	162,984
Cash, beginning of year	<u>272,748</u>	<u>109,764</u>
Cash, end of year	<u><b>\$ 716,208</b></u>	<u>\$ 272,748</u>

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*+ Andrew Toronto*

Rt. Rev. Andrew Asbil



Robert Saffrey - Executive Director



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

## **Notes to the Financial Statements**

December 31, 2019

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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 equities, 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.

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

## Notes to the Financial Statements

December 31, 2019

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### 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 \$4.62 per unit, representing a 2.8% return on investments on December 31, 2019. The aggregate income and capital distribution for the year ended December 31, 2018 was set at the rate of \$4.68 per unit, representing a 3.0% return on investments on June 30, 2018 based on a three year rolling average, calculated semi-annually, adjusted at year end to \$4.58 per unit based on actual results. 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.

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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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### 4. Investments

Investments in equities 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>2019</u>	<u>%</u>	<u>2018</u>	<u>%</u>
Short term deposits	\$ 461,814	4	\$ 797,500	7
Bonds - Government of Canada	200,549	2	204,356	2
- Provinces of Canada	501,752	4	501,197	4
- Corporations	4,063,187	33	3,761,649	33
Equities	<u>7,017,852</u>	<u>57</u>	<u>5,987,133</u>	<u>54</u>
	<u>\$ 12,245,154</u>	<u>100</u>	<u>\$ 11,251,835</u>	<u>100</u>

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

## Notes to the Financial Statements

December 31, 2019

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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.

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### 6. Continuity of units outstanding

	<u>2019</u>	<u>2018</u>
Units, beginning of year	76,097	74,066
Subscriptions	2,055	2,397
Redemptions	<u>(28)</u>	<u>(366)</u>
Units, end of year	<u>78,124</u>	<u>76,097</u>
Average units	<u>77,110</u>	<u>75,081</u>

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

## Notes to the Financial Statements

December 31, 2019

### 7. Funds held for parishes

		<u>2019</u>	<u>2018</u>
All Saints, Collingwood	Care and maintenance	<b>113,455</b>	101,248
All Saints, Collingwood	Monument	<b>21,751</b>	19,820
All Saints, King City	Care and maintenance	<b>7,205</b>	6,440
All Saints, Kingsway	Care and maintenance	<b>19,364</b>	16,708
Christ Church, Banda	Care and maintenance	<b>19,835</b>	18,247
Christ Church, Batteau	Care and maintenance	<b>82,318</b>	75,725
Christ Church, Campbellford	Care and maintenance	<b>23,421</b>	21,545
Christ Church, Campbellford	Monument	<b>1,005</b>	925
Christ Church, Campbellford	Pre Need	<b>5,651</b>	5,065
Christ Church, Holland	Care and maintenance	<b>96,008</b>	87,776
Christ Church, Holland	Monument	<b>1,154</b>	1,061
Christ Church, Ivy	Care and maintenance	<b>19,782</b>	16,653
Christ Church, Mimico	Care and maintenance	<b>238,746</b>	213,627
Christ Church, Roche's Point	Care and maintenance	<b>321,068</b>	289,400
Christ Church, Roche's Point	Monument	<b>4,137</b>	3,473
Christ Church, Woodbridge	Care and maintenance	<b>64,151</b>	56,849
Good Shepherd, Wyebridge	Care and maintenance	<b>28,482</b>	26,201
Good Shepherd, Wyebridge	Monument	<b>7,964</b>	7,137
Grace Church, Markham	Care and maintenance	<b>57,874</b>	51,706
Grace Church, Markham	Monument	<b>6,729</b>	6,190
Holy Trinity, Thornhill	Care and maintenance	<b>106,360</b>	96,411
Lloydtown	Care and maintenance	<b>60,465</b>	55,271
Lloydtown	Monument	<b>4,136</b>	3,712
Middleton St. Clair	Care and maintenance	<b>5,860</b>	5,250
Middleton St. Clair	Pre Need	<b>3,883</b>	3,481
Redeemer, Duntroon	Care and maintenance	<b>95,576</b>	87,922
Redeemer, Duntroon	Monument	<b>557</b>	512
St. Alban, Janetville	Care and maintenance	<b>35,431</b>	32,593
St. Clement, Eglinton	Care and maintenance	<b>35,047</b>	30,962
St. David Everett	Care and maintenance	<b>37,137</b>	34,162
St. George, Allandale	Care and maintenance	<b>30,059</b>	27,188
St. George, Apsley	Care and maintenance	<b>21,837</b>	20,088
St. George, Apsley	Monument	<b>4,260</b>	3,873
St. George, Cooper's Falls	Care and maintenance	<b>16,138</b>	14,845
St. George, Cooper's Falls	Monument	<b>3,228</b>	2,970
St. George, Fairvalley	Care and maintenance	<b>72,480</b>	60,967
St. George, Fairvalley	Monument	<b>10,635</b>	8,837
St. George, Georgina	Care and maintenance	<b>98,151</b>	88,735
St. George, Gore's Landing	Care and maintenance	<b>18,640</b>	17,147
St. George, Gore's Landing	Monument	<b>1,448</b>	1,332
St. George, Grafton	Care and maintenance	<b>35,231</b>	31,617
St. George, Grafton	Monument	<b>4,835</b>	4,264
St. George, Oshawa	Care and maintenance	<b>20,500</b>	18,858
St. George, Pickering Village	Care and maintenance	<b>31,249</b>	28,088
St. George, Pickering Village	Monument	<b>3,312</b>	2,953

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

## Notes to the Financial Statements

December 31, 2019

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

St. James, Caledon East	Care and maintenance	<b>11,508</b>	10,586
St. James, Penetanguishene	Care and maintenance	<b>169,068</b>	155,527
St. James, Penetanguishene	Monument	<b>17,683</b>	16,174
St. James, Roseneath	Care and maintenance	<b>14,690</b>	12,332
St. James, Sutton West	Care and maintenance	<b>14,526</b>	13,363
St. James, West Brock	Care and maintenance	<b>34,738</b>	31,717
St. John, Blackstock	Care and maintenance	<b>38,935</b>	35,817
St. John, Blackstock	Monument	<b>4,556</b>	4,191
St. John, Cookstown	Care and maintenance	<b>49,028</b>	45,101
St. John, Craighurst	Care and maintenance	<b>147,201</b>	130,812
St. John, East Orangeville	Care and maintenance	<b>193,234</b>	174,998
St. John, East Orangeville	Monument	<b>17,462</b>	15,685
St. John, Ida	Care and maintenance	<b>89,439</b>	80,840
St. John, Ida	Monument	<b>11,926</b>	10,235
St. John, Matchedash	Care and maintenance	<b>31,798</b>	29,251
St. John, Matchedash	Monument	<b>6,663</b>	5,944
St. John, Norway	Care and maintenance	<b>3,138,192</b>	2,821,470
St. John, Norway	Monument	<b>128,283</b>	116,844
St. John, Norway	Pre-need	<b>1,179,246</b>	1,023,505
St. John, Oak Ridges	Care and maintenance	<b>49,266</b>	45,320
St. John, Tecumseth	Care and maintenance	<b>71,753</b>	65,395
St. John, Tecumseth	Monument	<b>7,420</b>	6,642
St. John, Waverley	Care and maintenance	<b>21,478</b>	19,758
St. John, Waverley	Monument	<b>2,757</b>	2,469
St. John, Whitby	Care and maintenance	<b>69,197</b>	63,655
St. John, Whitby	Monument	<b>7,319</b>	6,733
St. John, York Mills	Care and maintenance	<b>373,710</b>	340,805
St. John, York Mills	Monument	<b>16,123</b>	14,553
St. Jude, Wexford	Care and maintenance	<b>136,754</b>	104,769
St. Jude, Wexford	Monument	<b>5,607</b>	4,740
St. Luke, Hamlet	Care and maintenance	<b>64,053</b>	58,389
St. Luke, Hamlet	Investment	<b>67,478</b>	60,736
St. Luke, Hamlet	Monument	<b>4,446</b>	3,811
St. Luke, Dixie South	Care and maintenance	<b>9,098</b>	8,316
St. Margaret, West Hill	Care and maintenance	<b>1,589,316</b>	1,439,087
St. Mark, East Oro	Care and maintenance	<b>10,966</b>	10,087
St. Mark, Midland	Care and maintenance	<b>102,752</b>	92,121
St. Mark, Midland	Monument	<b>16,308</b>	15,002
St. Mark, Otonabee	Care and maintenance	<b>48,205</b>	42,690
St. Mark, Otonabee	Monument	<b>1,443</b>	1,233
St. Mark, Port Hope	Care and maintenance	<b>7,302</b>	6,718
St. Mary, Lifford	Care and maintenance	<b>101,451</b>	86,839
St. Michael, Westwood	Care and maintenance	<b>2,917</b>	2,117
St. Paul, L'Amoreaux	Care and maintenance	<b>54,256</b>	47,502
St. Paul, L'Amoreaux	Monument	<b>6,655</b>	6,031
St. Paul, Cavan	Care and maintenance	<b>27,505</b>	25,302
St. Paul, Cavan	Monument	<b>1,349</b>	1,241

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

## Notes to the Financial Statements

December 31, 2019

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

St. Paul, Columbus	Care and maintenance	<b>62,456</b>	54,203
St. Paul, Columbus	Monument	<b>2,149</b>	1,791
St. Paul, Coulson Hill	Care and maintenance	<b>81,209</b>	74,611
St. Paul, Innisfil	Care and maintenance	<b>317,684</b>	288,822
St. Paul, Innisfil	Monument	<b>34,789</b>	31,448
St. Paul, Lasswade	Care and maintenance	<b>481</b>	442
St. Paul, Newmarket	Care and maintenance	<b>6,167</b>	5,673
St. Paul, Washago	Care and maintenance	<b>45,372</b>	40,413
St. Paul, Washago	Investment	<b>19,296</b>	15,986
St. Paul, Washago	Monument	<b>10,813</b>	9,529
St. Peter, Erindale	Care and maintenance	<b>145,013</b>	132,311
St. Peter, Churchill	Care and maintenance	<b>35,396</b>	31,101
St. Peter, Churchill	Monument	<b>1,521</b>	1,399
St. Peter, Cobourg	Care and maintenance	<b>361,563</b>	325,951
St. Philip, Etobicoke	Care and maintenance	<b>1,330,439</b>	1,180,084
St. Philip, Etobicoke	Monument	<b>39,705</b>	36,525
St. Philip, Etobicoke	Pre-need	<b>100,304</b>	92,270
St. Philip, Unionville	Care and maintenance	<b>93,233</b>	85,136
St. Philip, Unionville	Monument	<b>4,403</b>	3,345
St. Thomas, Shanty Bay	Care and maintenance	<b>74,525</b>	66,410
Trinity, Port Credit	Care and maintenance	<b>41,456</b>	38,136
Trinity, Streetsville	Care and maintenance	<b>9,506</b>	8,745
Trinity, Colborne	Care and maintenance	<b>24,371</b>	22,419
		<b><u>\$ 12,913,466</u></b>	<b><u>\$ 11,571,033</u></b>

### 8. Subsequent event

Since January 1, 2020, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite 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 Fund has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. 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.