

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unaudited - See Notice to Reader)

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NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of The Roman Catholic Episcopal Corporation for the Diocese of Peterborough, in Ontario, Canada as at December 31, 2020 and the statement of operation and changes in fund balances for the year then ended.

We have not performed an audit or a review engagement in respect to these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

HGK Partners LLP

***HAMILTON, ONTARIO
June 23, 2021***

***HGK PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants***

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	2020	(Note 3) 2019
ASSETS		
CURRENT		
Cash	\$ 5,870,168	\$ 4,234,916
Accounts receivable	62,925	29,049
HST receivable	179,021	156,845
Interest receivable	26,479	28,471
Inventory - gift cards	100,753	114,599
Clergy loans receivable - current (Note 4)	9,720	-
	6,249,066	4,563,880
CLERGY LOANS RECEIVABLE (Note 4)	15,780	-
INVESTMENTS, AT MARKET VALUE (Note 12)	12,617,820	11,244,725
TERM DEPOSITS (Note 7)	377,000	415,000
CAPITAL ASSETS (Note 5)	9,670,835	9,884,870
	\$ 28,930,501	\$ 26,108,475
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 159,558	\$ 155,910
Deferred revenue (Note 6)	999,381	797,080
Bank demand loans (Note 11)	503,177	558,194
Cemetery term deposits	104,143	104,143
	1,766,259	1,615,327
PRIVATE LOAN (Note 9)	550,000	550,000
DEFERRED REVENUE (Note 6)	1,663,746	1,752,255
FUNDS HELD IN TRUST (Note 8)	53,798	53,798
	4,033,803	3,971,380
FUND BALANCES		
GENERAL FUNDS (Note 3)	5,606,617	4,019,011
RESTRICTED FUNDS (Note 3)	11,746,946	10,449,423
	17,353,563	14,468,434
INVESTMENT IN CAPITAL ASSETS	7,543,135	7,668,661
	24,896,698	22,137,095
	\$ 28,930,501	\$ 26,108,475

SUBSEQUENT EVENT Note 15

APPROVED BY THE BISHOP OF PETERBOROUGH:

*(Unaudited - See Notice to Reader)
(See Accompanying Notes)*

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	(Note 3) 2019
REVENUE		
Offerings	\$ 4,935,616	\$ 5,634,390
Other revenue	511,514	771,825
Special collections	487,612	763,950
Bequests	532,698	88,555
Donations	938,494	440,457
Stipends	267,091	308,083
Fundraising	104,909	319,885
Interest on accounts	89,080	99,315
	7,867,014	8,426,460
EXPENSES		
Wages and benefits (non-clergy)	1,738,823	1,730,533
Wages and benefits (clergy)	1,516,709	1,620,590
Office, rectory and other	931,945	899,152
Utilities	582,856	679,964
Programs, events and activities	233,741	437,358
Maintenance and repairs (non-capital)	422,536	544,383
Retirement benefits (clergy)	458,639	415,060
Insurance	333,591	318,824
Special collections and donations	122,407	201,379
Stipends	76,713	94,366
Clergy special assistance	78,952	34,153
Fundraising	26,784	79,839
Property taxes	81,654	80,456
Seminarian formation	61,734	63,467
Professional fees	64,142	40,812
Clergy formation (net of recovery)	7,111	31,515
	6,738,337	7,271,851
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED	1,128,677	1,154,609
Donations revenue (capital)	381,307	666,652
Federal COVID-19 Wage Subsidies	1,073,557	-
Capital expenditures	(517,717)	(991,005)
Investment income (loss)	841,671	1,299,402
Interest expense on bank demand loans	(17,550)	(28,333)
Interest expense on funds held in trust and cemetery term deposits	(4,816)	(6,257)
Debt forgiven (Note 9)	-	50,000
Amortization of deferred revenue	88,509	93,334
Amortization of capital assets	(214,035)	(221,071)
EXCESS OF REVENUE OVER EXPENSES	2,759,603	2,017,331
FUND BALANCES, BEGINNING OF YEAR	22,137,095	20,119,764
FUND BALANCES, END OF YEAR	\$ 24,896,698	\$ 22,137,095

*(Unaudited - See Notice to Reader)
(See Accompanying Notes)*

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 2,759,603	\$ 2,017,331
Non-cash items		
Amortization of deferred revenue related to capital assets	(88,509)	(93,334)
Amortization of capital assets	214,035	221,071
Debt forgiven	-	(50,000)
	2,885,129	2,095,068
Changes in non-cash working capital balances		
Accounts receivable	(33,876)	5,688
HST receivable	(22,176)	63,809
Interest receivable	1,992	(8,718)
Inventory - gift cards	13,847	12,731
Accounts payable and accrued liabilities	3,647	(57,433)
Deferred revenue	202,301	295,907
Funds held in trust	-	(28,623)
	165,735	283,361
	3,050,864	2,378,429
INVESTING ACTIVITIES		
Clergy loans receivable repaid	500	-
Clergy loans receivable advanced	(26,000)	-
Term deposits (acquisitions) disposals (net)	38,000	(66,173)
Acquisition of capital assets	-	(320,916)
Net investment (acquisitions) disposals (net)	(1,373,095)	(1,671,066)
	(1,360,595)	(2,058,155)
FINANCING ACTIVITIES		
Bank demand loans (net of repayments)	(55,017)	(184,284)
	(55,017)	(184,284)
NET INCREASE (DECREASE) IN CASH	1,635,252	135,990
CASH, BEGINNING OF YEAR	4,234,916	4,098,926
CASH, END OF YEAR	\$ 5,870,168	\$ 4,234,916

*(Unaudited - See Notice to Reader)
(See Accompanying Notes)*

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

DIOCESAN PASTORAL CENTRE

AS AT DECEMBER 31, 2020

	2020	(Note 3) 2019
ASSETS		
CURRENT		
Cash	\$ 2,337,704	\$ 1,338,484
Accounts receivable	36,942	4,378
Due from parishes	5,920	-
HST receivable	24,376	24,572
Interest receivable	14,689	20,118
Clergy loans receivable - current (Note 4)	9,720	-
	2,429,351	1,387,552
INVESTMENTS, AT MARKET VALUE	2,465,786	2,244,475
PARISH LOANS RECEIVABLE	1,011,091	1,160,482
CLERGY LOANS RECEIVABLE (Note 4)	15,780	-
CAPITAL ASSETS	731,748	740,801
	\$ 6,653,756	\$ 5,533,310
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 31,647	\$ 21,240
Due to parishes	24,688	39,015
Due to Seminarian Fund	9,346	11,321
Deferred revenue	298,103	199,597
Bank demand loans (Note 11)	503,177	558,194
Funds held in trust	22,998	22,998
	889,959	852,365
PRIVATE LOAN (Note 9)	550,000	550,000
ACCRUED INTEREST PAYABLE ON PARISH TERM DEPOSITS	315,965	306,530
PARISH TERM DEPOSITS (Note 6)	6,754,355	6,100,537
CEMETERY TERM DEPOSITS	104,143	104,143
	8,614,422	7,913,575
FUND BALANCES		
INVESTED IN CAPITAL ASSETS	267,793	276,846
GENERAL FUND - Internally restricted (Note 3)	743,425	660,742
GENERAL FUND DEFICIT - Unrestricted	(2,971,884)	(3,317,853)
	(1,960,666)	(2,380,265)
	\$ 6,653,756	\$ 5,533,310

(Unaudited - See Notice to Reader)
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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

DIOCESAN PASTORAL CENTRE

FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Internally Restricted Fund	2020	(Note 3) 2019
REVENUE				
Cathedraticum	\$ 894,246	\$ -	\$ 894,246	\$ 943,311
Special collections	188,020	-	188,020	286,022
Donations	21,775	-	21,775	105,823
Other revenue	62,974	-	62,974	31,362
Interest	82,409	-	82,409	24,079
	1,249,424	-	1,249,424	1,390,597
EXPENSES				
Wages and benefits (non-clergy)	370,820	-	370,820	346,766
Wages and benefits (clergy)	149,498	-	149,498	183,136
Special collections and donations	122,407	-	122,407	203,884
Occupancy costs	88,600	-	88,600	106,479
Clergy special assistance	78,952	-	78,952	34,153
Fees, dues, and subscriptions	94,348	-	94,348	97,912
Programs and activities	48,016	-	48,016	71,850
Bank charges (net of recovery)	6,586	-	6,586	4,581
Office and sundry	41,234	-	41,234	38,871
Clergy formation (net of recovery)	7,111	-	7,111	31,515
Professional fees	63,571	-	63,571	40,812
Training and education	4,832	-	4,832	21,177
Advertising and promotion	1,034	-	1,034	20,086
Telecommunications	11,050	-	11,050	10,108
	1,088,059		1,088,059	1,211,330
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED				
	161,365	-	161,365	179,267
Investment income/(loss), net of fees	163,044	-	163,044	256,265
Interest income on parish loans	20,486	-	20,486	52,880
Interest expense on bank demand loans	(17,550)	-	(17,550)	(28,333)
Interest expense on term deposits and funds held in trust	(78,551)	-	(78,551)	(145,526)
Debt forgiven (Note 8)	-	-	-	50,000
Donations revenue (capital)	41,578	-	41,578	-
Federal COVID-19 Wage Subsidies	183,023	-	183,023	-
Capital expenditures	(44,742)	-	(44,742)	(57,943)
Amortization of capital assets	(9,054)	-	(9,054)	(15,305)
EXCESS/(DEFICIENCY) REVENUE OVER EXPENSES				
	419,599	-	419,599	291,305
FUND DEFICIT, BEGINNING OF YEAR	(3,041,007)	660,742	(2,380,265)	(2,671,570)
INTERFUND TRANSFER	(82,683)	82,683	-	-
FUND DEFICIT, END OF YEAR	\$ (2,704,091)	\$ 743,425	\$ (1,960,666)	\$ (2,380,265)

(Unaudited - See Notice to Reader)
See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

PRIEST BENEFIT FUND

AS AT DECEMBER 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 162,723	\$ 130,326
Accounts receivable	4,926	1,524
	167,649	131,850
INVESTMENTS, AT MARKET VALUE	8,569,664	7,467,934
	\$ 8,737,313	\$ 7,599,784
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 62,868	\$ 61,821
FUND BALANCES		
PRIEST BENEFIT FUND - Restricted	8,674,445	7,537,963
	\$ 8,737,313	\$ 7,599,784

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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

PRIEST BENEFIT FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
REVENUE		
Cathedraticum	\$ 376,582	\$ 364,134
Special collections	124,373	174,453
Stipends	119,525	129,250
Other revenue	1,874	965
Donations	399,893	21,038
Interest	5,549	8,349
	1,027,796	698,189
EXPENSES		
Retirement benefits (clergy)	458,639	415,060
Office and sundry	4,289	2,222
	462,928	417,282
EXCESS OF REVENUE OVER EXPENSES BEFORE UNDERNOTED	564,868	280,907
Investment income/(loss), net of fees	571,614	852,976
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	1,136,482	1,133,883
FUND BALANCE, BEGINNING OF YEAR	7,537,963	6,404,080
FUND BALANCE, END OF YEAR	\$ 8,674,445	\$ 7,537,963

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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

SEMINARIAN FUND

AS AT DECEMBER 31, 2020

	2020	2019
ASSETS		
CURRENT		
Due from Diocesan Pastoral Centre	\$ 9,346	\$ 11,321
INVESTMENTS, AT MARKET VALUE	1,582,369	1,532,315
	\$ 1,591,715	\$ 1,543,636
LIABILITIES		
CURRENT		
Deferred revenue	\$ -	\$ 1,840
FUND BALANCES		
RESTRICTED FUNDS		
Legacy Fund	250,000	250,000
Education Fund	1,096,787	1,096,787
	1,346,787	1,346,787
GENERAL FUND	244,928	195,009
	1,591,715	1,541,796
	\$ 1,591,715	\$ 1,543,636

*(Unaudited - See Notice to Reader)
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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

SEMINARIAN FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
REVENUE		
Donations	\$ 4,640	\$ 6,910
EXPENSES		
Seminary formation	61,734	63,467
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED	(57,094)	(56,557)
Investment income/(loss), net of fees	107,013	190,162
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	49,919	133,605
FUND BALANCE, BEGINNING OF YEAR	1,541,796	1,408,191
FUND BALANCE, END OF YEAR	\$ 1,591,715	\$ 1,541,796

*(Unaudited - See Notice to Reader)
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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

GUY MILLS COURT

AS AT DECEMBER 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 193,918	\$ 80,997
Interest receivable	11,790	8,353
	205,708	89,350
TERM DEPOSITS	377,000	415,000
CAPITAL ASSETS (net of accumulated amortization \$2,631,411 (2019 - \$2,542,902))	1,663,746	1,752,255
	\$ 2,246,454	\$ 2,256,605
LIABILITIES		
CURRENT		
DEFERRED REVENUE	\$ 1,663,746	\$ 1,752,255
FUND BALANCES		
RESERVE FUND - Externally restricted	518,009	453,244
GENERAL FUND - Externally restricted	64,699	51,106
	582,708	504,350
	\$ 2,246,454	\$ 2,256,605

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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
GUY MILLS COURT
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General Fund	Reserve Fund	2020	2019
REVENUE				
Resident fees	207,464	54,274	261,738	253,698
Rental	240	-	240	690
Interest	-	10,491	10,491	13,395
	207,704	64,765	272,469	267,783
EXPENSES				
Maintenance and repairs	62,442	-	62,442	63,630
Property taxes	68,911	-	68,911	67,969
Utilities	24,645	-	24,645	24,322
Insurance	15,601	-	15,601	14,512
Office and sundry	5,099	-	5,099	5,964
Professional fees	571	-	571	-
	177,269	-	177,269	176,397
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED				
	30,435	64,765	95,200	91,386
Amortization of deferred revenue	88,509	-	88,509	93,334
Amortization of capital assets	(88,509)	-	(88,509)	(93,334)
Capital expenditures	(16,842)	-	(16,842)	(27,579)
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES				
	13,593	64,765	78,358	63,807
FUND BALANCE, BEGINNING OF YEAR				
	51,106	453,244	504,350	440,543
FUND BALANCE, END OF YEAR				
	\$ 64,699	\$ 518,009	\$ 582,708	\$ 504,350

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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

DIOCESAN PARISHES

AS AT DECEMBER 31, 2020

	2020	(Note 3) 2019
ASSETS		
CURRENT		
Cash	\$ 3,175,824	\$ 2,685,110
Accounts receivable	21,056	23,147
Due from Diocesan Pastoral Centre	24,688	39,015
Interest receivable on term deposits	315,965	306,530
HST rebate receivable	154,645	132,273
Inventory - gift cards	100,753	114,599
	3,792,931	3,300,674
TERM DEPOSITS HELD BY DIOCESAN PASTORAL CENTRE	6,754,355	6,100,537
CAPITAL ASSETS (net of accumulated amortization \$72,673,191 (2019 - \$72,556,718))	7,275,341	7,391,814
	\$ 17,822,627	\$ 16,793,025
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 65,045	\$ 72,848
Due to Diocesan Pastoral Centre	5,920	-
Deferred revenue	701,278	595,643
Funds held in trust	30,800	30,800
	803,043	699,291
LOANS DUE TO DIOCESAN PASTORAL CENTRE	1,011,091	1,160,482
	1,814,134	1,859,773
FUND BALANCES		
GENERAL FUND	8,333,571	7,141,857
RESTRICTED FUND	399,581	399,581
	8,733,152	7,541,438
INVESTMENT IN CAPITAL ASSETS	7,275,341	7,391,814
	16,008,493	14,933,252
	\$ 17,822,627	\$ 16,793,025

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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

DIOCESAN PARISHES

FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Restricted Fund	2020	(Note 3) 2019
REVENUE				
Offerings	\$ 4,935,616	\$ -	\$ 4,935,616	\$ 5,634,390
Special collections (including Christmas, Good Friday and Easter)	601,405	-	601,405	862,929
Bequests	532,698	-	532,698	88,555
Other revenue	199,235	-	199,235	340,131
Stipends	267,091	-	267,091	308,083
Donations	510,312	-	510,312	308,226
Fundraising	75,285	-	75,285	308,615
Youth and childrens' programs	36,737	-	36,737	155,265
Interest on accounts	(9,369)	-	(9,369)	53,493
	7,149,010	-	7,149,010	8,059,687
EXPENSES				
Wages and benefits (non-clergy)	1,368,003	-	1,368,003	1,383,766
Wages and benefits (clergy)	1,367,861	-	1,367,861	1,437,894
Cathedraticum (diocesan assessment)	895,064	-	895,064	944,828
Office, rectory and sundry	721,521	-	721,521	648,002
Utilities	542,277	-	542,277	638,817
Special collections	427,005	-	427,005	552,255
Maintenance and repairs (non-capital)	353,606	-	353,606	469,207
Priest Benefit Fund (diocesan assessment)	374,945	-	374,945	362,617
Insurance	306,511	-	306,511	293,420
Parish activities, programs and supplies	171,131	-	171,131	222,590
Stipends	195,479	-	195,479	222,425
Youth and childrens' programs	34,490	-	34,490	143,669
Fundraising	26,784	-	26,784	79,839
	6,784,677	-	6,784,677	7,399,329
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED				
	364,333	-	364,333	660,358
Donations revenue (capital)	339,729	-	339,729	666,652
Federal COVID-19 Wage Subsidies	890,534	-	890,534	-
Capital expenditures	(456,132)	-	(456,132)	(905,483)
Interest income on term deposits	73,736	-	73,736	139,269
Interest expense on parish loans	(20,486)	-	(20,486)	(53,632)
Amortization of capital assets	(116,473)	-	(116,473)	(112,432)
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES				
	1,075,241	-	1,075,241	394,732
FUND BALANCE, BEGINNING OF YEAR	14,533,671	399,581	14,933,252	14,538,520
FUND BALANCE, END OF YEAR	\$ 15,608,912	\$ 399,581	\$ 16,008,493	\$ 14,933,252

*(Unaudited - See Notice to Reader)
See Accompanying Notes*

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2020

1. Purpose of the Organization

The Roman Catholic Episcopal Corporation for the Diocese of Peterborough, in Ontario, Canada (the 'Corporation') is incorporated under the laws of the Province of Ontario. The Corporation is registered under the Income Tax Act and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The purpose of the Corporation is to undertake religious and charitable work within the Roman Catholic Diocese of Peterborough.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The operations of the Corporation consist of multiple segments, including, the Diocesan Pastoral Centre, Diocesan Parishes, a Priest Benefit Fund, a Seminarian Fund, and Guy Mills Court, a residential life lease community located in Lindsay, Ontario.

The Diocesan Parishes generally report on a cash basis.

(b) Fund Accounting

The Corporation follows the restricted fund method of accounting for contributions.

The Diocesan Pastoral Centre reports the operating activities and resources of the Diocesan Pastoral Care, consisting of a general fund.

The Priest Benefit Fund reports the operating activities and resources of the diocesan priests retirement fund, consisting of an internally restricted fund. The Fund investment assets are held in an external trust and are maintained by a third party investment firm.

The Seminarian Fund reports the operating activities and the resources of a seminarian education fund, consisting of externally restricted funds and a general fund. The Fund investment assets are held in an external trust and are maintained by a third party investment firm.

Guy Mills Court reports the operating activities and resources of a thirty-three unit life lease community, and consists of a restricted reserve fund and a general fund. The restricted reserve fund is maintained for the purpose of funding major capital repairs. Both funds are required to be maintained for the sole benefit by the lease holders, and accordingly have been reported as restricted on the statement of financial position.

The Diocesan Parishes report the operating activities and resources of forty parishes located within the diocese, consisting of external restricted funds and a general fund. See Note: 3.

(c) Revenue Recognition

Contributions are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for specific purposes are recognized as revenue of the applicable fund at the time of receipt. Contributions for which there is no specific fund are deferred and recognized as expenses are realized.

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Investment income consists of interest, dividends, and realized and unrealized gains and losses, net of transaction costs and management fees, and is reported in revenue in the applicable fund.

Guy Mills Court provides residents an exclusive right to occupy housing units for life in consideration for a lump sum payment and monthly fees. The Corporation follows the deferred method of accounting for resident prepayments, which are deferred and amortized to income on the same basis that the related capital assets are amortized.

Gifts in kind are not recognized as revenue, except when a charitable receipt is issued.

Volunteers contribute a significant number of hours each year to assist the Corporation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements

(d) Financial Instruments

Financial assets measured at fair value include investments (see Note 12).

Other financial assets are initially recorded at fair value, which represents cost, and subsequently measured at amortized cost. Financial assets include cash, accounts receivable, interest receivable and term deposits.

Financial liabilities include accounts payable and accrued liabilities, bank demand loans, funds held in trust and term deposits.

(e) Capital Assets

Certain capital assets which might have been capitalized as detailed below have been expensed as acquired.

Land acquired prior to January 1, 1995 is recorded at its estimated fair market value at that date. Net land additions subsequent to that date are recorded at a cost of \$368,519 (2019 - \$368,519).

All capital assets, except for land, currently owned and acquired prior to January 1, 1995 are recorded at insured replacement value and are fully amortized. Capital assets acquired between January 1, 1995 to December 31, 2003 are recorded at cost, and amortized as described below. Commencing January 1, 2004, (1) costs associated with the restoration or replacement of existing buildings are expensed when incurred, (2) land and building acquisitions, including additions, are capitalized at cost, and buildings are amortized as described below, (3) furniture and equipment are expensed as acquired. Amortization is recorded at one half of the rate in the year of acquisition or the year the asset is available for use.

Amortization has been calculated as follows:

Buildings	5%	diminishing balance
Furniture and equipment	15%	declining balance

(f) Accounting Estimates

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

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3. Fund Balances

As at year-end, fund balances are comprised of:

	General	Restricted	2020
Diocesan Pastoral Centre	\$ (2,971,882)	\$ 743,425	\$ (2,228,457)
Parishes	8,333,571	399,581	8,733,152
Priest Benefit Fund	-	8,674,445	8,674,445
Seminarian Fund	244,928	1,346,787	1,591,715
Guy Mills Court	-	582,708	582,708
	\$ 5,606,617	\$ 11,746,946	\$ 17,353,563

As at the prior year-end, fund balances are comprised of:

	General	Restricted	2019
Diocesan Pastoral Centre	\$ (3,317,854)	\$ 660,742	\$ (2,657,112)
Parishes	7,141,856	399,581	7,541,437
Priest Benefit Fund	-	7,537,963	7,537,963
Seminarian Fund	195,009	1,346,787	1,541,796
Guy Mills Court	-	504,350	504,350
	\$ 4,019,011	\$ 10,449,423	\$ 14,468,434

Parishes:

Parish restricted funds are comprised of:

	2020	2019
Charitable remainder trust	\$ 60,957	\$ 60,957
Bequest	38,624	38,624
Restricted donation	300,000	300,000
	\$ 399,581	\$ 399,581

The December 31, 2019 balances for the Diocesan Pastoral Centre (DPC) - restricted funds was increased by \$660,742, Parishes general fund decreased \$660,742, term deposits held by the DPC was decreased by \$660,742 in the Diocesan Parishes - Statement of Financial Position and Parish term deposits payable was decreased by \$660,742 in the Diocesan Pastoral Centre - Statement of Financial Position. The restatement reflects the fact that funds on the sale of property in a prior fiscal year should have been reported in the Diocesan Pastoral Centre instead of the Parishes.

Charitable remainder trust: in 2013 funds were received from a charitable remainder trust established in 2004 by a parishioner for the beautification, improvements and maintenance of a particular church.

Bequest: in 2013 a bequest was received for maintenance and improvements for a particular church and rectory.

Restricted donation: in 2002 a donation was received with the restriction that it be used for the benefit of a particular parish or its successor so as to assist with its continued existence and in meeting its long term financial needs.

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Seminarian Fund:

Included in investments are funds in the amount of \$1,096,787 received from a bequest for the establishment of a Diocese of Peterborough seminarian fund for the education of priests.

Included in investments are funds in the amount of \$250,000, received in a prior year with the stipulation that for twenty five years the net income be used to finance education of a seminarian from the Diocese of Peterborough.

Guy Mills Court:

Guy Mills Court funds restricted funds consist of: (See also Note 2(b))

	2020	2019
General fund - externally restricted	\$ 64,699	\$ 51,106
Restricted reserve fund - externally restricted	518,009	453,244
	\$ 582,708	\$ 504,350

4. Clergy loans receivable

During the December 31, 2020 fiscal year the Corporation issued two vehicle loans of \$26,000. The loans are unsecured, bear interest at the Canada Revenue Agency prescribed interest rate plus 2%, calculated annually on October 1, are payable in monthly installments of \$310 and \$500, and mature on July 13 and November 15, 2023.

5. Capital Assets

	2020	2019
Land	\$ 5,580,097	\$ 5,580,097
Buildings	73,305,912	73,305,912
Furniture and equipment	7,072,489	7,072,489
	85,958,498	85,958,498
Less: accumulated amortization	(76,287,663)	(76,073,628)
	\$ 9,670,835	\$ 9,884,870

6. Deferred Revenue

Deferred revenue is comprised of:

	2020	2019
Diocesan Pastoral Centre activities	\$ 298,103	\$ 199,597
Parish activities and deferred proceeds on sale of assets	701,278	595,643
Seminarian Fund	-	1,840
Current	999,381	797,080
Guy Mills Court - related to capital	1,663,746	1,752,255
	\$ 2,663,127	\$ 2,549,335

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7. Term Deposits

The Diocesan Pastoral Centre holds term deposits invested by parishes and cemeteries (and also funds held in trust), on which interest is paid depending on the duration, substantially all of which are five years. Interest is accrued annually, non-compounding, and paid at maturity (or at the time of redemption, if redeemed prior to maturity). As at year-end, the interest rate on the five year term deposit was 3.75% per annum (2019 - 2.20%).

On consolidation of the Corporation, the Diocesan Pastoral Centre and Parish term deposits, liabilities and assets, and related expense and income, are eliminated.

The term deposits owned by Guy Mills Court are invested with the Royal Bank of Canada in Canadian Banking and Utilities Market term deposits with a minimum fixed rate return and maximum return based on the performance of the S&P/TXS Index.

8. Funds Held in Trust

Funds held in trust consist of proceeds from various funds advanced by estates or third parties for specific purposes, and are not considered either a current or deferred revenue to the Corporation. The funds are typically invested in term deposits held by the Diocesan Pastoral Centre, with interest paid out annually.

Funds held in trust is comprised of:

	2020	2019
Other amounts	\$ 53,798	\$ 53,798

9. Private Loan

During the December 31, 2018 fiscal year the Corporation obtained private loan funding in the amount of \$600,000. The loan is non-interest bearing, unsecured, has no set terms of repayment and is fully repayable upon maturity in 2033. During the December 31, 2019 fiscal year, \$50,000 of the loan was forgiven.

10. Retirement Benefits

Priest Benefit Fund

The Corporation provides post retirement benefits to priests through the Priest Benefit Fund.

To date, these benefits have been paid from current operations. An actuarial valuation was made at January 1, 2018 to determine the accrued retirement obligations in respect of past service for presently retired priests and priests actively serving the diocese. The preceding actuarial valuation was completed on January 1, 2015.

As at January 1, 2018 the market value of the fund was \$6,427,000, and total actuarial liabilities were \$8,173,000 resulting in a funded ratio of 78.6%, and an unfunded liability of \$1,746,000.

There is no recognition of this unfunded liability in these financial statements. The Corporation intends to have the valuation updated every three years to monitor the progress toward reducing the unfunded portion.

Lay Employee Defined Contribution Plan

The Corporation provides retirement benefits for several lay employees of the Corporation through a defined contribution plan. The cost for the current year is \$40,894 (2019 - \$38,319).

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11. Bank Credit Facility

The Corporation finances its operations through an agreement with the Royal Bank of Canada. The credit facilities consist of the following:

(a) A demand operating line of credit in the amount of \$400,000 to finance current expenditures, with interest calculated monthly at the bank's prime rate plus 0.50%. As at year-end, the outstanding balance was \$Nil (2019 - \$Nil).

(b) A \$3,000,000 revolving loan facility available by way of a series of term loans, for the purpose of assisting with financing parish restoration projects. Either a (1) "RBP Loan" (Royal Bank Prime) or (2) "FRT Loan" (Fixed Rate Term) may be selected, for terms of between one to ten years. RBP loans are due on demand, and rates are based on the term selected. Both RBP and FRT loans are due on demand, and are therefore reported as current liabilities.

As at year end, the Corporation has one RBP loan, with an outstanding balance of \$503,177 (2019 - \$558,194), and a current interest rate of 2.95% (2019 - 4.45%), requiring monthly principal payments of \$3,851 (2019 - \$5,482), maturing October 16, 2021 (2019 - October 16, 2020).

The facility is secured by a general security agreement over the Corporation's assets, and a collateral mortgage in the amount of \$4,500,000 constituting a first fixed charge over the land and buildings of six diocesan properties.

12. Investments

The Corporation is invested in units of the Archdiocese of Toronto Balanced Master Trust (the Trust). Units of the Trust are not offered to the public by way of prospectus but are offered privately by way of offering memorandum. Units are issued pursuant to the Amended and Restated Master Trust Agreement. Units of the Trust are redeemable monthly at the option of the unitholders in accordance with the provisions of the declaration of trust at their net asset value and do not have any nominal or par value.

Investments held by the Trust consist of a portfolio of pooled funds invested in bonds, real estate, equities and/or treasury bills managed by independent investment managers. The fair value of securities held by the pooled funds traded in an active market is based on the closing market price. Cost represents proceeds paid on investment purchases, reinvestment of distributions and other investment income and is net of investment dispositions.

Details of the cost and fair value for investments held are as follows:

	2020	2019
Cost	\$ 12,484,502	\$ 11,667,244
Fair Market Value	\$ 12,617,820	\$ 11,244,725

13. Financial Instruments

Interest rate risk: The Corporation is exposed to interest rate risk arising from fluctuations in interest rates on investments, parish loans receivable, bank demand loans and term deposits. An increase in interest rates, (1) may result in a decrease in fair value of investments; (2) would result in an increase of interest income on parish loans receivable; (3) would result in an increase of interest expense on bank demand loans and parish term deposits payable. The Corporation monitors interest rates to ensure that cash flow is sufficient to meet future interest costs.

Market risk: The Corporation is exposed to market risk on investments. A decline in market prices would result in a loss of fair value.

(Unaudited - See Notice to Reader)

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14. Legal Claims

The Corporation has been named in lawsuits that are being defended through the Corporation's legal counsel and the Corporation's insurers and their legal counsel. The likelihood of loss and the amount of any possible loss cannot be determined at this time. No amount has been accrued in these financial statements in respect of such proceedings.

15. Subsequent Event

Priest Benefit Fund

An actuarial valuation for the Priest Benefit Fund was completed effective for January 1, 2021 to determine the accrued retirement obligations in respect of past service for presently retired priests and priests actively serving the diocese. The preceding actuarial valuation was completed on January 1, 2018 as disclosed in Note 10.

As at January 1, 2021 the market value of the fund was \$8,624,000, and total actuarial liabilities were \$8,575,000 resulting in a funded ratio of 100.6%, and an actuarial surplus of \$49,000. There is no recognition of this actuarial surplus in these financial statements.

16. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.
