

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

**FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

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

**FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

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

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 4,226,256	\$ 4,576,753
Accounts receivable	34,737	26,128
HST receivable	220,654	193,090
Interest receivable	19,753	14,448
	4,501,400	4,810,419
<b>INVESTMENTS, AT MARKET VALUE</b> (Note: 11)	9,573,659	9,737,750
<b>TERM DEPOSITS</b> (Note: 6)	348,827	303,925
<b>CAPITAL ASSETS</b> (Note: 4)	9,724,812	9,379,058
	\$ 24,148,698	\$ 24,231,152
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 213,343	\$ 231,122
Deferred revenue (Note: 5)	501,173	209,769
Bank demand loans (Note: 10)	742,478	962,638
Cemetery term deposits	104,143	63,233
	1,561,137	1,466,762
<b>PRIVATE LOAN</b> (Note: 8)	600,000	-
<b>DEFERRED REVENUE</b> (Note: 5)	1,845,589	1,944,031
<b>FUNDS HELD IN TRUST</b> (Note: 7)	82,421	81,776
	4,089,147	3,492,569
<b>FUND BALANCES</b>		
<b>GENERAL FUNDS</b> (Note: 3)	3,796,745	4,474,625
<b>RESTRICTED FUNDS</b> (Note: 3)	8,847,538	8,828,931
	12,644,283	13,303,556
<b>INVESTMENT IN CAPITAL ASSETS</b>	7,415,268	7,435,027
	20,059,551	20,738,583
	\$ 24,148,698	\$ 24,231,152

The accompanying Notes to Financial Statements are an integral part of these statements.

**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, 2018**

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Offerings	\$ 5,690,781	\$ 5,762,957
Other revenue	804,929	769,193
Special collections	747,822	777,296
Bequests	449,122	424,361
Donations	431,128	427,443
Stipends	337,007	349,653
Fundraising	312,141	306,353
Interest on accounts	70,705	47,667
	<b>8,843,635</b>	<b>8,864,923</b>
<b>EXPENSES</b>		
Wages and benefits (non-clergy)	1,807,136	1,669,832
Wages and benefits (clergy)	1,579,646	1,555,080
Office, rectory and other	1,122,012	1,112,886
Utilities	683,595	667,456
Programs, events and activities	463,048	443,722
Maintenance and repairs (non-capital)	462,005	529,955
Retirement benefits (clergy)	446,212	397,825
Insurance	313,632	283,053
Special collections and donations	190,398	247,248
Stipends	95,907	129,448
Clergy special assistance	86,205	132,245
Fundraising	85,876	93,639
Property taxes	77,604	73,951
Seminarian formation	65,834	56,714
Professional fees	53,520	40,023
Clergy formation (net of recovery)	23,700	19,526
	<b>7,556,330</b>	<b>7,452,603</b>
<b>EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>	<b>1,287,305</b>	<b>1,412,320</b>
Donations revenue (capital)	1,028,581	886,083
Bequests (capital)	-	1,000
Capital expenditures	(2,462,156)	(2,332,647)
Investment income (loss)	(380,470)	689,508
Interest expense on bank demand loans	(34,053)	(18,472)
Interest expense on funds held in trust and cemetery term deposits	(3,480)	(730)
Amortization of deferred revenue	98,442	103,854
Amortization of capital assets	(213,201)	(220,976)
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(679,032)</b>	<b>519,940</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>20,738,583</b>	<b>20,218,643</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 20,059,551</b>	<b>\$ 20,738,583</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

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

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ (679,032)	\$ 519,940
Non-cash items		
Amortization of deferred revenue	(98,442)	(103,854)
Amortization of capital assets	213,201	220,976
	<b>(564,273)</b>	<b>637,062</b>
Changes in non-cash working capital balances		
Accounts receivable	(8,609)	93,444
HST receivable	(27,564)	(1,736)
Interest receivable	(5,305)	(14,448)
Accounts payable and accrued liabilities	(17,779)	20,278
Cemetery term deposits	40,910	23,609
Deferred revenue	291,404	26,066
Funds held in trust	645	(16,451)
	<b>273,702</b>	<b>130,762</b>
	<b>(290,571)</b>	<b>767,824</b>
<b>INVESTING ACTIVITIES</b>		
Term deposits (net)	(44,902)	(4,786)
Acquisition of capital assets	(558,955)	-
Net investment (acquisitions)/disposals	164,091	(987,336)
	<b>(439,766)</b>	<b>(992,122)</b>
<b>FINANCING ACTIVITIES</b>		
Bank demand loans (net of repayments)	(220,160)	419,263
Proceeds from private loan	600,000	-
	<b>379,840</b>	<b>419,263</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>(350,497)</b>	<b>194,965</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>4,576,753</b>	<b>4,381,788</b>
<b>CASH, END OF YEAR</b>	<b>\$ 4,226,256</b>	<b>\$ 4,576,753</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

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

**STATEMENT OF FINANCIAL POSITION**

**DIOCESAN PASTORAL CENTRE**

**AS AT DECEMBER 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 918,386	\$ 958,980
Accounts receivable	2,148	11,349
Due from parishes	5,756	1,166
HST receivable	11,506	13,962
Interest receivable	19,753	14,448
	957,549	999,905
<b>INVESTMENTS, AT MARKET VALUE</b>	1,923,979	1,934,828
<b>PARISH LOANS RECEIVABLE</b>	1,551,498	1,460,016
<b>CAPITAL ASSETS</b>	756,106	300,000
	\$ 5,189,132	\$ 4,694,749
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 30,950	\$ 31,878
Due to parishes	26,796	8,647
Due to Seminarian Fund	3,869	870
Deferred revenue	143,980	55,646
Bank demand loans	742,478	962,638
Funds held in trust	51,621	50,976
	999,694	1,110,655
<b>PRIVATE LOAN</b>	600,000	-
<b>ACCRUED INTEREST PAYABLE ON PARISH TERM DEPOSITS</b>	290,020	307,753
<b>PARISH TERM DEPOSITS (Note: 6)</b>	6,527,588	6,416,073
<b>CEMETERY TERM DEPOSITS</b>	104,143	63,233
	8,521,445	7,897,714
<b>FUND BALANCES</b>		
<b>INVESTED IN CAPITAL ASSETS</b>	292,151	300,000
<b>GENERAL FUND DEFICIT</b>	(3,624,464)	(3,502,965)
	(3,332,313)	(3,202,965)
	\$ 5,189,132	\$ 4,694,749

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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, 2018**

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Cathedraticum	\$ 903,274	\$ 900,458
Special collections	265,401	312,915
Donations	83,776	89,890
Other revenue	35,669	30,655
Interest	25,170	9,584
	<b>1,313,290</b>	<b>1,343,502</b>
<b>EXPENSES</b>		
Wages and benefits (non-clergy)	340,486	289,963
Wages and benefits (clergy)	192,413	188,109
Special collections and donations	192,904	247,248
Occupancy costs	104,171	97,805
Clergy special assistance	86,205	132,245
Fees, dues, and subscriptions	85,553	74,439
Programs and activities	58,613	106,520
Bank charges	35,319	33,426
Office and sundry	27,215	32,527
Clergy formation (net of recovery)	23,700	19,526
Professional fees	19,933	40,023
Training and education	15,717	10,986
Advertising and promotion	10,431	20,096
Telecommunications	9,966	7,848
	<b>1,202,626</b>	<b>1,300,761</b>
<b>EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>	<b>110,664</b>	<b>42,741</b>
Investment income/(loss), net of fees	(74,133)	136,119
Interest income on parish loans	47,355	38,589
Interest expense on bank demand loans	(34,053)	(18,473)
Interest expense on term deposits and funds held in trust	(140,010)	(120,997)
Donations revenue (capital)	15,000	-
Capital expenditures	(46,322)	(71,054)
Amortization of capital assets	(7,849)	(3,331)
<b>EXCESS/(DEFICIENCY) REVENUE OVER EXPENSES</b>	<b>(129,348)</b>	<b>3,594</b>
<b>FUND DEFICIT, BEGINNING OF YEAR</b>	<b>(3,202,965)</b>	<b>(3,206,559)</b>
<b>FUND DEFICIT, END OF YEAR</b>	<b>\$ (3,332,313)</b>	<b>\$ (3,202,965)</b>

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

**STATEMENT OF FINANCIAL POSITION**

**PRIEST BENEFIT FUND**

**AS AT DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 211,878	\$ 181,786
Accounts receivable	1,524	6,262
	213,402	188,048
<b>INVESTMENTS, AT MARKET VALUE</b>	6,243,357	6,294,246
	\$ 6,456,759	\$ 6,482,294
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 52,678	\$ 49,020
Due to parishes	-	5,702
	52,678	54,722
<b>FUND BALANCES</b>		
<b>PRIEST BENEFIT FUND - Restricted</b>	6,404,081	6,427,572
	\$ 6,456,759	\$ 6,482,294

The accompanying Notes to Financial Statements are an integral part of these statements.



**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, 2018**

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Cathedraticum	\$ 348,402	\$ 330,914
Special collections	194,441	171,854
Stipends	136,785	129,595
Other revenue	18,000	11,498
Donations	5,127	3,785
Bequests	2,000	22,120
Interest	2,558	1,879
	<b>707,313</b>	<b>671,645</b>
<b>EXPENSES</b>		
Retirement benefits (clergy)	446,212	397,825
Professional fees	31,500	-
Office and sundry	2,740	2,860
	<b>480,452</b>	<b>400,685</b>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>	<b>226,861</b>	<b>270,960</b>
Investment income/(loss), net of fees	(250,352)	441,220
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(23,491)</b>	<b>712,180</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>6,427,572</b>	<b>5,715,392</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 6,404,081</b>	<b>\$ 6,427,572</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

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

**STATEMENT OF FINANCIAL POSITION**

**SEMINARIAN FUND**

**AS AT DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Due from Diocesan Pastoral Centre	\$ 3,869	\$ 870
<b>INVESTMENTS, AT MARKET VALUE</b>	1,406,322	1,508,675
	<b>\$ 1,410,191</b>	<b>\$ 1,509,545</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Deferred revenue	\$ 2,000	\$ -
<b>FUND BALANCES</b>		
<b>RESTRICTED FUNDS</b>		
Legacy Fund	250,000	250,000
Education Fund	1,096,787	1,079,572
	1,346,787	1,329,572
<b>GENERAL FUND</b>	61,404	179,973
	1,408,191	1,509,545
	<b>\$ 1,410,191</b>	<b>\$ 1,509,545</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

**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, 2018**

	2018	2017
<b>REVENUE</b>		
Bequests	\$ 17,215	\$ 1,705
Donations	3,250	2,200
	20,465	3,905
<b>EXPENSES</b>		
Clergy formation	65,834	56,714
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>	(45,369)	(52,809)
Investment income/(loss), net of fees	(55,985)	112,168
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(101,354)	59,359
<b>FUND BALANCE, BEGINNING OF YEAR</b>	1,509,545	1,450,186
<b>FUND BALANCE, END OF YEAR</b>	\$ 1,408,191	\$ 1,509,545

The accompanying Notes to Financial Statements are an integral part of these statements.

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

**STATEMENT OF FINANCIAL POSITION**

**GUY MILLS COURT**

**AS AT DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 91,796	\$ 89,087
Accounts receivable	-	500
	91,796	89,587
<b>TERM DEPOSITS</b>	348,827	303,925
<b>CAPITAL ASSETS</b> (net of accumulated amortization \$2,449,568 (2017 - \$2,351,126))	1,845,589	1,944,031
	\$ 2,286,212	\$ 2,337,543
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 80	\$ 3,039
<b>DEFERRED REVENUE</b>	1,845,589	1,944,031
	1,845,669	1,947,070
<b>FUND BALANCES</b>		
<b>RESERVE FUND</b> - Externally restricted	386,665	332,799
<b>GENERAL FUND</b> - Externally restricted	53,878	57,674
	440,543	390,473
	\$ 2,286,212	\$ 2,337,543

The accompanying Notes to Financial Statements are an integral part of these statements.

**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, 2018**

	General Fund	Reserve Fund	2018	2017
<b>REVENUE</b>				
Resident fees	\$ 201,965	\$ 50,196	\$ 252,161	\$ 238,769
Rental	1,050	-	1,050	570
Interest	428	3,670	4,098	4,687
	203,443	53,866	257,309	244,026
<b>EXPENSES</b>				
Maintenance and repairs	78,068	-	78,068	80,831
Property taxes	67,081	-	67,081	65,549
Utilities	24,472	-	24,472	25,549
Insurance	12,842	-	12,842	9,319
Office and sundry	2,681	-	2,681	2,878
Professional fees	2,087	-	2,087	1,187
	187,231	-	187,231	185,313
<b>EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>				
	16,212	53,866	70,078	58,713
Amortization of deferred revenue	98,442	-	98,442	103,854
Amortization of capital assets	(98,442)	-	(98,442)	(103,854)
Capital expenditures	(20,008)	-	(20,008)	(8,475)
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>				
	(3,796)	53,866	50,070	50,238
<b>FUND BALANCE, BEGINNING OF YEAR</b>				
	57,674	332,799	390,473	340,235
<b>FUND BALANCE, END OF YEAR</b>				
	\$ 53,878	\$ 386,665	\$ 440,543	\$ 390,473

The accompanying Notes to Financial Statements are an integral part of these statements.

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

**STATEMENT OF FINANCIAL POSITION**

**DIOCESAN PARISHES**

**AS AT DECEMBER 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 3,004,196	\$ 3,346,900
Accounts receivable	31,065	8,017
Due from Diocesan Pastoral Centre	26,796	8,647
Interest receivable on term deposits	290,020	307,753
Due from Priest Benefit Fund	-	5,702
HST rebate receivable	209,148	179,127
	3,561,225	3,856,146
<b>TERM DEPOSITS HELD BY DIOCESAN PASTORAL CENTRE</b>	6,527,588	6,416,073
<b>CAPITAL ASSETS</b> (net of accumulated amortization \$72,444,286 (2017 - \$72,337,377))	7,123,117	7,135,027
	\$ 17,211,930	\$ 17,407,246
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 129,634	\$ 147,183
Deferred revenue	355,193	154,123
Funds held in trust	30,800	30,800
Due to Diocesan Pastoral Centre	5,756	1,166
	521,383	333,272
<b>LOANS DUE TO DIOCESAN PASTORAL CENTRE</b>	1,551,498	1,460,016
	2,072,881	1,793,288
<b>FUND BALANCES</b>		
<b>GENERAL FUND</b>	7,359,805	7,797,617
<b>RESTRICTED FUND</b>	656,127	681,314
	8,015,932	8,478,931
<b>INVESTMENT IN CAPITAL ASSETS</b>	7,123,117	7,135,027
	15,139,049	15,613,958
	\$ 17,211,930	\$ 17,407,246

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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, 2018**

	General Fund	Restricted Fund	2018	2017
<b>REVENUE</b>				
Offerings	\$ 5,690,781	\$ -	\$ 5,690,781	\$ 5,762,957
Special collections (including Christmas, Good Friday and Easter)	842,791	-	842,791	866,747
Bequests	429,907	-	429,907	400,536
Other revenue	352,579	-	352,579	340,699
Stipends	337,007	-	337,007	349,653
Donations	323,481	-	323,481	320,070
Fundraising	297,316	-	297,316	301,858
Youth and childrens' programs	182,795	-	182,795	167,495
Interest on accounts	38,879	-	38,879	31,517
	<b>8,495,536</b>	<b>-</b>	<b>8,495,536</b>	<b>8,541,532</b>
<b>EXPENSES</b>				
Wages and benefits (non-clergy)	1,466,651	-	1,466,651	1,379,869
Wages and benefits (clergy)	1,388,523	-	1,388,523	1,368,915
Cathedraticum (diocesan assessment)	903,274	-	903,274	900,458
Office, rectory and sundry	883,598	-	883,598	879,518
Utilities	644,062	-	644,062	627,853
Special collections	554,811	-	554,811	574,220
Maintenance and repairs (non-capital)	368,172	-	368,172	432,026
Priest Benefit Fund (diocesan assessment)	348,402	-	348,402	330,914
Insurance	291,260	-	291,260	267,103
Parish activities, programs and supplies	246,477	-	246,477	225,549
Stipends	230,355	-	230,355	256,324
Youth and childrens' programs	159,005	-	159,005	112,428
Fundraising	85,876	-	85,876	93,639
	<b>7,570,466</b>	<b>-</b>	<b>7,570,466</b>	<b>7,448,816</b>
<b>EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>				
	925,070	-	925,070	1,092,716
Donations revenue (capital)	1,013,581	-	1,013,581	886,083
Bequests (capital)	-	-	-	1,000
Capital expenditures	(2,370,639)	(25,187)	(2,395,826)	(2,253,118)
Interest income on term deposits	136,531	-	136,531	120,267
Interest expense on parish loans	(47,355)	-	(47,355)	(38,589)
Amortization of capital assets	(106,910)	-	(106,910)	(113,791)
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>				
	(449,722)	(25,187)	(474,909)	(305,432)
<b>FUND BALANCE, BEGINNING OF YEAR</b>				
	14,932,644	681,314	15,613,958	15,919,390
<b>FUND BALANCE, END OF YEAR</b>				
	\$ 14,482,922	\$ 656,127	\$ 15,139,049	\$ 15,613,958

The accompanying Notes to Financial Statements are an integral part of these statements.

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

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**1. Purpose of the Organization**

The Roman Catholic Episcopal Corporation for the Diocese of Peterborough (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.

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**2. Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, except as noted below. 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. This is a departure from generally accepted accounting principles, which does not result in a material misstatement of these financial statements.

**(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 chancery, 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 applicable fund at the time of receipt. Contributions for which there is no specific fund are deferred and recognized as expenses are realized.



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

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

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 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: 11).

Other financial assets are initially recorded at fair value, which represents cost, and subsequently measured at amortized cost. Financial assets include cash, accounts receivable, HST 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. This is a departure from generally accepted accounting principles, the effect of which has not been determined for these financial statements, and consequently, may result in a material misstatement. Had generally accepted accounting principles been followed, the amount recorded for and invested in capital assets would be significantly higher.

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 (2017 - \$218,519).

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 has been calculated as follows:

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

**(f) Accounting Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make 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.

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

**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**3. Fund Balances**

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

	<b>General</b>	<b>Restricted</b>	<b>2018</b>
Diocesan Pastoral Centre	\$ (3,624,464)	\$ -	\$ (3,624,464)
Parishes	7,359,805	656,127	8,015,932
Priest Benefit Fund	-	6,404,081	6,404,081
Seminarian Fund	61,404	1,346,787	1,408,191
Guy Mills Court	-	440,543	440,543
	<b>\$ 3,796,745</b>	<b>\$ 8,847,538</b>	<b>\$ 12,644,283</b>

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

	<b>General</b>	<b>Restricted</b>	<b>2017</b>
Diocesan Pastoral Centre	\$ (3,502,965)	\$ -	\$ (3,502,965)
Parishes	7,797,617	681,314	8,478,931
Priest Benefit Fund	-	6,427,572	6,427,572
Seminarian Fund	179,973	1,329,572	1,509,545
Guy Mills Court	-	390,473	390,473
	<b>\$ 4,474,625</b>	<b>\$ 8,828,931</b>	<b>\$ 13,303,556</b>

**Parishes:**

Parish restricted funds are comprised of:

	<b>2018</b>	<b>2017</b>
Charitable remainder trust	\$ 88,837	\$ 114,024
Bequest	267,290	267,290
Restricted donation	300,000	300,000
	<b>\$ 656,127</b>	<b>\$ 681,314</b>

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.

**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.

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
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**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**Guy Mills Court:**

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

	<b>2018</b>	<b>2017</b>
General fund	\$ 53,878	\$ 57,674
Restricted reserve fund	386,665	332,799
	\$ 440,543	\$ 390,473

**4. Capital Assets**

	<b>2018</b>	<b>2017</b>
Land	\$ 5,581,916	\$ 5,431,916
Buildings	72,117,819	72,516,713
Furniture and equipment	7,069,786	7,069,786
	84,769,521	85,018,415
Less: accumulated amortization	(75,044,709)	(75,639,357)
	\$ 9,724,812	\$ 9,379,058

**5. Deferred Revenue**

Deferred revenue is comprised of:

	<b>2018</b>	<b>2017</b>
Diocesan Pastoral Centre activities	\$ 143,980	\$ 55,646
Parish activities and deferred proceeds on sale of assets	355,193	154,123
Seminarian Fund	2,000	-
Current	501,173	209,769
Guy Mills Court	1,845,589	1,944,031
	\$ 2,346,762	\$ 2,153,800

**6. 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 2.35% per annum (2017 - 2.50%).

On consolidation of the Corporation, the Diocesan Pastoral Centre and Parishes 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.

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
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**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**7. 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:

	<b>2018</b>	<b>2017</b>
Refugee program	\$ 28,623	\$ 28,200
Other amounts	53,798	53,576
	<b>\$ 82,421</b>	<b>\$ 81,776</b>

**8. Private Loan**

During the year the Corporation obtained private loan funding in the amount of \$600,000. The loan is non-interest bearing, is fully repayable upon maturity in 2033.

**9. 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 Contrition 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 \$39,602 (2017 - \$35,774).

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
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**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**10. 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 (2017 - \$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 two RBP loans, with an outstanding balance of \$742,478 (2017 - \$962,638), and a current interest rate of 3.70%, requiring monthly principal payments of \$10,282 (2017 - \$7,600).

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.

**11. 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, 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 under International Financial Reporting Standards (IFRS). 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:

	<b>2018</b>	<b>2017</b>
Cost	\$ 9,732,317	\$ 8,500,812
Fair Market Value	\$ 9,573,659	\$ 9,737,750

**12. 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.

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
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**NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2018**

**13. 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.

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**14. Comparative Figures**

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

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