

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

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2019

(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, 2019 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
October 30, 2020

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, 2019

	2019	(Notes 14 & 15) 2018
ASSETS		
CURRENT		
Cash	\$ 4,234,916	\$ 4,098,926
Accounts receivable	29,049	34,737
HST receivable	156,845	220,654
Interest receivable	28,471	19,753
Inventory - gift cards	114,599	127,330
	4,563,880	4,501,400
INVESTMENTS, AT MARKET VALUE (Note 11)	11,244,725	9,573,659
TERM DEPOSITS (Note 6)	415,000	348,827
CAPITAL ASSETS (Note: 4)	9,884,870	9,785,025
	\$ 26,108,475	\$ 24,208,911
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 155,910	\$ 213,343
Deferred revenue (Note 5)	797,080	501,173
Bank demand loans (Note 10)	558,194	742,478
Cemetery term deposits	104,143	104,143
	1,615,327	1,561,137
PRIVATE LOAN (Note 8)	550,000	600,000
DEFERRED REVENUE (Note 5)	1,752,255	1,845,589
FUNDS HELD IN TRUST (Note 7)	53,798	82,421
	3,971,380	4,089,147
FUND BALANCES		
GENERAL FUNDS (Note 3)	4,679,753	3,796,745
RESTRICTED FUNDS (Note 3)	9,788,681	8,847,538
	14,468,434	12,644,283
INVESTMENT IN CAPITAL ASSETS	7,668,661	7,475,481
	22,137,095	20,119,764
	\$ 26,108,475	\$ 24,208,911

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, 2019

	2019	(Notes 14 & 15) 2018
REVENUE		
Offerings	\$ 5,634,390	\$ 5,690,781
Other revenue	771,825	804,929
Special collections	763,950	747,822
Bequests	88,555	449,122
Donations	440,457	431,128
Stipends	308,083	337,007
Fundraising	319,885	312,141
Interest on accounts	99,315	70,705
	8,426,460	8,843,635
EXPENSES		
Wages and benefits (non-clergy)	1,730,533	1,807,136
Wages and benefits (clergy)	1,620,590	1,579,646
Office, rectory and other	899,152	1,122,012
Utilities	679,964	683,595
Programs, events and activities	437,358	463,048
Maintenance and repairs (non-capital)	544,383	462,005
Retirement benefits (clergy)	415,060	446,212
Insurance	318,824	313,632
Special collections and donations	201,379	190,398
Stipends	94,366	95,907
Clergy special assistance	34,153	86,205
Fundraising	79,839	85,876
Property taxes	80,456	77,604
Seminarian formation	63,467	65,834
Professional fees	40,812	53,520
Clergy formation (net of recovery)	31,515	23,700
	7,271,851	7,556,330
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED	1,154,609	1,287,305
Donations revenue (capital)	666,652	1,028,581
Capital expenditures	(991,005)	(2,401,944)
Investment income (loss)	1,299,402	(380,470)
Interest expense on bank demand loans	(28,333)	(34,052)
Interest expense on funds held in trust and cemetery term deposits	(6,257)	(3,480)
Debt forgiven (Note 8)	50,000	-
Amortization of deferred revenue	93,334	98,442
Amortization of capital assets	(221,071)	(213,201)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	2,017,331	(618,819)
FUND BALANCES, BEGINNING OF YEAR	20,119,764	20,738,583
FUND BALANCES, END OF YEAR	\$ 22,137,095	\$ 20,119,764

(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, 2019

	2019	(Notes 14 & 15) 2018
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 2,017,331	\$ (618,819)
Non-cash items		
Amortization of deferred revenue	(93,334)	(98,442)
Amortization of capital assets	221,071	213,201
Debt forgiven	(50,000)	-
	2,095,068	(504,060)
Changes in non-cash working capital balances		
Accounts receivable	5,688	(8,609)
HST receivable	63,809	(27,564)
Interest receivable	(8,718)	(5,305)
Inventory - gift cards	12,731	(25,483)
Accounts payable and accrued liabilities	(57,433)	(17,779)
Cemetery term deposits	-	40,910
Deferred revenue	295,907	291,404
Funds held in trust	(28,623)	645
	283,361	248,219
	2,378,429	(255,841)
INVESTING ACTIVITIES		
Term deposits (net)	(66,173)	(44,902)
Acquisition of capital assets	(320,916)	(619,168)
Net investment (acquisitions) disposals	(1,671,066)	164,091
	(2,058,155)	(499,979)
FINANCING ACTIVITIES		
Bank demand loans (net of repayments)	(184,284)	(220,160)
Proceeds from private loan	-	600,000
	(184,284)	379,840
NET INCREASE (DECREASE) IN CASH	135,990	(375,980)
CASH, BEGINNING OF YEAR	4,098,926	4,474,906
CASH, END OF YEAR	\$ 4,234,916	\$ 4,098,926

*(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, 2019

	2019	(Note 14) 2018
ASSETS		
CURRENT		
Cash	\$ 1,338,484	\$ 918,386
Accounts receivable	4,378	2,148
Due from parishes	-	5,756
HST receivable	24,572	11,506
Interest receivable	20,118	19,753
	1,387,552	957,549
INVESTMENTS, AT MARKET VALUE	2,244,475	1,923,979
PARISH LOANS RECEIVABLE	1,160,482	1,551,498
CAPITAL ASSETS	740,801	756,106
	\$ 5,533,310	\$ 5,189,132
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 21,240	\$ 30,950
Due to parishes	39,015	26,796
Due to Seminarian Fund	11,321	3,869
Deferred revenue	199,597	143,980
Bank demand loans	558,194	742,478
Funds held in trust	22,998	51,621
	852,365	999,694
PRIVATE LOAN	550,000	600,000
ACCRUED INTEREST PAYABLE ON PARISH TERM DEPOSITS	306,530	290,020
PARISH TERM DEPOSITS (Note 6)	6,761,280	6,527,588
CEMETERY TERM DEPOSITS	104,143	104,143
	8,574,318	8,521,445
FUND BALANCES		
INVESTED IN CAPITAL ASSETS	276,846	292,151
GENERAL FUND DEFICIT	(3,317,854)	(3,624,464)
	(3,041,008)	(3,332,313)
	\$ 5,533,310	\$ 5,189,132

*(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, 2019

	2019	(Note 14) 2018
REVENUE		
Cathedraticum	\$ 943,311	\$ 903,274
Special collections	286,022	265,401
Donations	105,823	83,776
Other revenue	31,362	35,669
Interest	24,079	25,170
	1,390,597	1,313,290
EXPENSES		
Wages and benefits (non-clergy)	346,766	340,486
Wages and benefits (clergy)	183,136	192,413
Special collections and donations	203,884	192,904
Occupancy costs	106,479	104,171
Clergy special assistance	34,153	86,205
Fees, dues, and subscriptions	97,912	85,553
Programs and activities	71,850	58,613
Bank charges (net of recovery)	4,581	35,319
Office and sundry	38,871	27,215
Clergy formation (net of recovery)	31,515	23,700
Professional fees	40,812	19,933
Training and education	21,177	15,717
Advertising and promotion	20,086	10,431
Telecommunications	10,108	9,966
	1,211,330	1,202,626
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED	179,267	110,664
Investment income/(loss), net of fees	256,265	(74,133)
Interest income on parish loans	52,880	47,355
Interest expense on bank demand loans	(28,333)	(34,053)
Interest expense on term deposits and funds held in trust	(145,526)	(140,010)
Debt forgiven (Note 8)	50,000	-
Donations revenue (capital)	-	15,000
Capital expenditures	(57,943)	(46,322)
Amortization of capital assets	(15,305)	(7,849)
EXCESS/(DEFICIENCY) REVENUE OVER EXPENSES	291,305	(129,348)
FUND DEFICIT, BEGINNING OF YEAR	(3,332,313)	(3,202,965)
FUND DEFICIT, END OF YEAR	\$ (3,041,008)	\$ (3,332,313)

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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, 2019

	2019	(Note 14) 2018
ASSETS		
CURRENT		
Cash	\$ 130,326	\$ 211,878
Accounts receivable	1,524	1,524
	131,850	213,402
INVESTMENTS, AT MARKET VALUE	7,467,934	6,243,357
	\$ 7,599,784	\$ 6,456,759
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 61,821	\$ 52,679
	61,821	52,679
FUND BALANCES		
PRIEST BENEFIT FUND - Restricted	7,537,963	6,404,080
	\$ 7,599,784	\$ 6,456,759

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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, 2019

	2019	(Note 14) 2018
REVENUE		
Cathedraticum	\$ 364,134	\$ 348,402
Special collections	174,453	194,441
Stipends	129,250	136,785
Other revenue	965	18,000
Donations	21,038	5,127
Bequests	-	2,000
Interest	8,349	2,558
	698,189	707,313
EXPENSES		
Retirement benefits (clergy)	415,060	446,212
Professional fees	-	31,500
Office and sundry	2,222	2,740
	417,282	480,452
EXCESS OF REVENUE OVER EXPENSES BEFORE UNDERNOTED	280,907	226,861
Investment income/(loss), net of fees	852,976	(250,352)
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	1,133,883	(23,491)
FUND BALANCE, BEGINNING OF YEAR	6,404,080	6,427,571
FUND BALANCE, END OF YEAR	\$ 7,537,963	\$ 6,404,080

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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, 2019

	2019	(Note 14) 2018
ASSETS		
CURRENT		
Due from Diocesan Pastoral Centre	\$ 11,321	\$ 3,869
INVESTMENTS, AT MARKET VALUE	1,532,315	1,406,322
	\$ 1,543,636	\$ 1,410,191
LIABILITIES		
CURRENT		
Deferred revenue	\$ 1,840	\$ 2,000
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	195,009	61,404
	1,541,796	1,408,191
	\$ 1,543,636	\$ 1,410,191

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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, 2019

	2019	(Note 14) 2018
REVENUE		
Bequests	\$ -	\$ 17,215
Donations	6,910	3,250
	6,910	20,465
EXPENSES		
Seminary formation	63,467	65,834
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED	(56,557)	(45,369)
Investment income/(loss), net of fees	190,162	(55,985)
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	133,605	(101,354)
FUND BALANCE, BEGINNING OF YEAR	1,408,191	1,509,545
FUND BALANCE, END OF YEAR	\$ 1,541,796	\$ 1,408,191

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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, 2019

	2019	(Note 14) 2018
ASSETS		
CURRENT		
Cash	\$ 80,997	\$ 91,796
Interest receivable	8,353	-
	89,350	91,796
TERM DEPOSITS	415,000	348,827
CAPITAL ASSETS (net of accumulated amortization \$2,542,902 (2018 - \$2,449,568))	1,752,255	1,845,589
	\$ 2,256,605	\$ 2,286,212
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ -	\$ 80
DEFERRED REVENUE	1,752,255	1,845,589
	1,752,255	1,845,669
FUND BALANCES		
RESERVE FUND - Externally restricted	453,244	386,665
GENERAL FUND - Externally restricted	51,106	53,878
	504,350	440,543
	\$ 2,256,605	\$ 2,286,212

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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, 2019

	General Fund	Reserve Fund	2019	(Note 14) 2018
REVENUE				
Resident fees	200,514	53,184	253,698	252,161
Rental	690	-	690	1,050
Interest	-	13,395	13,395	4,098
	201,204	66,579	267,783	257,309
EXPENSES				
Maintenance and repairs	63,630	-	63,630	78,068
Property taxes	67,969	-	67,969	67,081
Utilities	24,322	-	24,322	24,472
Insurance	14,512	-	14,512	12,842
Office and sundry	5,964	-	5,964	2,681
Professional fees	-	-	-	2,087
	176,397	-	176,397	187,231
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED				
	24,807	66,579	91,386	70,078
Amortization of deferred revenue	93,334	-	93,334	98,442
Amortization of capital assets	(93,334)	-	(93,334)	(98,442)
Capital expenditures	(27,579)	-	(27,579)	(20,008)
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES				
	(2,772)	66,579	63,807	50,070
FUND BALANCE, BEGINNING OF YEAR				
	53,878	386,665	440,543	390,473
FUND BALANCE, END OF YEAR				
	\$ 51,106	\$ 453,244	\$ 504,350	\$ 440,543

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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, 2019

	2019	(Notes 14 & 15) 2018
ASSETS		
CURRENT		
Cash	\$ 2,685,110	\$ 2,876,865
Accounts receivable	23,147	31,065
Due from Diocesan Pastoral Centre	39,015	26,796
Interest receivable on term deposits	306,530	290,020
HST rebate receivable	132,273	209,148
Inventory - gift cards	114,599	127,331
	3,300,674	3,561,225
TERM DEPOSITS HELD BY DIOCESAN PASTORAL CENTRE	6,761,280	6,527,588
CAPITAL ASSETS (net of accumulated amortization \$72,556,718 (2018 - \$72,444,286))	7,391,814	7,183,330
	\$ 17,453,768	\$ 17,272,143
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 72,849	\$ 129,634
Deferred revenue	595,643	355,193
Funds held in trust	30,800	30,800
Due to Diocesan Pastoral Centre	-	5,756
	699,292	521,383
LOANS DUE TO DIOCESAN PASTORAL CENTRE	1,160,482	1,551,498
	1,859,774	2,072,881
FUND BALANCES		
GENERAL FUND	7,802,599	7,359,805
RESTRICTED FUND	399,581	656,127
	8,202,180	8,015,932
INVESTMENT IN CAPITAL ASSETS	7,391,814	7,183,330
	15,593,994	15,199,262
	\$ 17,453,768	\$ 17,272,143

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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, 2019

	General Fund	Restricted Fund	2019	(Notes 14 & 15) 2018
REVENUE				
Offerings	\$ 5,634,390	\$ -	\$ 5,634,390	\$ 5,690,781
Special collections (including Christmas, Good Friday and Easter)	862,929	-	862,929	842,791
Bequests	88,555	-	88,555	429,907
Other revenue	340,131	-	340,131	352,579
Stipends	308,083	-	308,083	337,007
Donations	308,226	-	308,226	323,481
Fundraising	308,615	-	308,615	297,316
Youth and childrens' programs	155,265	-	155,265	182,795
Interest on accounts	53,493	-	53,493	38,879
	8,059,687	-	8,059,687	8,495,536
EXPENSES				
Wages and benefits (non-clergy)	1,383,766	-	1,383,766	1,466,651
Wages and benefits (clergy)	1,437,894	-	1,437,894	1,388,523
Cathedraticum (diocesan assessment)	944,828	-	944,828	903,274
Office, rectory and sundry	648,002	-	648,002	883,598
Utilities	638,817	-	638,817	644,062
Special collections	552,255	-	552,255	554,811
Maintenance and repairs (non-capital)	469,207	-	469,207	368,172
Priest Benefit Fund (diocesan assessment)	362,617	-	362,617	348,402
Insurance	293,420	-	293,420	291,260
Parish activities, programs and supplies	222,590	-	222,590	246,477
Stipends	222,425	-	222,425	230,355
Youth and childrens' programs	143,669	-	143,669	159,005
Fundraising	79,839	-	79,839	85,876
	7,399,329	-	7,399,329	7,570,466
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED				
	660,358	-	660,358	925,070
Donations revenue (capital)	666,652	-	666,652	1,013,581
Capital expenditures	(648,937)	(256,546)	(905,483)	(2,335,613)
Interest income on term deposits	139,269	-	139,269	136,531
Interest expense on parish loans	(53,632)	-	(53,632)	(47,355)
Amortization of capital assets	(112,432)	-	(112,432)	(106,910)
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES				
	651,278	(256,546)	394,732	(414,696)
FUND BALANCE, BEGINNING OF YEAR				
	14,543,135	656,127	15,199,262	15,613,958
FUND BALANCE, END OF YEAR				
	\$ 15,194,413	\$ 399,581	\$ 15,593,994	\$ 15,199,262

*(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, 2019

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 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, 2019

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 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, 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 (2018 - \$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	2019
Diocesan Pastoral Centre	\$ (3,317,854)	\$ -	\$ (3,317,854)
Parishes	7,802,598	399,581	8,202,179
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
	\$ 4,679,753	\$ 9,788,681	\$ 14,468,434

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

	General	Restricted	(Notes 14 & 15) 2018
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
	\$ 3,796,745	\$ 8,847,538	\$ 12,644,283

Parishes:

Parish restricted funds are comprised of:

	2019	(Note 15) 2018
Charitable remainder trust	\$ 60,957	\$ 88,837
Bequest	38,624	267,290
Restricted donation	300,000	300,000
	\$ 399,581	\$ 656,127

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.

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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))

	2019	(Note 15) 2018
General fund - extenally restricted	\$ 51,106	\$ 53,878
Restricted reserve fund - externally restricted	453,244	386,665
	\$ 504,350	\$ 440,543

4. Capital Assets

	2019	(Notes 14 & 15) 2018
Land	\$ 5,580,097	\$ 5,581,916
Buildings	73,305,912	72,985,881
Furniture and equipment	7,072,489	7,069,786
	85,958,498	85,637,583
Less: accumulated amortization	(76,073,628)	(75,852,558)
	\$ 9,884,870	\$ 9,785,025

5. Deferred Revenue

Deferred revenue is comprised of:

	2019	(Note 15) 2018
Diocesan Pastoral Centre activities	\$ 199,597	\$ 143,980
Parish activities and deferred proceeds on sale of assets	595,643	355,193
Seminarian Fund	1,840	2,000
Current	797,080	501,173
Guy Mills Court - related to capital	1,752,255	1,845,589
	\$ 2,549,335	\$ 2,346,762

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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 2.20% per annum (2018 - 2.35%).

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.

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:

	2019	(Note 15) 2018
Refugee program	\$ -	\$ 28,623
Other amounts	53,798	53,798
	\$ 53,798	\$ 82,421

8. 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.

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.

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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 \$38,319 (2018 - \$39,602).

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 (2018 - \$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 (2018 - two) RBP loans, with an outstanding balance of \$558,194 (2018 - \$742,478), and a current interest rate of 4.45% (2018 - 3.70%), requiring monthly principal payments of \$5,482 (2018 - \$10,282), maturing 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.

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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, 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:

	2019	(Note 15) 2018
Cost	\$ 11,667,244	\$ 9,732,317
Fair Market Value	\$ 11,244,725	\$ 9,573,659

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.

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. Prior Period Restatement

During the year it was determined that costs related to building renovations reported as expenses in the prior year should be capitalized. The adjustment has the following effect on the prior year comparatives:

	Previously Reported	Increase (Decrease)	Restated Balance
Capital assets	\$ 9,724,812	\$ 60,213	\$ 9,785,025
Capital expenditures	\$ 2,462,126	\$ (60,213)	\$ 2,401,913
Excess (deficiency) of revenue over expenditures	\$ (679,032)	\$ 60,213	\$ (618,819)
Fund balances - end of year	\$ 20,059,551	\$ 60,213	\$ 20,119,764
Investment in capital assets	\$ 7,415,268	\$ 60,213	\$ 7,475,481

15. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation. The prior year comparative figures were prepared by management without notice to reader communication.
