

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To His Excellency, the Bishop of Hamilton

The accompanying summary financial statements, which comprise the summary combined balance sheet as at December 31, 2015, and the summary combined statements of revenue and expenditures and changes in fund balances for the year then ended, and related notes, are derived from the audited financial statements of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario (the Diocese) for the year ended December 31, 2015. We expressed a qualified audit opinion on those financial statements in our auditors' report dated June 13, 2016.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not for profit organizations applied in the preparation of the audited financial statements of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the criteria outlined in the *Notes* to the summary financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario as at December 31, 2015 and for the year then ended are a fair summary of those financial statements, in accordance with the criteria outlined in the *Notes* to the summary financial statements. In common with many charitable organizations, we expressed a qualified opinion because we were unable to satisfy ourselves concerning the completeness of revenues from donations and fundraising. In addition, some capital asset acquisitions and disposals were treated as operating items.

HAMILTON, ONTARIO
June 13, 2016


HOECHT GALVIN KAI
Chartered Professional Accountants
Licensed Public Accountants

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO
Summary Combined Balance Sheet
As at December 31, 2015

| | 2015 | 2014 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Cash | \$ 3,302,576 | \$ 6,441,059 |
| Accounts and accrued receivables | 7,730,236 | 5,852,676 |
| Loans receivable - within and outside the Corporation | 90,180,826 | 91,843,560 |
| Investments | 79,487,967 | 84,426,488 |
| Capital assets | 29,046,219 | 24,105,074 |
| Restricted assets | 86,016,804 | 82,297,611 |
| Other assets | <u>263,916</u> | <u>277,135</u> |
| | <u>\$ 296,028,544</u> | <u>\$ 295,243,603</u> |
| LIABILITIES | | |
| Bank indebtedness | \$ 16,535,762 | \$ 17,323,200 |
| Accounts payable and accrued liabilities | 2,932,669 | 2,460,803 |
| Funds held in trust - Refugee Program | 949,250 | 224,844 |
| Loans payable - within and outside the Corporation | 17,348,706 | 16,303,342 |
| Deferred revenue | 19,924,249 | 18,949,822 |
| Accumulated revenue on prearrangements payable | <u>8,422,155</u> | <u>7,383,466</u> |
| | <u>66,112,791</u> | <u>62,645,477</u> |
| FUND BALANCES | | |
| Externally restricted funds | 59,888,352 | 58,239,169 |
| Unrestricted General Fund | <u>170,027,401</u> | <u>174,358,957</u> |
| | <u>229,915,753</u> | <u>232,598,126</u> |
| | <u>\$ 296,028,544</u> | <u>\$ 295,243,603</u> |

Approved by:

_____ Bishop of Hamilton

See accompanying notes to summary financial statements

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO
Summary Combined Statement of Revenue and Expenditures
Year Ended December 31, 2015

| | Externally Restricted Funds | Unrestricted General Fund | Total 2015 | Total 2014 |
|--------------------------------------|--|--|------------------------------|-----------------------|
| Revenue | | | | |
| Parish assessments | \$ - | \$ 3,610,131 | \$ 3,610,131 | \$ 3,060,851 |
| Donations and bequests | 5,047,314 | 392,490 | 5,439,804 | 1,844,421 |
| Goods, services and other | 258,090 | 9,414,240 | 9,672,330 | 8,321,230 |
| Investment revenue and rents | <u>3,795,594</u> | <u>3,563,428</u> | <u>7,359,022</u> | <u>13,724,397</u> |
| | <u>9,100,998</u> | <u>16,980,289</u> | <u>26,081,287</u> | <u>26,950,899</u> |
| Expenditures | | | | |
| Donations | 4,612,608 | 4,979,411 | 9,592,019 | 6,070,870 |
| Wages and benefits | - | 7,054,842 | 7,054,842 | 6,429,774 |
| Investment expenditures and interest | 823,006 | 1,004,507 | 1,827,513 | 1,673,168 |
| Property and amortization | - | 3,799,886 | 3,799,886 | 3,491,539 |
| Other | 861,646 | 5,709,191 | 6,570,837 | 5,604,008 |
| Net disposal of property | <u>-</u> | <u>199,037</u> | <u>199,037</u> | <u>(54,017,984)</u> |
| | <u>6,297,260</u> | <u>22,746,874</u> | <u>29,044,134</u> | <u>(30,748,625)</u> |
| EXCESS (DEFICIENCY OF) | | | | |
| REVENUE OVER EXPENDITURES | <u>\$ 2,803,738</u> | <u>\$ (5,766,585)</u> | <u>\$ (2,962,847)</u> | <u>\$ 57,699,524</u> |

See accompanying notes to summary financial statements

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO
Summary Combined Statement of Changes in Fund Balances
Year Ended December 31, 2015

| | Externally Restricted Funds | Unrestricted General Fund | Total |
|---|-----------------------------------|---------------------------------|-----------------------|
| | | <u>2015</u> | |
| Balance, beginning of year | \$ 58,239,169 | \$ 174,358,957 | \$ 232,598,126 |
| Excess (deficiency of) revenue over expenditures | 2,803,738 | (5,766,585) | (2,962,847) |
| Care & Maintenance Fund contributions received | 1,319,163 | - | 1,319,163 |
| Pre-Need Assurance Fund 100% - transfer to accumulated revenue payable | (1,038,689) | - | (1,038,689) |
| Interfund transfers | (1,435,029) | 1,435,029 | - |
| Balance, end of year | <u>\$ 59,888,352</u> | <u>\$ 170,027,401</u> | <u>\$ 229,915,753</u> |
| | | <u>2014</u> | |
| Balance, beginning of year | \$ 54,451,532 | \$ 132,672,231 | \$ 187,123,763 |
| Excess revenue over expenditures | 5,816,908 | 51,882,616 | 57,699,524 |
| Prior period adjustment | (34,200) | (11,794,622) | (11,828,822) |
| Care & Maintenance Fund contributions received | 969,292 | - | 969,292 |
| Pre-Need Assurance Fund 100% - transfer to accumulated revenue payable | (1,365,631) | - | (1,365,631) |
| Interfund transfers | (1,598,732) | 1,598,732 | - |
| Balance, end of year | <u>\$ 58,239,169</u> | <u>\$ 174,358,957</u> | <u>\$ 232,598,126</u> |

See accompanying notes to summary financial statements

Notes to the Summary Financial Statements

The summary financial statements are derived from the audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at December 31, 2015 and December 31, 2014 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) the summary financial statements include a statement for each statement included in the audited financial statements with the exception that management determined that the statement of cash flows does not provide additional useful information and as such has not included them as part of the summary financial statements;
- (b) information in the summary financial statements agrees with the related information in the audited financial statements;
- (c) major subtotals, totals and comparative information from the audited financial statements are included; and
- (d) the summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summarized financial statements. Copies of the audited financial statements are available at the Diocesan Chancery office.