

**HOECHT • GALVIN • KAI**  
CHARTERED ACCOUNTANTS

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**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, 2012, December 31, 2011 and January 1, 2011, and the summary combined statements of revenue and expenditures and changes in fund balances are derived from the audited financial statements prepared in accordance with Canadian accounting standards for not for profit organizations of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario (the Diocese) as at December 31, 2012, December 31, 2011 and January 1, 2011 and for the years ended December 31, 2012 and December 31, 2011. We expressed a qualified audit opinion on those financial statements in our auditors' report dated July 26, 2013. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

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 on the basis described in *Note 1*.

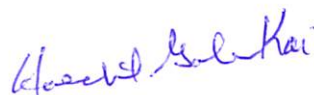
**Auditors' Responsibility**

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, 2012, December 31, 2011 and January 1, 2011 and for the years ended December 31, 2012 and December 31, 2011 are a fair summary of those financial statements, on the basis described in *Note 1*. 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**  
July 31, 2013



**HOECHT GALVIN KAI**  
Chartered Accountants  
Licensed Public Accountants

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO**  
**Summary Combined Balance Sheet**  
**As at December 31, 2012**

	2012	2011	<i>(as at January 1)</i> 2011
<b>ASSETS</b>			
Cash	\$ 3,246,100	\$ 3,439,267	\$ 6,316,782
Accounts and accrued receivables	7,853,979	8,449,022	9,936,781
Loans receivable - within and outside the Corporation	50,106,635	47,037,868	43,199,587
Investments	64,076,084	82,692,629	84,933,766
Capital assets	43,708,601	41,418,319	35,461,321
Restricted assets	70,452,909	67,113,102	65,863,164
Other assets	196,304	203,011	135,107
	<u>178,433,898</u>	<u>191,427,061</u>	<u>186,393,358</u>
	<u>\$ 239,640,612</u>	<u>\$ 250,353,218</u>	<u>\$ 245,846,508</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Bank indebtedness	\$ 18,679,615	\$ 14,982,115	\$ 16,123,635
Accounts payable and accrued liabilities	1,584,950	2,296,506	1,415,539
Loans payable - within and outside the Corporation	14,374,349	15,693,213	15,440,227
Deferred revenue	17,863,435	17,213,002	16,832,264
Accumulated revenue on prearrangements payable	6,510,503	6,562,705	6,024,665
	<u>59,012,852</u>	<u>56,747,541</u>	<u>55,836,330</u>
<b>FUND BALANCES</b>			
Externally restricted funds	48,791,988	46,376,503	45,933,743
Unrestricted General Fund	131,835,772	147,229,174	144,076,435
	<u>180,627,760</u>	<u>193,605,677</u>	<u>190,010,178</u>
	<u>\$ 239,640,612</u>	<u>\$ 250,353,218</u>	<u>\$ 245,846,508</u>

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO**  
**Summary Combined Statement of Revenue and Expenditures**  
**Year Ended December 31, 2012**

	<b>Externally Restricted Funds</b>	<b>Unrestricted General Fund</b>	<b>Total 2012</b>	<b>Total 2011</b>
<b>Revenue</b>				
Parish assessments	\$ -	\$ 3,683,049	\$ <b>3,683,049</b>	\$ 3,554,509
Donations and bequests	1,817,430	469,556	<b>2,286,986</b>	1,850,032
Goods, services and other	230,973	7,959,751	<b>8,190,724</b>	6,918,272
Investment revenue and rents	<u>3,755,065</u>	<u>7,174,546</u>	<b><u>10,929,611</u></b>	<u>3,886,808</u>
	<u>5,803,468</u>	<u>19,286,902</u>	<b><u>25,090,370</u></b>	<u>16,209,621</u>
<b>Expenditures</b>				
Donations	1,592,539	23,583,362	<b>25,175,901</b>	3,024,869
Wages and benefits	-	5,273,764	<b>5,273,764</b>	4,931,056
Investment expenditures and interest	536,812	735,330	<b>1,272,142</b>	1,136,789
Property and amortization	-	2,694,156	<b>2,694,156</b>	(887,336)
Other	771,227	4,029,584	<b>4,800,811</b>	4,609,629
Net disposal of property	<u>-</u>	<u>5,607</u>	<b><u>5,607</u></b>	<u>15,210</u>
	<u>2,900,578</u>	<u>36,321,803</u>	<b><u>39,222,381</u></b>	<u>12,830,217</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	<b><u>\$ 2,902,890</u></b>	<b><u>\$ (17,034,901)</u></b>	<b><u>\$ (14,132,011)</u></b>	<b><u>\$ 3,379,404</u></b>

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO**  
**Summary Combined Statement of Changes in Fund Balances**  
**Year Ended December 31, 2012**

	Externally Restricted Funds	Unrestricted General Fund	Total
		<u>2012</u>	
<b>Balance, beginning of year</b>	\$ 46,376,503	\$ 147,229,174	\$ 193,605,677
Excess (deficiency of) revenue over expenditures	2,902,890	(17,034,901)	(14,132,011)
Distributions to Parish cemeteries	(101,047)	-	(101,047)
Care & Maintenance Fund contributions received	1,202,939	-	1,202,939
Pre-Need Assurance Fund 100% - transfer to accumulated revenue payable	52,202	-	52,202
Interfund transfers	(1,641,499)	1,641,499	-
<b>Balance, end of year</b>	<u>\$ 48,791,988</u>	<u>\$ 131,835,772</u>	<u>\$ 180,627,760</u>
		<u>2011</u>	
Balance, beginning of year	\$ 45,933,743	\$ 144,076,435	\$ 190,010,178
Excess revenue over expenditures	1,750,247	1,629,157	3,379,404
Distributions to Parish cemeteries	(109,977)	-	(109,977)
Care & Maintenance Fund contributions received	864,112	-	864,112
Pre-Need Assurance Fund 100% - transfer to accumulated revenue payable	(538,040)	-	(538,040)
Interfund transfers	(1,523,582)	1,523,582	-
Balance, end of year	<u>\$ 46,376,503</u>	<u>\$ 147,229,174</u>	<u>\$ 193,605,677</u>

**Notes to the Diocese Balance Sheet**

1) Management is responsible for the preparation of summary financial statements. The summary presented includes only the summary combined balance sheet, the summary combined statement of revenue and expenditures and the summary combined statement of changes in fund balances. It does not include any other schedules, the significant accounting policies and notes to the financial statements. The summary combined balance sheet, the summary combined statement of revenue and expenditures and the summary combined statement of changes in fund balances are presented in the same detail as the audited financial statements except the note referencing has been removed. Copies of the audited financial statements are available at the Diocesan Chancery office.

2) Cash includes cash held in bank accounts for the various divisions of the Diocese.

Accounts and accrued receivables result from sales, Cathedralricum and interest on investments and loans. This is from those both within and outside the Corporation.

Loans receivable includes construction and Co-operative Program funding loans to parishes as well as loans advanced to other not for profit organizations.

Long term investments represent stocks, bonds, mutual funds held in pooled funds and investment trusts.

Capital assets include land and building, equipment and other assets related to the Cemetery operations.

Restricted assets fund care and maintenance and prearranged services in accordance with the Cemeteries Act.

Other assets includes monument inventories as well as prepaid insurance and other service contracts.

Bank indebtedness represents lines of credit and non-revolving demand loans which fund cash needs as required.

Accounts payable and accrued liabilities represent payments due in the next fiscal year related to current operations.

Loans payable includes loans from parishes received through the Co-operative Funding Program as well as loans from others outside of the Corporation.

Deferred revenue represents the balance of contracts held by contract holders with prearranged services.

Accumulated revenue on prearrangements payable is accumulated revenue of the pre-need fund payable to contract holders on the utilization of prearranged services.

Unrestricted general fund balances is the surplus funds held related to administrative and charitable activities.

Externally restricted funds is restricted surplus funds held for care and maintenance and prearranged service contracts and specified donations and funds collected for purposes as designated by the donors.