

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, 2014, 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, 2014. We expressed a qualified audit opinion on those financial statements in our auditors' report dated June 1, 2015. 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, 2014 and for the year then ended 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
June 1, 2015


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, 2014

	2014	2013
ASSETS		
Cash	\$ 6,441,059	\$ 3,332,862
Accounts and accrued receivables	5,852,676	6,902,339
Loans receivable - within and outside the Corporation	91,843,560	54,826,126
Investments	76,878,380	62,555,703
Capital assets	43,647,983	42,970,679
Restricted assets	82,297,611	75,956,097
Other assets	<u>277,135</u>	<u>200,053</u>
	<u>\$ 307,238,404</u>	<u>\$ 246,743,859</u>
LIABILITIES		
Bank indebtedness	\$ 17,323,200	\$ 18,771,145
Accounts payable and accrued liabilities	2,460,803	1,969,435
Loans payable - within and outside the Corporation	16,303,341	14,494,351
Deferred revenue	18,949,822	18,367,330
Accumulated revenue on prearrangements payable	<u>7,383,466</u>	<u>6,017,835</u>
	<u>62,420,632</u>	<u>59,620,096</u>
FUND BALANCES		
Externally restricted funds	58,459,763	54,451,532
Unrestricted General Fund	<u>186,358,009</u>	<u>132,672,231</u>
	<u>244,817,772</u>	<u>187,123,763</u>
	<u>\$ 307,238,404</u>	<u>\$ 246,743,859</u>

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO
Summary Combined Statement of Revenue and Expenditures
Year Ended December 31, 2014

	Externally Restricted Funds	Unrestricted General Fund	Total 2014	Total 2013
Revenue				
Parish assessments	\$ -	\$ 3,060,851	\$ 3,060,851	\$ 3,207,356
Donations and bequests	1,990,710	56,955	2,047,665	2,626,434
Goods, services and other	224,832	8,096,398	8,321,230	8,071,755
Investment revenue and rents	6,702,125	7,022,272	13,724,397	14,379,966
	<u>8,917,667</u>	<u>18,236,476</u>	<u>27,154,143</u>	<u>28,285,511</u>
Expenditures				
Donations	1,137,743	4,949,977	6,087,720	5,784,306
Wages and benefits	-	6,429,774	6,429,774	6,064,404
Investment expenditures and interest	768,752	904,416	1,673,168	1,536,004
Property and amortization	-	4,283,888	4,283,888	5,354,709
Other	1,007,870	4,591,887	5,599,757	5,233,921
Net disposal of property	-	(55,010,512)	(55,010,512)	(473,335)
	<u>2,914,365</u>	<u>(33,850,570)</u>	<u>(30,936,205)</u>	<u>23,500,009</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 6,003,302</u>	<u>\$ 52,087,046</u>	<u>\$ 58,090,348</u>	<u>\$ 4,785,502</u>

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO
Summary Combined Statement of Changes in Fund Balances
Year Ended December 31, 2014

	Externally Restricted Funds	Unrestricted General Fund	Total
		<u>2014</u>	
Balance, beginning of year	\$ 54,451,532	\$ 132,672,231	\$ 187,123,763
Excess (deficiency of) revenue over expenditures	6,003,302	52,087,046	58,090,348
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>\$ 58,459,763</u>	<u>\$ 186,358,009</u>	<u>\$ 244,817,772</u>
		<u>2013</u>	
Balance, beginning of year	\$ 48,791,990	\$ 131,835,773	\$ 180,627,763
Excess revenue over expenditures	5,590,413	(617,126)	4,973,287
Prior period adjustment	-	(187,786)	(187,786)
Distributions to Parish cemeteries	250,530	-	250,530
Care & Maintenance Fund contributions received	967,301	-	967,301
Pre-Need Assurance Fund 100% - transfer to accumulated revenue payable	492,668	-	492,668
Interfund transfers	(1,641,370)	1,641,370	-
Balance, end of year	<u>\$ 54,451,532</u>	<u>\$ 132,672,231</u>	<u>\$ 187,123,763</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 Funeral, Burial and Cremation Services 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.