



## **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, 2017, 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, 2017. We expressed a qualified audit opinion on those financial statements in our auditors' report dated May 30, 2018 (see below).

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**

The summary financial statements are qualified to the equivalent extent as the audited financial statements of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario as at December 31, 2017. The qualification of the audited financial statements is described in our qualified audit opinion in our report dated May 30, 2018. Our qualified opinion is based on the fact that, in common with many not-for-profit organizations, the Organization derives revenue from contributions from the public and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and net assets. In addition, some capital asset acquisitions and disposals were treated as operating items.


**HAMILTON, ONTARIO**  
**May 30, 2018**

**HGK Partners LLP**  
**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, 2017**

	2017	2016
<b>ASSETS</b>		
Cash	\$ 15,922,350	\$ 5,018,783
Accounts and accrued receivables	7,802,940	8,458,658
Loans receivable - within and outside the Corporation	71,926,506	87,340,133
Investments	103,507,764	78,793,709
Capital assets	28,301,039	29,213,355
Restricted assets	94,889,057	89,883,723
Other assets	<u>233,957</u>	<u>318,551</u>
	<u>\$ 322,583,613</u>	<u>\$ 299,026,912</u>
<b>LIABILITIES</b>		
Bank indebtedness	\$ 11,451,390	\$ 18,550,056
Accounts payable and accrued liabilities	2,087,383	2,158,513
Funds held in trust - Refugee Program	999,378	1,083,772
Loans payable - within and outside the Corporation	25,617,554	21,374,698
Deferred revenue	21,618,103	20,898,884
Accumulated revenue on prearrangements payable	<u>9,415,759</u>	<u>9,167,676</u>
	<u>71,189,567</u>	<u>73,233,599</u>
<b>FUND BALANCES</b>		
Externally restricted funds	65,229,189	62,453,185
Unrestricted General Fund	<u>186,164,857</u>	<u>163,340,128</u>
	<u>251,394,046</u>	<u>225,793,313</u>
	<u>\$ 322,583,613</u>	<u>\$ 299,026,912</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, 2017**

	<b>Externally Restricted Funds</b>	<b>Unrestricted General Fund</b>	<b>Total 2017</b>	<b>Total 2016</b>
<b>Revenue</b>				
Parish assessments	\$ -	\$ 3,292,285	\$ 3,292,285	\$ 3,272,487
Donations and bequests	1,798,790	187,349	1,986,139	2,766,355
Goods, services and other	200,926	9,143,786	9,344,712	10,949,225
Investment revenue and rent	<u>5,259,533</u>	<u>8,534,432</u>	<u>13,793,965</u>	<u>11,769,300</u>
	<u>7,259,249</u>	<u>21,157,852</u>	<u>28,417,101</u>	<u>28,757,367</u>
<b>Expenditures</b>				
Donations	1,328,681	11,377,823	12,706,504	11,607,341
Wages and benefits	-	7,842,615	7,842,615	7,265,130
Investment expenditures and interest	622,830	1,187,208	1,810,038	1,813,884
Property and amortization	-	4,544,113	4,544,113	5,147,509
Other	666,297	5,985,296	6,651,593	8,540,468
Net disposal of property	-	(29,816,980)	(29,816,980)	(602,646)
	<u>2,617,808</u>	<u>1,120,075</u>	<u>3,737,883</u>	<u>33,771,686</u>
<b>EXCESS (DEFICIENCY OF)</b>				
<b>REVENUE OVER EXPENDITURES</b>	<u>\$ 4,641,441</u>	<u>\$ 20,037,777</u>	<u>\$ 24,679,218</u>	<u>\$ (5,014,319)</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, 2017**

	Externally Restricted Funds	Unrestricted General Fund	Total
		<u>2017</u>	
<b>Balance, beginning of year</b>	\$ 62,453,185	\$ 163,340,128	\$ 225,793,313
Excess revenue over expenditures	4,641,441	20,037,777	24,679,218
Care & Maintenance Fund contributions received	1,169,596	-	1,169,596
Pre-Need Assurance Fund 100% - transfer to accumulated revenue payable	(248,081)	-	(248,081)
Interfund transfers	<u>(2,786,952)</u>	<u>2,786,952</u>	-
<b>Balance, end of year</b>	<u>\$ 65,229,189</u>	<u>\$ 186,164,857</u>	<u>\$ 251,394,046</u>
		<u>2016</u>	
Balance, beginning of year	\$ 59,888,352	\$ 170,027,401	\$ 229,915,753
Excess (deficiency of) revenue over expenditures	3,620,419	(8,634,738)	(5,014,319)
Prior period adjustment	-	74,860	74,860
Care & Maintenance Fund contributions received	1,562,460	-	1,562,460
Pre-Need Assurance Fund 100% - transfer (to) from accumulated revenue payable	(745,441)	-	(745,441)
Interfund transfers	<u>(1,872,605)</u>	<u>1,872,605</u>	-
<b>Balance, end of year</b>	<u>\$ 62,453,185</u>	<u>\$ 163,340,128</u>	<u>\$ 225,793,313</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, 2017 and December 31, 2016 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.