

Combined Financial Information of

**THE ROMAN CATHOLIC
EPISCOPAL
CORPORATION OF THE
DIOCESE OF HAMILTON
IN ONTARIO**

And Compilation Engagement Report thereon

Year ended December 31, 2022



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COMPILATION ENGAGEMENT REPORT

To the Management of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario

On the basis of information provided by management, we have compiled the combined balance sheet of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario as at December 31, 2022, the combined statement of earnings and retained earnings and Note 1, which describes the basis of accounting applied in the preparation of the compiled combined financial information and other explanatory information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

July 10, 2023

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO

Combined Balance Sheet

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 6,685,974	\$ 13,762,648
Accounts receivable and accrued interest receivable	4,785,472	5,198,262
Receivables - within the Corporation, net	4,333,117	3,703,217
Loans receivable - within the Corporation	1,333,727	1,587,711
Current portion of loans receivable -outside the Corporation	22,049,193	6,794,950
Inventory	88,719	88,719
Prepaid expenditures	245,625	192,677
	<u>39,521,827</u>	<u>31,328,184</u>
Long-term accounts receivable	112,729	96,754
Investments	128,271,913	126,874,540
Loans receivable – Parishes	49,938,776	46,866,627
Loans receivable – within the Corporation	3,464,927	3,464,927
Loans receivable - outside the Corporation	36,013,888	33,816,071
Land held for investment purposes	7,572,218	7,569,621
Cemetery properties and capital assets	25,826,640	26,748,634
Restricted assets	136,128,204	144,216,772
	<u>\$ 426,851,122</u>	<u>\$ 420,982,130</u>
Liabilities and Fund Balances		
Current liabilities:		
Bank indebtedness	\$ 30,740,853	\$ 23,180,184
Accounts payable and accrued liabilities	4,482,981	1,845,344
Current portion of deferred revenue	73,936	73,936
Funds held in trust - Refugee Program	714,778	924,426
Loans payable – Parishes	31,881,080	30,062,881
Loans payable - inside the Corporation	1,422,305	1,723,549
Loans payable - outside the Corporation	7,326,741	7,271,660
Accumulated revenue on prearrangements payable	10,307,167	10,089,662
Current portion of capital lease payable	39,117	54,665
Current portion of mortgage payable	1,000,000	1,000,000
	<u>87,988,958</u>	<u>76,226,307</u>
Deferred revenue	25,912,929	24,925,697
Capital lease payable	–	39,618
Mortgage payable	12,500,000	13,500,000
	<u>126,401,887</u>	<u>114,691,622</u>
Fund balances:		
Externally restricted funds	102,515,259	109,961,657
Unrestricted General Fund	197,933,978	196,328,851
	<u>300,449,237</u>	<u>306,290,508</u>
	<u>\$ 426,851,124</u>	<u>\$ 420,982,130</u>

See accompanying notes to financial statements.

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO

Combined Statement of Revenue and Expenditures

Year ended December 31, 2022, with comparative information for 2021

	Externally Restricted Specified Funds	Internally General Fund	2022 Total	2021 Total
Revenue				
Cathedraticum	\$ –	\$ 3,483,112	\$ 3,483,112	\$ 2,610,775
Donations	8,273,627	3,340,022	11,613,649	14,630,419
Government assistance	–	–	–	481,116
Lots - land, crypts and niches	–	4,108,443	4,108,443	4,544,680
Mass stipends	–	–	–	30,565
Miscellaneous	–	148,403	148,403	479,828
Other goods and services	–	7,275,226	7,275,226	6,843,169
Rent	–	599,267	599,267	631,911
Investment revenue (loss)	(8,467,997)	(10,323,355)	(18,791,352)	27,926,196
	(194,370)	8,631,118	8,436,748	58,178,659
Expenditures				
Donations	5,363,943	6,964,186	12,328,129	11,544,870
Wages and benefits	–	9,354,115	9,354,115	8,837,390
Clergy and seminary	–	352,272	352,272	512,441
Mass stipends	–	–	–	14,330
Interest	–	1,749,975	1,749,975	1,619,579
Investment expenditures	803,852	457,615	1,261,467	1,187,643
Property	–	6,686,509	6,686,509	4,805,164
Amortization	–	1,818,365	1,818,365	1,948,050
Other	27,542	6,700,635	6,728,177	6,044,314
	6,195,337	34,083,672	40,279,009	36,513,781
Excess (deficiency) of revenue over expenditures before net (acquisition) disposal of property				
	(6,389,707)	(25,452,554)	(31,842,261)	21,664,878
Net (acquisition) disposal of property				
	–	24,641,247	24,641,247	29,482,404
Excess of revenue over expenditures				
	\$ (6,389,707)	\$ (811,307)	\$ (7,201,014)	\$ 51,147,282

See accompanying notes to financial statements.

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO

Combined Statement of Changes in Fund Balances

Year ended December 31, 2022 with comparative information for 2021

	Externally Restricted Specified Funds	Unrestricted General Fund	Total
Balance, January 1, 2022	\$ 109,961,657	\$ 196,328,851	\$ 306,290,508
Excess revenue over expenditure	(6,389,707)	(811,307)	(7,201,014)
Care & Maintenance Fund contributions received net of transfer to revenue transferable	1,577,247	–	1,577,247
Pre-Need Assurance Fund 100% - transfer (to) from accumulated revenue payable	(217,504)	–	(217,504)
Interfund transfers	(2,416,434)	2,416,434	–
Balance, December 31, 2022	\$ 102,515,259	\$ 197,933,978	\$ 300,449,237
Balance, January 1, 2021	\$ 90,505,950	\$ 163,138,709	\$ 253,644,659
Excess revenue over expenditure	20,171,715	30,975,567	51,147,282
Care & Maintenance Fund contributions received net of transfer to revenue transferable	1,622,042	–	1,622,042
Pre-Need Assurance Fund 100% - transfer (to) from accumulated revenue payable	(123,475)	–	(123,475)
Interfund transfers	(2,214,575)	2,214,575	–
Balance, December 31, 2021	\$ 109,961,657	\$ 196,328,851	\$ 306,290,508

See accompanying notes to financial statements.

THE ROMAN CATHOLIC EPISCOPAL CORPORATION OF THE DIOCESE OF HAMILTON IN ONTARIO

Notes to Combined Financial Information

Year ended December 31, 2022

1. Significant accounting policies:

(a) Basis of accounting:

The basis of accounting applied in the preparation of the combined financial information is on the historical cost basis, reflecting cash transactions with the addition of the following:

- Accounts receivable and accrued interest receivable less an allowance for doubtful accounts.
- Inventory is measured at the lower of cost and net realizable value.
- Prepaid expenditures.
- A portion of Cemetery Properties and Capital assets are amortized over their useful lives.
- Accounts payable and accrued liabilities
- Deferred revenue.
- Accumulated revenue on prearrangements payable.

(b) Basis of combination:

These combined financial statements include the accounts of The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario - Chancery, The Catholic Cemeteries of the Diocese of Hamilton, The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario Pre-Need Assurance Fund - 65%, The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario Pre-Need Assurance Fund - 100%, The Roman Catholic Episcopal Corporation of the Diocese of Hamilton in Ontario Care & Maintenance Fund and The Mount Mary Immaculate Retreat Centre.

(c) Fund Accounting:

The Diocese follows restricted fund method of accounting for specified contributions or donations. The General Fund accounts for the Diocese's administrative and charitable activities. This fund reports unrestricted revenues.