

# The 2008 Financial Report of the Archdiocese of Toronto

A Financial Report to the parishioners of the Archdiocese of Toronto for the year ended December 31, 2008

## ARCHDIOCESAN FINANCE COUNCIL

His Grace, Archbishop Thomas Collins, Mr. John P. McGrath (Chancellor, Temporal Affairs),  
Mr. William C. Dunlop (Comptroller), Mr. J.J. Barnicke, Mr. Robert Chisholm,  
Mr. Patrick J. Keenan, Ms. Kathleen O'Neill, Mr. Edward Sorbara

### EXCERPTS FROM THE DIOCESAN FINANCIAL STATEMENTS AND SUPPLEMENTAL FINANCIAL INFORMATION

#### DESCRIPTION OF ASSETS

- Cash : \$27.6 million includes \$26.6 million held by the bank for the the Archdiocese as collateral for parish bank loans
- Investments: \$50.3 million represents stocks, bonds and short term deposits carried at fair value. Investments are professionally managed, with quarterly reviews and evaluation of performance by an independent Investment Advisory Committee with appropriate actions taken as necessary.
- Loans, receivables, prepayments : \$38.3 million includes \$30.1 million in property loans to parishes.
- Properties: \$25.6 million includes diocesan land and buildings, and land held for future parish sites.
- Special Diocesan Collections : \$1.5 million represents special collections held pending distribution e.g. Needs of the Canadian Church, Co-operative Mission Plan, etc.

#### DESCRIPTION OF LIABILITIES AND RESERVES

- Loans, amounts payable: \$68.3 million includes \$50.4 million deposited by parishes with the diocese.
- Reserves
  - Parish Bank Borrowing guarantee: \$26.6 million represents amounts set aside in respect of funds on deposit with the bank as collateral for bank loans to parishes.*
  - Discretionary funds and other: \$9.4 million constitutes funds set aside to meet special needs of the diocese e.g. purchase of church sites, etc.*
  - General Reserve Fund: \$18.5 million represents residual between accumulated net revenues and accumulated appropriations.*
  - Accumulated unrealized loss on available-for-sale investments: \$6.7 million represents unrealized losses relative to cost on investments. While the unrealized investment loss is significant, it was the result of the overall market conditions. It should be noted, however, that our managers outperformed in their respective indexes over the long term.*
- Special diocesan collections: These liabilities are in respect of special collections awaiting distribution.

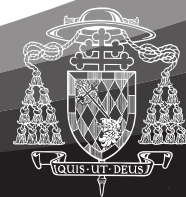
### ASSETS , LIABILITIES AND RESERVES

#### Diocesan Balance Sheet as at December 31, 2008

	2008	2007		2008	2007
<b>Assets *</b>			<b>Liabilities and Reserve*</b>		
Cash			Loans, amounts payable	\$ 68,371,705	62,316,965
On hand	\$ 1,038,042	1,160,225			
Collateral for parish bank loans	26,616,558	26,904,333	Reserves		
	27,654,600	28,064,558	Parish bank borrowing guarantee	26,616,558	26,904,333
			Discretionary funds and other	9,415,262	9,415,262
			General	18,594,497	18,780,576
			Accumulated unrealized gains on available-for-sale investments	(6,710,681)	1,806,218
				47,915,636	56,906,389
Investments	50,307,886	52,856,796			
Loans, receivables, prepayments	38,324,854	38,301,999			
Properties	25,674,005	25,163,087			
Less: Amount transferred from general reserve	(25,674,004)	(25,163,086)			
	1	1			
			Special diocesan collections		
Special diocesan collections	1,515,263	1,226,689	Trust fund liabilities	1,515,263	1,226,689
	\$ 117,802,604	120,450,043		\$ 117,802,604	120,450,043

\* Amounts do not include assets, liabilities and reserves of parishes or other affiliated organizations within the Archdiocese of Toronto

A copy of the combined financial statements audited by the accounting firm of PricewaterhouseCoopers LLP is available for review at the Office of Public Relations and Communications, Archdiocese of Toronto, 1155 Yonge St. Toronto.

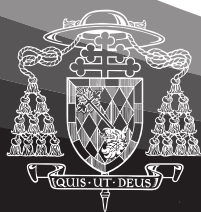


## DIOCESAN REVENUE AND EXPENDITURES AND GENERAL RESERVE

### Statement of Diocesan Revenue and Expenditures and General Reserve for the year ended December 31, 2008

	Operating		General		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenue</b>						
Cathedraticum	10,569,881	10,369,513			10,569,881	10,369,513
Contributions, grants, other income			3,502,722	2,875,488	3,502,722	2,875,488
Investment income, interest, rents			5,058,235	5,998,947	5,058,235	5,998,947
Donations and bequests			246,016	246,681	246,016	246,681
	<u>10,569,881</u>	<u>10,369,513</u>	<u>8,806,973</u>	<u>9,121,116</u>	<u>19,376,854</u>	<u>19,490,629</u>
<b>Expenditures</b>						
Pastoral services (1)	6,200,534	5,770,005			6,200,534	5,770,005
Chancery office (1)	3,589,112	3,921,334			3,589,112	3,921,334
Ministry to priests (1)	1,524,969	1,604,622			1,524,969	1,604,622
Subsidies and assessments (1)	2,406,088	2,375,102			2,406,088	2,375,102
Grants and donations	2,257,213	1,530,082	669,500	1,716,284	2,926,713	3,246,366
Regional Bishops' offices	432,114	586,309			432,114	586,309
Maintenance of properties	224,461	109,639	39,460	24,024	263,921	133,663
Interest on borrowings			1,996,340	1,771,133	1,996,340	1,771,133
	<u>16,634,491</u>	<u>15,897,093</u>	<u>2,705,300</u>	<u>3,511,441</u>	<u>19,339,791</u>	<u>19,408,534</u>
Net revenue(deficit) for year	(6,064,610)	(5,527,580)	6,101,673	5,609,675	37,063	82,095
Transfer of operating deficit to general account	6,064,610	5,527,580	(6,064,610)	(5,527,580)	-	-
General reserve, beginning of year	-	-	18,780,576	19,473,114	18,780,576	19,473,114
General reserve, before appropriations	-	-	18,817,639	19,555,209	18,817,639	19,555,209
Appropriations (from) to general reserve						
Parish bank borrowing guarantee			287,776	725,818	287,776	725,818
Properties			(510,918)	(1,500,451)	(510,918)	(1,500,451)
Other			-	-	-	-
	<u>-</u>	<u>-</u>	<u>(223,142)</u>	<u>(774,633)</u>	<u>(223,142)</u>	<u>(774,633)</u>
General reserve, end of year	<u>-</u>	<u>-</u>	<u>18,594,497</u>	<u>18,780,576</u>	<u>18,594,497</u>	<u>18,780,576</u>

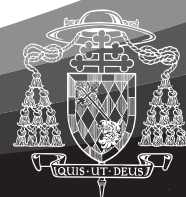
(1) See Statement of Diocesan Expenditures



## SUPPLEMENTAL PARISH FINANCIAL INFORMATION

### Statement of Parish Revenue and Expenditures and Excess of Accumulated Net Revenue over Accumulated Appropriations for the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
<b>Revenue</b>		
Church receipts ( including special offerings, legacies and hall revenue)	\$ 77,335,818	80,027,918
Other receipts	30,660,935	27,950,396
Special diocesan collections	15,810,450	15,552,189
Investment income, interest, rents	<u>3,129,765</u>	<u>2,930,500</u>
	<u>126,936,968</u>	<u>126,461,003</u>
<b>Expenditures</b>		
Church expenses (including repairs, replacements and sundry small additions to property accounts)	62,494,986	59,500,740
Special diocesan collections disbursed	15,905,310	15,533,439
Diocesan assessments	12,153,782	12,031,963
Other	7,067,914	6,356,621
House	4,053,014	3,988,651
Interest on borrowings	<u>1,391,629</u>	<u>1,302,575</u>
	<u>103,066,635</u>	<u>98,713,989</u>
Excess of revenue over expenditures before appropriations	23,870,333	27,747,014
Appropriations to properties reserves	<u>(21,024,828)</u>	<u>(14,671,145)</u>
Net revenue for the year after appropriations	2,845,505	13,075,869
Excess of accumulated net revenue over accumulated appropriations, beginning of year	15,878,500	2,802,631
Excess of accumulated net revenue over accumulated appropriations, end of year	<u>\$ 18,724,005</u>	<u>15,878,500</u>



**STATEMENT OF DIOCESAN EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>Pastoral services</b>		
Office of Religious Education	\$ 541,289	507,592
Hospital Chaplaincies	527,016	504,406
Inner City Apostolate	490,691	444,323
Office of Catholic Youth	388,602	326,442
Lay Ministry and Chaplaincy	299,478	333,125
Public Relations & Communications	299,108	275,073
Archives	298,849	270,994
Office of the Judicial Vicar	292,748	234,583
Parish Social Ministry	272,359	274,662
Office of Development	256,642	256,216
Television Ministry	255,537	178,116
Office of Permanent Diaconate	255,314	192,091
York University Chaplaincy	207,685	201,253
Newman Centre Catholic Mission	205,886	179,561
Office of Vocations	175,999	154,778
Office of Marriage & Family Life	150,900	146,508
Serra House	131,058	126,255
Housing Ministry	129,706	123,604
Office of Planning and Properties	129,706	123,603
Ryerson University Chaplaincy	113,944	91,885
Other Chaplaincies	97,925	85,692
New Beginnings	89,555	106,802
Airport Chaplaincy	84,518	125,950
Pastoral Mission	81,964	74,094
Catechesis of the Good Shepherd	71,493	91,911
Volunteer Screening Initiative	68,720	79,618
Catholic Information Centre	60,000	60,000
Ministry of the Deaf	52,302	49,872
Native Peoples' Ministry	43,175	40,650
Oblate Mission	42,702	40,272
Office of Stewardship	31,041	-
Immigrant Peoples' Ministries	24,622	28,074
Metro Home Chaplaincy	24,000	36,000
Madonna House	6,000	6,000
	<u>6,200,534</u>	<u>5,770,005</u>
<b>Chancery Office</b>		
Salaries and benefits	1,908,581	1,895,370
Office and travel	857,845	1,073,929
Professional fees	609,389	601,353
Occupancy costs	166,872	185,519
Other	46,425	165,163
	<u>3,589,112</u>	<u>3,921,334</u>
<b>Ministry to priests</b>		
Education, sabbatical, other	1,216,198	1,232,029
Administration	272,833	276,067
Contribution to clergy health care	35,938	96,526
	<u>1,524,969</u>	<u>1,604,622</u>
<b>Subsidies and assessments</b>		
Matrimonial Tribunals	1,958,769	1,978,702
Ontario Conference of Catholic Bishops	205,987	202,401
Other subsidies	150,000	40,000
Canadian Conference of Catholic Bishops	91,332	153,999
	<u>2,406,088</u>	<u>2,375,102</u>



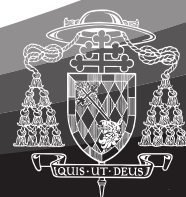
## HIGHLIGHTS FROM THE 2008 FINANCIAL STATEMENTS

- Diocesan revenues decreased marginally from \$19.4 million in 2007 to \$19.3 million in 2008. Diocesan expenditures also decreased from \$19.4 million in 2007 to \$19.3 million in 2008 and include grants to St. Augustine's Seminary (\$0.66 million) for property restoration. As a result, for the year 2008, the diocese reported net revenue of \$37.0 thousand. General reserve fund, after appropriation of \$0.22 million, decreased to \$18.5 million.
- Parish revenues increased from \$126.4 million in 2007 to \$126.9 million in 2008. Parish expenditures increased 4.4% to \$103.0 million in 2008 and reflect increases in church expenses. Net revenues, after appropriation for properties of \$21.0 million, are reported at \$2.8 million.
- Capital expenditures of \$21.8 million were incurred by the diocese and parishes for construction of new churches, restorations and additions, and purchase of future parish sites. In 2008, construction of new churches commenced in respect of St. Eugene de Mazenod and St. Padre Pio. Major restorations and additions were undertaken at Blessed Sacrament, St. Patrick's (Markham), St. Gertrude's (Oshawa) and St. Francis Xavier (Mississauga).
- At December 31, 2008, 123 parishes maintained cash deposits with the diocese of \$50.4 million, (2007 - \$45.2 million) earning interest of 4% per annum. During 2008, new deposits from parishes amounted to \$12.1 million and withdrawals to \$6.9 million. Parish funds on deposit with the diocese are used to assist other parishes in need of financing for capital projects.
- Bank loans to 64 parishes totaled \$26.0 million at year-end (2007 - \$26.3 million). These bank loans are supported by the Archdiocese.
- At year-end, property loans by the diocese to 50 parishes largely for the acquisition of land for church sites, totalled \$30.1 million (2007 - \$28.1 million).
- Parishioners contributed \$11.7 million towards the annual parish ShareLife appeal, which supports Catholic Agencies, Third World Missions & Development, St. Augustine's Seminary and the Office of Catholic Youth. Collections received and remitted in respect of humanitarian relief efforts amounted to \$0.81 million. In the same period, the corporate community contributed \$1.5 million to the ShareLife Corporate Appeal.
- Special parish collections were received for the following specific needs identified by the diocese:

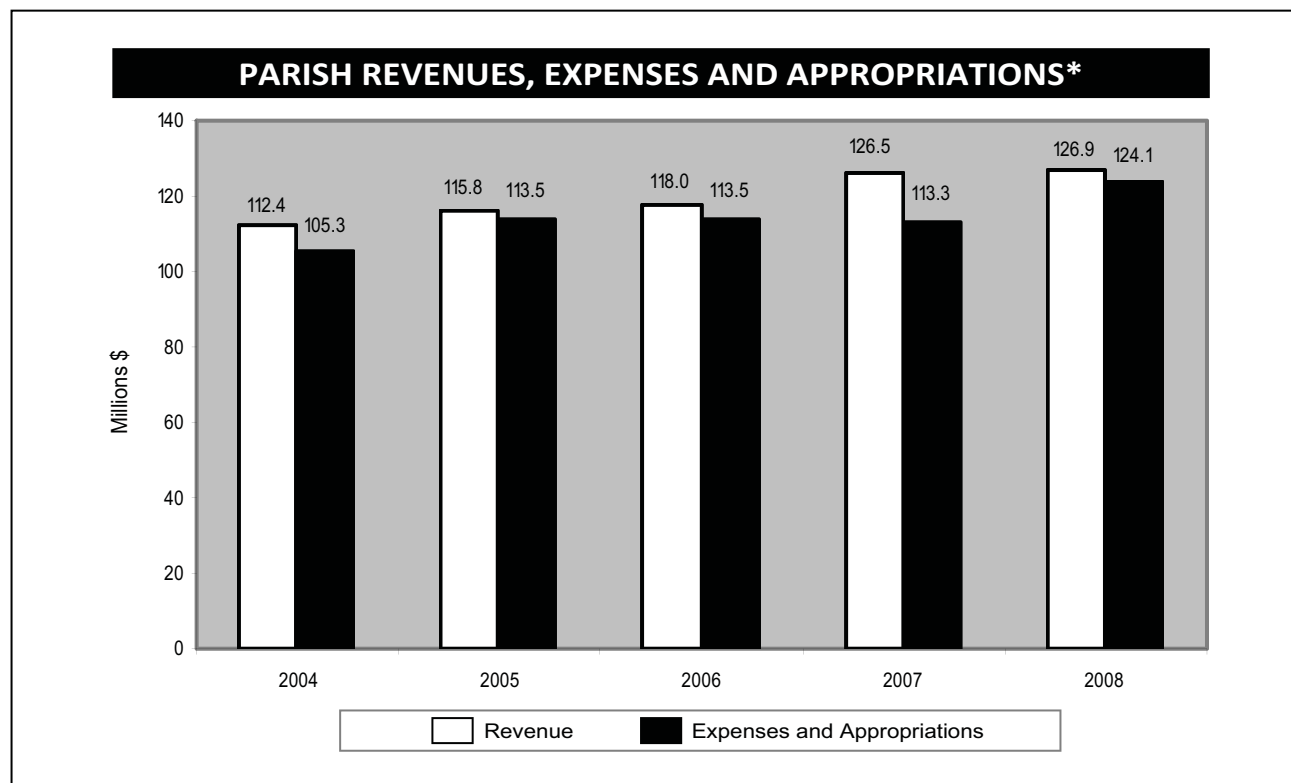
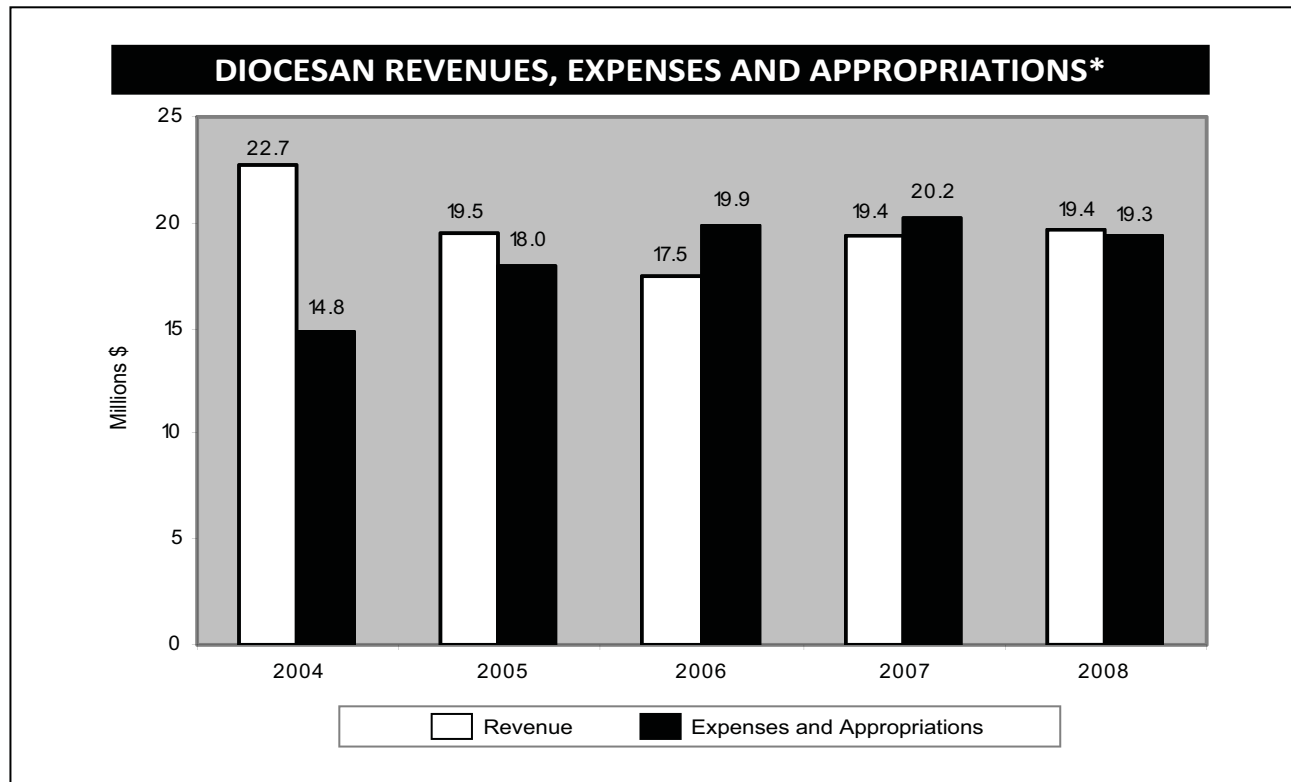
The Shepherds' Trust	\$	1,239,387 *
Co-operative Mission Plan		194,456
Propagation of the Faith		491,734
Papal Charities		380,818
Needs of the Canadian Church		354,806
Marygrove Camp		345,786
Holy Land		523,507
Catholic Missions In Canada		172,394
Scarborough Foreign Mission Society		172,394
International Eucharistic Congress Quebec City 2008		197,087

\* we also received and transferred to Religious Orders \$309,760 (funds received from parishes staffed by priests from those Orders).

\*\* The chart on page 6 present an overview of the diocesan and parish revenues, expenses and appropriations.



## HIGHLIGHTS FROM THE 2008 FINANCIAL STATEMENTS



\* Funds are appropriated for specific purposes e.g. construction of new churches, purchase of future church sites, bank loan guarantees, etc.

