



The 2012 Financial Report of the Archdiocese of Toronto

ARCHDIOCESAN FINANCE COUNCIL

His Eminence, Thomas Cardinal Collins, Mr. James B. Milway (Chancellor, Temporal Affairs),
Mr. William C. Dunlop (Comptroller), Mr. J.J. Barnicke Sr., Mr. Robert Chisholm, Ms. Joanne De Laurentiis,
Ms. Colleen Johnston, Mr. Patrick J. Keenan, Mr. Edward Sorbara

TOGETHER, WE SHARE OUR MANY GIFTS!

Across the Archdiocese, you will find a vast array of ministries and programs that reach out in service to the community each year. We also maintain and develop church properties that enable Catholics to journey together in faith. Careful consideration is given to ensure that your funds are used responsibly to maximize their impact.

We are grateful to Catholics across the Archdiocese who support the church's ministries as faithful stewards of God's many blessings. Please contact the Office of Accounting and Finance at 416-934-0606 if you would like to review the combined financial statements as audited by PricewaterhouseCoopers LLP.

DIOCESAN BALANCE SHEET AS AT DECEMBER 31, 2012 AND 2011

Assets*			Liabilities and Reserves*		
	2012	2011		2012	2011
Cash			Loans, payables, deferred revenue	\$73,381,943	\$78,855,892
On hand	\$804,052	\$1,254,586			
Collateral for parish bank loans	<u>27,412,218</u>	<u>27,419,812</u>			
	28,216,270	28,674,398			
			Reserves		
Investments	47,262,053	52,062,314	Parish bank borrowing guarantee	27,412,218	27,419,812
Loans, receivables, prepayments	49,542,740	47,531,891	Discretionary funds and other	9,696,920	9,665,059
			General reserves	<u>14,529,983</u>	<u>12,327,841</u>
Properties	29,790,330	29,606,560		51,639,121	49,412,712
Less: Amount transferred from general reserve	<u>(29,790,329)</u>	<u>(29,606,559)</u>			
	1	1			
Special diocesan collections pending disbursement	<u>1,763,860</u>	<u>1,538,847</u>	Special diocesan collections pending disbursement	<u>1,763,860</u>	<u>1,538,847</u>
	\$126,784,924	\$129,807,451		\$126,784,924	\$129,807,451

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

NOTES TO THE DIOCESAN BALANCE SHEET

Assets

Cash: \$27.4 million of the \$28.2 million is collateral from the Archdiocese held by the bank for loans extended to parishes for construction and restoration work. These funds are therefore restricted from being used for other purposes.

Investments: \$47.2 million represents stocks, bonds and bankers' acceptances reported at fair value, the income from which finances several of our ministries.

Loans, receivables, prepayments: \$49.5 million includes \$39.7 million in property loans to parishes.

Properties: \$29.7 million includes diocesan land and buildings as well as land held for future parish sites.

Special Diocesan Collections: \$1.7 million represents special collections awaiting distribution e.g. Needs of the Canadian Church, Co-operative Mission Plan, etc.

Liabilities

Loans, payables, deferred revenue: \$58.0 million of the \$73.3 million in loans and payables represents funds that parishes have deposited with the Archdiocese.

Reserves

Parish Bank Borrowing guarantee: \$27.4 million represents funds set aside as collateral for bank loans to finance parishes' capital expenditures.

Discretionary funds and other: \$9.6 million constitutes funds set aside to meet special needs of the diocese i.e. purchase of future church sites.

General Reserve Fund: \$14.5 million is the residual between accumulated net revenues and accumulated appropriations.

Special diocesan collections: \$1.7 million in liabilities represent the remnant of special collections awaiting distribution.

DIOCESAN REVENUE, EXPENDITURES, AND GENERAL RESERVE FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Revenue		
Parish assessment	\$10,620,228	\$10,286,486
Contributions, grants, other income	16,811,232	7,696,631
Investment income, interest, rents	4,486,939	4,430,291
Donations and bequests	<u>468,549</u>	<u>259,284</u>
Total Revenue	32,386,948	22,672,692
Expenditures		
Pastoral services ¹	7,280,370	7,157,340
Chancery office ¹	4,057,101	3,818,889
Office of Clergy & Chaplaincy ¹	1,794,142	1,570,285
Subsidies and assessments ¹	2,551,476	2,468,135
Grants and donations	13,919,829	3,426,462
Regional Bishops' offices	546,841	565,408
Maintenance of properties	297,965	187,349
Interest on borrowings	<u>1,466,540</u>	<u>1,363,000</u>
Total Expenditures	31,914,264	20,556,868
Net revenue	472,684	2,115,824
Change in fair value of investments	<u>1,905,634</u>	<u>(2,271,306)</u>
Excess (deficiency) for year	2,378,318	(155,482)
General reserve, beginning of year	<u>12,327,841</u>	<u>10,287,544</u>
General reserve, before appropriations	14,706,159	10,132,062
Appropriations to (from) general reserve:		
Parish bank borrowing guarantee	7,594	2,722,260
Properties	<u>(183,770)</u>	<u>(526,481)</u>
	(176,176)	2,195,779
General reserve, end of year	<u>\$14,529,983</u>	<u>\$12,327,841</u>

¹ Please see Statement of Diocesan Expenditures for details.

STATEMENT OF DIOCESAN EXPENDITURES FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Pastoral Services		
Office of Formation for Discipleship	\$952,132	\$920,432
Hospital Chaplaincies	882,770	765,548
Office of Public Relations & Communications	492,582	373,740
Office for Refugees	359,373	344,297
Inner City Apostolate	334,384	328,310
Office for Vocations	330,385	335,750
Office of Development	306,538	329,845
Television Ministry	296,923	302,232
Office of Catholic Youth	290,324	428,895
Archives	289,493	287,902
Office of the Permanent Diaconate	280,028	321,572
Office of the Judicial Vicar	235,627	276,357
York University Chaplaincy	233,573	224,107
Serra House	223,637	215,434
Newman Centre - University of Toronto Campus	196,772	192,260
Office for Marriage & Family Life	164,880	164,880
Other Chaplaincies	154,514	181,651
Housing Ministry	132,801	131,883
Office of Planning and Properties	132,801	131,882
Ministry to the Deaf	131,034	127,696
Volunteer Screening Initiative	125,568	125,625
New Beginnings	116,986	114,213
Pastoral Mission	90,571	82,856
Ryerson University Chaplaincy	90,480	59,798
Catechesis of the Good Shepherd	78,221	77,961
Airport Chaplaincy	61,498	67,423
Catholic Information Centre	60,000	60,000
Oblate Mission	47,322	46,650
University of Toronto Chaplaincy - Mississauga Campus	47,000	35,000
Latin Mass Celebration	38,493	19,369
Immigrant Peoples' Ministries	35,676	23,154
Co-operative Mission Plan	30,239	30,018
Native Peoples' Ministry	18,000	24,600
Migrant Workers' Chaplaincy	13,745	-
Madonna House	6,000	6,000
	<u>\$7,280,370</u>	<u>\$7,157,340</u>
Chancery Office		
Salaries and benefits	\$2,241,489	\$2,056,172
Professional fees	730,225	748,737
Office and travel	699,850	742,406
Occupancy costs	115,060	168,620
Liturgical celebrations	270,477	102,954
	<u>\$4,057,101</u>	<u>\$3,818,889</u>
Office of Clergy & Chaplaincy		
Education, sabbatical, other	\$1,406,929	\$1,169,016
Administration	383,764	365,331
Contribution to clergy health care	3,449	35,938
	<u>\$1,794,142</u>	<u>\$1,570,285</u>
Subsidies and Assessments		
Matrimonial Tribunal	\$1,890,400	\$1,873,259
Other subsidies and donations	380,387	346,308
Assembly of Catholic Bishops of Ontario	224,917	217,971
Canadian Conference of Catholic Bishops	55,772	30,597
	<u>\$2,551,476</u>	<u>\$2,468,135</u>

**PARISH REVENUE & EXPENDITURES AND EXCESS OF
ACCUMULATED NET REVENUE OVER ACCUMULATED
APPROPRIATIONS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
Revenue		
Church receipts (includes offertory, bequests and hall revenue)	\$78,380,351	\$75,984,761
Parish programs & specified donations (includes building funds)	49,052,691	38,639,025
Investment income, interest, rents	1,906,202	2,061,885
Special diocesan collections	<u>15,853,058</u>	<u>15,918,668</u>
Total Revenue	145,192,302	132,604,339
 Expenditures		
Church expenses (includes salaries, supplies, property maintenance)	63,480,818	62,995,493
Diocesan & Shepherds' Trust assessments	12,434,033	12,182,252
Parish programs, events, other	10,155,838	9,470,036
Rectory expenses	4,054,903	4,080,933
Furnishing & equipment	1,143,859	1,196,721
Interest on borrowings	1,028,062	1,074,038
Special diocesan collections disbursed	<u>15,889,425</u>	<u>15,777,543</u>
Total Expenditures	108,186,938	106,777,016
 Excess of revenue over expenditures before appropriations	37,005,364	25,827,323
 Appropriations of capital expenditures to properties reserve	<u>(31,321,687)</u>	<u>(20,861,635)</u>
Net revenue (deficit) after appropriations	5,683,677	4,965,688
 Excess of accumulated net revenue over accumulated appropriations, beginning of year	<u>15,517,028</u>	<u>10,551,340</u>
 Excess of accumulated net revenue over accumulated appropriations at year-end	<u>\$21,200,705</u>	<u>\$15,517,028</u>

Please note that this statement reflects the combined financial activity of all diocesan-owned parishes and missions.

SUMMARY OF THE 2012 FINANCIAL STATEMENTS

The Gospel is mobile. Ships, farms, universities, and prisons are some of the places to which we bring the Word of God. A breakdown of expenses on page 4 reflects the range of ministries and communities that the Archdiocese invests in, and without doubt there's need for more. But how does the Archdiocese fund all of these initiatives?

Diocesan Revenue & Expenditures

The Archdiocese is financed by a portion of parishes' income, as well as donations and earnings on capital investments. You'll notice that the Contributions and Grants section on both the diocesan revenue and expenditure side increased nearly \$10 million in 2012. This did not affect net revenue as the contribution was intended for the long-awaited restoration of St. Michael's Cathedral, one of the focuses of our Pastoral Plan. Instead, net revenue decreased from \$2.1 million in 2011 to \$0.472 million in 2012. The general reserve increased \$2.2 million primarily because of the increase in the fair value of investments.

Parish Revenue & Expenditures

Parish revenue and capital expenditure changed in tandem with diocesan revenue and expenditure: the \$12.5 million increase in parish revenue and \$10.5 million increase in capital expenditures is due to the grant to St. Michael's Cathedral, which was then applied to its restoration project. Operating expenses increased \$1.4 million.

Capital Expenditures

The Church takes care to provide both parishioners and the curious with welcoming, inspiring places to encounter the Lord and worship Him together. In 2012, \$31.3 million was incurred for the construction of new churches, restoration projects, and replacement of equipment involving 127 parishes, as well as the purchase of future parish sites. Proceeds of \$1.6 million were received from the sale of properties no longer required.

Parish Deposits with the Archdiocese

All buildings require upkeep and attention, including the House of God in which we gather and from which we go out bearing the Good News. Parishes do their best to raise funds for future capital and operational needs, which they keep on reserve with the diocese until their need arises or they are able to proceed with a project. At December 31, 2012, 126 parishes maintained a reserve of \$58.0 million with the diocese (2011: 128 parishes, \$53.6 million). These funds are also used in the interim to assist other parishes in need of financing for current capital projects.

Parish Debt

The Archdiocese has extended the following loans to parishes to help them address their pressing capital needs where they had a shortfall in building funds:

Bank loans to 61 parishes totalled \$27.1 million at year-end (2011 - 63 parishes; total: \$27.0 million). These loans are for the restoration or construction of parish properties and are backed by cash collateral from the Archdiocese.

At year-end, property loans by the diocese to 42 parishes amounted to \$39.7 million (2011 - 40 parishes, total: \$37.7 million). These loans were extended for the purchase of parish land sites or restoration of parish property.

SUMMARY OF THE 2012 FINANCIAL STATEMENTS (cont.)

Special Diocesan Collections

Parishioners contributed \$12.3 million towards the annual parish ShareLife appeal which supports such vital work as that done by Catholic Charities, missions in developing countries, St. Augustine's Seminary, the Office for Refugees and the Office of Catholic Youth. Collections received and remitted in respect of humanitarian relief efforts amounted to \$0.317 million. In the same period, the corporate community contributed \$1.2 million to the ShareLife Corporate Appeal.

Special parish collections were received and remitted for the following specific needs identified by the diocese:

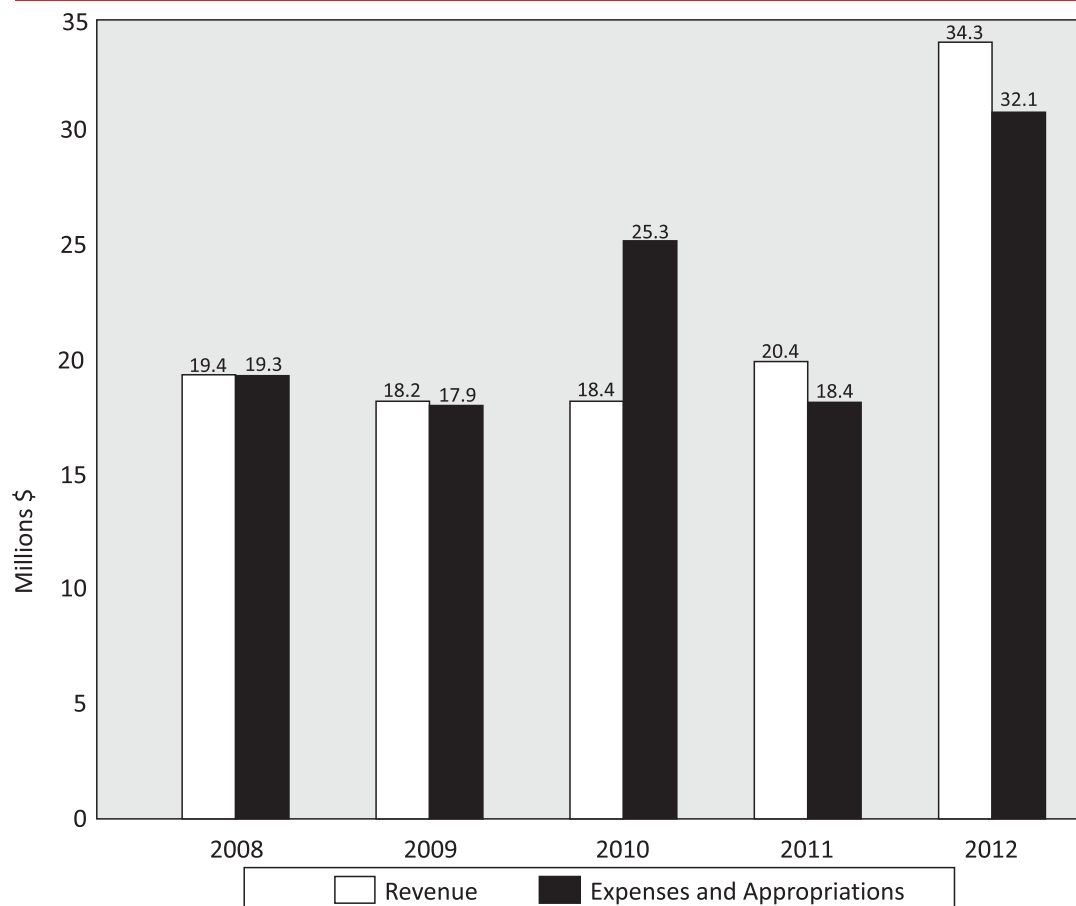
The Shepherds' Trust	\$1,275,355*
Co-operative Mission Plan	\$886,813
Holy Land	\$665,932
Propagation of the Faith	\$469,625
Needs of the Canadian Church	\$357,838
Papal Charities	\$349,571
Marygrove Camp	\$370,537
Scarborough Foreign Mission Society	\$192,254
Catholic Missions in Canada	\$192,253

*We also received and transferred \$313,991 to Religious Orders whose priests serve some of our parishes.

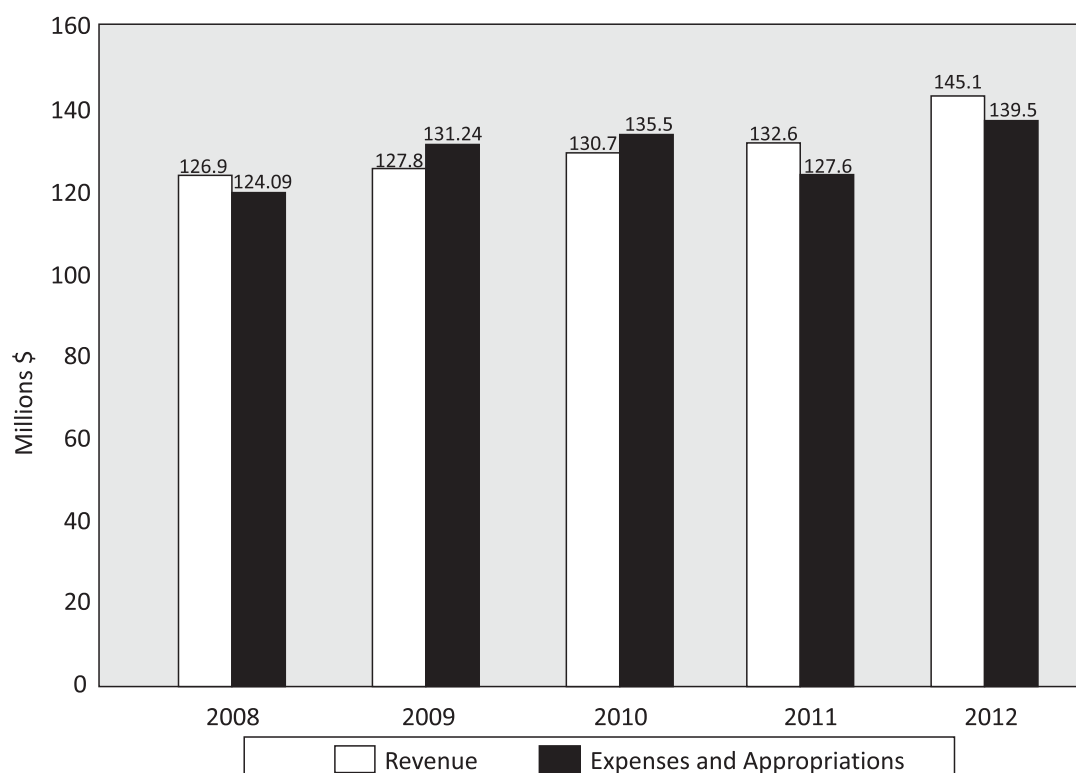
The charts on the next page present an overview of the diocesan and parish revenue, expenses and appropriations.

HIGHLIGHTS FROM THE 2012 FINANCIAL STATEMENTS

DIOCESAN REVENUES, EXPENSES AND APPROPRIATIONS*



PARISH REVENUES, EXPENSES AND APPROPRIATIONS*



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

We thank our parishioners whose generous support makes our faith community and ministry vibrant.