



The 2016 Financial Report of the Archdiocese of Toronto



ARCHDIOCESE IN ACTION

The Gospel is mobile. Ships, farms, universities, and prisons are some of the places to which we bring the Word of God. We are grateful to Catholics across the Archdiocese who have shared their time, diverse talents and resources to build a vibrant faith community. Below you will find details on how these gifts were put into action by the Archdiocese along with notes to elaborate on the statements. Please contact the Accounting & Finance Office at 416-934-0606 if you would like to review the combined financial statements as audited by PricewaterhouseCoopers LLP.

We thank all of our parishioners for helping us make the presence of Christ known throughout our community and across the world.

DIOCESAN BALANCE SHEET AS AT DECEMBER 31, 2016 AND 2015

	Assets*			Liabilities and Reserves*	
	2016	2015		2016	2015
Cash:					
On hand	\$1,473,418	\$960,741	Loans and payables	\$192,144,244	\$147,559,831
Short-term deposits	11,793,443	18,089,820			
Collateral for parish bank loans	25,352,119	25,136,969	Deferred revenue	15,158,566	21,429,837
	38,618,980	44,187,530			
			Reserves		
			Parish bank loan guarantee	25,352,119	25,136,969
			Discretionary funds and other	9,943,619	9,894,348
			General reserves	13,668,310	15,176,098
Investments	46,489,060	42,190,199	Total reserves	48,964,048	50,207,415
Loans, receivables, prepayments	171,158,817	132,819,353			
Properties	38,889,392	37,471,526			
Less: Amount expensed to general reserve	(38,889,391)	(37,471,525)			
	1	1			
Special diocesan collections pending disbursement	2,593,054	1,841,017	Special diocesan collections pending disbursement	2,593,054	1,841,017
Total assets	\$258,859,912	\$221,038,100	Total liabilities and reserves	\$258,859,912	\$221,038,100

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

Assets

Cash: \$25.3 million of the \$38.6 million is collateral held by the bank for loans extended to parishes for construction and restoration work. Therefore, these funds are restricted from being used for other purposes.

Investments: \$46.4 million represents stocks and bonds reported at fair value. The income earned on investments is used to finance several of our ministries.

Loans, receivables, prepayments: Property loans to parishes account for \$152.1 million of the \$171.1 million reported, with the remainder being trade receivables, prepayments and accrued income.

Properties: \$38.8 million includes diocesan properties as well as land held for future parish sites.

Special diocesan collections: This \$2.5 million represents the remnant of special collections awaiting distribution at year-end e.g., Needs of the Canadian Church, Co-operative Mission Plan, etc. These are designated funds and are restricted from being used for any other purpose.

Liabilities

Loans & payables: The \$192.1 million has a few components. Namely, \$74.3 million of it represents building funds that parishes have deposited with the Archdiocese for future capital requirements, \$66 million are loans for capital projects, \$36.7 million represents trade payables, and \$15 million are diocesan funds.

Deferred revenue: The \$15.1 million includes \$4 million pledged for the Family of Faith Capital Campaign as well \$11.1 million in contributions from Catholic Cemeteries for future needs of the Archdiocese.

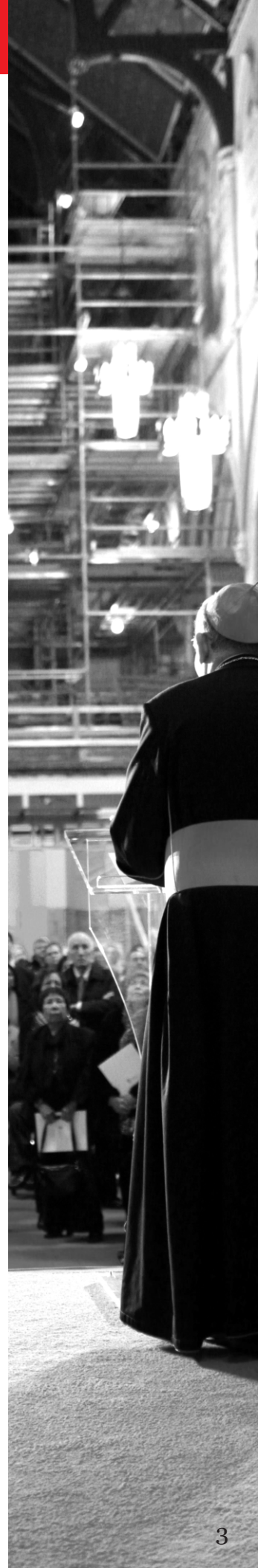
Special diocesan collections: \$2.5 million in liabilities represent the remaining balance of special collections awaiting distribution as described above.

Reserves

Parish bank loan guarantee: \$25.3 million represents restricted funds set aside as collateral for bank loans to finance parishes' capital expenditures.

Discretionary funds and other: \$9.9 million constitutes funds set aside to meet special needs of the diocese e.g., purchase of future church sites.

General reserve: The \$13.6 million is the accumulation of the diocese's net revenues and net losses over the years.



**DIOCESAN REVENUE, EXPENDITURES, AND GENERAL RESERVE
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
Revenue		
Parish assessment	\$11,124,601	\$11,069,307
Contributions, grants, other income	7,354,707	6,302,186
Investment income, interest, rents	4,280,943	5,607,466
Family of Faith Campaign	18,606,492	14,303,484
Donations and bequests	<u>661,831</u>	<u>1,216,271</u>
Total Revenue	42,028,574	38,498,714
Expenditures		
Pastoral services ¹	8,973,261	8,336,083
Chancery office ¹	5,802,541	4,804,904
Subsidies and assessments ¹	4,213,324	3,511,370
Office of Clergy & Chaplaincy ¹	2,423,231	2,384,787
Family of Faith: Pastoral Plan Priorities	15,003,355	7,504,766
Interest on borrowings	2,645,514	2,333,744
Family of Faith: Campaign Costs	1,601,694	4,926,822
Grants and donations	1,472,355	1,258,690
St. Augustine's Seminary	784,904	483,363
Regional Bishops' Offices	625,941	518,571
Maintenance of properties	<u>364,820</u>	<u>262,476</u>
Total Expenditures	43,910,940	36,325,576
Net revenue (deficit)	(1,882,366)	2,173,138
Plus: Change in fair value of investments	<u>2,007,594</u>	<u>(1,998,592)</u>
Excess (deficiency) for year	125,228	174,546
Plus: General reserve, beginning of year	15,176,098	17,117,755
Additions to (withdrawals from) general reserve:		
Parish bank loan guarantee	(215,150)	(15,478)
Property additions & restorations	<u>(1,417,866)</u>	<u>(2,100,725)</u>
General reserve, end of year	<u>\$13,668,310</u>	<u>\$15,176,098</u>

¹ Please see Statement of Diocesan Expenditures for details.



**STATEMENT OF DIOCESAN EXPENDITURES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
Pastoral Services		
Hospital Chaplaincies	\$1,211,232	\$1,058,911
Office of Formation for Discipleship	745,324	748,260
Office for Refugees	700,335	455,485
Office of Public Relations & Communications	676,203	664,619
Office of Catholic Youth	493,615	598,876
York University Chaplaincy	435,589	344,692
Office of Development	412,589	391,550
Office for Vocations	340,964	276,581
Archives	324,847	363,525
Office of the Permanent Diaconate	314,959	307,306
Television Ministry	311,436	348,828
Serra House	278,999	272,740
Newman Centre - University of Toronto Campus	277,950	277,000
Office of the Judicial Vicar	224,572	181,624
Other Chaplaincies	194,848	138,017
Parish Training Centre	179,158	69,323
Office for Marriage & Family Life	176,724	183,258
Volunteer Screening Initiative	154,457	127,440
Office of Planning and Properties	150,946	145,360
Housing Ministry	150,946	145,360
New Beginnings	146,054	143,198
Ryerson University Chaplaincy	132,202	145,736
Ministry to the Deaf	124,975	96,692
Latin Mass Celebration	113,194	62,946
Catechesis of the Good Shepherd	93,127	107,473
University of Ontario Institute of Technology Chaplaincy	85,423	6,581
University of Toronto Chaplaincy - Mississauga Campus	79,860	99,650
University of Toronto Chaplaincy - Scarborough Campus	76,949	64,267
Inner City Apostolate	76,752	154,727
Airport Chaplaincy	70,945	77,479
Pastoral Mission	63,785	87,191
Co-operative Mission Plan	56,953	37,380
Immigrant Peoples' Ministries	55,744	67,369
Migrant Workers' Chaplaincy	30,305	29,157
Madonna House	6,000	6,000
Native Peoples' Ministry	5,300	10,600
Catholic Information Centre	0	40,882
	<hr/> \$8,973,261	<hr/> \$8,336,083
Chancery Office		
Salaries and benefits	\$2,767,979	\$2,643,282
Professional fees	1,007,621	825,576
Office and travel	1,285,369	857,672
Occupancy costs	222,152	246,458
Liturgical celebrations	519,420	231,916
	<hr/> \$5,802,541	<hr/> \$4,804,904
Subsidies and Assessments		
Matrimonial Tribunal	\$2,077,661	\$2,163,871
Other subsidies and donations	1,827,232	1,059,000
Assembly of Catholic Bishops of Ontario	270,542	253,159
Canadian Conference of Catholic Bishops	37,889	35,340
	<hr/> \$4,213,324	<hr/> \$3,511,370
Office of Clergy & Chaplaincy		
Education, sabbatical, other	\$1,918,325	\$1,911,691
Administration	504,906	473,096
	<hr/> \$2,423,231	<hr/> \$2,384,787

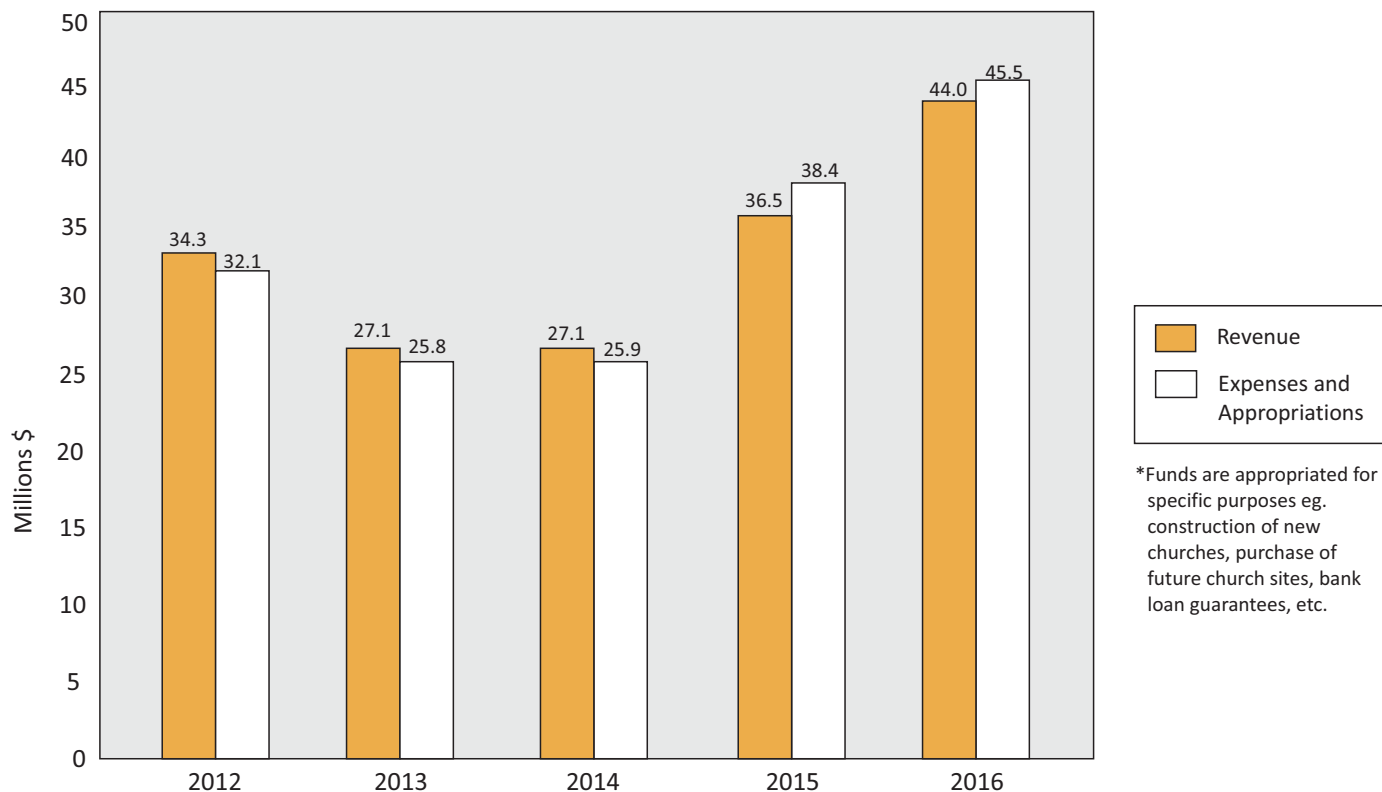


**PARISH REVENUES, EXPENDITURES AND RESERVES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

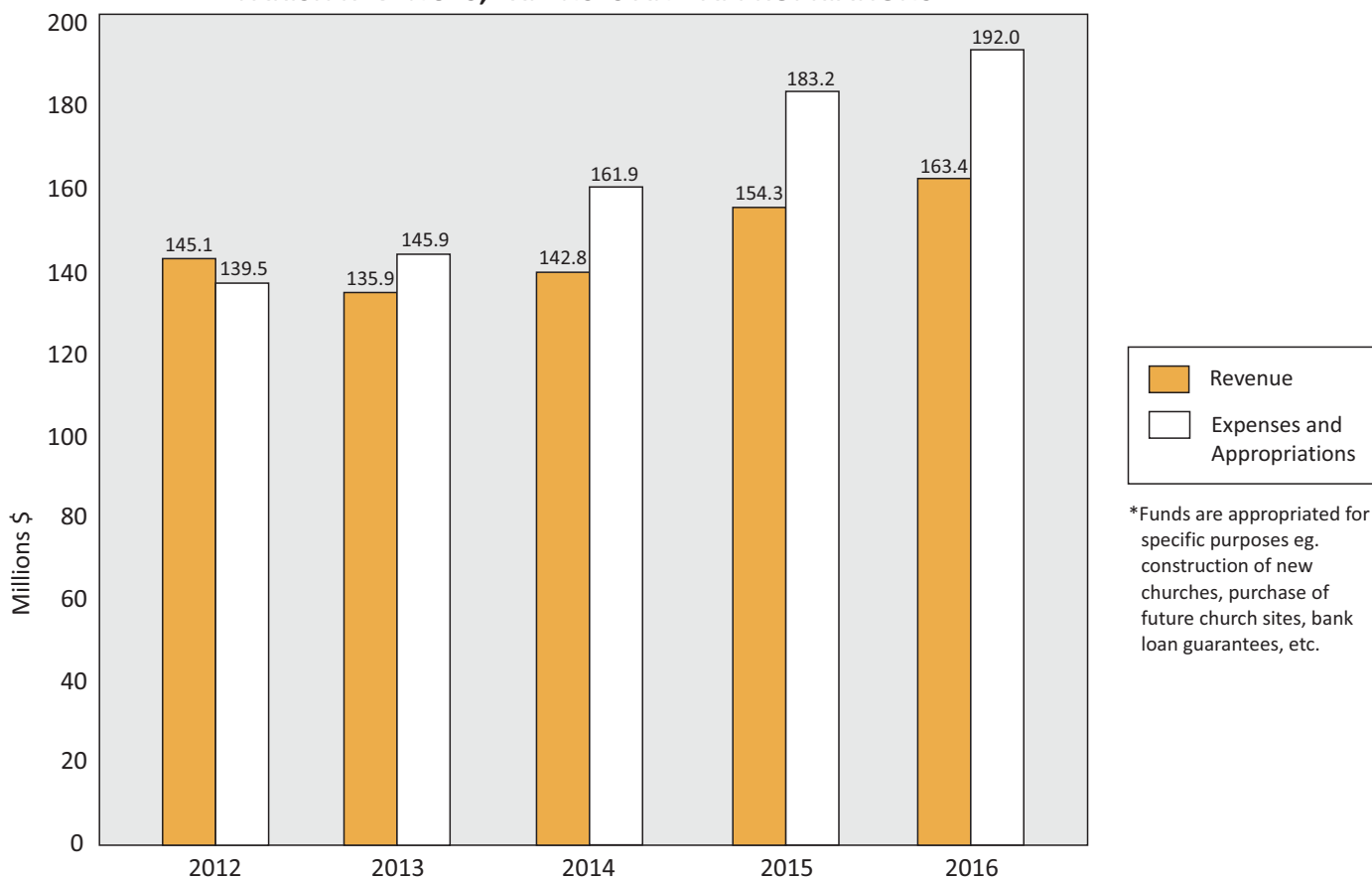
	2016	2015
Revenue		
Church receipts (includes offertory, bequests and hall revenue)	\$80,027,620	\$81,808,234
Parish programs & specified donations (includes building fund)	64,853,407	53,288,182
Investment income, interest, rents	3,175,421	2,632,133
Special diocesan collections (dedicated funds, includes humanitarian aid)	<u>15,438,244</u>	<u>16,663,932</u>
Total Revenue	163,494,692	154,392,481
 Expenditures		
Church expenses (e.g. salaries, supplies, utilities, music)	70,175,356	69,283,050
Parish programs, catechism & events	16,296,924	15,731,172
Diocesan & Shepherds' Trust assessments	13,653,718	13,549,950
Rectory expenses	4,385,260	4,264,944
Furnishing	2,063,297	1,634,051
Interest on borrowings	960,239	937,639
Special diocesan collections disbursed	<u>15,557,591</u>	<u>16,528,626</u>
Total Expenditures	123,092,385	121,929,432
 Excess of revenue over expenditures	40,402,307	32,463,049
Less: Expenditures on properties	<u>68,958,359</u>	<u>61,341,646</u>
Excess (deficiency) for the year	(28,556,052)	(28,878,597)
 Plus: Reserves, beginning of year	<u>(36,780,660)</u>	<u>(7,902,063)</u>
Reserves, end of year	<u>\$(65,336,712)</u>	<u>\$(36,780,660)</u>

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

DIOCESAN REVENUES, EXPENSES AND APPROPRIATIONS*



PARISH REVENUES, EXPENSES AND APPROPRIATIONS*





SUMMARY OF THE 2016 FINANCIAL STATEMENTS

Diocesan Revenue & Expenditures

The Archdiocese is financed by a portion of parishes' income ('Parish Assessment'), as well as donations and earnings on investments. These funds are then used to provide programs on a diocesan-wide level such as hospital & university chaplaincies, faith formation programs, and dedicated refugee resettlement workers.

Family of Faith Capital Campaign

The Archdiocese of Toronto embarked on a capital campaign to raise funds to strengthen our Catholic family by investing in programs for youth, catechism, vocations, evangelization, social justice, as well as building new and restoring existing churches.

In 2016, a total of \$28.6 million was received from the campaign outreach made to parishes. Of that figure, \$18.6 million was recognized in revenue for specific campaign distributions that were made towards objectives of the Pastoral Plan as well as to offset the costs incurred to run the campaign. As at December 31, 2016, the campaign had received a total of \$70.5 million.

The campaign is to continue over the next year with funds to be received from pledges over the next four years.

Parish Revenue & Expenditures

Parish revenues of \$163.4 million reflect an increase of \$9.1 million from 2015 due to distributions from the Family of Faith Campaign plus subsidies granted to them from Family of Faith proceeds, according to the Pastoral Plan. Parish operating expenses increased \$1.1 million, mainly due to an increase in youth activities, staff, and program expenses. However, when capital expenditures of \$68.9 million for Cathedral restoration and parish construction work are factored in, there was a deficiency of \$28.5 million.

Capital Expenditures

The Church takes care to provide both parishioners and visitors with welcoming, inspiring places to encounter the Lord and worship Him together. In 2016, \$68.9 million was incurred among 102 parishes in restoration projects, primarily the Cathedral, as well as the construction of new churches.

Parish Deposits with the Archdiocese

All buildings require upkeep and attention, including the House of God. It is the place in which we gather and from which we go out bearing the Good News. Parishes do their best to raise funds for future building 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, 2016, 135 parishes maintained a reserve of \$65.1 million with the diocese (2015: 135 parishes, \$64.3 million). These funds are also used in the interim to assist other parishes in need of financing for current capital projects. An additional \$9.2 million in Family of Faith funds was held on reserve for 207 parishes (2015: 87 parishes, \$3.8 million).

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 53 parishes totalled \$25.3 million at year-end (2015 - 53 parishes; total: \$24.9 million). These loans are for the restoration or construction of parish properties and are secured by cash collateral from the Archdiocese, as noted on our balance sheet.

At year-end, property loans by the diocese to 49 parishes amounted to \$152.1 million (2015 - 49 parishes, total: \$116.5 million). These loans were extended for the purchase of parish land sites, restoration of parish property, and to assist in the construction of new churches. The increase in the balance of these loans is primarily due to the restoration of our Cathedral, one of the focuses of our Pastoral Plan.

Special Diocesan Collections

Parishioners generously contributed \$12.1 million towards the annual parish ShareLife appeal which supports such vital work as that done by Catholic Charities, St. Augustine's Seminary, the Office for Refugees, the Office of Catholic Youth, and mission churches in developing countries.

Parishioners also responded to the following needs identified by the diocese:

The Shepherds' Trust *	\$1,056,358
Co-operative Mission Plan	\$887,357
Project Hope – Refugee Resettlement	\$835,597
Holy Land	\$743,124
Propagation of the Faith	\$615,321
Papal Charities	\$385,781
Marygrove Camp	\$377,906
Needs of the Canadian Church	\$375,721
Humanitarian Relief	\$228,421
Scarborough Foreign Mission Society	\$196,908
Catholic Missions in Canada	\$196,908

*We also received and transferred \$294,200 to Religious Orders whose priests serve some of our parishes.

Archdiocesan Finance Council

His Eminence Thomas Cardinal Collins is joined by the following professionals who volunteer on our Finance Council to ensure that your funds are spent in an optimal and responsible way:

Mr. James B. Milway (Chancellor, Temporal Affairs), Mr. William C. Dunlop (Comptroller), Mr. Robert Chisholm, Mr. Celeste Iacobelli, Ms. Colleen Johnston, Mr. Edward Sorbara, Mr. Tom Woods

Thank You

None of the above would have been achieved without the grace of God and the active participation of our parishioners who have been generous with their time, talents and resources. They have built not only a vibrant Archdiocese here but have reached out to make the light of Christ known across the world. We are most thankful to and celebrate our parishioners for serving their neighbours, both near and far.



Archdiocese
of Toronto

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