



The 2018 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, 2018 AND 2017

	Assets*			Liabilities and Reserves*	
	2018	2017		2018	2017
Cash:					
On hand	\$924,974	\$1,110,541	Loans and payables	\$221,464,860	\$212,693,800
Short-term deposits	10,879,708	12,388,136			
Collateral for parish bank loans	<u>36,555,540</u>	<u>34,471,540</u>	Deferred revenue	22,022,059	23,341,996
	48,360,222	47,970,217			
			Reserves		
			Parish bank loan guarantee	36,555,540	34,471,540
			Discretionary funds and other	9,950,144	9,953,740
			General reserves	<u>1,552,320</u>	<u>4,841,053</u>
Investments	28,903,907	44,746,491	Total reserves	48,058,004	49,266,333
Loans, receivables, prepayments	214,280,793	192,585,420			
Properties	40,042,157	38,657,730			
Less: Amount expensed to general reserve	<u>(40,042,156)</u>	<u>(38,657,729)</u>			
	1	1			
Special diocesan collections pending disbursement	<u>1,932,700</u>	<u>3,005,549</u>	Special diocesan collections pending disbursement	<u>1,932,700</u>	<u>3,005,549</u>
Total assets	<u>\$293,477,623</u>	<u>\$288,307,678</u>	Total liabilities and reserves	<u>\$293,477,623</u>	<u>\$288,307,678</u>

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

Assets

Cash: \$36.5 million of the \$48.3 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: \$28.9 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 \$188.2 million of the \$214.2 million reported, with the remainder being trade receivables, prepayments and accrued income.

Properties: \$40.0 million includes diocesan properties as well as land held for future parish sites.

Special Diocesan Collections: This \$1.9 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 \$221.4 million has a few components. Namely, \$83.4 million of it represents building funds that parishes have deposited with the Archdiocese for future capital requirements, \$84.5 million are loans for capital projects, \$34.2 million represents trade payables, and \$19.2 million are designated diocesan funds.

Deferred revenue: The \$22.0 million includes \$8.3 million pledged for the Family of Faith Capital Campaign as well as \$13.6 million in contributions from Catholic Cemeteries for future needs of the Archdiocese.

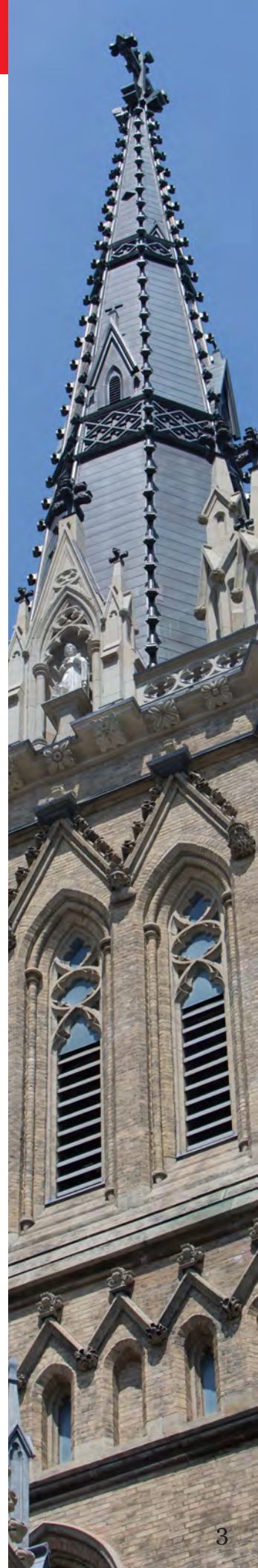
Special diocesan collections: \$1.9 million in liabilities represent the remaining balance of special collections awaiting distribution as described above.

Reserves

Parish bank loan guarantee: \$36.5 million represents 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 \$1.5 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, 2018 AND 2017**

	2018	2017
Revenue		
Parish assessment	\$10,908,593	\$10,872,255
Contributions, grants, other income	12,713,970	5,938,370
Family of Faith Campaign	6,886,078	12,421,166
Investment income, interest, rents	5,576,661	3,770,613
Donations and bequests	<u>1,519,953</u>	<u>458,630</u>
Total Revenue	37,605,255	33,461,034
Expenditures		
Pastoral services *	9,736,956	9,428,076
Chancery office *	5,425,847	5,361,929
Subsidies and assessments *	4,028,238	3,660,435
Office of Clergy & Chaplaincy *	2,170,928	2,169,120
Interest on borrowings	3,739,194	2,992,475
St. Augustine's Seminary	2,450,000	1,739,600
Family of Faith: Pastoral Plan Priorities	1,970,926	5,237,540
Grants and donations	1,936,649	1,867,111
Family of Faith: Campaign Costs	962,976	1,423,287
Regional Bishops' Offices	703,637	714,265
Maintenance of properties	<u>387,489</u>	<u>382,867</u>
Total Expenditures	33,512,840	34,976,705
Net revenue (deficit)	4,092,415	(1,515,671)
Plus: Change in fair value of investments	<u>(3,912,721)</u>	<u>1,576,173</u>
Excess (deficiency) for year	179,694	60,502
Plus: General reserve, beginning of year	4,841,053	13,668,310
Additions to (withdrawals from) general reserve:		
Parish bank loan guarantee	(2,084,000)	(9,119,421)
Property additions & restorations	<u>(1,384,427)</u>	<u>231,662</u>
General reserve, end of year	<u>\$1,552,320</u>	<u>\$4,841,053</u>

* Please see Statement of Diocesan Expenditures for details.



**STATEMENT OF DIOCESAN EXPENDITURES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
Pastoral Services		
Faith formation initiatives	\$2,038,923	\$1,932,641
Hospital Chaplaincies	1,173,086	1,111,592
Office of Catholic Youth	754,485	571,773
Office for Refugees	738,277	744,912
Office of Public Relations & Communications	672,141	624,278
Outreach Programs	521,062	554,637
York University Chaplaincy	468,041	434,066
Office of Vocations	375,703	391,505
Archives	367,144	314,257
Planning and Properties/Housing Ministry	352,138	364,776
Office of the Judicial Vicar	347,195	546,501
Office of Development	339,858	421,443
Office of the Permanent Diaconate	313,789	392,040
Newman Centre - University of Toronto Campus	276,000	276,000
Ryerson University Chaplaincy	206,489	187,049
Volunteer Screening Initiative	180,892	165,814
University of Ontario Institute of Technology Chaplaincy	155,448	114,556
Stewardship & Parish Vitality	149,566	-
Parish Training Centre	147,159	121,597
University of Toronto Chaplaincy - Scarborough Campus	80,939	86,006
University of Toronto Chaplaincy - Mississauga Campus	78,621	72,633
	<u>9,736,956</u>	<u>9,428,076</u>
Chancery Office		
Salaries and benefits	\$3,043,542	\$2,843,492
Office and travel	1,255,331	1,430,193
Professional fees	739,639	631,603
Occupancy costs	290,541	227,277
Liturgical celebrations	96,794	229,364
	<u>\$5,425,847</u>	<u>\$5,361,929</u>
Subsidies and Assessments		
Matrimonial Tribunal	\$2,145,596	\$2,040,000
Other subsidies and donations	1,460,753	1,279,944
Assembly of Catholic Bishops of Ontario	223,367	226,059
Canadian Conference of Catholic Bishops	198,522	114,432
	<u>\$4,028,238</u>	<u>\$3,660,435</u>
Office of Clergy & Chaplaincy		
Education, sabbatical, other	\$1,662,783	\$1,653,305
Administration	508,145	515,815
	<u>\$2,170,928</u>	<u>\$2,169,120</u>

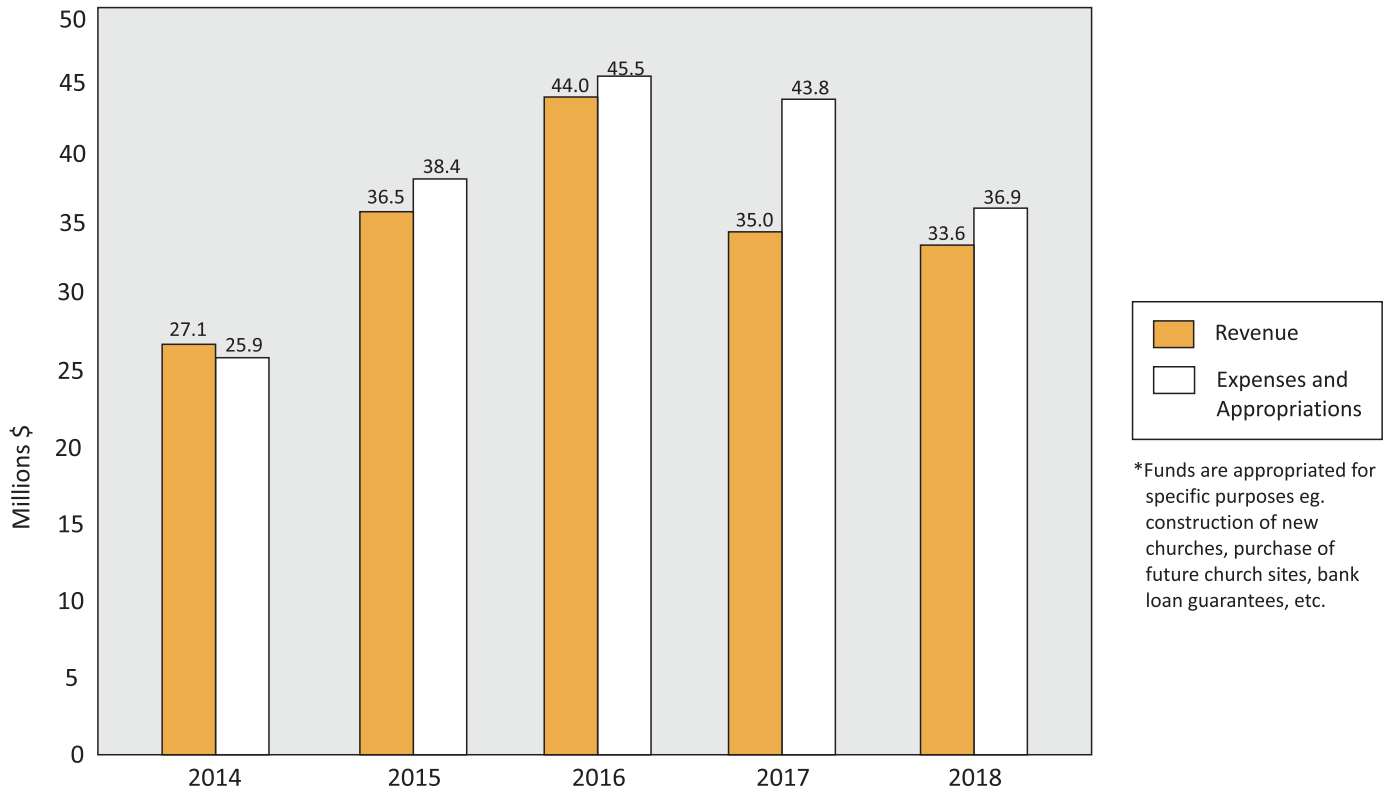


**PARISH REVENUES, EXPENDITURES AND RESERVES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

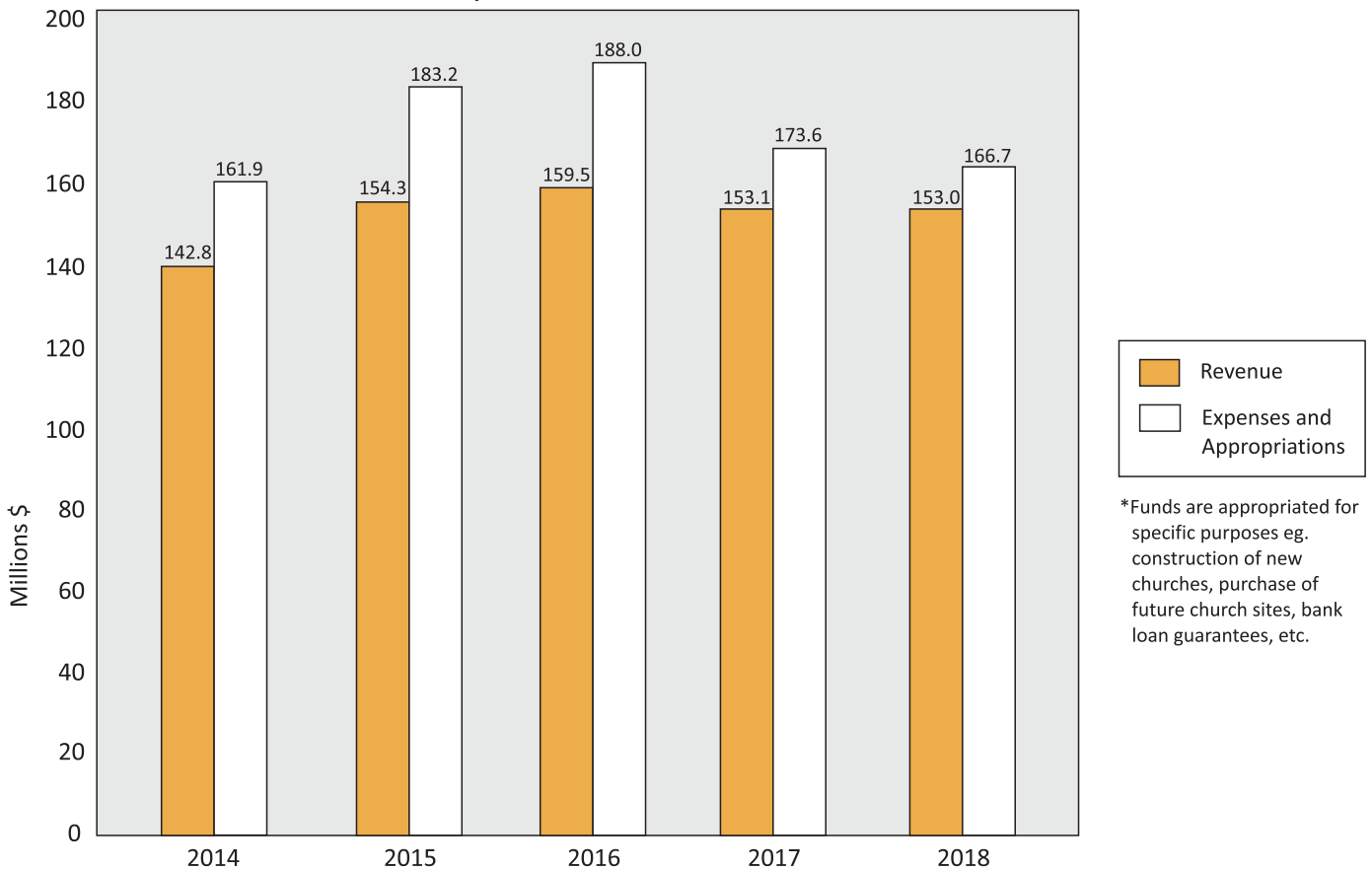
	2018	2017
Revenue		
Church receipts (includes offertory, bequests and hall revenue)	\$81,772,636	\$81,448,199
Parish programs & specified donations (includes building fund)	51,912,929	52,045,753
Investment income, interest, rents	3,744,505	3,769,319
Special diocesan collections (dedicated funds, includes humanitarian aid)	<u>15,586,642</u>	<u>15,910,270</u>
Total Revenue	153,016,712	153,173,541
 Expenditures		
Church expenses (e.g. salaries, supplies, utilities, music)	72,804,414	71,738,516
Parish programs, catechism & events	11,793,246	11,875,926
Diocesan & Shepherds' Trust assessments	14,154,864	14,448,354
Rectory expenses	4,977,066	4,697,050
Furnishing	2,156,040	2,258,017
Interest on borrowings	1,380,861	1,098,814
Special diocesan collections disbursed	<u>15,622,627</u>	<u>15,947,637</u>
Total Expenditures	122,889,118	122,064,314
 Excess of revenue over expenditures	30,127,594	31,109,227
Less: Expenditures on properties	<u>43,829,575</u>	<u>51,583,689</u>
Excess (deficiency) for the year	(13,701,981)	(20,474,462)
 Plus: Reserves, beginning of year	<u>(85,811,174)</u>	<u>(65,336,712)</u>
Reserves, end of year	<u>\$(99,513,155)</u>	<u>\$(85,811,174)</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 2018 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 2018, a total of \$22.8 million was received from the campaign outreach made to parishes. Of that figure, \$6.9 million was recognized in revenue to offset the costs incurred to run the campaign as well as specific campaign distributions that were made towards objectives of the [Pastoral Plan](#). As at December 31, 2018, the campaign had received a total of \$117.8 million.

Pledges from the campaign will continue to be received over the next two years.

Parish Revenue & Expenditures

Parish revenues of \$153.0 million remained steady compared to 2017, as did parish operating expenses of \$122.8 million. However, when capital expenditures of \$43.8 million for parish restoration and new parish construction are factored in, we have a deficiency of \$13.7 million for the year 2018.

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 2018, \$43.8 million was incurred among 150 parishes in restoration projects and 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, 2018, 140 parishes maintained a reserve of \$67.5 million with the diocese (2017: 139 parishes, \$67.5 million). These funds are also used in the interim to assist other parishes in need of financing for current capital projects. An additional \$16.0 million in Family of Faith funds was held on reserve for 210 parishes (2017: 213 parishes, \$12.7 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 57 parishes totalled \$36.4 million at year-end (2017: 55 parishes; total: \$34.4 million). These loans are for the restoration or construction of parish properties and are backed by cash collateral from the Archdiocese, as noted on our balance sheet.

At year-end, property loans by the diocese to 56 parishes amounted to \$188.1 million (2017: 55 parishes, total: \$170.9 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.

Special Diocesan Collections

Parishioners generously contributed \$13.4 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:

Humanitarian Relief	\$1,495,067
The Shepherds' Trust *	\$1,053,451
Co-operative Mission Plan	\$969,994
Holy Land	\$882,248
Propagation of the Faith	\$451,091
Marygrove Camp	\$430,521
Canadian Missions	\$422,091
Papal Charities	\$418,260
Needs of the Canadian Church	\$372,780

*We also received and transferred \$304,150 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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