



Archdiocese *of* Toronto

THE 2019 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, 2019 AND 2018

	Assets*			Liabilities and Reserves*	
	2019	2018		2019	2018
Cash:					
On hand	\$4,514,372	\$924,974	Loans and payables	\$230,696,760	\$221,464,860
Short-term deposits	2,695,518	10,879,708			
Collateral for parish bank loans	39,533,781	36,555,540	Deferred revenue	4,039,794	8,386,663
	46,743,671	48,360,222			
			Reserves		
			Parish bank loan guarantee	39,533,781	36,555,540
			Discretionary funds and other	9,996,141	9,950,144
			General reserves	25,015,915	15,187,716
Investments	30,710,617	28,903,907	Total reserves	74,545,837	61,693,400
Loans, receivables, prepayments	231,828,102	214,280,793			
Properties	37,150,295	40,042,157			
Less: Amount expensed to general reserve	(37,150,294)	(40,042,156)			
	1	1			
Special diocesan collections pending disbursement	1,728,052	1,932,700	Special diocesan collections pending disbursement	1,728,052	1,932,700
Total assets	\$311,010,443	\$293,477,623	Total liabilities and reserves	\$311,010,443	\$293,477,623

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

Assets

Cash: \$39.5 million of the \$46.7 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: \$30.7 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 \$204.3 million of the \$231.8 million reported, with the remainder being trade receivables, prepayments and accrued income.

Properties: \$37.1 million includes diocesan properties as well as land held for future parish sites.

Special Diocesan Collections: This \$1.7 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 \$230.6 million has a few components. Namely, \$94.2 million of it represents building funds that parishes have deposited with the Archdiocese for future capital requirements, \$75.4 million are loans for capital projects, \$36.5 million represents trade payables, and \$24.4 million are designated diocesan funds.

Deferred revenue: The \$4.0 million represents pledges for the Family of Faith Capital Campaign.

Special diocesan collections: \$1.7 million in liabilities represent the remaining balance of special collections awaiting distribution as described above.

Reserves

Parish bank loan guarantee: \$39.5 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 \$25.0 million is the accumulation of the diocese's net revenues and net losses over the years. There was a book adjustment recorded in year 2019 which increased the general reserve balance of year 2018 by \$13,635,396 (from \$1,552,320 to \$15,187,716). The increase represents a re-allocation of funds already used towards operational costs in previous years and does not represent an influx of funds available for future use. The general reserve enables us to continue supporting the hundreds of parishes serving our 2 million Catholics through periods of financial hardship. With the onset of the coronavirus pandemic, the general reserve has been drawn down significantly for operational and parish support.



**DIOCESAN REVENUE, EXPENDITURES, AND GENERAL RESERVE
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Revenue		
Parish assessment	\$11,716,258	\$10,908,593
Contributions, grants, other income	19,305,565	11,863,970
Family of Faith Campaign	4,049,026	6,886,078
Investment income, interest, rents	5,527,035	5,576,661
Donations and bequests	<u>569,116</u>	<u>1,519,953</u>
Total Revenue	41,167,000	36,755,255
Expenditures		
Pastoral services	9,621,517	9,736,956
Chancery office	6,082,138	5,425,847
Subsidies and assessments	3,931,329	4,028,238
Office of Clergy & Chaplaincy	2,454,024	2,170,928
Interest on borrowings	3,510,392	3,739,194
St. Augustine's Seminary	934,696	2,450,000
Family of Faith: Pastoral Plan Priorities	1,927,343	1,970,926
Grants and donations	2,006,446	1,936,649
Family of Faith: Campaign Costs	628,234	962,976
Regional Bishops' Offices	641,008	703,637
Maintenance of properties	<u>431,485</u>	<u>387,489</u>
Total Expenditures	32,168,612	33,512,840
Net revenue (deficit)	8,998,388	3,242,415
Plus: Change in fair value of investments	<u>916,190</u>	<u>(3,912,721)</u>
Excess (deficiency) for year	9,914,578	(670,306)
Plus: General reserve, beginning of year	15,187,716	19,326,449
Additions to (withdrawals from) general reserve:		
Parish bank loan guarantee	(2,978,241)	(2,084,000)
Property additions & restorations	<u>2,891,862</u>	<u>(1,384,427)</u>
General reserve, end of year	<u>\$25,015,915</u>	<u>\$15,187,716</u>

* Please see Statement of Diocesan Expenditures for details.



**STATEMENT OF DIOCESAN EXPENDITURES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Pastoral Services		
Faith formation initiatives	\$1,853,262	\$2,038,923
University chaplaincies	1,258,244	1,265,538
Hospital chaplaincies	1,220,920	1,173,086
Office of Catholic Youth	862,185	754,485
Office of Public Relations & Communications	778,208	672,141
Office for Refugees	698,470	738,277
Outreach programs	501,599	521,062
Archives	402,474	367,144
Office of Vocations	390,982	375,703
Office of Development	376,983	339,858
Planning and Properties/Housing Ministry	314,097	352,138
Office of the Permanent Diaconate	302,043	313,789
Stewardship & Parish Vitality	196,172	149,566
Volunteer Screening Initiative	177,124	180,892
Parish Training Centre	150,643	147,159
Office of the Judicial Vicar	138,111	347,195
	<u>\$9,621,517</u>	<u>\$9,736,956</u>
 Chancery Office		
Salaries and benefits	\$3,348,086	\$3,043,542
Office and travel	1,501,736	1,255,331
Professional fees	688,041	739,639
Occupancy costs	414,694	290,541
Liturgical celebrations	129,581	96,794
	<u>\$6,082,138</u>	<u>\$5,425,847</u>
 Subsidies and Assessments		
Matrimonial Tribunal	\$2,195,884	\$2,145,596
Other subsidies and donations	1,256,099	1,460,753
Canadian Conference of Catholic Bishops	258,840	198,522
Assembly of Catholic Bishops of Ontario	220,506	223,367
	<u>\$3,931,329</u>	<u>\$4,028,238</u>
 Office of Clergy & Chaplaincy		
Education, sabbatical, other	\$1,910,600	\$1,662,783
Administration	543,424	508,145
	<u>\$2,454,024</u>	<u>\$2,170,928</u>

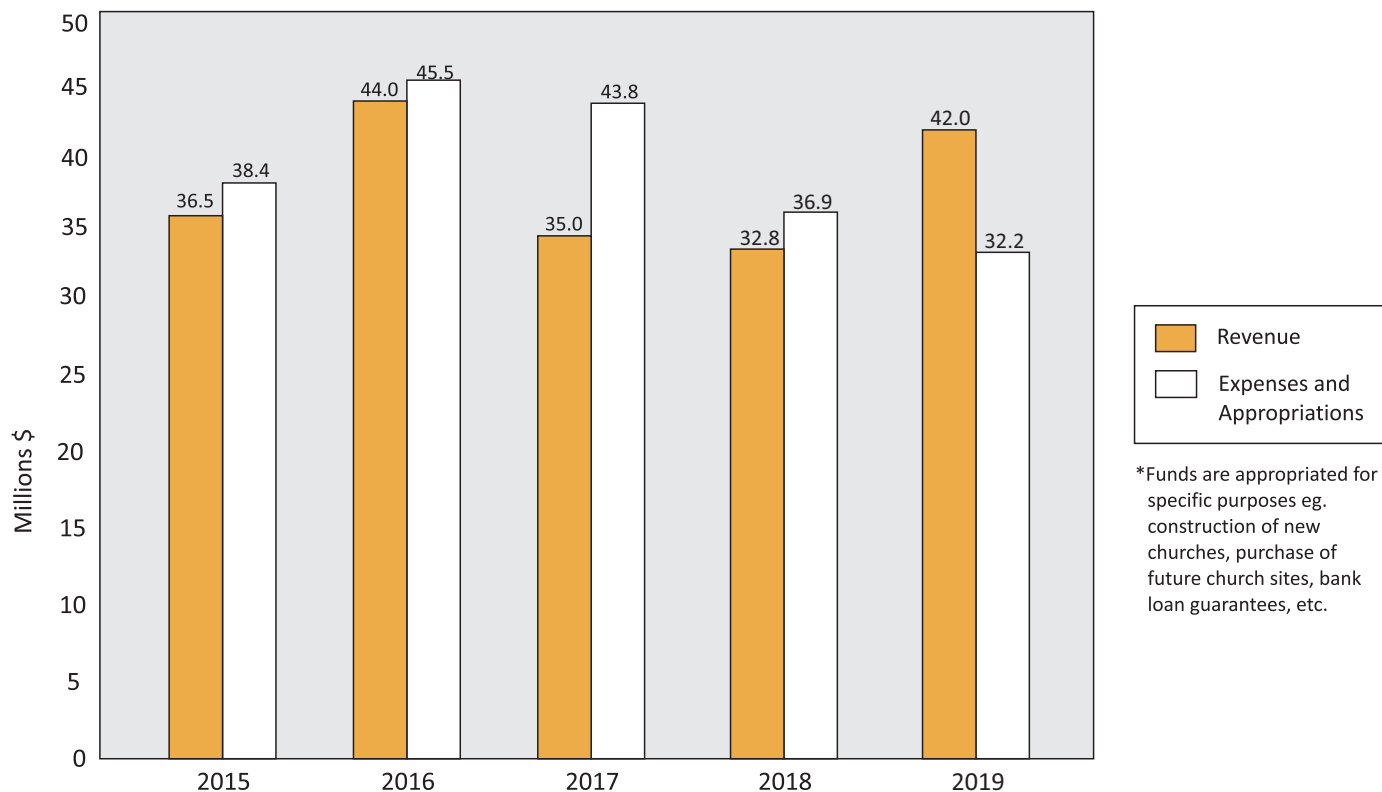


PARISH REVENUES, EXPENDITURES AND RESERVES FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

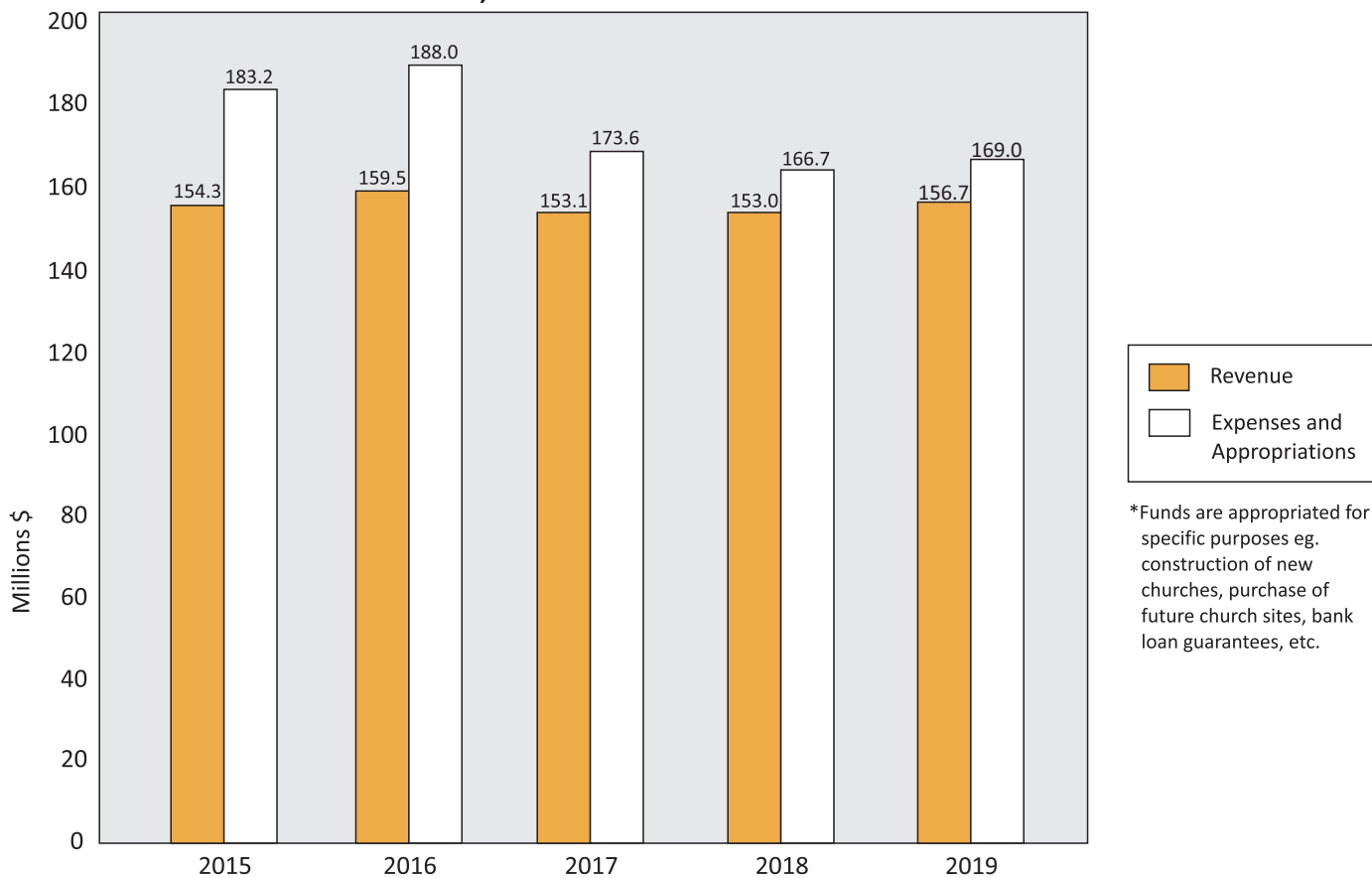
	2019	2018
Revenue		
Church receipts (includes offertory, bequests and hall revenue)	\$82,235,755	\$81,772,636
Parish programs & specified donations (includes building fund)	55,534,466	51,912,929
Investment income, interest, rents	3,881,867	3,744,505
Special diocesan collections (dedicated funds, includes humanitarian aid)	<u>15,054,345</u>	<u>15,586,642</u>
Total Revenue	156,706,433	153,016,712
Expenditures		
Church expenses (e.g. salaries, supplies, utilities, music)	74,465,940	72,804,414
Parish programs, catechism & events	11,932,929	11,793,246
Diocesan & Shepherds' Trust assessments	15,106,309	14,154,864
Rectory expenses	5,035,957	4,977,066
Furnishing	2,274,389	2,156,040
Interest on borrowings	1,511,386	1,380,861
Special diocesan collections disbursed	<u>14,918,934</u>	<u>15,622,627</u>
Total Expenditures	125,245,844	122,889,118
Excess of revenue over expenditures	31,460,589	30,127,594
Less: Expenditures on properties	<u>43,789,255</u>	<u>43,829,575</u>
Excess (deficiency) for the year	(12,328,666)	(13,701,981)
Plus: Reserves, beginning of year	<u>(99,513,155)</u>	<u>(85,811,174)</u>
Reserves, end of year	<u>\$(111,841,821)</u>	<u>\$(99,513,155)</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 2019 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.

The coronavirus pandemic in year 2020 resulted in the closure of parishes and increased reliance on the work being done by Catholic organizations. The \$9.0 million surplus in year 2019 has been drawn down significantly during year 2020 to provide much needed operational and financial support to parishes and Catholic organizations to continue serving the faithful across the Archdiocese.

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 2019, a total of \$16.7 million was received from the campaign outreach made to parishes. Of that figure, \$4.0 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](#). The remainder of the Family of Faith funds were held on reserve for parishes to use towards restoration and capital projects. As at December 31, 2019, the campaign had received a total of \$134.5 million.

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

Parish Revenue & Expenditures

Parish revenues of \$156.7 million remained steady compared to 2018, as did parish operating expenses of \$125.2 million. However, when capital expenditures of \$43.8 million for parish restoration and new parish construction are factored in, we have a deficiency of \$12.3 million for the year 2019.

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 2019, \$43.8 million was incurred among 135 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, 2019, 143 parishes maintained a reserve of \$72.2 million with the diocese (2018: 140 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 \$22.0 million in Family of Faith funds was held on reserve for 209 parishes (2018: 210 parishes, \$16.0 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 56 parishes totalled \$39.5 million at year-end (2018: 57 parishes; total: \$36.4 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 57 parishes amounted to \$204.3 million (2018: 56 parishes, total: \$188.1 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 \$13.0 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	\$379,182
The Shepherds' Trust *	\$1,015,203
Co-operative Mission Plan	\$1,047,071
Holy Land	\$893,842
Propagation of the Faith	\$480,056
Marygrove Camp	\$412,614
Canadian Missions	\$460,041
Papal Charities	\$406,215
Needs of the Canadian Church	\$390,183

*We also received and transferred \$293,801 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. Michael Schuck (Controller), 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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