

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

FINANCIAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2022

CONTENTS

	Page
COMPILATION ENGAGEMENT REPORT	1
FINANCIAL INFORMATION	
Statement of Financial Position	2
Statement of Operations and Changes in Fund Balances	3
Cash Flow Statement	4
Segmented Financial Information	
Statement of Financial Position and Statement of Operations and Changes in Fund Balances:	
Diocesan Pastoral Centre	5-6
Priest Benefit Fund	7-8
Seminararian Fund	9-10
Guy Mills Court	11-12
Diocesan Parishes	13-14
Notes to Financial Information	15 - 21



COMPILATION ENGAGEMENT REPORT

To Management of The Roman Catholic Episcopal Corporation for the Diocese of Peterborough, in Ontario, Canada

On the basis of information provided by management, we have compiled the statement of financial position of The Roman Catholic Episcopal Corporation for the Diocese of Peterborough, in Ontario, Canada as at December 31, 2022, the statement of operations and changes in fund balances and the cash flow statement for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information (“financial information”).

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

HGK Partners LLP

HAMILTON, ONTARIO
June 21, 2023

HGK PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 6,977,912	\$ 6,647,802
Accounts receivable	30,857	50,492
Prepaid expenses	1,171	6,496
HST receivable	201,533	170,860
Interest receivable	112,172	25,862
Inventory - gift cards	79,735	94,190
Clergy loans receivable - current (Note 4)	6,060	9,720
	7,409,440	7,005,422
CLERGY LOANS RECEIVABLE (Note 4)	-	6,060
INVESTMENTS, AT MARKET VALUE (Note 12)	13,365,168	14,753,276
TERM DEPOSITS (Note 7)	595,200	542,200
CAPITAL ASSETS (Note 5)	9,686,245	9,916,029
	\$ 31,056,053	\$ 32,222,987
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 334,610	\$ 442,354
Deferred revenue (Note 6)	1,195,856	1,102,370
Bank demand loans (Note 11)	601,763	410,293
Cemetery term deposits	110,705	104,143
	2,242,934	2,059,160
PRIVATE LOAN (Note 9)	-	550,000
DEFERRED REVENUE (Note 6)	1,500,160	1,579,797
FUNDS HELD IN TRUST (Note 8)	53,798	53,798
	3,796,892	4,242,755
FUND BALANCES		
GENERAL FUNDS (Note 3)	6,870,503	6,784,896
RESTRICTED FUNDS (Note 3)	12,666,527	13,323,058
	19,537,030	20,107,954
INVESTMENT IN CAPITAL ASSETS	7,722,131	7,872,278
	27,259,161	27,980,232
	\$ 31,056,053	\$ 32,222,987

APPROVED BY THE BISHOP OF PETERBOROUGH:

+ Daniel Muehm

(See Accompanying Notes)

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
REVENUE		
Offerings	\$ 5,245,907	\$ 4,900,166
Other revenue	623,144	529,511
Special collections	741,874	621,959
Bequests	127,276	57,184
Donations	1,009,839	793,330
Stipends	341,017	313,910
Fundraising	255,617	139,909
Interest on accounts	142,179	44,635
	8,486,853	7,400,604
EXPENSES		
Wages and benefits (non-clergy)	1,586,857	1,623,484
Wages and benefits (clergy)	1,622,652	1,577,658
Office, rectory and other	1,058,754	970,986
Utilities	743,170	599,796
Programs, events and activities	353,700	230,999
Maintenance and repairs (non-capital)	450,384	406,138
Retirement benefits (clergy)	471,547	470,375
Insurance	355,449	341,156
Special collections and donations	290,186	172,040
Indigenous Reconciliation fund	78,508	-
Stipends	85,071	80,434
Clergy special assistance	67,989	34,933
Fundraising	64,259	30,338
Property taxes	90,779	88,790
Seminarian formation	53,710	92,698
Professional fees	48,213	55,215
Clergy formation (net of recovery)	21,455	13,801
	7,442,683	6,788,841
EXCESS REVENUE OVER EXPENSES		
BEFORE UNDERNOTED	1,044,170	611,763
Donations revenue (capital)	629,515	651,663
Federal COVID-19 Wage Subsidies	-	728,753
WSIB, Energy and other rebates	157,816	-
Capital expenditures	(1,542,357)	(755,126)
Investment income (loss)	(212,165)	379,216
Unrealized (loss)/gain on investments	(1,156,925)	1,623,191
Interest expense on bank demand loans	(16,810)	(11,522)
Interest expense on funds held in trust and cemetery term deposits	(22,727)	(25,218)
Debt forgiven (Note 9)	550,000	-
Amortization of deferred revenue	79,637	83,949
Amortization of capital assets	(229,784)	(204,576)
(DEFICIENCY OF) EXCESS REVENUE OVER EXPENSES	(719,630)	3,082,093
FUND BALANCES, BEGINNING OF YEAR	27,978,791	24,896,698
FUND BALANCES, END OF YEAR	\$ 27,259,161	\$ 27,978,791

(See Accompanying Notes)

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
OPERATING ACTIVITIES		
(Deficiency of) excess revenue over expenses	\$ (719,630)	\$ 3,082,093
Non-cash items		
Amortization of deferred revenue related to capital assets	(79,637)	(83,949)
Amortization of capital assets	229,784	204,576
Debt forgiven	(550,000)	-
	<u>(1,119,483)</u>	<u>3,202,720</u>
Changes in non-cash working capital balances		
Accounts receivable	19,635	6,183
Prepaid expenses	5,325	(246)
HST receivable	(30,673)	8,161
Interest receivable	(86,310)	617
Inventory - gift cards	14,455	6,563
Accounts payable and accrued liabilities	(109,185)	284,237
Cemetery term deposits	6,562	-
Deferred revenue	93,486	102,989
	<u>(86,705)</u>	<u>408,504</u>
	<u>(1,206,188)</u>	<u>3,611,224</u>
INVESTING ACTIVITIES		
Clergy loans receivable repaid	9,720	9,720
Term deposits (acquisitions) disposals (net)	(53,000)	(165,200)
Acquisition of capital assets	-	(449,770)
Net investment (acquisitions) disposals (net)	1,388,108	(2,135,456)
	<u>1,344,828</u>	<u>(2,740,706)</u>
FINANCING ACTIVITIES		
Bank demand loans (net of repayments)	191,470	(92,884)
NET INCREASE (DECREASE) IN CASH	330,110	777,634
CASH, BEGINNING OF YEAR	6,647,802	5,870,168
CASH, END OF YEAR	\$ 6,977,912	\$ 6,647,802

(See Accompanying Notes)

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

DIOCESAN PASTORAL CENTRE

AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 3,174,544	\$ 3,051,242
Accounts receivable	19,268	25,890
Due from parishes	22,451	1,000
Due from Seminarian Fund	15,061	16,824
Prepaid expenses	496	6,496
HST receivable	14,421	18,062
Interest receivable	100,002	15,066
Clergy loans receivable - current (Note 4)	6,060	9,720
	3,352,303	3,144,300
INVESTMENTS, AT MARKET VALUE (Note 12)	2,682,379	2,919,348
PARISH LOANS RECEIVABLE	1,008,817	724,292
CLERGY LOANS RECEIVABLE (Note 4)	-	6,060
CAPITAL ASSETS	1,126,274	1,171,327
	\$ 8,169,773	\$ 7,965,327
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 105,849	\$ 68,610
Due to parishes	34,910	23,897
Deferred revenue	234,293	297,590
Bank demand loans (Note 11)	601,763	410,293
Funds held in trust	22,998	22,998
	999,813	823,388
PRIVATE LOAN (Note 9)	-	550,000
ACCRUED INTEREST PAYABLE ON PARISH TERM DEPOSITS	359,405	400,064
PARISH TERM DEPOSITS (Note 7)	7,512,839	7,266,338
CEMETERY TERM DEPOSITS	110,705	104,143
	8,982,762	9,143,933
FUND BALANCES		
INVESTED IN CAPITAL ASSETS	662,319	707,372
GENERAL FUND - Internally restricted (Note 3)	743,425	743,425
GENERAL FUND DEFICIT - Unrestricted	(2,218,733)	(2,629,403)
	(812,989)	(1,178,606)
	\$ 8,169,773	\$ 7,965,327

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

DIOCESAN PASTORAL CENTRE

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Internally Restricted Fund	2022	2021
REVENUE				
Levy (diocesan assessment)	\$ 849,586	\$ -	\$ 849,586	\$ 929,264
Special collections	264,484	-	264,484	196,850
Donations	306,942	-	306,942	161,974
Other revenue	55,785	-	55,785	13,819
Interest	131,639	-	131,639	27,203
	1,608,436	-	1,608,436	1,329,110
EXPENSES				
Wages and benefits (non-clergy)	472,091	-	472,091	414,635
Wages and benefits (clergy)	143,997	-	143,997	186,219
Special collections and donations	208,613	-	208,613	172,040
Indigenous Reconciliation Fund	78,508	-	78,508	-
Occupancy costs	97,721	-	97,721	89,541
Clergy special assistance	67,989	-	67,989	34,933
Fees, dues, and subscriptions	111,207	-	111,207	74,584
Programs and activities	32,686	-	32,686	15,894
Bank charges (net of recovery)	8,770	-	8,770	7,986
Office and sundry	54,147	-	54,147	27,082
Clergy formation (net of recovery)	21,455	-	21,455	13,801
Professional fees	48,213	-	48,213	54,645
Training and education	9,906	-	9,906	27
Advertising and promotion	9,016	-	9,016	4,084
Telecommunications	10,350	-	10,350	11,320
	1,374,669	-	1,374,669	1,106,791
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED				
	233,767	-	233,767	222,319
Investment income/(loss), net of fees	(173,249)	-	(173,249)	71,721
Unrealized (loss)/gain on investments	(100,271)	-	(100,271)	316,377
Interest income on parish loans	22,323	-	22,323	12,997
Interest expense on bank demand loans	(16,810)	-	(16,810)	(11,522)
Interest expense on funds held in trust and cemetery term deposits	(162,035)	-	(162,035)	(192,108)
Debt forgiven (Note 8)	550,000	-	550,000	-
Donations revenue (capital)	18,478	-	18,478	179,000
Federal COVID-19 Wage Subsidies	-	-	-	131,073
Administration fees	59,136	-	59,136	86,731
Capital expenditures	(20,668)	-	(20,668)	(26,545)
Amortization of capital assets	(45,054)	-	(45,054)	(9,420)
EXCESS REVENUE OVER EXPENSES	365,617	-	365,617	780,623
FUND DEFICIT, BEGINNING OF YEAR	(1,922,031)	743,425	(1,178,606)	(1,959,229)
FUND DEFICIT, END OF YEAR	\$ (1,556,414)	\$ 743,425	\$ (812,989)	\$ (1,178,606)

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

PRIEST BENEFIT FUND

AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 447,391	\$ 213,290
Accounts receivable	1,353	8,401
	448,744	221,691
INVESTMENTS, AT MARKET VALUE (Note 12)	9,116,279	10,060,669
	\$ 9,565,023	\$ 10,282,360
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 92,166	\$ 89,001
FUND BALANCES		
PRIEST BENEFIT FUND - Restricted (Note 3)	9,472,857	10,193,359
	\$ 9,565,023	\$ 10,282,360

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
PRIEST BENEFIT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
REVENUE		
Levy	\$ 324,024	\$ 362,314
Special collections	141,513	157,087
Stipends	137,196	127,283
Other revenue	21,950	385
Donations	7,890	7,648
Bequests	48,683	-
	681,256	654,717
EXPENSES		
Retirement benefits (clergy) (Note 10)	471,547	470,375
Office and sundry	2,658	33,943
	474,205	504,318
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED	207,051	150,399
Investment income/(loss), net of fees	(29,946)	255,840
Unrealized (loss)/gain on investments	(897,607)	1,112,675
(DEFICIENCY OF) EXCESS OF REVENUE OVER EXPENSES	(720,502)	1,518,914
FUND BALANCE, BEGINNING OF YEAR	10,193,359	8,674,445
FUND BALANCE, END OF YEAR	\$ 9,472,857	\$ 10,193,359

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

SEMINARIAN FUND

AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
INVESTMENTS, AT MARKET VALUE (Note 12)	\$ 1,566,507	\$ 1,773,259
	\$ 1,566,507	\$ 1,773,259
LIABILITIES		
CURRENT		
Due to Diocesan Pastoral Centre	\$ 15,061	\$ 16,824
FUND BALANCES		
RESTRICTED FUNDS		
Legacy Fund	250,000	250,000
Education Fund (Note 3)	1,096,787	1,096,787
	1,346,787	1,346,787
GENERAL FUND	204,659	409,648
	1,551,446	1,756,435
	\$ 1,566,507	\$ 1,773,259

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

SEMINARIAN FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
REVENUE		
Donations	\$ 16,738	\$ 11,624
EXPENSES		
Seminary formation	53,710	92,698
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE UNDERNOTED	(36,972)	(81,074)
Investment income/(loss), net of fees	(8,971)	51,655
Unrealized (loss)/gain on investments	(159,046)	194,139
(DEFICIENCY OF) EXCESS OF REVENUE OVER EXPENSES	(204,989)	164,720
FUND BALANCE, BEGINNING OF YEAR	1,756,435	1,591,715
FUND BALANCE, END OF YEAR	\$ 1,551,446	\$ 1,756,435

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

GUY MILLS COURT

AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 145,715	\$ 122,054
Interest receivable	12,170	10,797
	157,885	132,851
TERM DEPOSITS (Note 7)	595,200	542,200
CAPITAL ASSETS (net of accumulated amortization \$2,794,997 (2021 - \$2,715,360))	1,500,160	1,579,797
	\$ 2,253,245	\$ 2,254,848
LIABILITIES		
CURRENT		
DEFERRED REVENUE	\$ 1,500,160	\$ 1,579,797
FUND BALANCES		
RESERVE FUND - Externally restricted (Note 3)	671,040	599,492
GENERAL FUND - Externally restricted (Note 3)	82,045	75,559
	753,085	675,051
	\$ 2,253,245	\$ 2,254,848

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

GUY MILLS COURT

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Reserve Fund	2022	2021
REVENUE				
Resident fees	223,476	61,032	284,508	272,016
Rental	810	-	810	-
Interest	-	10,516	10,516	22,803
	224,286	71,548	295,834	294,819
EXPENSES				
Maintenance and repairs	80,662	-	80,662	73,376
Property taxes	74,386	-	74,386	70,904
Utilities	26,867	-	26,867	24,441
Insurance	19,281	-	19,281	18,157
Office and sundry	5,970	-	5,970	4,593
Professional fees	-	-	-	571
	207,166	-	207,166	192,042
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED				
	17,120	71,548	88,668	102,777
Amortization of deferred revenue	79,637	-	79,637	83,949
Amortization of capital assets	(79,637)	-	(79,637)	(83,949)
Capital expenditures	(10,634)	-	(10,634)	(10,434)
EXCESS REVENUE OVER EXPENSES	6,486	71,548	78,034	92,343
FUND BALANCE, BEGINNING OF YEAR	75,559	599,492	675,051	582,708
FUND BALANCE, END OF YEAR	\$ 82,045	\$ 671,040	\$ 753,085	\$ 675,051

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF FINANCIAL POSITION

DIOCESAN PARISHES

AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 3,210,265	\$ 3,261,216
Accounts receivable	10,236	16,201
Due from Diocesan Pastoral Centre	34,910	23,897
Interest receivable on term deposits	359,405	400,064
HST rebate receivable	187,112	152,798
Prepaid amounts	675	-
Inventory - gift cards	79,735	94,190
	3,882,338	3,948,366
TERM DEPOSITS HELD BY DIOCESAN PASTORAL CENTRE (Note 7)	7,512,839	7,266,338
CAPITAL ASSETS (net of accumulated amortization \$72,889,491 (2021 - \$72,784,398))	7,059,811	7,164,904
	\$ 18,454,988	\$ 18,379,608
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 136,605	\$ 284,749
Due to Diocesan Pastoral Centre	22,451	1,000
Deferred revenue	961,563	804,780
Funds held in trust	30,800	30,800
	1,151,419	1,121,329
LOANS DUE TO DIOCESAN PASTORAL CENTRE	1,008,817	724,292
	2,160,236	1,845,621
FUND BALANCES		
GENERAL FUND	8,884,568	9,004,487
RESTRICTED FUND (Note 3)	350,373	364,596
	9,234,941	9,369,083
INVESTMENT IN CAPITAL ASSETS	7,059,811	7,164,904
	16,294,752	16,533,987
	\$ 18,454,988	\$ 18,379,608

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

DIOCESAN PARISHES

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Restricted Fund	2022	2021
REVENUE				
Offerings	\$ 5,245,907	\$ -	\$ 5,245,907	\$ 4,900,166
Special collections (including Christmas, Good Friday and Easter)	813,201	-	813,201	728,407
Bequests	78,593	-	78,593	57,184
Other revenue	252,595	-	252,595	200,153
Stipends	341,017	-	341,017	313,910
Donations	678,269	-	678,269	611,699
Fundraising	207,342	-	207,342	129,854
Youth and childrens' programs	55,791	-	55,791	53,579
Interest on accounts	26,390	-	26,390	(7,179)
	7,699,105	-	7,699,105	6,987,773
EXPENSES				
Wages and benefits (non-clergy)	1,114,766	-	1,114,766	1,208,849
Wages and benefits (clergy)	1,479,080	-	1,479,080	1,392,324
Levy (diocesan assessment)	849,586	-	849,586	929,361
Office, rectory and sundry	828,685	-	828,685	777,633
Utilities	697,718	-	697,718	559,071
Special collections	488,314	-	488,314	460,405
Maintenance and repairs (non-capital)	363,287	-	363,287	328,113
Priest Benefit Fund (diocesan assessment)	324,024	-	324,024	362,218
Indigenous Reconciliation Fund	72,026	-	72,026	-
Insurance	324,275	-	324,275	312,101
Parish activities, programs and supplies	279,602	-	279,602	189,678
Stipends	221,388	-	221,388	206,781
Youth and childrens' programs	41,884	-	41,884	25,478
Fundraising	64,259	-	64,259	30,338
	7,148,894	-	7,148,894	6,782,350
EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED				
	550,211	-	550,211	205,423
Donations revenue (capital)	611,037	-	611,037	472,663
Federal COVID-19 Wage Subsidies	-	-	-	607,790
WSIB and Energy rebates	165,981	-	165,981	-
Administration fees	(59,136)	-	(59,136)	(86,731)
Capital expenditures	(1,496,832)	(14,223)	(1,511,055)	(718,147)
Interest income on term deposits	131,807	-	131,807	168,699
Interest expense on parish loans	(22,987)	-	(22,987)	(12,996)
Amortization of capital assets	(105,093)	-	(105,093)	(111,207)
(DEFICIENCY OF) EXCESS REVENUE OVER EXPENSES				
	(225,012)	(14,223)	(239,235)	525,494
FUND BALANCE, BEGINNING OF YEAR				
	16,169,391	364,596	16,533,987	16,008,493
FUND BALANCE, END OF YEAR				
	\$ 15,944,379	\$ 350,373	\$ 16,294,752	\$ 16,533,987

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

NOTES TO FINANCIAL INFORMATION

AS AT DECEMBER 31, 2022

1. Purpose of the Organization

The Roman Catholic Episcopal Corporation for the Diocese of Peterborough, in Ontario, Canada (the 'Corporation') is incorporated under the laws of the Province of Ontario. The Corporation is registered under the Income Tax Act and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The purpose of the Corporation is to undertake religious and charitable work within the Roman Catholic Diocese of Peterborough.

2. Basis of Accounting

The basis of accounting applied in the preparation of the statement of financial position of The Roman Catholic Episcopal Corporation for the Diocese of Peterborough, in Ontario, Canada as at December 31, 2022 and the statement of operations and changes in fund balances for the year then ended is on the historical cost basis, reflecting cash transactions with the addition of the following:

(a) Basis of Presentation

The operations of the Corporation consist of multiple segments, including, the Diocesan Pastoral Centre, Diocesan Parishes, a Priest Benefit Fund, a Seminarian Fund, and Guy Mills Court, a residential life lease community located in Lindsay, Ontario.

The Diocesan Parishes may report some balances on a cash basis while the other segments report all expenses on an accrual basis.

(b) Fund Accounting

The Corporation follows the restricted fund method of accounting for contributions.

The Diocesan Pastoral Centre reports the operating activities and resources of the Diocesan Pastoral Centre, consisting of a general fund.

The Priest Benefit Fund reports the operating activities and resources of the diocesan priests retirement fund, consisting of an internally restricted fund. The Fund investment assets are held in an external trust and are maintained by a third party investment firm.

The Seminarian Fund reports the operating activities and the resources of a seminarian education fund, consisting of externally restricted funds and a general fund. The Fund investment assets are held in an external trust and are maintained by a third party investment firm.

Guy Mills Court reports the operating activities and resources of a thirty-three unit life lease community, and consists of a restricted reserve fund and a general fund. The restricted reserve fund is maintained for the purpose of funding major capital repairs. Both funds are required to be maintained for the sole benefit by the lease holders, and accordingly have been reported as restricted on the statement of financial position.

The Diocesan Parishes report the operating activities and resources of forty parishes located within the diocese, consisting of external restricted funds and a general fund. See Note: 3.

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

NOTES TO FINANCIAL INFORMATION

AS AT DECEMBER 31, 2022

(c) Revenue Recognition

Contributions are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for specific purposes are recognized as revenue of the applicable fund at the time of receipt. Contributions for which there is no specific fund are deferred and recognized as expenses are realized.

Investment income consists of interest, dividends, and realized and unrealized gains and losses, net of transaction costs and management fees, and is reported in revenue in the applicable fund.

Guy Mills Court provides residents an exclusive right to occupy housing units for life in consideration for a lump sum payment and monthly fees. The Corporation follows the deferred method of accounting for resident prepayments, which are deferred and amortized to income on the same basis that the related capital assets are amortized.

Gifts in kind are not recognized as revenue, except when a charitable receipt is issued. Volunteers contribute a significant number of hours each year to assist the Corporation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(d) Financial Instruments

Financial assets measured at fair value include investments (see Note 12). Other financial assets are initially recorded at fair value, which represents cost, and subsequently measured at amortized cost. Financial assets include cash, accounts receivable, interest receivable and term deposits.

Financial liabilities include accounts payable and accrued liabilities, bank demand loans, funds held in trust and term deposits.

(e) Capital Assets

Certain capital assets which might have been capitalized as detailed below have been expensed as acquired.

Land acquired prior to January 1, 1995 is recorded at its estimated fair market value at that date. Net land additions subsequent to that date are recorded at a cost of \$368,519 (2021 - \$368,519).

All capital assets, except for land, currently owned and acquired prior to January 1, 1995 are recorded at insured replacement value and are fully amortized. Capital assets acquired between January 1, 1995 to December 31, 2003 are recorded at cost, and amortized as described below. Commencing January 1, 2004, (1) costs associated with the restoration or replacement of existing buildings are expensed when incurred, (2) land and building acquisitions, including additions, are capitalized at cost, and buildings are amortized as described below, (3) furniture and equipment are expensed as acquired. Amortization is recorded at one half of the rate in the year of acquisition or the year the asset is available for use.

Amortization has been calculated as follows:

Buildings	2.5%- 5%	declining balance
Furniture and equipment	15%	declining balance

(f) Accounting Estimates

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

NOTES TO FINANCIAL INFORMATION

AS AT DECEMBER 31, 2022

3. Fund Balances

As at year-end, fund balances are comprised of:

	General	Restricted	2022
Diocesan Pastoral Centre	\$ (2,218,724)	\$ 743,425	\$ (1,475,299)
Parishes	8,884,568	350,373	9,234,941
Priest Benefit Fund	-	9,472,857	9,472,857
Seminarian Fund	204,659	1,346,787	1,551,446
Guy Mills Court	-	753,085	753,085
	\$ 6,870,503	\$ 12,666,527	\$ 19,537,030

As at the prior year-end, fund balances are comprised of:

	General	Restricted	2021
Diocesan Pastoral Centre	\$ (2,629,239)	\$ 743,425	\$ (1,885,814)
Parishes	9,004,487	364,596	9,369,083
Priest Benefit Fund	-	10,193,199	10,193,199
Seminarian Fund	409,648	1,346,787	1,756,435
Guy Mills Court	-	675,051	675,051
	\$ 6,784,896	\$ 13,323,058	\$ 20,107,954

Parishes:

Parish restricted funds are comprised of:

	2022	2021
Charitable remainder trust	\$ 11,749	\$ 25,972
Bequest	38,624	38,624
Restricted donation	300,000	300,000
	\$ 350,373	\$ 364,596

Charitable remainder trust: in 2013 funds were received from a charitable remainder trust established in 2004 by a parishioner for the beautification, improvements and maintenance of a particular church.

Bequest: in 2013 a bequest was received for maintenance and improvements for a particular church and rectory.

Restricted donation: in 2002 a donation was received with the restriction that it be used for the benefit of a particular parish or its successor so as to assist with its continued existence and in meeting its long term financial needs.

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

NOTES TO FINANCIAL INFORMATION

AS AT DECEMBER 31, 2022

Seminarian Fund:

Included in investments are funds in the amount of \$1,096,787 received from a bequest for the establishment of a Diocese of Peterborough seminarian fund for the education of priests.

Included in investments are funds in the amount of \$250,000, received in a prior year with the stipulation that for twenty five years the net income be used to finance education of a seminarian from the Diocese of Peterborough.

Guy Mills Court:

Guy Mills Court funds restricted funds consist of: (See also Note 2(b))

	2022	2021
General fund - externally restricted	\$ 82,045	\$ 75,559
Restricted reserve fund - externally restricted	671,040	599,492
	\$ 753,085	\$ 675,051

4. Clergy loans receivable

During the December 31, 2020 fiscal year the Corporation issued two vehicle loans of \$26,000. The loans are unsecured, bear interest at the Canada Revenue Agency prescribed interest rate plus 2%, calculated annually on October 1, are payable in monthly installments of \$310 and \$500, and mature on July 13 and November 15, 2023.

5. Capital Assets

	2022	2021
Land	\$ 5,730,097	\$ 5,730,097
Buildings	73,604,912	73,604,912
Furniture and equipment	7,073,260	7,073,260
	86,408,269	86,408,269
Less: accumulated amortization	(76,722,024)	(76,492,240)
	\$ 9,686,245	\$ 9,916,029

Capital asset additions during the year included a land and building purchase for Campus Ministry use in the amount of \$Nil (2021 - \$449,000).

6. Deferred Revenue

Deferred revenue is comprised of:

	2022	2021
Diocesan Pastoral Centre activities	\$ 234,293	\$ 297,590
Parish activities and deferred proceeds on sale of assets	961,563	804,780
Current	1,195,856	1,102,370
Guy Mills Court - related to capital	1,500,160	1,579,797
	\$ 2,696,016	\$ 2,682,167

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

NOTES TO FINANCIAL INFORMATION

AS AT DECEMBER 31, 2022

7. Term Deposits

The Diocesan Pastoral Centre holds term deposits invested by parishes and cemeteries (and also funds held in trust), on which interest is paid depending on the duration, substantially all of which are five years. Interest is accrued annually, non-compounding, and paid at maturity (or at the time of redemption, if redeemed prior to maturity).

On consolidation of the Corporation, the Diocesan Pastoral Centre and Parish term deposits, liabilities and assets, and related expense and income, are eliminated.

The term deposits owned by Guy Mills Court are invested with the Royal Bank of Canada in Canadian Banking and Utilities Market term deposits with a minimum fixed rate return and maximum return based on the performance of the S&P/TSX Index.

8. Funds Held in Trust

Funds held in trust consist of proceeds from various funds advanced by estates or third parties for specific purposes, and are not considered either a current or deferred revenue to the Corporation. The funds are typically invested in term deposits held by the Diocesan Pastoral Centre, with interest paid out annually.

Funds held in trust is comprised of:

	2022	2021
Other amounts	\$ 53,798	\$ 53,798

9. Private Loan

During the December 31, 2018 fiscal year the Corporation obtained private loan funding in the amount of \$600,000. The loan is non-interest bearing, unsecured, has no set terms of repayment and is fully repayable upon maturity in 2033. During the December 31, 2019 fiscal year, \$50,000 of the loan was forgiven, leaving a balance of \$550,000.

Effective April 25, 2022 the balance of loan in the amount of \$550,000 was forgiven.

10. Retirement Benefits

Priest Benefit Fund

The Corporation provides post retirement benefits to priests through the Priest Benefit Fund.

To date, these benefits have been paid from current operations. An actuarial valuation was made at January 1, 2021 to determine the accrued retirement obligations in respect of past service for presently retired priests and priests actively serving the diocese. The preceding actuarial valuation was completed on January 1, 2018.

As at January 1, 2021 the market value of the fund was \$8,624,000, and total actuarial liabilities were \$8,575,000 resulting in a funded ratio of 100.6%, and an actuarial surplus of \$49,000. There is no recognition of this actuarial surplus in these financial statements. The Corporation intends to have the valuation updated every three years.

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

NOTES TO FINANCIAL INFORMATION

AS AT DECEMBER 31, 2022

Lay Employee Defined Contribution Plan

The Corporation provides retirement benefits for several lay employees of the Corporation through a defined contribution plan. The cost for the current year is \$45,336 (2021 - \$41,225).

11. Bank Credit Facility

The Corporation finances its operations through an agreement with the Royal Bank of Canada. The credit facilities consist of the following:

(a) A demand operating line of credit in the amount of \$400,000 to finance current expenditures, with interest calculated monthly at the bank's prime rate plus 0.50%. As at year-end, the outstanding balance was \$334,000 (2021 - \$Nil).

(b) A \$3,000,000 revolving loan facility available by way of a series of term loans, for the purpose of assisting with financing parish restoration projects. Either a (1) "RBP Loan" (Royal Bank Prime) or (2) "FRT Loan" (Fixed Rate Term) may be selected, for terms of between one to ten years. RBP loans are due on demand, and rates are based on the term selected. Both RBP and FRT loans are due on demand, and are therefore reported as current liabilities.

As at year end, the Corporation has one RBP loan, with an outstanding balance of \$267,763 (2021 - \$410,293), and a current interest rate of 6.05% (2021 - 2.95%), requiring monthly principal and interest payments of \$5,250 (2021 - \$3,851), maturing October 16, 2023 (2021 - October 16, 2022).

The facility is secured by a general security agreement over the Corporation's assets, and a collateral mortgage in the amount of \$4,500,000 constituting a first fixed charge over the land and buildings of six diocesan properties.

12. Investments

The Corporation is invested in units of the Archdiocese of Toronto Balanced Master Trust (the Trust). Units of the Trust are not offered to the public by way of prospectus but are offered privately by way of offering memorandum. Units are issued pursuant to the Amended and Restated Master Trust Agreement. Units of the Trust are redeemable monthly at the option of the unitholders in accordance with the provisions of the declaration of trust at their net asset value and do not have any nominal or par value.

Investments held by the Trust consist of a portfolio of pooled funds invested in bonds, real estate, equities and/or treasury bills managed by independent investment managers. The fair value of securities held by the pooled funds traded in an active market is based on the closing market price. Cost represents proceeds paid on investment purchases, reinvestment of distributions and other investment income and is net of investment dispositions.

Details of the cost and fair value for investments held are as follows:

	2022	2021
Cost	\$ 13,170,093	\$ 12,996,769
Fair Market Value	\$ 13,365,165	\$ 14,753,276

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION
FOR THE DIOCESE OF PETERBOROUGH, IN ONTARIO, CANADA**

NOTES TO FINANCIAL INFORMATION

AS AT DECEMBER 31, 2022

13. Legal Claims

The Corporation has been named in lawsuits that are being defended through the Corporation's legal counsel and the Corporation's insurers and their legal counsel. The likelihood of loss and the amount of any possible loss cannot be determined at this time. No amount has been accrued in these financial statements in respect of such proceedings.

14. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.
