

---

This is Exhibit E  
to the Affidavit of Paul-André Durocher  
sworn this 1<sup>st</sup> day of ~~November~~, 2005  
*December*

*Mary Lynn Burns*  
\_\_\_\_\_  
Commissioner for Taking Affidavits, etc.

---

**MARY LYNN BURNS, a Commissioner, etc.,**  
United Counties of Stormont, Dundas & Glengary, for  
Guindon, MacLean & Co., Barristers and Solicitors,  
Expires December 31, 2005.

**FINANCIAL STATEMENTS**

**FOR**

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION**  
**FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**  
**IN ONTARIO, CANADA**

**FOR YEAR ENDED**

**DECEMBER 31, 1997**

**FINANCIAL STATEMENTS**  
**for**  
**THE ROMAN CATHOLIC EPISCOPAL CORPORATION**  
**FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA**  
**YEAR ENDED DECEMBER 31, 1997**

**I N D E X**

**AUDIT REPORT**

**ADMINISTRATION FUND**

- A - 1 - Balance Sheet
- A - 2 - Statement of Revenue and Expenditure and Equity
- A - 3 - Summary of Expenditure
- A - 4 - Statement of Changes in Financial Position
- A - 5 - Statement of Changes in Trust Funds
- A - 6 - Summary of Trust Funds
- A - 7 - Summary of Trust Funds
- A - 8 - Summary of Trust Funds

**ECCLESIASTICAL MUTUAL BENEFIT SOCIETY**

- E - 1 - Balance Sheet
- E - 2 - Statement of Revenue and Expenditure and Equity

**NOTES TO FINANCIAL STATEMENTS**

- N - 1 to N - 5

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA  
ADMINISTRATION FUND  
BALANCE SHEET  
DECEMBER 31, 1997**

	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,952	\$ 16,072
Accounts receivable	15,329	15,800
Accrued interest on investments	82,848	86,208
Inventory of textbooks and supplies, at cost	876	849
Loans and mortgage receivable - current portion (note 2)	<u>7,655</u>	<u>7,142</u>
	<u>108,660</u>	<u>126,071</u>
<b>OTHER ASSETS</b>		
Loans and mortgage receivable (note 2)	315,970	290,055
Investments (note 3)	<u>4,857,267</u>	<u>3,764,657</u>
	<u>5,173,237</u>	<u>4,054,712</u>
<b>CAPITAL ASSETS (note 4)</b>	<u>324,888</u>	<u>313,953</u>
	<b>\$ 5,606,785</b>	<b>\$ 4,494,736</b>

**LIABILITIES AND EQUITY**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 110,363	\$ 67,637
Loan payable, with interest at 4%	<u>20,000</u>	<u>20,000</u>
	130,363	87,637
<b>LONG-TERM DEBT</b>		
Loans payable to parishes, with interest at 4%	2,691,347	1,625,192
<b>TRUST FUNDS - per statement</b>	<u>294,912</u>	<u>296,383</u>
	3,116,622	2,009,212
<b><u>EQUITY</u></b>		
<b>EQUITY</b>	<u>2,490,163</u>	<u>2,485,524</u>
	<b>\$ 5,606,785</b>	<b>\$ 4,494,736</b>

Approved on behalf of The Roman Catholic Episcopal Corporation  
for the Diocese of Alexandria - Cornwall, in Ontario, Canada

.....Bishop

.....Diocesan Bursar

(See accompanying notes)

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION**  
**FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA**

**ADMINISTRATION FUND**

**SUMMARY OF EXPENDITURE**

**YEAR ENDED DECEMBER 31, 1997**

	<u>1997</u>	<u>1996</u>
<b>ADMINISTRATION</b>		
Salaries - clergy	\$ 58,921	\$ 64,459
- clerical and other	90,540	95,553
Domestic supplies	6,700	7,381
Contributions to the Ecclesiastical Mutual Benefit Society -		
Current	-	975
Special	7,038	2,047
Employee benefits	22,471	23,625
Automobile allowances, travel and conventions	39,055	40,269
Office supplies	9,115	12,993
Telephone	3,852	2,809
Professional fees and other	<u>122,553</u>	<u>104,385</u>
	<b>\$ <u>360,245</u></b>	<b>\$ <u>354,496</u></b>
<b>PROPERTY</b>		
Utilities	\$ 9,657	\$ 9,326
Repairs and maintenance	12,608	13,877
Municipal taxes	7,633	6,205
Insurance	7,706	4,471
Mount Carmel House	<u>7,622</u>	<u>-</u>
	45,226	33,879
Depreciation:		
Buildings	13,390	12,584
Furniture and equipment	<u>5,350</u>	<u>6,522</u>
	<b>\$ <u>63,966</u></b>	<b>\$ <u>52,985</u></b>
<b>DIOCESAN SERVICES</b>		
Matrimonial tribunals	\$ 45,950	\$ 60,466
Pastoral, liturgical, music and archives	43,639	51,245
Family life commission	25,104	25,846
Canadian and Ontario Catholic Conferences - net (after deducting special collections from parishes of \$15,428 : 1996 - \$15,748) (note 5)	4,946	6,835
Education of priests	1,351	-
Donations	14,021	26,780
Various projects	<u>820</u>	<u>1,800</u>
	<b>\$ <u>135,831</u></b>	<b>\$ <u>172,972</u></b>
<b>INTEREST</b>		
Loans payable - parishes	\$ 73,535	\$ 59,128
- other	800	800
Trust funds	<u>19,235</u>	<u>18,143</u>
	<b>\$ <u>93,570</u></b>	<b>\$ <u>78,071</u></b>

(See accompanying notes)

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION**  
**FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA**

**ADMINISTRATION FUND**

**STATEMENT OF CHANGES IN TRUST FUNDS**

**YEAR ENDED DECEMBER 31, 1997**

	<u>1997</u>	<u>1996</u>
<b>REVENUE</b>		
Special vocations collection	\$ 22,305	\$ 23,502
Donations	30,758	16,985
Binations	9,167	11,727
Interest	<u>19,235</u>	<u>18,143</u>
	<u>81,465</u>	<u>70,357</u>
<b>EXPENDITURE</b>		
Education and parochial training - net	19,350	12,644
Loan forgiven on ordination	43,709	-
Missionary grants	3,250	9,500
Administration charge	5,495	5,183
Other	<u>3,658</u>	<u>-</u>
	<u>75,462</u>	<u>27,327</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	6,003	43,030
<b>BALANCE AT BEGINNING OF YEAR</b>	<u>437,285</u>	<u>394,255</u>
<b>BALANCE AT END OF YEAR</b>	443,288	437,285
Less loans advanced to priests and seminarians - without interest	<u>(148,376)</u>	<u>(140,902)</u>
<b>AVAILABLE BALANCE AT END OF YEAR</b>	<u>\$ 294,912</u>	<u>\$ 296,383</u>
<b>TRUST FUNDS ARE COMPRISED OF:</b>		
Vocations	\$ 57,388	\$ 84,075
Bishop LaRocque Vocation Fund	13,806	13,149
Rev. Bruno Pilon Missionary Fund	81,436	80,653
Continuing Education of Priests	-	6,792
Father Michael O'Brien Bursary Fund	15,504	14,765
St. Finnan's Vocation Fund	12,813	-
Centennial Pastoral Fund	95,653	91,098
Knights of Columbus Vocation Fund	14,090	5,851
Oasis Jericho Fund	<u>4,222</u>	<u>-</u>
	<u>\$ 294,912</u>	<u>\$ 296,383</u>

(See accompanying notes)

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION**  
**FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA**

**ADMINISTRATION FUND**

**SUMMARY OF TRUST FUNDS**

**YEAR ENDED DECEMBER 31, 1997**

	<u>CONTINUING EDUCATION OF PRIESTS</u>	<u>FATHER MICHAEL O'BRIEN BURSARY FUND</u>	<u>ST. FINNAN VOCATION FUND</u>
<b>REVENUE</b>			
Donations	\$ 2,000	\$ -	\$ 12,500
Binations	9,167	-	-
Interest	<u>101</u>	<u>1,034</u>	<u>438</u>
	<u>11,268</u>	<u>1,034</u>	<u>12,938</u>
 <b>EXPENDITURE</b>			
Education and parochial training - net	18,031	-	-
Administration charge	<u>29</u>	<u>295</u>	<u>125</u>
	<u>18,060</u>	<u>295</u>	<u>125</u>
 <b>EXCESS OF REVENUE OVER EXPENDITURE</b>	 (6,792)	 739	 12,813
 <b>BALANCE AT BEGINNING OF YEAR</b>	 <u>6,792</u>	 <u>14,765</u>	 <u>-</u>
<b>BALANCE AT END OF YEAR</b>	<b><u>\$ -</u></b>	<b><u>\$15,504</u></b>	<b><u>\$12,813</u></b>

(See accompanying notes)

**ECCLESIASTICAL MUTUAL BENEFIT SOCIETY****ADMINISTERED BY****R.C.E.C.****FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA****BALANCE SHEET****DECEMBER 31, 1997****1997****1996****ASSETS****CURRENT ASSETS**

Cash	\$ 14,450	\$ 28,243
Accounts receivable	2,355	651
Accrued interest on investments	13,272	12,097
Prepaid expense	360	-
	<u>30,437</u>	<u>40,991</u>

DEFERRED PENSION CHARGE (note 6)	90,000	90,000
----------------------------------	--------	--------

INVESTMENTS (note 3)	<u>752,763</u>	<u>672,503</u>
----------------------	----------------	----------------

	<u>\$ 873,200</u>	<u>\$ 803,494</u>
--	-------------------	-------------------

**EQUITY**

EQUITY	<u>\$ 873,200</u>	<u>\$ 803,494</u>
--------	-------------------	-------------------

Approved on behalf of Ecclesiastical Mutual  
Benefit Society, in Ontario, Canada:

.....President

.....Secretary-Treasurer

(See accompanying notes)



**THE ROMAN CATHOLIC EPISCOPAL CORPORATION**  
**FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 1997**

**I. SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of financial statement presentation**

These financial statements include only the financial activities of the Diocesan Centre and certain Funds directly controlled by the Centre. They do not include the assets, liabilities, revenues and expenditures of any of the parishes of the Diocese or other institutions not directly controlled by the Diocesan Centre.

b) **Investments**

Marketable securities are recorded at cost plus amortization of net discounts and premiums. Amortization of bond discounts and premiums is calculated on a straight line basis effective with the 1990 year.

c) **Capital Assets and Depreciation**

Capital assets are recorded at estimated values at December 31, 1971, with subsequent additions at cost.

Depreciation is provided on a declining balance basis, generally using rates of 5% per annum for buildings, 20% per annum for furniture and equipment and 30% for computer equipment.

. . . .2

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION**  
**FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA**

**NOTES TO FINANCIAL STATEMENTS - cont'd.**

**YEAR ENDED DECEMBER 31, 1997**

**3. INVESTMENTS**

	<u>Adminis- tration Fund</u>	<u>Ecclesiastical Mutual Benefit Society</u>
	<u>1997</u>	
Term deposits - varying interest rates and maturity dates	\$ 914,800	\$ 69,292
Marketable securities - varying interest rates and maturity dates	<u>3,924,557</u>	<u>681,956</u>
Total investments - at cost	4,839,357	751,248
Accumulated amortization of bond discounts and premiums	<u>17,910</u>	<u>1,515</u>
Total investments	<u>\$4,857,267</u>	<u>\$ 752,763</u>
Value at maturity	<u>\$4,883,800</u>	<u>\$ 762,007</u>
	<u>1996</u>	
Term deposits - varying interest rates and maturity dates	\$ 333,000	\$ -
Marketable securities - varying interest rates and maturity dates	<u>3,416,880</u>	<u>671,492</u>
Total investments - at cost	3,749,880	671,492
Accumulated amortization of bond discounts and premiums	<u>14,777</u>	<u>1,011</u>
Total investments	<u>\$3,764,657</u>	<u>\$672,503</u>
Value at maturity	<u>\$3,794,000</u>	<u>\$680,543</u>

**Note:**

Due to the nature of marketable securities held, market values at December 31, 1997 and December 31, 1996 were not readily available for all marketable securities. Therefore, market values of investments are not reported in these financial statements.

. . . 4

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION**  
**FOR THE DIOCESE OF ALEXANDRIA - CORNWALL, IN ONTARIO, CANADA**  
**NOTES TO FINANCIAL STATEMENTS - cont'd.**  
**YEAR ENDED DECEMBER 31, 1997**

**6. GROUP PENSION PLAN - EMBS**

An actuarial valuation for accounting purposes has been completed in respect of the group pension plan for the Priests of the Diocese as of December 31, 1997 and the results are presented as follows:

	<u>1997</u>	<u>1996</u>
Pension fund assets at market value	\$ 1,285,172	\$ 1,238,640
Accrued pension benefits based on years of service	<u>856,029</u>	<u>827,426</u>
Excess of assets over liabilities	\$ <u>429,143</u>	\$ <u>411,214</u>

**7. CONTINGENT LIABILITY**

Legal proceedings have been initiated against the Diocese. Neither the existence of any liability nor the extent of any possible damages arising from these claims have been determined at this time. Accordingly, no provision for such liabilities, if any, has been made in these financial statements.



**LA CORPORATION EPISCOPALE CATHOLIQUE ROMAINE  
ROMAN CATHOLIC EPISCOPAL CORPORATION**

*DIOCESE OF ALEXANDRIA-CORNWALL*

**ANNEXES**

**1997**

*Ces annexes ont été préparées par le personnel du Centre diocésain à titre de renseignement, et ne font pas partie du rapport officiel des vérificateurs.*

*These Annexes were prepared by the Diocesan staff for your information, and are not part of the audited statement.*

LA CORPORATION EPISCOPALE CATHOLIQUE ROMAINE  
ROMAN CATHOLIC EPISCOPAL CORPORATION

ANNEX(E) 3  
1997

DIOCESE OF ALEXANDRIA-CORNWALL

DETAILS DES DÉPÔTS DES PAROISSES  
DETAILS OF DEPOSITS OF PARISHES

<b>PAROISSE</b> <b>PARISH</b>	<b>1er Jan. 1997</b> <b>Jan. 1, 1997</b>	<b>Retraits</b> <b>Refunds</b>	<b>Dépôts</b> <b>Deposits</b>	<b>Balance</b> <b>Dec. 31/97</b>	<b>Int. Paid</b> <b>Int. Payés</b>
<b>ALEXANDRIA:</b>					
St. Finnan's	340,000		60,000	400,000	13,800
<b>CORNWALL:</b>					
Bl. Sacrament	246,000	30,000	40,000	258,000	8,772
St. Columban's			50,000	50,000	1,820
Ste-Croix	6,000	6,000	5,000	5,000	100
St. Félix	110,000		22,000	132,000	4,506
St. Francis	20,000		20,000	40,000	800
Nativité	213,500	40,000	65,000	238,500	8,315
Salle Nativité		35,000	35,000		283
St. Peter's	78,000		20,000	98,000	3,120
Ss. Martyrs			10,000	10,000	
CRYSLER	60,000		20,000	80,000	2,633
CURRY HILL	32,800			32,800	1,312
DALKEITH	30,182		15,000	45,182	1,429
FINCH	15,000			15,000	600
GLEN ROBERTSON	10,000			10,000	400
GLEN WALTER	73,000	3,000	25,000	95,000	3,691
GREENFIELD	20,500		7,000	27,500	820
GREEN VALLEY	7,500			7,500	300
INGL./BLD. FUND		150,000	898,155	748,155	6,083
LOCHIEL	100,000			100,000	4,000
MARTINTOWN	21,000			21,000	840
MAXVILLE	10,000	2,000	5,000	13,000	403
ST. ANDREW'S	8,210			8,210	328
ST. RAPHAEL'S	18,000			18,000	720
WILLIAMSTOWN	5,000			5,000	200
<b>CIMETIERE/CEMETERIES</b>					
Sacré-Coeur	5,000		20,000	25,000	842
Nativité	23,000			23,000	920
Notre Dame	108,000	75,000	80,000	113,000	3,973
Glen Robertson			10,000	10,000	145
Greenfield	10,000			10,000	400
Moose Creek	20,000			20,000	800
St. Raphael's	12,000			12,000	480
Williamstown	5,000			5,000	200
<b>MESSES / MASSES</b>					
Sacré-Coeur	10,000			10,000	400
Nativité	7,500			7,500	300
<b>TOTAL 1997</b>	<b>1,625,192</b>	<b>341,000</b>	<b>1,407,155</b>	<b>2,691,347</b>	<b>74,335</b>
<b>TOTAL 1996</b>	<b>1,518,192</b>	<b>235,500</b>	<b>342,500</b>	<b>1,625,192</b>	<b>59,128</b>