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

  
\_\_\_\_\_  
Commissioner for Taking Affidavits, etc.

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

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**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

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**FINANCIAL STATEMENTS**

**December 31, 2004**

# THE ROMAN CATHOLIC EPISCOPAL CORPORATION FOR THE DIOCESE OF ALEXANDRIA - CORNWALL

December 31, 2004

## CONTENTS

	Page
<b>AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Expenditures - Schedule 1	5
Statement of Changes in Financial Position	6
Statement of Changes in Trust Funds	7
Summary of Trust Funds	8 - 10
Notes to the Financial Statements	11 - 13

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**STATEMENT OF FINANCIAL POSITION**

As at December 31, 2004

	2004	2003
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 349,590	\$ 231,490
Marketable securities (Note 4)	5,929,314	5,424,378
Accounts receivable	112,909	118,441
Inventory	-	1,485
Prepaid expenses	6,571	3,316
	<b>6,398,384</b>	<b>5,779,110</b>
<b>CAPITAL (Note 5)</b> <i>LAND + BUILDINGS AMORTIZED</i>	<b>421,803</b>	<b>282,639</b>
<b>LONG-TERM INVESTMENTS (Note 6)</b>	<b>404,362</b>	<b>254,413</b>
	<b>\$ 7,224,549</b>	<b>\$ 6,316,162</b>

<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 165,549	\$ 171,793
<b>LOANS - CEMETERIES AND PARISHES, interest</b> at 2.25%, no specific terms of repayment	<b>3,466,051</b>	<b>2,978,946</b>
<b>DUE TO TRUST FUNDS —</b>	<b>529,439</b>	<b>571,140</b>
	<b>4,161,039</b>	<b>3,721,879</b>

<b>NET ASSETS</b>		
<b>INTERNALLY RESTRICTED RESERVE</b>	<b>382,177</b>	<b>-</b>
<b>INVESTED IN CAPITAL ASSETS</b> <i>Buildings etc</i>	<b>421,803</b>	<b>282,639</b>
<b>UNRESTRICTED NET ASSETS</b>	<b>2,259,530</b>	<b>2,311,644</b>
	<b>3,063,510</b>	<b>2,594,283</b>
	<b>\$ 7,224,549</b>	<b>\$ 6,316,162</b>

APPROVED ON BEHALF OF CORPORATION

*[Signature]* Bishop

*[Signature]* Diocesan Bursar

*May 27, 2005* Date

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**STATEMENT OF CHANGES IN NET ASSETS**

For the year ended December 31, 2004

	Invested In		2004	2003
	Capital Assets	Unrestricted		
Balance, beginning of year	\$ 282,639	\$ 2,311,644	\$ 2,594,283	\$ 2,531,360
Excess of revenue over expenditures	(23,949)	110,999	87,050	62,923
Invested in capital assets	163,113	(163,113)	-	-
Balance, end of year	\$ 421,803	\$ 2,259,530	\$ 2,681,333	\$ 2,594,283

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**STATEMENT OF OPERATIONS**

For the year ended December 31, 2004

	2004	2003
<b>REVENUE</b>		
Diocesan administration tax	\$ 252,209	\$ 261,683
Investment income	407,102	388,099
Donations	41,582	47,512
Administration services and other	266,178	190,728
Marriage tribunal	3,320	5,250
Gain on sale of capital assets	521,301	-
	<hr/> 1,491,692	<hr/> 893,272
<b>EXPENDITURES</b>		
Administration (Schedule 1)	482,455	399,149
Property (Schedule 1)	131,209	72,576
Diocesan services (Schedule 1)	326,294	281,194
Interest (Schedule 1)	82,507	77,430
Transfer to reserve	382,177	-
	<hr/> 1,404,642	<hr/> 830,349
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<hr/> <b>\$ 87,050</b>	<hr/> <b>\$ 62,923</b>

See Accompanying Notes

# THE ROMAN CATHOLIC EPISCOPAL CORPORATION FOR THE DIOCESE OF ALEXANDRIA - CORNWALL

## EXPENDITURES

Schedule 1

For the year ended December 31, 2004

	2004	2003
<b>ADMINISTRATION</b>		
Auto, travel and conventions	\$ 47,646	\$ 53,948
Proceeds from sale of capital assets paid to parishes	132,183	-
Domestic supplies	5,938	6,095
Medical	30,718	12,288
Office supplies	31,997	24,687
Professional fees and other	49,060	115,867
Salaries and benefits	180,029	181,926
Telephone	4,884	4,338
	482,455	399,149
<b>PROPERTY</b>		
Amortization	23,949	15,741
Insurance	9,949	11,521
Mount Carmel House	3,688	2,311
Municipal taxes	12,916	6,846
Oasis Jericho	-	3,999
Repairs and maintenance	38,467	10,022
Utilities	42,240	22,136
	131,209	72,576
<b>DIOCESAN SERVICES</b>		
Archives and translation	11,041	17,814
Canadian and Ontario Bishops' Conferences/ Special collections	123,767	125,714
Donations	16,950	23,770
Family life	16,072	15,119
Marguerite Bourgeoy Centre	32,823	-
Matrimonial tribunals	34,392	34,137
Ministry of the Deaf	5,220	5,220
Mount Carmel House/Other	22,301	-
Lay Formation	34,568	24,734
Lifeteen	29,160	-
Youth Ministry	-	6,429
World Youth Day and Journey to the Father	-	28,257
	326,294	281,194
<b>INTEREST</b>		
Loans - cemeteries and parishes	70,525	63,976
Trust funds	11,982	13,454
	82,507	77,430
	\$ 1,022,465	\$ 830,349

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**STATEMENT OF CHANGES IN FINANCIAL POSITION**

For the year ended December 31, 2004

	2004	2003
<b>CASH FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 87,050	\$ 62,923
Item not affecting cash or equivalent		
Amortization	23,949	15,741
Transfer to reserve	382,177	-
Changes in non-cash working capital		
Accounts receivable	5,532	5,366
Inventory	1,485	775
Prepaid expenses	(3,255)	2,229
Accounts payable	(6,249)	58,020
	490,689	145,054
<b>CASH FROM FINANCING ACTIVITIES</b>		
Increase in loans - cemeteries and parishes	487,105	128,500
(Decrease) increase in due to Trust Funds	(41,701)	65,753
	445,404	194,253
<b>CASH (USED IN) FROM INVESTING ACTIVITIES</b>		
Decrease in long-term investments	(149,944)	44,300
Purchase of capital assets	(163,113)	(14,111)
	(313,057)	30,189
<b>INCREASE IN CASH AND EQUIVALENT</b>	<b>623,036</b>	<b>369,496</b>
<b>CASH AND EQUIVALENT, beginning of year</b>	<b>5,655,868</b>	<b>5,286,372</b>
<b>CASH AND EQUIVALENT, end of year</b>	<b>\$ 6,278,904</b>	<b>\$ 5,655,868</b>
<b>REPRESENTED BY:</b>		
Cash	\$ 349,590	\$ 231,490
Marketable securities	5,929,314	5,424,378
	<b>\$ 6,278,904</b>	<b>\$ 5,655,868</b>

See Accompanying Notes



**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**STATEMENT OF CHANGES IN TRUST FUNDS**

For the year ended December 31, 2004

	2004	2003
<b>REVENUE</b>		
Special vocations collection	\$ 29,107	\$ 24,218
Donations	1,300	2,125
Binations	13,258	9,695
Bequests	-	35,000
Recovery of loan written-off	-	1,500
Interest	11,982	13,454
Other	6,234	24,371
	61,881	110,363
<b>EXPENDITURES</b>		
Education and parochial training	99,949	42,080
Loans written-off	-	102,249
Missionary grants	-	1,500
Other	3,633	1,029
	103,582	146,858
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	(41,701)	(36,495)
<b>BALANCE, beginning of year</b>	603,237	639,732
	561,536	603,237
<b>Less loans advanced to priests and seminarians, without interest</b>	(32,097)	(32,096)
<b>BALANCE, end of year</b>	\$ 529,439	\$ 571,141
<b>TRUST FUNDS ARE ALLOCATED AS FOLLOWS:</b>		
Vocations	\$ 173,045	\$ 201,967
Bishop LaRocque Vocation Fund	82,041	80,367
Rev. Bruno Pilon Missionary Fund	85,590	83,779
St. Andrews Vocation Fund	27,912	27,298
Continuing Education Priests	22,754	42,167
Father Michael O'Brien Bursary Fund	14,071	14,261
St. Finnan's Vocation Fund	16,100	15,746
Msgr. O'Brien Bequest	51,931	50,788
Lay Formation Trust	15,908	15,558
Knights of Columbus Vocation Fund	14,252	13,938
Oasis Jericho Fund	1,602	1,572
Youth Conference Fund	24,233	23,700
	\$ 529,439	\$ 571,141

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**SUMMARY OF TRUST FUNDS**

For the year ended December 31, 2004

	VOCATIONS	BISHOP LAROCQUE VOCATION FUND	REV. BRUNO PILON FUND	ST ANDREW VOCATION FUND
<b>REVENUE</b>				
Special vocations collection	\$ 29,107	\$ -	\$ -	\$ -
Donations	1,000	-	-	-
Interest	3,949	1,674	1,811	614
Other	2,871	-	-	-
	<u>36,927</u>	<u>1,674</u>	<u>1,811</u>	<u>614</u>
<b>EXPENDITURES</b>				
Education and parochial training	65,848	-	-	-
(Deficiency) excess of revenue over expenditures	(28,921)	1,674	1,811	614
<b>Balance, beginning of year</b>	<u>234,063</u>	<u>80,367</u>	<u>83,779</u>	<u>29,298</u>
	205,142	82,041	85,590	29,912
<b>Less loans advanced to priests and seminarians, without interest</b>	<u>32,097</u>	-	-	-
<b>Balance, end of year</b>	<u>\$ 173,045</u>	<u>\$ 82,041</u>	<u>\$ 85,590</u>	<u>\$ 29,912</u>

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**SUMMARY OF TRUST FUNDS**

For the year ended December 31, 2004

	CONTINUING EDUCATION OF PRIESTS	FATHER O'BRIEN BURSARY FUND	ST. FINNAN VOCATION FUND	MSGR. O'BRIEN TRUST BEQUEST
<b>REVENUE</b>				
Binations	\$ 13,258	\$ -	\$ -	\$ -
Interest	929	310	354	1,143
	<b>14,187</b>	<b>310</b>	<b>354</b>	<b>1,143</b>
<b>EXPENDITURES</b>				
Education and parochial training	33,600	500	-	-
<b>(Deficiency) excess of     revenue over expenditures</b>	<b>(19,413)</b>	<b>(190)</b>	<b>354</b>	<b>1,143</b>
<b>Balance, beginning of year</b>	<b>42,167</b>	<b>14,261</b>	<b>15,746</b>	<b>50,788</b>
<b>Balance, end of year</b>	<b>\$ 22,754</b>	<b>\$ 14,071</b>	<b>\$ 16,100</b>	<b>\$ 51,931</b>

See Accompanying Notes

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**SUMMARY OF TRUST FUNDS**

For the year ended December 31, 2004

	LAY FORMATION TRUST	KNIGHTS OF COLUMBUS VOCATION FUND	OASIS JERICHO FUND	YOUTH CONFERENCE FUND
<b>REVENUE</b>				
Donations	\$ -	\$ -	\$ 300	\$ 533
Interest	350	314	-	-
Other	-	-	3,363	-
	<b>350</b>	<b>314</b>	<b>3,663</b>	<b>533</b>
<b>EXPENDITURES</b>				
Other	-	-	3,633	-
<b>Excess of revenue over expenditures</b>	<b>350</b>	<b>314</b>	<b>30</b>	<b>533</b>
<b>Balance, beginning of year</b>	<b>15,558</b>	<b>13,938</b>	<b>1,572</b>	<b>23,700</b>
<b>Balance, end of year</b>	<b>\$ 15,908</b>	<b>\$ 14,252</b>	<b>\$ 1,602</b>	<b>\$ 24,233</b>

See Accompanying Notes

# THE ROMAN CATHOLIC EPISCOPAL CORPORATION FOR THE DIOCESE OF ALEXANDRIA - CORNWALL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2004

### 1. PURPOSE OF THE ORGANIZATION

The Roman Catholic Episcopal Corporation for the Diocese of Alexandria-Cornwall coordinates and directs activities of the Diocese consisting of thirty-one parishes in Alexandria-Cornwall in the advancement of the Roman Catholic Religion as well as other purposes of a charitable nature beneficial to the world community.

The Roman Catholic Episcopal Corporation for the Diocese of Alexandria-Cornwall is a registered charity and as such, is exempt from income tax and may issue income tax receipts to donors.

### 2. 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) Marketable securities

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.

#### c) Capital assets

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

Amortization is provided annually on a declining balance basis, using the following rates:

Buildings	5%
Furniture and fixtures	20%
Computer equipment	30%

#### d) Revenue recognition

The Diocese follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue for the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

# THE ROMAN CATHOLIC EPISCOPAL CORPORATION FOR THE DIOCESE OF ALEXANDRIA - CORNWALL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2004

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### e) Non-consolidated financial statements

These financial statements have not been consolidated with those of Notre Dame Cemetery which is wholly owned by the Diocese.

#### f) Financial instruments

##### Fair value of financial instruments

The carrying amounts reported on the statement of financial position for cash, marketable securities, accounts receivable, and accounts payable, approximate fair values due to the immediate and short-term maturities of these financial instruments.

The fair value of long-term investments and long-term debt, including the current portion, is based on rates currently available to the corporation with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

##### Concentration of credit risk

The corporation does not believe it is subject to any significant concentration of credit risk. Cash is in place with major financial institutions.

### 3. SIGNIFICANTLY INFLUENCED NOT-FOR-PROFIT ORGANIZATIONS

The Roman Catholic Episcopal Corporation for the Diocese of Alexandria-Cornwall exercises significant influence over the thirty-two parishes and two missions in the Diocese by virtue of the ability of the Finance Committee of the Diocese to approve major renovation and construction projects of the parishes and missions.

The parishes are registered charities under the Income Tax Act.

### 4. MARKETABLE SECURITIES

Market values for 2004 and 2003 were not readily available for all securities and therefore are not reported in the financial statements.

**THE ROMAN CATHOLIC EPISCOPAL CORPORATION  
FOR THE DIOCESE OF ALEXANDRIA - CORNWALL**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2004

**5. CAPITAL**

	Cost	Accumulated Amortization	Net 2004	Net 2003
Land	\$ 52,586	\$ -	\$ 52,586	\$ 52,586
Buildings	498,778	194,052	304,726	212,527
Furniture and fixtures	186,949	143,381	43,568	6,463
Computer equipment	56,207	35,284	20,923	11,063
	<b>\$ 794,520</b>	<b>\$ 372,717</b>	<b>\$ 421,803</b>	<b>\$ 282,639</b>

**6. LONG-TERM INVESTMENTS**

	2004	2003
Loans receivable - parishes, payable by parishes with available funds, interest from 3% to 3.25%	\$ 137,873	\$ 161,216
Loan receivable, interest 5.75% payable annually, no specific terms of repayment	93,197	93,197
Mortgage receivable, 7.5%, payable in blended monthly payments of \$1,500, due August 27, 2009	173,292	-
	<b>\$ 404,362</b>	<b>\$ 254,413</b>

**7. INTERNALLY RESTRICTED RESERVE**

This reserve has been established for expenditures subject to the approval of the finance council.

**8. CONTINGENT LIABILITIES**

The Diocese has guaranteed the mortgages of Knights of Columbus and the Order of St. Clare in Ontario. The mortgage balances outstanding at December 31, 2004 are \$286,346 and \$104,063 respectively.

The corporation is involved in various legal actions and is defending all actions against it. Losses, if any, will be accounted for in the period they become determinable.

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

*DIOCESE OF ALEXANDRIA-CORNWALL*

**A N N E X E S**

**2004**

*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.*

ROMAN CATHOLIC EPISCOPAL CORPORATION  
LA CORPORATION EPISCOPALE CATHOLIQUE ROMAINE  
DÉTAILS DES DÉPÔTS DES PAROISSES  
DETAILS OF DEPOSITS OF PARISHES

<b>PAROISSE</b>	<b>1er Jan. 2004</b>	<b>Dépôts</b>	<b>Retraits</b>	<b>Balance</b>	<b>Int. Paid</b>
<b>PARISH</b>	<b>Jan. 1, 2004</b>	<b>Deposits</b>	<b>Refunds</b>	<b>Dec. 31/2004</b>	<b>Int. Payés</b>
St. Finnan's	323,476	100,000	0	448,448	7,879
Sacré-Coeur	85,000	50,000	0	135,000	3,013
St. Anthony's	40,000	0	0	40,000	900
Bl. Sacrament	157,000	0	0	157,000	3,536
St. Columban's	0	45,000		45,000	114
Ste-Croix	25,000	10,000	15,000	20,000	407
St. Félix	267,000	28,000	0	295,000	6,499
St. Francis	120,000	15,000	45,000	90,000	2,323
Nativité	77,500	250,000	40,000	287,500	3,230
Ste. Thérèse	29,000	93,000	0	122,000	1,199
St. Peter's	334,000	34,000	20,000	348,000	7,299
St. Joseph's	0	15,000	0	15,000	326
St. Lawrence	32,800	0	0	32,800	739
St. Paul	45,182	0	5,000	40,182	1,004
St. Bernard	123,091	0	0	123,091	2,771
St. Martin de Tours	17,000	0	0	17,000	384
Précieux-Sang	172,000	0	64,400	107,600	2,989
St. Catherine de Sienna	60,500	56,505	0	117,005	1,442
Ste-Marie-de-l'Assomption	86,500	0	65,000	21,500	1,652
Our Lady of Grace	46,000	13,000	0	59,000	1,036
St. Alexandre	60,000	0	0	60,000	1,351
St. William's	21,000	0	0	21,000	476
St. James	15,000	30,000	0	45,000	946
St. Andrew's	65,000	0	0	65,000	1,464
St. Raphael's	43,000	0	0	43,000	970
St. Mary's	95,396	0	0	95,396	2,148
<b>CIMETIERE/CEMETERIES</b>					
Sacré-Coeur	65,000	20,000	0	85,000	1,904
Nativité	58,000	0	0	58,000	1,307
Notre Dame	300,000	0	0	300,000	6,753
Notre Dame du Rosaire	13,000	0	0	13,000	293
St. Paul	5,000	0	0	5,000	113
Ste. Marg. d'Ecosse	16,000	0	0	16,000	362
St. Martin de Tours	18,000	0	0	18,000	406
Ste-Marie-de-l'Assomption	10,000	0	0	10,000	227
St. Catherine of Sienna	20,000	0	0	20,000	450
St. Joseph's	10,000	0	0	10,000	227
St. Alexandre	3,000	0	0	3,000	70
St. William's	3,000	0	0	3,000	70
St. James	10,000	0	0	10,000	227
Notre-Dame-des-Anges	20,000	0	0	20,000	450
St. Raphael's	12,000	0	0	12,000	271
St. Mary's	20,000	0	0	20,000	450
<b>MESSES / MASSES</b>					
Sacré-Coeur	15,000	0	0	15,000	340
Nativité	2,500	0		2,500	59
<b>TOTAL 2004</b>	<b>2,940,946</b>	<b>759,505</b>	<b>254,400</b>	<b>3,471,022</b>	<b>70,075</b>
<b>TOTAL 2003</b>	<b>2,830,445</b>	<b>281,500</b>	<b>153,000</b>	<b>2,958,945</b>	<b>62,525</b>

N.B. Interest rate paid on Parish Deposits in 2004 was 2.25 %

Taux d'intérêt payé sur les dépôts de paroisses en 2004 était 2.25 %