



September 18, 2011

To the Parishioners of Blessed Sacrament Parish  
Ottawa

Dear Parishioners,

Further to Archbishop Prendergast's undertaking contained in his letter to you of May 1<sup>st</sup> of this year, I am providing you with a report on the results of our administrative review of the parish. Our review was based on our own examination of parish reports and records as well as on the audit report which we received in August from the accounting firm Deloitte & Touche.

When concerns about the financial administration of the parish became known to Diocesan Administration in early 2011, we engaged the services of an outside auditor – Deloitte & Touche – to perform an audit of the parish financial administration. We asked them to review the years 2006 to 2010, inclusively (the "review period"). In the course of their audit, Deloitte & Touche also reviewed some transactions during the 2011 year, prior to Fr Joe Le Clair's departure (the "2011 months"). We have also been working with the current parish accountant in order to strengthen financial controls and administration as well as to clarify the financial position of the parish prior to Fr. Le Clair's departure and the parish's current financial position.

Our report is presented in five parts:

- 1) Findings concerning the financial practices and controls of the parish administration
- 2) Presentation of the financial position of the parish for the review period
- 3) Presentation of the 2011 financial position of the parish
- 4) Other findings
- 5) Conclusion and next steps

1. Findings concerning the financial practices and controls of the parish administration

It was noted that Fr. Le Clair was the sole signing authority for the two accounts of the parish – operating and mass accounts.

The following was noted with respect to the parish financial administration:

- Lack of controls on collections and other cash revenues
- Deficient accounting of revenues and expenditures
- Improper use of the parish Mass account being, in the main, deposits and withdrawals that are not associated with mass stipends
- Failure to maintain a reserve for restricted donations (i.e., two refugee sponsorships)
- Operating in a deficit position for four of the five years under review

2. Presentation of the financial position of the parish for the review period

Based on the Annual Financial Reports submitted by the parish to Diocesan Administration, the parish reported a deficit for four of the five years of the review period. At the end of 2010, the parish was in a net deficit position of approximately \$20,000. As a result, the parish did not have sufficient funds on hand to cover, among other things, the amount of \$25,000 which had been paid by a third party to the parish, in December 2010, as funds for the sponsorship of a refugee family.

3. Presentation of the 2011 financial position of the parish

At the end of May 2011, the parish reported a year-to-date operating deficit in the amount of \$20,881.00. As a result, the parish remained in a net deficit position in the amount \$40,718.

Early in 2011, the parish had received funds from another third party in the amount of \$25,000 for the sponsorship of a second refugee family. The two sponsorships are in addition to the parish-funded sponsorship which has been the subject of recent fundraising in the parish. The result, therefore, is that, as of May 31<sup>st</sup> 2011, the parish did not have sufficient funds on hand to cover, among other things, the two third-party sponsorships totalling \$50,000.

Fr. Hendriks and his pastoral team will keep parishioners informed of the current financial position of the parish.

4. Other findings

Prior to leaving the parish on May 22<sup>nd</sup>, Fr. Le Clair provided information requested by the auditors from Deloitte & Touche. We have not been able to substantiate some amounts that have been claimed by him as parish expenditures. In addition, other amounts were paid to Fr. Le Clair which were designated as discretionary allowances and stipends. It should be noted that Fr. Le Clair has not seen the audit and has not had the opportunity to respond to its contents.

5. Conclusion and next steps

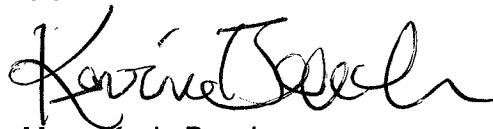
It is important that parishioners be aware of the net deficit position of the parish as noted above, particularly with respect to the unfunded liability of \$50,000 for the two refugee sponsorships. We rely on your generous support of Fr. Hendriks and his pastoral team as they address the challenges before you.

As for the issues touching on Fr. Le Clair's administration of the parish, our review has found that there are questionable transactions that require further investigation. As a result, we have referred the matter to the Ottawa Police Service for investigation.

Conscious of the leadership that Fr. Le Clair has provided in building a vibrant community at Blessed Sacrament, as well as the counsel and help that he has extended to many individuals over the years, we did not take lightly the decision to refer this matter to the police. There are, however, important issues that need to be investigated in the context of a matter that has received broad community interest, both in the parish and beyond.

As Fr. Hendriks has announced to parishioners, I will be available after the 11 am mass, on Sunday, September 25<sup>th</sup>, to answer the questions of parishioners. Given the sensitive nature of a police investigation, I seek, in advance, your indulgence if I am unable to provide specific detail to some questions.

Sincerely yours in Christ our Lord,



Msgr. Kevin Beach  
Vicar General