
**CATHOLIC EPISCOPAL CORPORATION
OF ANTIGONISH**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

**CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

Most Reverend Brian Dunn
Bishop of Antigonish

We have audited the accompanying consolidated financial statements of **Catholic Episcopal Corporation of Antigonish**, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations and change in operating fund balance, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2015, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Breton Chartered Accountants

June 29, 2016

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015	2014
ASSETS		
Current		
Accounts receivable (Note 3)	\$ 1,798,601	\$ 1,652,462
Property held for sale	55,044	-
Inventory	39,431	73,124
Prepaid expenses	<u>6,349</u>	<u>6,349</u>
	1,899,425	1,731,935
Capital assets (Note 4)	370,618	411,304
Investments (Note 6)	53,419	52,828
Loans receivable (Note 7)	56,712	57,148
Restricted cash (Note 8)	2,138,097	1,826,300
Defined benefit pension asset (Note 9)	<u>177,291</u>	<u>838,413</u>
	<u>\$ 4,695,562</u>	<u>\$ 4,917,928</u>
LIABILITIES		
Current		
Bank indebtedness (Note 5)	\$ 790,730	\$ 62,865
Accounts payable and accrued liabilities (Note 10)	1,081,613	790,913
Loans payable (Note 12)	13,008	358,900
Current portion of civil settlement liability	<u>170,978</u>	<u>170,978</u>
	2,056,329	1,383,656
Loans payable (Note 12)	4,520,567	4,546,583
Civil settlement liability (Note 11)	-	170,978
Deferred contributions (Note 13)	<u>11,830</u>	<u>127,636</u>
	<u>6,588,726</u>	<u>6,228,853</u>
NET ASSETS		
Clergy fund	33,924	18,117
Reserve for self insurance	91,284	103,607
Equity in capital assets	370,618	411,304
Equity from operations	1,636,058	2,161,110
Property settlement fund	(5,650,244)	(5,486,649)
Shepherd's trust fund	119,846	119,846
Faith development fund	27,442	27,666
Programming fund	286,356	1,010,030
Sabbatical fund	318,561	318,561
St. Joseph Society fund	64,962	-
Education of priests and lay fund	400,000	-
Development of persons fund	400,000	-
Rebuilding my people - the church fund	<u>8,029</u>	<u>5,483</u>
	<u>(1,893,164)</u>	<u>(1,310,925)</u>
	<u>\$ 4,695,562</u>	<u>\$ 4,917,928</u>

Commitments and contingent liabilities (Note 15)

Approved by:

_____ Member _____

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2015

	Reserve for Self Insurance	Equity in Capital Assets	Clergy Fund	Property Settlement Fund	Shepherd's Trust Fund	Faith Development Fund	Programming Fund	St. Joseph Society Fund
Revenue								
Donations, bequests and other	\$ -	\$ -	\$ -	\$ 95,000	\$ 13,338	\$ 18,000	\$ 213,100	\$ 50,603
Other	10,177	-	-	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-	-	-	-
Property sales	-	-	-	261,468	-	-	-	-
Clergy donations	-	-	-	9,010	-	-	-	-
	<u>10,177</u>	<u>-</u>	<u>-</u>	<u>365,478</u>	<u>13,338</u>	<u>18,000</u>	<u>213,100</u>	<u>50,603</u>
Expenditures								
Insurance claims paid	22,500	-	-	-	-	-	-	-
Amortization	-	23,415	-	-	-	-	-	-
Clergy disbursements	-	-	35,956	-	-	-	-	-
Professional fees	-	-	1,725	39,086	-	-	-	-
Outside settlements	-	-	-	-	-	-	-	-
Class action settlements	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Property - taxes, utilities, and other	-	-	-	128,416	-	-	-	19
Property - legal and commissions	-	-	-	262,243	-	-	-	-
Programming grants	-	-	-	99,328	-	18,224	-	-
	<u>22,500</u>	<u>23,415</u>	<u>37,681</u>	<u>529,073</u>	<u>-</u>	<u>18,224</u>	<u>-</u>	<u>19</u>
Excess of revenue over expenditures (expenditures over revenue)	(12,323)	(23,415)	(37,681)	(163,595)	13,338	(224)	213,100	50,584
fund balances, beginning of year	103,607	411,304	18,117	(5,486,649)	119,846	27,666	1,010,030	-
inter-fund transfers, net	-	(17,271)	53,488	-	(13,338)	-	(936,774)	14,378
fund balances, end of year	\$ 91,284	\$ 370,618	\$ 33,924	\$ (5,650,244)	\$ 119,846	\$ 27,442	\$ 286,356	\$ 64,962

**CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT CHANGES IN FUND BALANCES - CONTINUED
YEAR ENDED DECEMBER 31, 2015**

	Education of Priests and Lay Fund	Development of Persons Fund	Sabbatical Fund	Rebuilding My People The Church Fund	2015 TOTAL	2014 TOTAL
Revenue						
Donations, bequests and other	\$ -	\$ -	\$ -	\$ -	\$ 390,041	\$ 133,661
Other	-	-	-	2,546	12,723	653
Gain on disposal of capital assets	-	-	-	-	-	-
Property sales	-	-	-	-	261,468	831,989
Clergy donations	-	-	-	-	9,010	91,871
					<u>673,242</u>	<u>1,058,174</u>
Expenditures						
Insurance claims paid	-	-	-	-	22,500	10,500
Amortization	-	-	-	-	23,415	18,857
Clergy disbursements	-	-	-	-	35,956	88,807
Professional fees	-	-	-	-	40,811	39,846
Outside settlements	-	-	-	-	-	-
Class action settlements	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Property - taxes, utilities and other	-	-	-	-	128,435	135,410
Property - legal and commissions	-	-	-	-	280,467	3,816
Programming grants	-	-	-	-	99,328	343,339
					<u>630,912</u>	<u>640,575</u>
Excess of revenue over expenditures (expenditures over revenue)						
	-	-	-	2,546	42,330	417,599
fund balances, beginning of year	-	-	318,561	5,483	(3,472,035)	(5,018,548)
inter-fund transfers, net	400,000	400,000	-	-	822,500	1,128,914
Fund balances, end of year	400,000	400,000	318,561	8,029	(2,607,205)	(3,472,035)

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT OF OPERATIONS AND
CHANGE IN OPERATING FUND BALANCE
 YEAR ENDED DECEMBER 31, 2015

	2015	2014
Revenue		
Levy	\$ 908,476	\$ 851,940
Donations and bequests	167,989	1,176,231
Investment earnings	2,482	197,559
Loan interest	8,099	13,957
Other	<u>2,574</u>	<u>2,517</u>
	<u>1,089,620</u>	<u>2,242,204</u>
Expenditures		
Administrative (Schedule 2)	492,770	543,924
Programs (Schedule 1)	355,725	358,984
Properties (Schedule 2)	115,449	119,540
Pastoral (Schedule 2)	64,019	41,413
Grants (Schedule 2)	<u>25,104</u>	<u>33,225</u>
	<u>1,053,067</u>	<u>1,097,086</u>
Excess revenue over expenditures from operations	36,553	1,145,118
Balance, beginning of year	2,161,110	2,061,629
Inter-fund transfers, net	99,517	(1,128,914)
Remeasurement, pension plan	<u>(661,122)</u>	<u>83,277</u>
Balance, end of year	<u>\$ 1,636,058</u>	<u>\$ 2,161,110</u>

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2015

	2015	2014
Cash flows from operating activities		
Excess of revenue over expenditures	\$ 36,553	\$ 1,145,118
Changes in non-cash operating working capital items (Note 14)	<u>(222,682)</u>	<u>(1,135,652)</u>
	<u>(186,129)</u>	<u>9,466</u>
Cash flows from financing activities		
Decrease in loans receivable	436	294,019
Decrease (increase) in defined benefit pension asset	661,122	(83,275)
Increase (decrease) in deferred contributions	(115,806)	57,743
Decrease in civil settlement liability	<u>(170,978)</u>	<u>(266,957)</u>
	<u>374,774</u>	<u>1,530</u>
Cash flows from investing activities		
Decrease in investments	(591)	(49,881)
Repayment of long term debt	(26,016)	(513,008)
Decrease in reserve for self-insurance	(12,323)	(674)
Increase (decrease) in operations - pension plan remeasurement	(661,122)	83,275
Decrease in Shepherd's Trust fund	-	(12,452)
Increase in clergy fund	15,807	17,500
Net transfer to (from) operations	99,517	(1,128,914)
Decrease in faith development fund	(224)	(777)
Increase (decrease) in programming fund	(723,674)	800,000
Increase (decrease) in property settlement fund	(163,595)	741,453
Increase in sabbatical fund	-	6,425
Increase in St. Joseph Society fund	64,962	-
Increase in education of priests and lay fund	400,000	-
Increase in development of persons fund	400,000	-
Increase in rebuilding my people - the church fund	<u>2,546</u>	<u>4,115</u>
	<u>(604,713)</u>	<u>(52,938)</u>
Change in cash	(416,068)	(41,942)
Cash, beginning of year	<u>1,763,435</u>	<u>1,805,377</u>
Cash, end of year	<u>\$ 1,347,367</u>	<u>\$ 1,763,435</u>
Components of cash		
Restricted cash	\$ 2,138,097	\$ 1,826,300
Cash	<u>(790,730)</u>	<u>(62,865)</u>
	<u>\$ 1,347,367</u>	<u>\$ 1,763,435</u>

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. NATURE OF OPERATIONS

The Catholic Episcopal Corporation of Antigonish is a body corporate incorporated by an act of the Nova Scotia Legislature. The Corporation is the Temporal entity of the Roman Catholic Diocese of Antigonish, and as such is a registered charity under the Income Tax Act of Canada.

These consolidated financial statements include all of the assets, liabilities, revenue and expenditures of the Corporation for which the Bishop has direct administrative control. They do not include the assets, liabilities, revenue and expenditures of individual parishes and missions throughout the Diocese.

Specific operations included in these consolidated financial statements are:

- a) Corporation General Fund
- b) Diocesan Pastoral Centre
- c) Antigonish Diocesan Services
- d) Diocesan Offices and Programs
 - Chaplaincy
 - Matrimonial Tribunal - Central Office
 - Ministries School
 - Faith Formation
 - Mass for Shut-Ins
 - Liturgical/Renewal
 - Stipend
 - History Project
 - Youth Ministry
 - Communications
 - Villa Madonna

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

2. ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations which include the following significant accounting policies:

a) Revenue Recognition

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

Restricted contributions are recognized as revenue in the year in which they are received.

b) Contributed Services

Volunteers contribute time and resources to assist the Catholic Episcopal Corporation of Antigonish in carrying out its service delivery activities. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

c) Investments

Marketable securities are carried at market. Remaining investments are recorded at the lower of cost or market value.

d) Capital Assets

Capital assets are recorded on the basis of cost when available. If the cost was not available, estimated cost was used.

Amortization is provided for by the straight-line method based on the following estimated useful lives of the assets:

Buildings	40 yrs
Furniture and fixtures	10 yrs
Motor vehicles	5 yrs
Computer equipment	4 yrs

e) Income Taxes

The Corporation is a registered charity and as such is exempt from income taxes.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

2. ACCOUNTING POLICES - CONT'D

f) Employee Future Benefits

The Corporation is the sponsor of a defined pension benefit pension plan under which all eligible employees and priests are entitled to benefits based on their length of service and rates of pay. The Corporation has adopted the following policies:

- The accrued benefit obligation and plan assets are measured using the funding valuation on a going concern basis as prepared by its external actuary.
- Remeasurement gains and losses arising from the defined benefit plan are recognized immediately in the Consolidated Statement of Operations and Change in Operating Fund Balance while any funding surplus or deficiency is recognized as an asset or liability on the consolidated statement of financial position.

g) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from the estimates made by management.

h) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank deposits net of cheques issued and outstanding.

i) Donated Goods

Donated goods are recorded at their fair market value at the time of the donation.

j) Inventory

Inventory is recorded at the lower of cost and net realizable value.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

3. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Levy	\$ 975,685	\$ 930,287
Insurance	569,636	337,028
Payroll	593,920	621,979
Other	<u>235,821</u>	<u>279,009</u>
	2,375,062	2,168,303
Allowance for doubtful accounts	<u>(576,461)</u>	<u>(515,841)</u>
	<u>\$ 1,798,601</u>	<u>\$ 1,652,462</u>

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2015</u>	<u>2014</u>
Land	\$ 153,454	\$ -	\$ 153,454	\$ 153,454
Buildings	488,979	309,311	179,668	247,659
Furniture and fixtures	105,431	104,353	1,078	1,618
Motor vehicles	33,185	6,637	26,548	-
Computer equipment	<u>72,632</u>	<u>62,762</u>	<u>9,870</u>	<u>8,573</u>
	<u>\$ 853,681</u>	<u>\$ 483,063</u>	<u>\$ 370,618</u>	<u>\$ 411,304</u>

5. CREDIT FACILITIES

The Corporation has available an operating line of credit with an authorized limit of \$75,000. This line of credit bears interest at a rate of prime plus 3.5% and is secured by a general security agreement over all assets of the Corporation. The Corporation also has a Visa available with an authorized limit of \$75,000. Both of these facilities are with the Royal Bank of Canada.

The Corporation also has available a credit facility from the Royal Bank of Canada with a \$300,000 limit. These funds are to be utilized for Parish capital projects.

At year end none of these facilities had been utilized. Bank indebtedness consists of cheques issued in excess of funds on deposit.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

6. INVESTMENTS

	<u>2015</u>	<u>2014</u>
Marketable securities	\$ 52,519	\$ 51,928
Atlantic Broadcasters	<u>900</u>	<u>900</u>
	<u>\$ 53,419</u>	<u>\$ 52,828</u>

7. LOANS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Parishes	\$ 96,950	\$ 186,391
Others	37,046	37,046
Contingency fund	<u>58,474</u>	<u>57,169</u>
	192,470	280,606
Allowance for doubtful accounts	<u>(135,758)</u>	<u>(223,458)</u>
	<u>\$ 56,712</u>	<u>\$ 57,148</u>

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

8. RESTRICTED CASH

	<u>2015</u>	<u>2014</u>
Special purpose funds	\$ 1,725,469	\$ 916,343
Contingency fund	145,988	767,126
Property settlement fund	202,734	142,831
Priests' pension surplus fund	<u>63,906</u>	<u>-</u>
	<u>\$ 2,138,097</u>	<u>\$ 1,826,300</u>

The Special purpose funds have been internally restricted for the primary purpose of funding the operational programs of the Diocese.

The Contingency fund balance has been externally restricted for the primary purpose of funding emergency capital expenditures of Parishes within the Diocese or to supplement Diocesan cash flow requirements to the extent of outstanding receivables from Parishes related to recurring costs such as insurance or the Diocesan levy.

The Property settlement fund represents monies held to service obligations incurred as a result of the Class Action Settlement reached in prior years.

The Priests' pension surplus fund represent donated funds held to service future pension fund obligations.

9. DEFINED BENEFIT PENSION ASSET

Summarized financial information regarding the Corporation's defined benefit pension plan is as follows:

	<u>2015</u>	<u>2014</u>
Plan assets	\$ 3,769,851	\$ 4,191,013
Accrued benefit obligation	<u>3,592,560</u>	<u>3,352,600</u>
Net pension asset	<u>\$ 177,291</u>	<u>\$ 838,413</u>

The Corporation adopted a discount rate of 4% (2014 - 4.5%) in measuring accrued benefit obligations on an actuarial basis. A valuation of the plan assets was carried out in March 2014.

In September 2014, the Corporation approved an annuity purchase for fifty four recipients of the defined benefit pension plan who were collecting benefits at that time. The cost of the annuity purchase was \$7,827,594. The Corporation continues to have an obligation for the twenty seven remaining defined benefit pension plan members.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2015</u>	<u>2014</u>
Insurance	\$ 421,277	\$ 399,883
St. Joseph Society	398,767	203,323
Special purpose funds	12,041	22,955
Other	<u>261,569</u>	<u>164,752</u>
	<u>\$ 1,081,613</u>	<u>\$ 790,913</u>

11. CIVIL SETTLEMENT LIABILITY

In 2013, the Corporation settled a number of claims for civil liabilities that were outside of the Class Action Settlement. The total amount of these settled claims was \$683,911. This amount was recognized as an expenditure of the Reserve for Civil Settlements in 2013.

As of year end, \$437,935 of these claims has been paid, \$170,978 is recorded as a current liability and was paid in January 2016.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

12. LOANS PAYABLE

	<u>2015</u>	<u>2014</u>
Royal Bank of Canada		
Loan #1	\$ -	\$ 200,900
Loan #2	33,575	46,583
Loan, bearing interest at prime plus 3.5%. Repayable in monthly instalments of \$1,083 plus interest. Matures in 2022. Secured by a general security agreement over all assets.		
Loan #3	<u>-</u>	<u>158,000</u>
	33,575	405,483
Note Payable	4,500,000	4,500,000
This note, from another Canadian Diocese, bears interest at prime. Interest only payments for five years. Principal repayments to commence in 2017 over twenty (20) years. Secured by a floating charge over all assets, real and immovable property of the Corporation. Total credit available is \$5,000,000.		
	<u>4,533,575</u>	<u>4,905,483</u>
Current portion and demand loans	<u>13,008</u>	<u>358,900</u>
Long term debt	<u>\$ 4,520,567</u>	<u>\$ 4,546,583</u>

These loans are secured by a general security agreement over all assets of the Corporation and a collateral mortgage on a specific property.

Estimated principal payments required in each of the next five years are as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	13,008	\$ 238,008	\$ 232,559	\$ 225,000	\$ 225,000

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

13. OTHER LIABILITIES - DEFERRED CONTRIBUTIONS

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 127,636	\$ 69,893
Collections	162,627	144,359
Expenditures	<u>(278,433)</u>	<u>(86,616)</u>
Balance, end of year	\$ <u>11,830</u>	\$ <u>127,636</u>

Deferred contributions represent amounts collected for disbursements in future periods.

14. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	<u>2015</u>	<u>2014</u>
Accounts receivable	\$ (146,139)	\$ (86,468)
Property held for sale	(55,044)	-
Inventory	33,693	(73,124)
Prepaid expenses	-	1,021
Accounts payable and accrued liabilities	290,700	104,311
Loans payable	<u>(345,892)</u>	<u>(1,081,392)</u>
	\$ <u>(222,682)</u>	\$ <u>(1,135,652)</u>

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

15. COMMITMENTS AND CONTINGENT LIABILITIES

- a) The Corporation has been named a co-defendant in individual actions commenced against other parties. Insufficient information is available to determine whether or not any of the claims will be validated as well as the possibility of additional claims to be made. If the claims are settled, the settlements would not pose a material financial risk to the Corporation.

Insufficient information is available to quantify any amount which may become payable by the Corporation at some future date.

In the event that a payment were to be made by the Corporation in connection with these alleged incidents, such payment would be recorded as an expenditure of the period in which the payment is made.

- b) The Corporation has entered into a consolidated banking arrangement with the Royal Bank of Canada whereby the bank accounts of participating parishes are consolidated for the purpose of minimizing banking fees. As a result of this arrangement, the Corporation is contingently liable for any overdrafts of participating parishes.
- c) The Corporation has entered into a contract for the coordination of real estate sales. Monthly payments of \$3,000 plus a commission of 2% of property sales (excluding certain properties) are payable until December 2016.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

16. FINANCIAL INSTRUMENTS

Credit Risk

The Corporation provides credit to Parishes in the normal course of its operations. It continually monitors the ability of Parishes to satisfy these receivables and maintains a provision for contingent losses which once they materialize, are consistent with management's forecasts. The Corporation does not run any significant risk with respect to a single Parish.

Interest Rate Risk

The Corporation has floating interest rates on \$4,533,575 of its outstanding loans. Consequently, the Corporation runs a significant risk with respect to interest rates.

Fair Value

The fair value of cash, accounts receivable and accounts payable is approximately equal to their carrying amount due to their short-term maturity date. Other than marketable securities, the long-term investments have no quoted market price and therefore a reasonable estimate of fair value can not be made without incurring excessive costs.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its long-term debt.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
SCHEDULE 1 - DIOCESEAN OFFICES AND PROGRAMS
 YEAR ENDED DECEMBER 31, 2015

	Chaplaincy	Matrimonial Tribunal	Ministries School	Office of Faith Formation	Mass For Shout-las	Liturgical/Renewal	Stipend	History Project	Youth Ministry	Communications	Villa Madonna	2015 TOTAL	2014 TOTAL
Revenues													
Fees	\$ -	\$ 4,800	\$ -	\$ -	\$ -	\$ -	\$ 21,105	\$ -	\$ -	\$ -	\$ -	\$ 25,905	\$ 35,879
Sales, net	-	-	-	80,953	-	-	-	-	-	-	-	80,953	44,467
Other	-	-	-	-	45,916	-	-	-	-	-	-	45,916	53,895
		4,800		80,953	45,916		21,105					152,774	134,241
Expenses													
Office Salaries	-	5,713	1,069	4,577	477	2,029	-	-	630	-	-	14,435	19,559
& benefits	19,500	49,461	12,805	75,240	20,249	-	-	53,605	14,276	19,628	-	264,764	274,160
Programming	10,485	-	28,272	8,121	40,148	5,187	-	-	-	152	-	92,365	65,546
Education	-	3,404	3,397	1,955	-	2,205	-	-	3,309	-	-	14,270	12,255
Travel	3,522	-	4,506	3,623	-	1,464	-	-	2,619	-	-	15,734	26,166
Property	-	5,509	-	-	-	-	-	-	-	-	6,509	6,509	23,523
Other	825	-	738	73,686	300	4,109	10,550	-	-	-	4,705	100,422	72,016
	34,332	64,087	50,727	167,202	61,174	14,994	10,550	53,605	20,834	19,780	11,214	508,499	493,225
Net Result	\$ (34,332)	\$ (59,287)	\$ (50,727)	\$ (86,249)	\$ (15,258)	\$ (14,994)	\$ 10,555	\$ (53,605)	\$ (20,834)	\$ (19,780)	\$ (11,214)	\$ (355,725)	\$ (358,984)
Budget	\$ (38,350)	\$ (57,400)	\$ (61,125)	\$ (97,680)	\$ -	\$ (39,050)	\$ -	\$ (55,000)	\$ (10,000)	\$ (45,500)	\$ -	\$ (404,105)	\$ (304,185)



CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
SCHEDULE 2 - EXPENDITURES
YEAR ENDED DECEMBER 31, 2015

	2015	2014
Administrative		
Chancery Office	\$ 166,849	\$ 110,141
Diocesan Office	220,151	266,851
Professional fees	53,815	30,827
Interest - bank loans	40,050	62,752
Interest - other	-	57
Bad debt provision	<u>11,905</u>	<u>73,296</u>
	-	-
	<u>\$ 492,770</u>	<u>\$ 543,924</u>
Properties		
Bishop's Residence - Antigonish	\$ 37,345	\$ 44,016
Pastoral Centre	59,157	56,141
Chancery	<u>18,947</u>	<u>19,383</u>
	-	-
	<u>\$ 115,449</u>	<u>\$ 119,540</u>
Pastoral		
Clergy fund allocations	\$ 10,822	\$ -
Recruitment	2,178	-
Sabbatical	18,090	10,975
Professional development	1,482	2,165
Retired clergy	-	1,138
General assembly	7,634	3,598
Committees	4,035	5,604
Seminarian costs	<u>19,778</u>	<u>17,933</u>
	-	-
	<u>\$ 64,019</u>	<u>\$ 41,413</u>
Grants		
Parishes	\$ 20,104	\$ -
Family Services	5,000	5,000
Other	<u>-</u>	<u>28,225</u>
	-	-
	<u>\$ 25,104</u>	<u>\$ 33,225</u>