
**CATHOLIC EPISCOPAL CORPORATION
OF ANTIGONISH**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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, 2014 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, 2014, 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

May 15, 2015

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	2014	2013
ASSETS		
Current		
Cash	\$	\$ 134,024
Accounts receivable (Note 3)	1,652,462	1,565,994
Inventory	73,124	
Prepaid expenses	<u>6,349</u>	<u>7,370</u>
	1,731,935	1,707,388
Capital assets (Note 4)	411,304	420,381
Investments (Note 6)	52,828	2,947
Loans receivable (Note 7)	57,148	351,167
Restricted cash (Note 8)	1,826,300	1,671,353
Defined benefit pension asset (Note 9)	<u>838,413</u>	<u>755,136</u>
	<u>\$ 4,917,928</u>	<u>\$ 4,908,372</u>
LIABILITIES		
Current		
Bank indebtedness (Note 5)	\$ 62,865	\$
Accounts payable and accrued liabilities	790,914	686,603
Loans payable (Note 11)	371,908	1,453,300
Current portion of civil settlement liability	<u>170,978</u>	<u>266,956</u>
	1,396,665	2,406,859
Loans payable (Note 11)	4,533,575	5,046,583
Civil settlement liability (Note 10)	170,977	341,956
Deferred contributions (Note 12)	<u>127,636</u>	<u>69,893</u>
	<u>6,228,853</u>	<u>7,865,291</u>
NET ASSETS		
Clergy fund	18,117	617
Reserve for self insurance	103,607	104,281
Equity in capital assets	411,304	420,381
Equity from operations	2,161,110	2,061,629
Deficiency for civil settlements	(5,486,649)	(6,228,102)
Shepherd's trust fund	119,846	132,298
Faith development fund	27,666	28,443
Programming fund	1,010,030	210,030
Sabbatical fund	318,561	312,136
Rebuilding my people - the church fund	<u>5,483</u>	<u>1,368</u>
	<u>(1,310,925)</u>	<u>(2,956,919)</u>
	<u>\$ 4,917,928</u>	<u>\$ 4,908,372</u>
Subsequent event (Note 13)		
Commitments and contingent liabilities (Note 15)		
Approved by: <u>+ Brian J. Dunn</u> Member		Member

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2014

	Reserve for Self Insurance	Equity in Capital Assets	Clergy Fund	Reserve for Civil Settlements	Shepherd's Trust Fund	Faith Development Fund	Programming Fund	Sabbatical Fund	Rebuilding My People The Church Fund	2014 TOTAL	2013 TOTAL
Revenue											
Donations, bequests and other	\$ 9,826	\$ -	\$ -	\$ 80,275	\$ 32,606	\$ -	\$ -	\$ 6,425	\$ 4,529	\$ 133,661	\$ 975,397
Other	-	-	-	653	-	-	-	-	-	653	57,519
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	130,189
Property sales	-	-	-	831,989	-	-	-	-	-	831,989	117,096
Clergy donations	-	-	-	91,871	-	-	-	-	-	91,871	88,263
	<u>9,826</u>	<u>-</u>	<u>-</u>	<u>1,004,788</u>	<u>32,606</u>	<u>-</u>	<u>-</u>	<u>6,425</u>	<u>4,529</u>	<u>1,058,174</u>	<u>1,368,464</u>
Expenditures											
Insurance claims paid	10,500	-	-	-	-	-	-	-	-	10,500	48,047
Amortization	-	18,857	-	-	-	-	-	-	-	18,857	22,469
Clergy disbursements	-	-	43,749	-	-	-	-	-	-	43,749	-
Professional fees	-	-	3,926	35,920	45,058	-	-	-	-	88,807	-
Outside settlements	-	-	-	-	-	-	-	-	-	39,846	129,757
Class action settlements	-	-	-	-	-	-	-	-	-	-	683,911
Interest	-	-	-	-	-	-	-	-	-	-	4,439
Other	-	-	-	135,410	-	-	-	-	-	135,410	239,801
Property sales, legal and other costs	-	-	-	2,625	-	777	-	-	414	3,816	194,298
Programming grants	-	-	-	343,339	-	-	-	-	-	343,339	-
	<u>10,500</u>	<u>18,857</u>	<u>47,675</u>	<u>517,294</u>	<u>45,058</u>	<u>777</u>	<u>-</u>	<u>-</u>	<u>414</u>	<u>640,575</u>	<u>1,341,297</u>
Excess of revenue over expenditures (expenditures over revenue)	(674)	(18,857)	(47,675)	487,494	(12,452)	(777)	-	6,425	4,115	417,599	27,167
Fund balances, beginning of year	104,281	420,381	617	(6,228,102)	132,298	28,443	210,030	312,136	1,368	(5,018,548)	(4,729,286)
Inter-fund transfers, net	-	9,780	65,175	253,959	-	-	800,000	-	-	1,128,914	(316,429)
Fund balances, end of year	<u>\$ 103,607</u>	<u>\$ 411,304</u>	<u>\$ 18,117</u>	<u>\$ (5,486,649)</u>	<u>\$ 119,846</u>	<u>\$ 27,666</u>	<u>\$ 1,010,030</u>	<u>\$ 318,561</u>	<u>\$ 5,483</u>	<u>\$ (3,472,035)</u>	<u>\$ (5,018,548)</u>



CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGE IN OPERATING
FUND BALANCE
 YEAR ENDED DECEMBER 31, 2014

	2014	2013
Revenue		
Donations, bequests and other	\$ 1,176,231	\$ 149,784
Donations - pension plan		96,000
Investment earnings	197,559	87,300
Levy	851,940	894,000
Loan interest	13,957	20,255
Other	<u>2,517</u>	<u>2,347</u>
	<u>2,242,204</u>	<u>1,249,686</u>
Expenditures		
Administrative (Schedule 2)	543,924	584,728
Programs (Schedule 1)	358,984	316,380
Properties (Schedule 2)	119,540	163,310
Pastoral (Schedule 2)	41,413	44,893
Grants (Schedule 2)	<u>33,225</u>	<u>6,043</u>
	<u>1,097,086</u>	<u>1,115,354</u>
Excess revenue over expenditures from operations	1,145,118	134,332
Balance, beginning of year	2,061,629	995,078
Inter-fund transfers, net	(1,128,914)	316,429
Remeasurement, pension plan	<u>83,277</u>	<u>615,790</u>
Balance, end of year	\$ <u>2,161,110</u>	\$ <u>2,061,629</u>

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

	2014	2013
Cash flows from operating activities		
Excess of revenue over expenditures	\$ 1,145,118	\$ 134,332
Changes in non-cash operating working capital items (Note 14)	<u>(1,135,652)</u>	<u>(2,207,872)</u>
	<u>9,466</u>	<u>(2,073,540)</u>
Cash flows from financing activities		
Decrease (increase) in loans receivable	294,019	(49,518)
Increase in defined benefit pension asset	(83,275)	(615,790)
Increase in deferred contributions	57,743	10,284
Increase (decrease) in civil settlement liability	<u>(266,957)</u>	<u>608,912</u>
	<u>1,530</u>	<u>(46,112)</u>
Cash flows from investing activities		
Decrease in investments	(49,881)	1,056,285
Acquisition (repayment) of long term debt	(513,008)	546,583
Decrease in reserve for self-insurance	(674)	(5,530)
Increase (decrease) in operations - pension plan remeasurement	83,275	615,790
Increase (decrease) in Shepherd's Trust fund	(12,452)	12,452
Increase (decrease) in clergy fund	17,500	(28,747)
Net transfer to (from) operations	(1,128,914)	316,429
Decrease in faith development fund	(777)	(300)
Increase in programming fund	800,000	24,030
Increase (decrease) in reserve for civil settlements	741,453	(199,969)
Increase in sabbatical fund	6,425	105,116
Increase (decrease) in rebuilding my people - the church fund	<u>4,115</u>	<u>(24,641)</u>
	<u>(52,938)</u>	<u>2,417,498</u>
Change in cash	(41,942)	297,846
Cash, beginning of year	<u>1,805,377</u>	<u>1,507,531</u>
Cash, end of year	<u>\$ 1,763,435</u>	<u>\$ 1,805,377</u>
Components of cash		
Restricted cash	\$ 1,826,300	\$ 1,671,353
Cash	<u>(62,865)</u>	<u>134,024</u>
	<u>\$ 1,763,435</u>	<u>\$ 1,805,377</u>

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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
 - Stipenda
 - Vocations
 - Villa Madonna

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014

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
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, 2014

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, 2014

3. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Levy	\$ 930,287	\$ 815,394
Other	<u>1,238,016</u>	<u>1,193,146</u>
	2,168,303	2,008,540
Allowance for doubtful accounts	<u>(515,841)</u>	<u>(442,546)</u>
	\$ <u>1,652,462</u>	\$ <u>1,565,994</u>

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2014</u>	<u>2013</u>
Land	\$ 153,454	\$	\$ 153,454	\$ 153,454
Buildings	667,044	419,385	247,659	263,118
Furniture and fixtures	105,431	103,813	1,618	2,158
Computer equipment	<u>68,045</u>	<u>59,472</u>	<u>8,573</u>	<u>1,651</u>
	\$ <u>993,974</u>	\$ <u>582,670</u>	\$ <u>411,304</u>	\$ <u>420,381</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, 2014

6. INVESTMENTS

	<u>2014</u>	<u>2013</u>
Marketable securities	\$ 51,928	\$ 2,047
Atlantic Broadcasters	<u>900</u>	<u>900</u>
	<u>\$ 52,828</u>	<u>\$ 2,947</u>

7. LOANS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Parishes	\$ 186,391	\$ 470,654
Others	37,046	37,046
Contingency fund	<u>57,169</u>	<u>66,925</u>
	280,606	574,625
Allowance for doubtful accounts	<u>(223,458)</u>	<u>(223,458)</u>
	<u>\$ 57,148</u>	<u>\$ 351,167</u>

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

8. RESTRICTED CASH

	<u>2014</u>	<u>2013</u>
Special purpose funds	\$ 916,343	\$ 509,482
Contingency fund	767,126	323,657
Settlement fund	142,831	637,569
Legal trust fund	<u> </u>	<u>200,645</u>
	<u>\$ 1,826,300</u>	<u>\$ 1,671,353</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 Settlement fund represents monies held to service obligations incurred as a result of the Class Action Settlement reached in prior years.

The Legal trust fund represent monies held in trust by the Corporation's lawyers. They were used to satisfy the counselling costs arising from the Class Action Settlement.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

9. DEFINED BENEFIT PENSION ASSET

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

	<u>2014</u>	<u>2013</u>
Plan assets	\$ 4,191,013	\$ 11,593,736
Accrued benefit obligation	<u>3,352,600</u>	<u>10,838,600</u>
Net pension asset	\$ <u>838,413</u>	\$ <u>755,136</u>

The Corporation adopted a discount rate of 4% (2013 - 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.

10. 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 Civil Settlement Reserve.

During 2014, \$266,957 of these claims has been paid, \$170,978 is recorded as a current liability and will be paid in 2015. The remaining balance of \$170,977 will be paid in 2016.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014

11. LOANS PAYABLE

	<u>2014</u>	<u>2013</u>
Royal Bank of Canada		
Loan #1 Demand loan bearing interest at prime plus 3.5%. Repayable in annual instalments of \$28,700 plus interest payable monthly. Matures in 2022. Secured by a general security agreement over all assets.	\$ 200,900	\$ 258,300
Loan #2 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.	46,583	59,583
Loan #3 Demand loan, bearing interest at prime plus 3.5% repayable in monthly payments of \$2,000 plus interest. Matures in 2017. Secured by a general security agreement over all assets.	158,000	182,000
	405,483	499,883
Note Payable 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.	4,500,000	5,000,000
Sisters of St. Martha		1,000,000
	4,905,483	6,499,883
Current portion and demand loans	<u>371,908</u>	<u>1,453,300</u>
Long term debt	<u>\$ 4,533,575</u>	<u>\$ 5,046,583</u>

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

11. LOANS PAYABLE - CONT'D

These loans are secured by a general security agreement over all assets of the Corporation, an assignment of shares held of 3148852 Nova Scotia Limited and 1000329 Nova Scotia Limited and a collateral mortgage on a specific property.

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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 65,696	\$ 65,696	\$ 302,700	\$ 302,700	\$ 253,700

12. OTHER LIABILITIES - DEFERRED CONTRIBUTIONS

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 69,893	\$ 59,609
Collections	144,359	157,698
Expenditures	<u>(86,616)</u>	<u>(147,414)</u>
Balance, end of year	\$ <u>127,636</u>	\$ <u>69,893</u>

Deferred contributions represent amounts collected for disbursements in future periods.

13. SUBSEQUENT EVENT

Subsequent to year end, the Corporation received notice that an outstanding loan receivable totaling \$83,700 that is fully reserved would be collected in 2015. This recovery will be recognized as a recovery of bad debts in the Operations Fund in 2015.

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014

14. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	<u>2014</u>	<u>2013</u>
Accounts receivable	\$ (86,468)	\$ (613,253)
Inventory	(73,124)	
Prepaid expenses	1,021	2,880
Accounts payable and accrued liabilities	104,311	113,501
Loans payable	<u>(1,081,392)</u>	<u>(1,711,000)</u>
	<u>\$ (1,135,652)</u>	<u>\$ (2,207,872)</u>

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, 2014

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 \$4,905,483 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, 2014

	Chaplaincy	Matrimonial Tribunal	Ministries School	Office of Faith Formation	Mass For Shut-Ins	Liturgical/Renewal	Stipenda	Vocations	Villa Madonna	2014 TOTAL	2013 TOTAL
Revenues											
Fees	\$ -	\$ 5,050	\$ -	\$ -	\$ -	\$ 1,050	\$ 17,190	\$ -	\$ 12,589	\$ 35,879	\$ 43,059
Sales, net	-	-	-	44,467	-	-	-	-	-	44,467	26,070
Other	-	-	-	-	52,623	-	-	1,272	-	53,895	50,391
	-	5,050	-	44,467	52,623	1,050	17,190	1,272	12,589	134,241	119,520
Expenses											
Office Salaries & benefits	-	4,991	1,639	4,816	848	3,297	-	798	3,170	19,559	27,111
Programming	23,476	88,653	7,341	92,705	7,385	1,200	-	-	53,400	274,160	190,142
Education	5,340	8,300	5,428	3,891	37,366	1,023	-	809	3,389	65,546	153,781
Travel	-	990	1,338	3,802	-	5,205	-	920	-	12,255	10,193
Property	7,878	-	6,193	6,000	-	4,854	-	1,241	-	26,166	22,216
Other	-	-	-	-	-	-	-	-	23,523	23,523	-
	-	-	6,000	31,262	-	5,215	16,590	-	12,949	72,016	32,457
	36,694	102,934	27,939	142,476	45,599	20,794	16,590	3,768	96,431	493,225	435,900
Net Result	\$ (36,694)	\$ (97,884)	\$ (27,939)	\$ (98,009)	\$ 7,024	\$ (19,744)	\$ 600	\$ (2,496)	\$ (83,842)	\$ (358,984)	\$ (316,380)
Budget	\$ (39,380)	\$ (91,700)	\$ (31,650)	\$ (91,020)	\$ -	\$ (23,785)	\$ -	\$ (6,650)	\$ (20,000)	\$ (304,185)	\$ 333,500

CATHOLIC EPISCOPAL CORPORATION OF ANTIGONISH
SCHEDULE 2 - EXPENDITURES
YEAR ENDED DECEMBER 31, 2014

	2014	2013
Administrative		
Chancery Office	\$ 110,141	\$ 76,370
Diocesan Office	266,851	261,645
Professional fees	30,827	32,573
Interest - bank loans	62,752	26,069
Interest - other	57	318
Bad debt provision	<u>73,296</u>	<u>187,753</u>
	<u>\$ 543,924</u>	<u>\$ 584,728</u>
Properties		
Bishop's Residence - Antigonish	\$ 32,616	\$ 22,083
Bishop's Residence - Sydney	11,400	11,400
Xavier residence		61,375
Pastoral Centre	56,141	54,006
Chancery	<u>19,383</u>	<u>14,446</u>
	<u>\$ 119,540</u>	<u>\$ 163,310</u>
Pastoral		
Recruitment	\$	\$ 3,919
Sabbatical	10,975	584
Professional development	2,165	19,264
Retired clergy	1,138	
General assembly	3,598	3,417
Committees	5,604	7,200
Seminarian costs	<u>17,933</u>	<u>10,509</u>
	<u>\$ 41,413</u>	<u>\$ 44,893</u>
Grants		
Parishes	\$	\$ 560
Talbot House		483
Family Services	5,000	5,000
Other	<u>28,225</u>	<u></u>
	<u>\$ 33,225</u>	<u>\$ 6,043</u>