



## Financial Statements

ROMAN CATHOLIC BISHOP OF  
KAMLOOPS

December 31, 2021

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# Independent Practitioner's Review Engagement Report

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To the **ROMAN CATHOLIC BISHOP OF KAMLOOPS**

We have reviewed the accompanying financial statements of ROMAN CATHOLIC BISHOP OF KAMLOOPS that comprise of the statement of financial position as at December 31, 2021 and the statements of operations and changes in net assets 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

## **Practitioner's responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## **Basis for qualified conclusion**

In common with many charitable organizations, the organization derives revenue from donations, memberships and other fundraising activities, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to those contributions, excess of revenues over expenses, current assets and net assets.

# Independent Practitioner's Review Engagement Report (continued)

## Qualified conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of ROMAN CATHOLIC BISHOP OF KAMLOOPS as at December 31, 2021, and the results of its operations in accordance with Canadian accounting standards for not-for-profit organizations.

Kamloops, Canada  
November 9, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

ROMAN CATHOLIC BISHOP OF KAMLOOPS  
STATEMENT OF FINANCIAL POSITION  
December 31, 2021

	Capital Fund	Faith in Action Fund	Monies in Trust Fund	Chancery Fund	Total December 31 2021	Total December 31 2020
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash (Note 5)	\$ -	\$ 556,923	\$ -	\$ 900,156	\$ 1,457,079	\$ 1,296,800
Marketable securities (Note 6)	-	68,788	-	1,750,295	1,819,083	1,955,558
Accounts receivable (Note 7)	-	-	-	217,431	217,431	139,208
Government assistance receivable	-	-	-	16,352	16,352	7,745
Prepaid expenses	-	-	327,343	6,612	333,955	215,556
	-	625,711	327,343	2,890,846	3,843,900	3,614,867
LOANS RECEIVABLE (Note 8)	-	-	-	6,750	6,750	6,750
PROPERTY AND EQUIPMENT (Note 9)	1,407,757	-	-	-	1,407,757	1,485,703
	<u>\$ 1,407,757</u>	<u>\$ 625,711</u>	<u>\$ 327,343</u>	<u>\$ 2,897,596</u>	<u>\$ 5,258,407</u>	<u>\$ 5,107,320</u>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable and accruals	\$ -	\$ -	\$ -	\$ 86,658	\$ 86,658	\$ 77,242
Deferred revenue (Note 11)	-	-	405,195	-	405,195	238,025
Due to (from) other funds (Note 12)	-	(1,671,294)	(1,124,644)	2,795,938	-	-
	-	(1,671,294)	(719,449)	2,882,596	491,853	315,267
COMMITMENTS (Note 14)						
CONTINGENT LIABILITY (Note 16)						
<b>NET ASSETS</b>						
Invested in property	1,407,757	-	-	-	1,407,757	1,485,703
Unrestricted	-	-	-	15,000	15,000	15,000
Internally restricted	-	2,297,005	1,046,792	-	3,343,797	3,291,350
	<u>1,407,757</u>	<u>2,297,005</u>	<u>1,046,792</u>	<u>15,000</u>	<u>4,766,554</u>	<u>4,792,053</u>
	<u>\$ 1,407,757</u>	<u>\$ 625,711</u>	<u>\$ 327,343</u>	<u>\$ 2,897,596</u>	<u>\$ 5,258,407</u>	<u>\$ 5,107,320</u>

APPROVED ON BEHALF OF THE DIOCESE:

See accompanying notes to financial statements

ROMAN CATHOLIC BISHOP OF KAMLOOPS  
 STATEMENT OF FINANCIAL POSITION  
 December 31, 2020

	Capital Fund	Faith in Action Fund	Monies in Trust Fund	Chancery Fund	Total December 31 2020
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash (Note 5)	\$ -	\$ 1,102,297	\$ -	\$ 194,503	\$ 1,296,800
Marketable securities (Note 6)	-	68,788	-	1,886,770	1,955,558
Accounts receivable (Note 7)	-	-	-	139,208	139,208
Government assistance receivable	-	-	-	7,745	7,745
Prepaid expenses	-	-	211,171	4,385	215,556
	-	1,171,085	211,171	2,232,611	3,614,867
LOANS RECEIVABLE (Note 8)	-	-	-	6,750	6,750
PROPERTY AND EQUIPMENT (Note 9)	1,485,703	-	-	-	1,485,703
	<u>\$ 1,485,703</u>	<u>\$ 1,171,085</u>	<u>\$ 211,171</u>	<u>\$ 2,239,361</u>	<u>\$ 5,107,320</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accruals	\$ -	\$ -	\$ -	\$ 77,242	\$ 77,242
Deferred revenue (Note 11)	-	-	238,025	-	238,025
Due to (from) other funds (Note 12)	-	(1,023,531)	(1,123,588)	2,147,119	-
	-	(1,023,531)	(885,563)	2,224,361	315,267
COMMITMENTS (Note 14)					
CONTINGENT LIABILITY (Note 16)					
<b>NET ASSETS</b>					
Invested in property	1,485,703	-	-	-	1,485,703
Unrestricted	-	-	-	15,000	15,000
Internally restricted	-	2,194,616	1,096,734	-	3,291,350
	<u>1,485,703</u>	<u>2,194,616</u>	<u>1,096,734</u>	<u>15,000</u>	<u>4,792,053</u>
	<u>\$ 1,485,703</u>	<u>\$ 1,171,085</u>	<u>\$ 211,171</u>	<u>\$ 2,239,361</u>	<u>\$ 5,107,320</u>

APPROVED ON BEHALF OF THE DIOCESE:



See accompanying notes to financial statements

**ROMAN CATHOLIC BISHOP OF KAMLOOPS**  
**STATEMENT OF CHANGES IN NET ASSETS**  
Year ended December 31, 2021

	<b>Capital Fund</b>	<b>Faith in Action Fund</b>	<b>Monies in Trust Fund</b>	<b>Chancery Fund</b>	<b>Total 2021</b>	Total 2020
NET ASSETS, beginning of year	\$ 1,485,703	\$ 2,194,616	\$ 1,096,734	\$ 15,000	\$ <b>4,792,053</b>	\$ 3,857,455
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(79,861)</u>	<u>302,389</u>	<u>(307,566)</u>	<u>59,539</u>	<u><b>(25,499)</b></u>	<u>934,598</u>
	1,405,842	2,497,005	789,168	74,539	<b>4,766,554</b>	4,792,053
ADJUSTMENTS:						
Capital expenditures	1,915	-	-	(1,915)	-	-
Faith In Action transfers (Note 3)	-	(200,000)	200,000	-	-	-
Interfund transfers (Note 3)	-	-	57,624	(57,624)	-	-
NET ASSETS, end of year	<u>\$ 1,407,757</u>	<u>\$ 2,297,005</u>	<u>\$ 1,046,792</u>	<u>\$ 15,000</u>	<u>\$ <b>4,766,554</b></u>	<u>\$ 4,792,053</u>

See accompanying notes to financial statements

**ROMAN CATHOLIC BISHOP OF KAMLOOPS**  
**STATEMENT OF OPERATIONS**  
Year ended December 31, 2021

	Capital Fund	Faith in Action Fund	Monies in Trust Fund	Chancery Fund	2021 Total	2020 Total
<b>REVENUES:</b>						
Donations	\$ -	\$ 650,712	\$ 141,023	\$ 67,395	\$ 859,130	\$ 729,140
Parish donations	-	13,206	-	-	13,206	15,427
Diocesan assessments	-	-	-	380,659	380,659	325,656
Insurance assessment	-	-	330,523	-	330,523	277,360
Second collections	-	-	80,003	-	80,003	75,495
Bequest	-	-	-	5,500	5,500	1,083,567
Grants	-	1,001	-	-	1,001	14,894
Diocesan News	-	5,369	-	-	5,369	11,209
Workshops and other ministries	-	-	-	-	-	10,286
Property income	-	-	9,913	32,473	42,386	41,082
Miscellaneous	-	2,550	2,186	59,363	64,099	30,923
Investment income	-	-	6,680	120,591	127,271	176,347
Gain (loss) on marketable securities	-	-	-	6,054	6,054	(28,110)
Unrealized gain (loss) on marketable securities	-	-	-	(281,849)	(281,849)	377,615
Recovery on expenses	-	-	-	-	-	-
Gain (loss) on disposal of property and equipment	-	-	-	-	-	2,340
Government assistance (Note 17)	-	-	-	85,567	85,567	119,591
	<u>-</u>	<u>672,838</u>	<u>570,328</u>	<u>475,753</u>	<u>1,718,919</u>	<u>3,262,822</u>
<b>EXPENSES:</b>						
Amortization	79,861	-	-	-	79,861	101,270
Computer maintenance and training	-	-	-	4,665	4,665	15,893
Diocesan News	-	19,800	-	21,427	41,227	47,116
Donations	-	27,000	142,037	-	169,037	27,812
Grants to schools and other	-	17,337	-	-	17,337	44,235
Insurance	-	-	311,336	5,252	316,588	256,182
Interest and bank charges	-	-	22,175	19,288	41,463	42,969
Insurance claims and settlement costs	-	-	1,244	-	1,244	546,000
Medical and life insurance	-	-	5,455	-	5,455	28,978
Office and miscellaneous	-	19,124	4,901	5,216	29,241	20,696
Parish rebates (Note 16)	-	230,692	-	-	230,692	246,635
Priests, seminaries and missions	-	-	67,987	-	67,987	71,362
Professional development	-	-	-	-	-	120
Professional fees	-	-	3,293	49,731	53,024	164,089
Property expenses - Immaculate Heart of Mary Shrine	-	-	71,000	-	71,000	88,644
Property expenses - building and land	-	-	68,964	-	68,964	96,464
Property taxes	-	-	-	2,076	2,076	1,645
Repairs and maintenance	-	-	-	14,041	14,041	20,304
Salaries, benefits and subcontractors	-	48,957	99,499	236,468	384,924	361,510
Second collections	-	-	80,003	-	80,003	75,495
Supplies	-	-	-	17,059	17,059	19,127
Telephone	-	2,330	-	5,877	8,207	7,386
Travel	-	2,702	-	29,686	32,388	11,515
Utilities	-	-	-	5,428	5,428	4,722
Workshops and other ministries	-	2,507	-	-	2,507	28,055
	<u>79,861</u>	<u>370,449</u>	<u>877,894</u>	<u>416,214</u>	<u>1,744,418</u>	<u>2,328,224</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (79,861)</u>	<u>\$ 302,389</u>	<u>\$ (307,566)</u>	<u>\$ 59,539</u>	<u>\$ (25,499)</u>	<u>\$ 934,598</u>

See accompanying notes to financial statements



**ROMAN CATHOLIC BISHOP OF KAMLOOPS**  
**STATEMENT OF OPERATIONS**  
Year ended December 31, 2020

	Capital Fund	Faith in Action Fund	Monies in Trust Fund	Chancery Fund	2020 Total
<b>REVENUES:</b>					
Donations	\$ -	\$ 641,851	\$ 34,661	\$ 52,628	\$ 729,140
Parish donations	-	15,427	-	-	15,427
Diocesan assessments	-	-	-	325,656	325,656
Insurance assessment	-	-	277,360	-	277,360
Second collections	-	-	75,495	-	75,495
Bequest	-	1,069,374	-	14,193	1,083,567
Grants	-	14,894	-	-	14,894
Diocesan News	-	7,109	-	4,100	11,209
Workshops and other ministries	-	10,286	-	-	10,286
Property income	-	-	9,870	31,212	41,082
Miscellaneous	-	1,675	8,986	20,262	30,923
Investment income	-	-	6,459	169,888	176,347
Gain (loss) on marketable securities	-	-	-	(28,110)	(28,110)
Unrealized loss on marketable securities	-	-	-	377,615	377,615
Recovery on expenses	-	-	-	-	-
Gain on disposal of property and equipment	2,340	-	-	-	2,340
Government assistance (Note 17)	-	-	-	119,591	119,591
	<u>2,340</u>	<u>1,760,616</u>	<u>412,831</u>	<u>1,087,035</u>	<u>3,262,822</u>
<b>EXPENSES:</b>					
Amortization	101,270	-	-	-	101,270
Bad debt (recovery)	-	-	-	-	-
Computer maintenance and training	-	-	-	15,893	15,893
Diocesan News	-	32,558	-	14,558	47,116
Donations	-	2,000	25,562	250	27,812
Grants to schools	-	24,235	-	20,000	44,235
Insurance	-	-	251,782	4,400	256,182
Interest and bank charges	-	-	24,222	18,747	42,969
Legal fees and settlement costs	-	-	546,000	-	546,000
Medical and life insurance	-	-	28,978	-	28,978
Office and miscellaneous	-	13,626	396	6,674	20,696
Ordination costs	-	-	-	-	-
Parish rebates (Note 16)	-	246,635	-	-	246,635
Priests, seminaries and missions	-	-	71,362	-	71,362
Professional development	-	120	-	-	120
Professional fees	-	-	114,540	49,549	164,089
Property expenses - Immaculate Heart of Mary Shrine	-	-	88,644	-	88,644
Property expenses - building and land	-	-	96,464	-	96,464
Property taxes	-	-	-	1,645	1,645
Repairs and maintenance	-	-	-	20,304	20,304
Salaries and benefits	-	40,726	94,413	226,371	361,510
Second collections	-	-	75,495	-	75,495
Supplies	-	-	-	19,127	19,127
Telephone	-	2,327	-	5,059	7,386
Travel	-	-	133	11,382	11,515
Utilities	-	-	-	4,722	4,722
Workshops and other ministries	-	28,077	-	(22)	28,055
	<u>101,270</u>	<u>390,304</u>	<u>1,417,991</u>	<u>418,659</u>	<u>2,328,224</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (98,930)</u>	<u>\$ 1,370,312</u>	<u>\$ (1,005,160)</u>	<u>\$ 668,376</u>	<u>\$ 934,598</u>

See accompanying notes to financial statements

**ROMAN CATHOLIC BISHOP OF KAMLOOPS**  
**STATEMENT OF CASH FLOWS**  
Year ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES:		
Excess (Deficiency) of revenues over expenses	\$ (25,499)	\$ 934,598
Adjustment for capital and investing transactions included in operations:		
Amortization	79,861	101,270
Investment income	148,524	(525,852)
(Gain)/Loss on disposal of property and equipment	-	(2,340)
	<u>202,886</u>	<u>507,676</u>
(Increase) decrease in:		
Accounts receivable	(86,830)	4,901
Prepaid expenses	(118,399)	(27,097)
Increase (decrease) in:		
Accounts payable and accruals	9,416	(728,143)
Deferred revenue	167,170	(4,067)
Cash used in operations	<u>174,243</u>	<u>(246,730)</u>
INVESTING ACTIVITIES:		
Marketable securities	(12,049)	970,758
Proceeds on disposal of property and equipment	(1,915)	10,500
Loan payments received	-	3,000
Cash from investing	<u>(13,964)</u>	<u>984,258</u>
INCREASE IN CASH RESOURCES	160,279	737,528
CASH RESOURCES, beginning of year	<u>1,296,800</u>	<u>559,272</u>
CASH RESOURCES, end of year	<u><u>\$ 1,457,079</u></u>	<u><u>\$ 1,296,800</u></u>

**ROMAN CATHOLIC BISHOP OF KAMLOOPS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021**

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**NOTE 1. PURPOSE OF ORGANIZATION:**

The Roman Catholic Bishop of Kamloops is incorporated as a Corporation Sole under the Province of British Columbia and is a registered charity and therefore is exempt from income tax under section 149 of the Income Tax Act. The principal activity of the entity is the administration and control of the Roman Catholic Diocese in Kamloops and the surrounding area.

**NOTE 2. CHANGE IN ACCOUNTING POLICY:**

The Canadian Accounting Standards Board recently issued amendments to Section 3856 Financial Instruments, which outline the accounting guidelines for financial assets and financial liabilities in related party transactions. The Corporation Sole adopted the amendments and applied the new accounting policy retrospectively, subject to certain transitional provisions. The adoption of the amendments did not have a significant impact on the Corporation Sole's financial statements.

**NOTE 3. SIGNIFICANT ACCOUNTING POLICIES:**

Basis of presentation:

These financial statements exclude the financial transactions of the parishes, missions, schools and other diocesan organizations. These organizations may or may not be separate corporation under civil law; however, each is an operating entity distinct from the Chancery of the Roman Catholic Bishop of Kamloops and maintains separate accounts and carries on its own services and programs. These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. Outlined below are those policies considered particularly significant for the Corporation Sole.

Fund Accounting:

The Corporation Sole follows the restricted fund method whereby externally restricted contributions (grants and donations) are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which no corresponding restricted fund is presented must be recognized in the Chancery Fund using the deferral method. Unrestricted contributions are recognized as revenues in the Chancery Fund. The Roman Catholic Bishop of Kamloops maintains the following funds:

- a) The Capital Fund which reports the land, buildings and equipment of the Diocese, together with their related financing.
- b) The Faith in Action Fund which reports the activities of the annual fundraising campaign that supports various functions and departments within the Diocese, including education, youth ministries, community charities and marriage counselling. Restricted contributions for these purposes are reported in this fund. A portion of the annual fundraising campaign is dedicated for programs administered under the Monies in Trust Fund and accordingly are recorded as revenues of that fund.
- c) The Monies in Trust Fund which reports the activities of several programs within the Diocese including clergy retirement and health, development, home missions and self-insurance. Restricted contributions for these purposes are reported in this fund. In addition and in accordance with the Corporation Sole's policy of transferring excess funds of the Chancery Fund to the Monies in Trust Fund, as described below, the Corporation Sole has reserved \$200,000 of the Monies in Trust Fund for short-term advances to schools as required.
- d) The Chancery Fund which reports the current operations and programs as well as the general activities of the Diocese. Unrestricted contributions (donations and grants) and restricted contributions to be used for general operations are reported in this fund. It is the policy of the Corporation Sole to maintain the net assets of the Chancery Fund at \$15,000, with any excess being transferred to the Monies in Trust Fund.

Cash equivalents:

Highly liquid fixed income investments are classified as cash equivalents.

Marketable Securities:

Marketable securities are recorded at fair value.

Translation of Foreign Currencies:

Monetary assets and liabilities in currencies other than Canadian are translated into Canadian dollars at year-end rates of exchange. All other assets, liabilities, revenues and expenses are translated at rates of exchange prevailing at the time of the transactions.

**ROMAN CATHOLIC BISHOP OF KAMLOOPS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021**

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**NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued):**

**Financial Instruments Policy:**

The Corporation Sole considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset or liability is recognized when the Corporation Sole becomes party to contractual provisions of the instrument. Unless otherwise noted it is management's opinion that the Corporation Sole is not exposed to significant other price risks arising from these financial instruments.

**Measurement**

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value and subsequently measured at amortized cost (approximates fair value for cash) include cash, receivables, and payables and accruals.

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of the following instruments which are initially measured at fair value: investments in equity instruments that are quoted in an active market, debt instruments that are quoted in an active market, debt instruments when the inputs significant to the determination of the fair value of the instrument are observable, and derivative contracts.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Corporation Sole initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value are subsequently measured at amortized cost, except for the following instruments which are subsequently measured at fair value: investments in equity instruments that are quoted in an active market, most derivative contracts, and certain debt instruments which the Corporation Sole may irrevocably elect to measure at fair value. Changes in fair value are recognized in net income.

The Corporation Sole removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

**Property and Equipment and Amortization:**

Property and equipment are recorded at cost. Amortization is based on the estimated useful life of the assets and is recorded using the straight-line method at the following annual rates:

Buildings	4 %
Office equipment	20 %
Automotive	30 %

The Corporation Sole reviews the useful lives and the carrying values of its property and equipment if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets contribution to the organization's ability to provide services. When assets no longer have any long-term service potential to the organization, the assets are considered impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

**Deferred Revenue:**

Revenue is recorded in the period to which it relates.

**ROMAN CATHOLIC BISHOP OF KAMLOOPS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021**

**NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued):**

Revenue Recognition:

- Donation revenue is recognized when contributions are received.
- Grant revenue is recognized upon receipt or when they can be reasonably estimated and ultimate collection is reasonably assured.
- Government assistance is recognized upon receipt or when they can be reasonably estimated and ultimate collection is reasonably assured.
- Insurance assessment revenue is recognized upon invoicing.
- Investment revenue is recognized on the accrual basis and is recognized when earned.
- Property income is recognized on a monthly basis in accordance with the underlying agreements.
- Diocesan News revenue is recognized upon receipt.
- Miscellaneous revenue is recognized upon receipt.
- Second collections revenue is recognized when contributions are received or when they can be reasonably estimated and ultimate collection is reasonably assured.

Impaired Loans:

Impaired loans are recognized on a specific account basis when there is no longer receipt of future cash flows with the uncollectible loan balance being written off as a loss on loan receivable.

Contributed Goods:

Contributed goods are recorded at fair value at the date the goods are contributed.

Allocation of Expenses:

The Corporation Sole allocates certain amounts of its general management and administrative expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. General management and administrative expenses are allocated to the appropriate department based on management's estimates of actual time spent or cost within each department.

Use of Estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**NOTE 4. FINANCIAL INSTRUMENTS:**

The Corporation Sole is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation Sole's risk exposure and concentration as of December 31, 2021.

Credit Risk:

The Corporation Sole does not believe it is subject to any significant concentration of credit risk. Cash and marketable securities are in place with a major financial institution.

Interest Risk:

The Corporation Sole manages its investments based on its cash flow needs and with a view to optimizing its interest income. It is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Corporation Sole to a fair value risk. The Corporation Sole is exposed to this type of risk as a result of investments in Bonds and Promissory Notes.

**NOTE 5. CASH:**

	2021	2020
Chancery Fund:		
CIBC, funds on deposit	\$ 743,424	\$ 11,448
Wood Gundy, funds on deposit	200	200
DCB funds on deposit	<u>156,532</u>	<u>182,854</u>
	<b>900,156</b>	194,502
Faith in Action Fund:		
CIBC, funds on deposit	<u>556,923</u>	<u>1,102,298</u>
	<b>\$ 1,457,079</b>	<b>\$ 1,296,800</b>

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<b>NOTE 6. MARKETABLE SECURITIES:</b>	<b>2021</b>	2020
Marketable securities are recorded at market value.		
Chancery Fund	\$ 1,750,295	\$ 1,886,770
Faith in Action Fund	68,788	68,788
	<u>\$ 1,819,083</u>	<u>\$ 1,955,558</u>

<b>NOTE 7. ACCOUNTS RECEIVABLE:</b>	<b>2021</b>	2020
Accounts receivable	\$ 226,803	\$ 153,207
Goods and services tax receivable	15,628	11,001
Allowance for doubtful accounts	<u>(25,000)</u>	<u>(25,000)</u>
	<u>\$ 217,431</u>	<u>\$ 139,208</u>

<b>NOTE 8. LOANS RECEIVABLE:</b>	<b>2021</b>	2020
Loan receivable, repayable in monthly installments of \$300, non-interest bearing, unsecured, due June 2021	<u>\$ 6,750</u>	<u>\$ 6,750</u>

<b>NOTE 9. PROPERTY AND EQUIPMENT:</b>			<b>2021</b>		2020
	Cost	Accumulated Amortization	Net		Net
Land	\$ 1,023,811	\$ -	\$ 1,023,811	\$	1,023,811
Buildings	1,891,684	1,509,461	382,223	\$	457,890
Office equipment	103,212	101,489	1,723	\$	-
Automotive	37,958	37,958	-	\$	4,002
	<u>\$ 3,056,665</u>	<u>\$ 1,648,908</u>	<u>\$ 1,407,757</u>	\$	<u>1,485,703</u>

As cost information was not available for the Chancery office (Kamloops) this asset has not been recorded.

Buildings registered in the name of the Corporation Sole, in use and independently maintained by individual parishes, schools, and other religious institutions in the Diocese of Kamloops, are not reflected in these financial statements.

**NOTE 10. BANK INDEBTEDNESS:**

Under the revolving line of credit arrangement with Canadian Imperial Bank of Commerce (CIBC), the Corporation Sole may borrow up to \$650,000 (seasonal limit of \$900,000 between May and July 31 annually) repayable on demand with interest at the bank's floating prime rate. This arrangement does not have a termination date and can be withdrawn at the bank's option. The line of credit is secured by land of the Corporation Sole to a maximum of \$1,000,000. At December 31, 2021, the unused portion of the credit line was \$650,000.

<b>NOTE 11. DEFERRED REVENUE:</b>	<b>2021</b>	2020
Insurance	\$ 355,195	\$ 238,025
Deposit on sale of property	<u>50,000</u>	<u>-</u>
	<u>\$ 405,195</u>	<u>\$ 238,025</u>

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NOTE 12. <b>DUE TO (FROM) OTHER FUNDS:</b>	2021	2020
Interfund payable owing from the Chancery Fund to the Faith in Action Fund, noninterest bearing, no stated terms of repayment	\$ (1,671,294)	\$ (1,023,531)
Interfund payable owing from the Chancery Fund to the Monies in Trust Fund, noninterest bearing, no stated terms of repayment	(1,124,644)	(1,123,588)
Interfund payable owing from the Faith in Action Fund to the Faith and Monies in Trust Fund from the Chancery Fund, noninterest bearing, no stated terms of repayment	<u>2,795,938</u>	<u>2,147,119</u>
	<u>\$ -</u>	<u>\$ -</u>

**NOTE 13. CASH FLOW INFORMATION:**

During the year \$41,464 (2020 \$42,968) of interest was paid and \$120,591 (2020 \$176,436) of investment income was received.

**NOTE 14. COMMITMENTS:**

**Rental Commitment:**

The Corporation Sole has a rental agreement with Interior Health Authority to rent lands from the Corporation Sole until the year 2021. The current year rental income was approximately \$31,836 plus triple net costs (2020 \$31,212).

**Pension Plan Commitment:**

The Corporation Sole and its employees contributed to a defined contribution plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year are \$12,336 (2020 \$13,915).

In addition, for Diocesan Clergy the Corporation Sole has a responsibility to ensure the comfort of Diocesan priests upon retirement. The Corporation Sole is responsible only for Canadian priests; however, the future commitment amount is not certain. The balance of this fund at December 31, 2021 was \$148,289 (2020 \$151,049) and \$57,185 was advanced in 2021 (2020 \$69,349).

**NOTE 15. RELATED PARTY TRANSACTIONS:**

The Corporation Sole administers a pooled banking program for the parishes, schools, and other religious institutions in the Diocese of Kamloops called Diocesan Consolidated Banking (DCB). To take advantage of the spread between interest earned on deposits and interest paid on loans, certain deposits and loans of each participating institution are pooled, thereby allowing DCB to pay higher deposit interest and charge lower loan interest to member institutions, while retaining a small annual surplus.

During the year, the Corporation Sole earned \$15,000 (2020 \$15,000) of interest income from DCB, a common controlled entity. This is included in miscellaneous income in the Chancery fund.

During the year, the Corporation Sole earned, under normal terms of trade, \$334,158 (2020 \$277,360) of insurance assessments from the Parishes of the Diocese.

During the year, the Corporation Sole paid, under normal terms of trade, \$17,337 (2020 \$24,235) for grants to schools in the Diocese.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**NOTE 16. CONTINGENT LIABILITY:**

The Faith in Action Fund operates annually from August 1, to July 31. Each year the parishes are assigned a goal for fundraising and if they exceed the goal then any excess amounts are rebated to the parish. The reconciliation and determination of this amount occurs in August of each year.

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**NOTE 17. GOVERNMENT ASSISTANCE**

The Corporation Sole has received financial assistance from the Federal government totaling \$85,567 under the Canadian Emergency Wage Subsidy (CEWS) program. These amounts have been included in the determination of net income for the year.