

The Roman Catholic Episcopal Corporation of Halifax
Non-Consolidated Financial Statements
December 31, 2024

The Roman Catholic Episcopal Corporation of Halifax

Contents

For the year ended December 31, 2024

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To the Most Reverend Brian Dunn Archbishop of The Roman Catholic Episcopal Corporation of Halifax:

Qualified Opinion

We have audited the non-consolidated financial statements of The Roman Catholic Episcopal Corporation of Halifax (the "Corporation"), which comprise the non-consolidated statement of financial position as at December 31, 2024, and the non-consolidated statements of operations, changes in net assets, cash flows and the related schedules for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Corporation as at December 31, 2024, and its non-consolidated financial performance and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Corporation derives many different types of revenues from the general public, including donations, contributions, bequests and gifts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Corporation; therefore, we were not able to determine whether any adjustments might be necessary to contributions, donations, subscriptions, bequests and gifts, excess of revenues over expenses, and cashflows from operations for the years ended December 31, 2024 and December 31, 2023, current assets as of December 31, 2024 and December 31, 2023, and net assets as at December 31, 2024 and December 31, 2023. Our audit opinion on the non-consolidated financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

The Corporation controls numerous parishes as part of its operations, the assets, liabilities, net assets and operating results of which should be disclosed in the notes to the non-consolidated financial statements. The cost of providing this information outweighs the benefit as management has access to the financial statements of the controlled entities. Therefore, this disclosure is not provided in the non-consolidated financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to Note 2 of the non-consolidated financial statements which describes the basis of presentation used in preparing these non-consolidated financial statements.

We also draw attention to Note 18 of the non-consolidated financial statements which describes a class action lawsuit that the Corporation has been named in.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dartmouth, Nova Scotia

June 30, 2025

MNP LLP

Chartered Professional Accountants

The Roman Catholic Episcopal Corporation of Halifax
Non-Consolidated Statement of Financial Position

As at December 31, 2024

	<i>General Fund</i>	<i>Designated Funds</i>	<i>Trust Funds</i>	<i>Building Our Future Trust</i>	<i>Perpetual Care Fund</i>	2024	2023
Assets							
Current							
Cash and cash equivalents (Note 3)	16,287	621,805	-	104,229	-	742,321	1,535,552
Accounts receivable (Note 4)	836,508	-	-	-	-	836,508	763,807
Prepaid expenses	240,888	-	-	-	-	240,888	165,279
Funds held in trust (Note 18)	4,950,000	-	-	-	-	4,950,000	-
Current portion of long-term notes receivable (Note 6)	160,815	-	-	-	-	160,815	310,201
	6,204,498	621,805	-	104,229	-	6,930,532	2,774,839
Long-term investments (Note 5)	26,853,838	24,284,638	4,736,185	8,751,251	2,974,075	67,599,987	62,772,172
Long-term amounts receivable (Note 6)	1,150,637	-	-	-	-	1,150,637	1,095,828
Capital assets (Note 7)	4,359,073	-	-	-	-	4,359,073	4,435,055
Due (to) from funds (Note 8)	2,813,181	(1,832,822)	(688,410)	(452,942)	160,993	-	-
	41,381,227	23,073,621	4,047,775	8,402,538	3,135,068	80,040,229	71,077,894

Continued on next page

The accompanying notes are an integral part of these non-consolidated financial statements

The Roman Catholic Episcopal Corporation of Halifax
Non-Consolidated Statement of Financial Position

As at December 31, 2024

	<i>General Fund</i>	<i>Designated Fund</i>	<i>Trust Fund</i>	<i>Building Our Future Trust</i>	<i>Perpetual Care Fund</i>	2024	2023
Liabilities							
Current							
Bank indebtedness (Note 9)	1,438,298	-	-	-	-	1,438,298	494,267
Accounts payable and accruals	1,529,312	-	-	-	-	1,529,312	1,384,006
Special purpose funds (Note 10)	219,865	-	-	-	-	219,865	237,886
Deferred contributions (Note 11)	48,224	-	-	-	-	48,224	48,042
Letter of credit (Note 18)	4,950,000	-	-	-	-	4,950,000	-
Current portion of parish and other deposits (Note 13)	2,509,144	-	-	-	-	2,509,144	4,920,698
Current portion of deferred lease inducements (Note 14)	15,108	-	-	-	-	15,108	15,108
	10,709,951	-	-	-	-	10,709,951	7,100,007
Special purpose funds (Note 10)	862,665	-	-	-	-	862,665	850,869
Deferred contributions related to capital assets (Note 12)	1,534,561	-	-	-	-	1,534,561	1,770,058
Parish and other deposits (Note 13)	19,195,013	-	-	-	-	19,195,013	16,976,706
Deferred lease inducements (Note 14)	59,172	-	-	-	-	59,172	74,280
Accrued benefit obligation (Note 15)	1,688,119	-	-	-	-	1,688,119	1,760,140
	34,049,481	-	-	-	-	34,049,481	28,532,060
Commitments (Note 17)							
Contingent liabilities (Note 18)							
Net Assets							
Invested in capital assets	924,514	-	-	-	-	924,514	2,664,997
Externally restricted	-	4,747,789	4,047,775	8,402,538	3,135,068	20,333,170	18,150,899
Internally restricted	-	18,325,832	-	-	-	18,325,832	17,108,842
Unrestricted	6,407,232	-	-	-	-	6,407,232	4,621,096
	7,331,746	23,073,621	4,047,775	8,402,538	3,135,068	45,990,748	42,545,834
	41,381,227	23,073,621	4,047,775	8,402,538	3,135,068	80,040,229	71,077,894

Approved on behalf of Most Reverend †Brian J. Dunn

† 
 Archbishop of Halifax

The accompanying notes are an integral part of these non-consolidated financial statements

The Roman Catholic Episcopal Corporation of Halifax
Non-Consolidated Statement of Operations

For the year ended December 31, 2024

	<i>General Fund</i>	<i>Designated Funds</i>	<i>Trust Funds</i>	<i>Building Our Future Trust</i>	<i>Perpetual Care Fund</i>	2024	2023
Revenues							
Investment income	1,080,707	1,206,029	181,438	401,109	121,707	2,990,990	2,395,893
Parish assessments <i>(Note 16)</i>	1,130,516	-	-	-	-	1,130,516	1,080,434
Contributions, donations and subscriptions	-	1,077,147	-	-	76,250	1,153,397	1,157,908
Collections and fees	2,134,955	-	-	-	-	2,134,955	1,814,602
	4,346,178	2,283,176	181,438	401,109	197,957	7,409,858	6,448,837
Expenditures							
General fund <i>(Schedule 4)</i>	6,400,607	-	-	-	-	6,400,607	5,835,761
Externally restricted designated funds <i>(Schedule 1)</i>	-	429,955	-	-	-	429,955	339,954
Internally restricted designated funds <i>(Schedule 1)</i>	-	127,915	-	-	-	127,915	135,408
Trust funds <i>(Schedule 2)</i>	-	-	4,300	-	-	4,300	-
	6,400,607	557,870	4,300	-	-	6,962,777	6,311,123
Excess (deficiency) of revenue over expenses before other items	(2,054,429)	1,725,306	177,138	401,109	197,957	447,081	137,714
Other items							
Interest on parish funds <i>(Note 16)</i>	(1,113,503)	-	-	-	-	(1,113,503)	(780,712)
Special property parish assessment <i>(Note 16)</i>	46,391	-	-	-	-	46,391	678,814
Gain on disposal of capital assets	-	-	-	-	-	-	32,380
Bad debt expense (recovery)	5,444	-	-	-	-	5,444	(251)
Legal fees <i>(Note 18)</i>	(48,482)	-	-	-	-	(48,482)	(115,250)
Donations	-	-	-	-	-	-	(515,000)
Non-operating expenses	(114,056)	-	-	-	-	(114,056)	(59,529)
Gain on disposition of investments	301,332	489,112	33,546	340,553	532	1,165,075	377,295
Investment management and custodial	(160,687)	(113,461)	(29,468)	(55,715)	(13,682)	(373,013)	(351,751)
Unrealized foreign exchange gain (loss)	625,137	-	-	-	-	625,137	(164,581)
Unrealized gain on investments	1,812,902	1,297,367	603,372	709,194	209,984	4,632,819	3,568,252
	1,354,478	1,673,018	607,450	994,032	196,834	4,825,812	2,669,667
Excess (deficiency) of revenue over expenses	(699,951)	3,398,324	784,588	1,395,141	394,791	5,272,893	2,807,381

The accompanying notes are an integral part of these non-consolidated financial statements

The Roman Catholic Episcopal Corporation of Halifax
Non-Consolidated Statement of Changes in Net Assets

For the year ended December 31, 2024

	<i>General Fund</i>	<i>Investments in Capital Assets</i>	<i>Designated Funds</i>	<i>Trust Funds</i>	<i>Building Our Future Trust</i>	<i>Perpetual Care Fund</i>	<i>2024</i>	<i>2023</i>
Net assets beginning of year	4,621,096	2,664,997	21,514,286	3,473,103	7,359,369	2,912,983	42,545,834	39,813,533
Excess (deficiency) of revenue over expenses	(699,951)	-	3,398,324	784,588	1,395,141	394,791	5,272,893	2,807,381
Retirement benefits (expenditure) recovery (Note 15)	72,021	-	-	-	-	-	72,021	(75,080)
Additions of capital assets	(389,194)	389,194	-	-	-	-	-	-
Amortization of capital assets	465,175	(465,175)	-	-	-	-	-	-
Additions of deferred contributions	34,161	(34,161)	-	-	-	-	-	-
Amortization of deferred contributions related to capital assets	(269,659)	269,659	-	-	-	-	-	-
Interfund transfers (Note 8)	2,573,583	-	(1,838,989)	(209,916)	(351,972)	(172,706)	-	-
Excess of consideration transferred (Note 16)	-	(1,900,000)	-	-	-	-	(1,900,000)	-
Net assets, end of year	6,407,232	924,514	23,073,621	4,047,775	8,402,538	3,135,068	45,990,748	42,545,834

The accompanying notes are an integral part of these non-consolidated financial statements

The Roman Catholic Episcopal Corporation of Halifax
Non-Consolidated Statement of Cash Flows

For the year ended December 31, 2024

	<i>General Fund</i>	<i>Designated Funds</i>	<i>Trust Funds</i>	<i>Building Our Future Trust</i>	<i>Perpetual Care Fund</i>	2024	2023
Cash provided by (used for) the following activities							
Operating							
Excess (deficiency) of revenue over expenses	(699,951)	3,398,324	784,588	1,395,141	394,791	5,206,324	2,807,381
Amortization	465,175	-	-	-	-	465,175	440,116
Gain on disposition of investments	(301,332)	(489,112)	(33,546)	(340,553)	(532)	(1,165,075)	(377,295)
Unrealized foreign exchange gain	(625,137)	-	-	-	-	(625,137)	164,581
Unrealized gain on investments	(1,812,902)	(1,297,367)	(603,372)	(709,194)	(209,984)	(4,632,819)	(3,568,252)
Amortization of deferred lease inducements	(15,108)	-	-	-	-	(15,108)	(15,108)
Amortization of deferred capital contributions	(203,089)	-	-	-	-	(203,089)	(182,993)
Gain on disposal of capital assets	-	-	-	-	-	-	(32,380)
Excess in consideration transferred (Note 16)	(1,900,000)	-	-	-	-	(1,900,000)	-
	(5,092,344)	1,611,845	147,670	345,394	184,275	(2,869,729)	(763,950)
Changes in working capital accounts							
Accounts receivable	(72,701)	-	-	-	-	(72,701)	(349,023)
Prepaid expenses	(75,609)	-	-	-	-	(75,609)	(8,996)
Accounts payable and accruals	145,306	-	-	-	-	145,306	309,922
Special purpose funds	(6,225)	-	-	-	-	(6,225)	268,623
Deferred contributions	182	-	-	-	-	182	(9,529)
	(5,101,391)	1,611,845	147,670	345,394	184,275	(2,878,776)	(552,953)
Financing							
Increase in letter of credit	4,950,000	-	-	-	-	4,950,000	-
Increase (decrease) in parish and other deposits	(193,248)	-	-	-	-	(193,248)	3,022,721
Receipt of deferred contributions related to capital assets	34,161	-	-	-	-	34,161	331,153
Increase (decrease) in due (to) from other funds	(302,305)	1,011,648	117,137	(921,974)	95,494	-	-
	4,488,608	1,011,648	117,137	(921,974)	95,494	4,790,913	3,353,874

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The Roman Catholic Episcopal Corporation of Halifax
Non-Consolidated Statement of Cash Flows

For the year ended December 31, 2024

	<i>General Fund</i>	<i>Designated Funds</i>	<i>Trust Funds</i>	<i>Building Our Future Trust</i>	<i>Perpetual Care Fund</i>	2024	2023
<i>(Continued from previous page)</i>	4,488,608	1,011,648	117,137	(921,974)	95,494	4,790,913	3,353,874
Investing							
Purchase of capital assets	(389,194)	-	-	-	-	(389,194)	(636,138)
Proceeds on disposal of capital assets	-	-	-	-	-	-	33,286
Purchase of investments	(559,991)	(4,143,085)	(215,321)	(649,047)	(115,416)	(5,682,860)	(18,522,454)
Proceeds on disposal of investments	1,447,081	3,980,386	160,430	1,681,828	8,353	7,278,078	18,293,130
Repayments of long-term amounts receivable	94,577	-	-	-	-	94,577	138,021
Funds held in trust	(4,950,000)	-	-	-	-	(4,950,000)	-
	(4,357,527)	(162,699)	(54,891)	1,032,781	(107,063)	(3,649,399)	(694,155)
Increase (decrease) in cash resources	(4,970,310)	2,460,794	209,916	456,201	172,706	(1,737,262)	2,106,766
Cash resources (deficiency), beginning of year	1,041,285	-	-	-	-	1,041,285	(1,065,481)
Interfund transfers (Note 8)	2,573,583	(1,838,989)	(209,916)	(351,972)	(172,706)	-	-
Cash resources (deficiency), end of year	(1,422,011)	621,805	-	104,229	-	(695,977)	1,041,285
Cash resources are composed of:							
Cash	16,287	621,805	-	104,229	-	742,321	1,535,552
Bank indebtedness	(1,438,298)	-	-	-	-	(1,438,298)	(494,267)
	(1,422,011)	621,805	-	104,229	-	(695,977)	1,041,285

The accompanying notes are an integral part of these non-consolidated financial statements

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

1. Status and purpose of the Organization

The Roman Catholic Episcopal Corporation of Halifax (the "Corporation") was incorporated as a corporation sole under the statutes of the Province of Nova Scotia on March 31, 1849. The Corporation is a registered charity and, as a result, is exempt from income tax pursuant to paragraph 149 (1) (f) of the Income Tax Act.

The Corporation is the ministerial and administrative center for the Archdiocese of Halifax. Its purpose is to provide support and services to the parishes within the counties of Halifax, Hants, Colchester, Cumberland, Queens and Lunenburg, Nova Scotia.

The Archdiocese of Halifax controls several related entities including the parishes. Related party transactions are disclosed in Note 16.

These non-consolidated financial statements reflect the assets, liabilities and operations of the Corporation, including the operations of the Catholic Diocesan Center and St. Mary's Cathedral Basilica, which is the church of the Catholic Bishop of Halifax. The non-consolidated financial statements also include the assets and operating results for the Building our Future Trust, which is a legal trust controlled by the Archdiocese. The non-consolidated financial statements do not reflect the assets, liabilities, and operations of the parishes within the Archdiocese or any other related entities. The financial statements of these entities, including the St. Mary's Cathedral Basilica Foundation, are all readily available to management.

2. Significant accounting policies

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Corporation follows the restricted fund method of accounting for contributions, and maintains five funds: the Diocesan General Funds, the Diocesan Designated Funds, the Diocesan Trust Funds, the Building Our Future Trust Fund and the Perpetual Care Fund.

The following are considered general funds of the Corporation:

General Fund

The General Fund reports the general operations of the Corporation. The main sources of revenue are investment income, parish assessments, special property parish assessments, bequests, gifts and collections and fees. There are a variety of expenditures, as set out in the schedule of expenditures. Restricted contributions for which no corresponding restricted fund exists are included in the General Fund.

Invested in Capital Assets

Net assets invested in capital assets are presented as a separate component of net assets.

The following are the restricted funds of the Corporation:

Designated Funds

The Designated Funds of the Corporation are used to fund specific purposes, as either internally or externally restricted. Presently, the funds are used for the purposes set out in the Schedule of Diocesan Designated Funds. The income and, depending on the instructions attached to the funds, the principal of the Designated Funds may be expended.

Trust Funds

The Trust Funds of the Corporation are established to honour the restricted purposes of the donors as set out in the Schedule of Diocesan Trust Funds. Generally, only the income earned by the trusts may be expended.

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies (Continued from previous page)

Building Our Future Trust

In 1985, the Corporation commenced a fund-raising campaign for the purpose of funding, on an equal basis, priestly development, pastoral services and social outreach. A trust was settled by the Corporation on April 9, 2002. Funds raised were deposited into the Trust with the intent that only income earned on the Trust principal will fund the programs. Trustees have been appointed pursuant to a trust agreement which was finalized in 2003.

Perpetual Care Fund

The Perpetual Care Fund is a restricted fund of the Corporation. The revenue of the fund is generated by a portion of payments on cemetery plots and niches which are listed as subscriptions to the fund. Investment income earned by the fund is transferred to operations as a recovery to the Catholic Cemeteries of Halifax cost center to cover cemetery maintenance expenses.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. The Corporation's policy is to disclose bank balances under cash and cash equivalents, including balances held at a financial institution. Bank indebtedness is included in cash and cash equivalents when the balance fluctuates frequently to positive.

Pledges

Pledges are recorded in income when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Investments

Investments are accounted for at market value. The market value of the guaranteed investment certificates is the principal cost plus accrued interest. The market value of the Corporation's portfolio of securities is determined based on the closing price reported on recognized security exchanges and on over-the-counter markets. Such indicated market values do not necessarily represent the realizable value of the total holding of any security, which may be more or less than that indicated by market quotations. Investment transactions are accounted for on the trade date and realized gains and losses from such transactions are calculated on the average cost basis.

Capital assets

Land and buildings are carried at appraised values as of October 1, 1951 with subsequent additions and building alterations at cost, except for cemetery properties which are carried at a nominal value. Significant acquisitions of furnishings, fixtures and office equipment are capitalized at cost.

Amortization is provided using the straight-line method over the estimated economic lives to the extent of their salvage values.

	Rate
Buildings	3-40 years
Furniture and fixtures	3-10 years

Long-lived assets

Long-lived assets consists of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Corporation writes down long-lived assets held for use when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Corporation determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Deferred contributions related to capital assets

Restricted contributions for the purchase of capital assets are deferred and amortized on the same basis as the underlying capital asset purchased. Amortization is calculated when a contribution has been spent and is calculated using the straight-line method over the estimated economic lives of the respective assets.

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies (Continued from previous page)

Deferred lease inducement

The deferred lease inducement is comprised of four months free rent as well as contributions towards leasehold improvements. The benefits have been capitalized and are being amortized over the initial lease term of ten years and six and a half months.

Revenue recognition

Investment income is recognized on the accrual basis, parish assessment revenue is recognized in the year of assessment, special property parish assessment revenue is recognized in the year of a property sale and other revenue including unrestricted contributions, donations, bequests, gifts, collections, fees and subscriptions is recognized when ultimate collection is reasonably assured.

Externally restricted contributions for which no corresponding fund exists are deferred and recognized as revenue of the general fund when the expenditure is incurred.

Government assistance

Government assistance is recorded in the non-consolidated financial statements when there is reasonable assurance that the Corporation has and will continue to comply with all conditions necessary to obtain the assistance and collection is reasonably assured. Government assistance is recorded as revenue on the non-consolidated statement of operations.

Employee benefit plans

The Corporation has a defined benefit plans to provide a room, board and health benefits for retired priests. The Corporation uses the immediate recognition approach to account for its defined benefit plan. The Corporation uses the funding valuation to measure its benefit obligations and recognizes all past service costs and actuarial gains and losses in the non-consolidated statement of changes in net assets in the period they arise. Between 2013 - 2020 this plan was phased out for new retirees as part of a revamped priest compensation package.

The Corporation also provides a defined benefit pension plan for its lay employees and deacons. This plan is a multi-employer plan and as such has been accounted for as a defined contribution pension plan. The defined benefit plan was frozen effective December 31, 2016, and was replaced with a defined contribution plan effective January 1, 2017. The defined benefit plan will continue to provide the benefited service that has been built up over time.

The Corporation has other defined contribution plans covering its priests, lay employees and deacons. Contributions to the defined contribution pension plans are expensed as incurred.

Contributed materials and services

A number of volunteers contribute their time each year, and materials are sometimes donated to the Corporation. Due to the difficulty of determining the fair value of these items, no amounts are recognized in the non-consolidated financial statements.

Financial instruments

The Corporation recognizes financial instruments when the Corporation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Corporation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Corporation has not made such an election during the year.

The Corporation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. With the exception of financial liabilities indexed to a measure of the Corporation's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies (Continued from previous page)

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Corporation initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 16).

At initial recognition, the Corporation may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Corporation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

Financial asset impairment

The Corporation assesses impairment of all its financial assets measured at cost or amortized cost. The Corporation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; and no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Corporation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Corporation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Corporation reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Corporation reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies *(Continued from previous page)*

The Corporation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

The preparation of non-consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and long-term amounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts or impairment is provided where considered necessary. Accrued liabilities are recorded using management's best estimate of expenses incurred but not invoiced at year-end. The accrued benefit obligation is recorded based on the actuarial valuation at the non-consolidated statement of financial position date. Amortization is based on the estimated useful lives of capital assets. As per note 18, amounts have been recorded for any potential contingent liabilities where amounts can be reasonably estimated.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the non-consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Cash and cash equivalents

Included in cash and cash equivalents is \$nil (2023 - \$1,500,000) non-redeemable short term investment certificate (STIC) bearing interest at 5.30% that matured on January 27, 2024.

4. Accounts receivable

	2024	2023
Parishes (controlled entities)	386,168	359,377
Receivable from The Roman Catholic Episcopal Corporation of Yarmouth	30,554	51,488
Receivable from St. Mary's Cathedral Basilica Foundation	-	57,061
Other receivables	321,566	248,028
HST receivable	98,220	58,854
	836,508	774,808
Parish allowance for doubtful accounts	-	(7,189)
Other allowance for doubtful accounts	-	(3,812)
	836,508	763,807

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

5. Long-term investments

	2024	2023
General		
Equities	8,919,396	8,207,996
Fixed income	6,256,106	6,373,753
Real estate	3,669,642	3,470,250
Assets (Infrastructure)	8,008,694	6,949,556
	26,853,838	25,001,555
Designated Fund		
Equities	12,659,033	14,704,949
Fixed income	11,625,605	7,549,024
Cash and short-term investments	-	81,487
	24,284,638	22,335,460
Trust		
Equities	4,736,185	4,044,376
Building Our Future		
Equities	7,207,385	7,194,245
Fixed income	1,543,866	1,534,805
Cash and short-term investments	-	5,235
	8,751,251	8,734,285
Perpetual Care		
Equities	1,663,465	1,434,289
Fixed income	1,310,610	1,213,434
Cash and short-term investments	-	8,773
	2,974,075	2,656,496

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

6. Long-term amounts receivable

The long-term amounts receivable consists of two items, the long-term portion of accounts receivable from parishes and other dioceses that are being financed and are not expected to be collected within the next twelve months and long-term loans to parishes.

In 2024 and 2023, interest has been waived on the long-term amounts receivable. Impairment is assessed annually. When a loan is considered to be impaired, an appropriate allowance for impairment is made.

The loan made to the Roman Catholic Episcopal Corporation of Yarmouth in 2022 is non-interest bearing and has no set terms of repayment.

The following amounts are included in long-term amounts receivable:

	2024	2023
Loans to parishes (controlled entities)	176,572	335,381
Loan to The Roman Catholic Episcopal Corporation of Yarmouth (controlled entity)	1,053,547	1,053,547
Loan to St. Mary's Cathedral Basilica Foundation	135,000	135,000
Long-term accounts receivable	98,213	41,435
	1,463,332	1,565,363
Less: impairment allowance on loans to St. Mary's Cathedral Basilica Foundation	(135,000)	(135,000)
Less: allowance for doubtful accounts on long-term accounts receivable	(16,880)	(24,334)
Less: current portion of loans to parishes	(160,815)	(310,201)
	1,150,637	1,095,828

7. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	433,771	-	433,771	387,370
Buildings	6,743,761	3,144,258	3,599,503	3,833,769
Furniture and fixtures	1,036,983	711,184	325,799	213,916
	8,214,515	3,855,442	4,359,073	4,435,055

8. Inter-fund loans and transfers

The Perpetual Care Fund has a loan balance due from the General Fund. The Designated Funds, the Trust Funds, and the Building Our Future Trust have loan balances due to the General Fund. These loans are non-interest bearing and have no set terms of repayment and, accordingly, these loans have been classified as long-term.

Transfers totaling \$1,838,989 from the Designated Funds, \$209,916 from the Trust Funds, \$351,972 from the Building our Future Trust, and \$172,706 from the Perpetual Care Fund to the General Fund were approved to cover expenses in the General Fund that were consistent with the purposes for each of the funds that had money transferred.

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

9. Bank indebtedness

The Corporation has an available operating line of credit to a maximum of \$4,650,000 (2023 -\$4,650,000) of which \$1,438,298 (2023 - \$494,267) was drawn down. This operating line of credit bears interest at prime plus 0.25% (2023 - prime plus 0.25%) and requires monthly interest payments. Subsequent to year end, the maximum credit limit for this facility increased to \$6,650,000.

The operating line of credit is secured by a first charge over the property at 45 Radcliffe Drive, Halifax, Nova Scotia, in the amount of \$8.5 million with a net book value of \$403,974.

The Corporation will not, without prior written consent, participate in any retrofit project or energy or water efficiency project affecting the mortgaged property which would have the effect of creating a lien, hypothec or other interest in the mortgaged property ranking, or potentially ranking, in priority to or pari passu with the interest of the current lender whether or not such project is sponsored or endorsed by a municipal or other government, governmental organization or utility.

The Corporation shall not assume additional indebtedness or guarantee obligations without the prior written consent of the lender.

The Corporation shall not enter into any additional liens or encumbrances on any assets without the prior written consent of the lender.

The Corporation has available a Corporate MasterCard to finance operations to a maximum of \$600,000 (2023 - \$600,000) of which \$nil (2023 - \$nil) was drawn down at December 31, 2024.

10. Special purpose funds

	2024	2023
Balance, beginning of year	1,088,755	820,132
Contributions and investment income received during the year	476,729	528,231
Amount spent on expenses and distributions during the year	(482,954)	(259,608)
<hr/>		
Balance, end of year	1,082,530	1,088,755
Less: Current portion	219,865	237,886
<hr/>		
	862,665	850,869
<hr/>		

Included in the above special purpose funds is the "Refugee Fund," which is a fund created based on the sponsorship agreement between Immigration, Refugees and Citizenship Canada ("IRCC") and the Corporation. The money is received from sponsors, held in trust and disbursed back to the sponsors as required. The fund is used to support the resettlement and integration of refugees into Canadian society. As at December 31, 2024, the ending fund balance is \$801,688 (2023 - \$884,423). Contributions and investment income allocated to the fund during the year were \$217,429 (2023 - \$284,179) and disbursements from the fund were \$300,164 (2023 - \$88,706).

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

11. Deferred contributions

Deferred contributions consist of two amounts, being contributions that have been externally restricted for specific expenses that have not been incurred for which no corresponding restricted fund exists, and contributions received that have been externally restricted to fund capital expenditures. See note 12 for deferred contributions that have been externally restricted to fund capital expenditures.

The changes in balances of the deferred contributions externally restricted for specific expenses are as follows:

	2024	2023
Balance, beginning of year	48,042	57,571
Contributions received during the year	1,864	108
Amount spent on expenses during the year	(1,682)	(9,637)
Balance, end of year	48,224	48,042

12. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized amount of externally restricted contributions received for the purchase of capital assets.

The changes in the balances of the deferred contributions related to capital assets are as follows:

	2024	2023
Balance, beginning of year	1,770,058	1,621,898
Contributions received during the year	34,161	331,153
Contributions recognized as a reduction of amortization expense	(269,658)	(182,993)
Balance, end of year	1,534,561	1,770,058

13. Parish and other deposits

These deposits bear an average interest at 5% (2023 - 3.5%) and have no specified repayment terms. The Corporation usually has advance warning of any upcoming repayments to be requested on these loans. Amounts requested and not yet paid have been classified as current payables. The remaining balances have been classified as long-term.

The parish and other deposit balances outstanding at year end include the following:

	2024	2023
Due to parishes (controlled entities)	21,704,157	21,897,404
Less: Current portion	2,509,144	4,920,698
	19,195,013	16,976,706

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

14. Deferred lease inducement

The deferred lease inducement is comprised of the following:

- A leasehold improvement credit received in the prior year from their landlord to cover certain leasehold improvements. The total credit received amounted to \$103,498, net of amortization of \$55,022 (2023 - \$45,163) which has been capitalized and will be amortized straight-line over the remaining term of the lease agreement.
- Four months of free basic rent of \$15 per square foot of rentable space. The Corporation had 11,065 square feet of rentable space received in 2019. The free rent of \$55,325, net of amortization of \$29,521 (2023 - \$24,272) has been capitalized and will be amortized straight-line over the remaining term of the lease agreement.

15. Pension and other retirement benefit plans

The Corporation participates in a number of employee benefit plans, including: a defined benefit pension plan to provide for the room, board and health benefits of retired priests; a defined benefit pension plan for the lay employees and deacons of the Archdiocese and its parishes, a defined contribution pension plan for the priests of the Archdiocese and its parishes; a defined contribution pension plan for the lay employees and deacons of the Archdiocese; defined contribution registered retirement savings plans for the priests of the Archdiocese and its parishes; and, a defined contribution registered retirement savings plan for the lay employees and deacons of the Archdiocese and its parishes.

The first defined benefit plan provides an allowance for the room, board and health benefits of the retired priests. Under this plan, each priest is entitled to a fixed payment each month determined by the month and year of their retirement. This benefit ranges from \$10,000 annually to \$2,000 as noted below:

Year in which a Priest attains age 70	<i>Annual Benefit</i>
2011 - 2012	10,000
2013 - 2014	8,000
2015 - 2016	6,000
2017 - 2018	4,000
2019	2,000
2020 and after	-

The defined benefit obligation of this plan at December 31, 2024 is \$1,688,119 (2023 - \$1,760,140). There are no plan assets as at December 31, 2024, which indicates an accrued benefit obligation of \$1,688,119. The most recent full actuarial valuation was completed as at December 31, 2022 and has been updated at December 31, 2024. The net movement for the Corporation's defined benefit plan during the year is as follows:

	2024	2023
Benefit costs	(89,890)	(91,420)
Benefits paid	181,683	188,032
Actuarial gain (loss)	(19,772)	(171,692)
Retirement benefits movement on the statement of changes in net assets	72,021	(75,080)

The significant actuarial assumptions adopted are as follows:

	2024	2023
Discount rate	4.15%	4.60%
Claims inflation rate	5.00%	5.00%

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

15. Pension and other retirement benefit plans *(Continued from previous page)*

The second defined benefit plan is a pension plan for lay employees and deacons. This plan is a multiemployer plan for the employees of The Roman Catholic Episcopal Corporation of Halifax, the parishes within the Archdiocese and certain employees of related organizations. Sufficient information is not available to use defined benefit accounting so the plan has been accounted for as a defined contribution plan. The defined benefit plan was frozen effective December 31, 2016, and was replaced with a defined contribution plan effective January 1, 2017. Employer contributions by the Corporation to this plan totaled \$5,657 (2023 - \$37,882). The most recent full actuarial valuation was completed at December 31, 2021 and has been updated at December 31, 2024 to indicate a funding surplus of \$981,564 (2023 - \$684,115). There have been no significant changes in the contractual elements of the plan in the current year. The plan is subject to a partial wind-up effective November 30, 2023 in order to terminate the defined benefit component. As no transactions from the partial wind-up have occurred, there is no impact on the reported results. The impact will be recognized once the Nova Scotia Office of the Superintendent of Pensions has given their approval for the Plan's partial wind-up and once benefits have been settled.

The first defined contribution plan is a defined contribution pension plan for its' incardinated priests whereby the Corporation matches the contributions that are voluntarily made by certain priests. During the year, \$64,257 (2023 - \$56,438) was contributed by the Corporation to this plan.

The second defined contribution plan is a defined contribution pension plan for lay employees and deacons whereby the Corporation matches the contributions that are voluntarily made by certain members. During the year, \$28,213 (2023 - \$134,102) was contributed by the Corporation to this plan.

The third defined contribution plan is a defined contribution registered retirement savings plan for its' non-incardinated priests whereby the Corporation matches the contributions that are voluntarily made by certain priests. During the year, \$21,388 (2023 - \$17,284) was contributed by the Corporation to this plan.

The fourth defined contribution plan is a voluntarily registered retirement savings plan for incardinated priests where contributions are voluntarily made by certain priests. During the year, \$540 (2023 - \$640) was contributed by the Corporation to this plan.

The fifth defined contribution plan is a voluntarily registered retirement savings plan for lay employees and deacons where contributions are voluntarily made by certain members. During the year, \$nil (2023 - \$nil) was contributed by the Corporation to this plan.

16. Related party transactions

In the normal course of its operations, the Corporation enters into transactions with its controlled entities. In addition to transactions disclosed elsewhere in these non-consolidated financial statements, certain controlled entities also participate with the Corporation in group health and insurance plans with nominal amounts being paid to the Corporation for participation. These transactions are in the normal course of operations and have been recorded at their exchange amounts.

The balances due from related parties are included in accounts receivable (note 4) and long-term amounts receivable (note 6). Included in accounts payable and accrued liabilities is \$335,979 (2023 - \$31,482) owing to controlled entities and long-term balances due to related parties are included in the parish and other deposits (note 13).

Included in the non-consolidated statement of operations is parish assessment revenue of \$1,130,516 (2023 - \$1,080,434), special property parish assessment revenue of \$46,391 (2023 - \$678,814), interest of \$1,113,503 (2023 - \$780,712) on parish deposits, and collections and fees of \$136,158 collected from the Corporations' controlled entities.

Included in the non-consolidated statement of operations is \$12,000 (2023 - \$12,000) in management fees for administrative and accounting services provided and \$6,000 in collections and fees collected from the Roman Catholic Episcopal Corporation of Yarmouth.

The Corporation collected from its controlled entities \$33,136 (2023 - \$484,867) as contributions to the internally restricted Designated Fund "Assistance to Parishes for Capital Projects."

The Corporation paid to its controlled entities grants totaling \$137,368 (2023 - \$170,500).

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

16. Related party transactions (Continued from previous page)

During the year, a related party transaction took place between the Corporation and two parishes for the transfer of land and buildings in exchange for \$1,900,000. As part of the transaction, no cash was physically exchanged. Instead, the agreed upon amount of the transfer was instead placed in the Parish Funds on deposit account and is to be paid to the parish's when they need the funds. This transaction is not considered in the normal course of operations and is therefore measured at the carrying amount. As both properties have a value of \$nil in the parishes records, this amount is represented as excess in consideration transferred as at December 31, 2024.

17. Commitments

The Corporation total obligations for the next five years, which comprise rental of existing premises, a commitment under an agreement with the Atlantic School of Theology and a commitment for the Conference of Catholic Bishops are as follows:

2025	567,308
2026	497,820
2027	347,165
2028	347,165
2029	331,490
	<hr/>
	2,090,948

The Corporation's collections process is such that 20% of funds raised by individual parishes is returned to the parishes. In the current year, \$14,903 (2023 - \$21,617) was returned to parishes.

In a prior year, the Corporation transferred \$639,573 from the General Fund to the Internally restricted Designated Fund "Indigenous Reconciliation Fund" for the purpose of restricting the future use of the funds. This represents the Archdiocese commitment to the CCCB initiated National Indigenous Reconciliation Fund, an organization providing funds to assist in the healing and reconciliation with Canada's Indigenous people. One fifth of this fund will be paid out on each September commencing in 2022 and ending in 2026.

The Corporation will also be accepting collections from parishioners which will be additional funds to support local Indigenous reconciliation initiatives. This collection will be set aside in an Externally restricted Designated Fund "Local Indigenous Reconciliation" on initial collection. During the year, collections totalled \$14,632 (2023 - \$12,110).

18. Contingent liabilities

The Corporation has guaranteed a loan for a parish. This loan has been obtained in the name of the The Roman Catholic Episcopal Corporation of Halifax, and is secured by property as noted below. The property is owned by the The Roman Catholic Episcopal Corporation of Halifax because it is the only legal entity; however, the property is operationally controlled by the parish and, therefore, the assets and corresponding debts have been reported on the financial statements of the parish. As a result, the Corporation is contingently liable to repay this loan in the event of a default by the parish. The details of the guaranteed loan are as follows:

Mortgage of \$1,445,704 (2023 - \$1,503,198) secured by property located at 18 Scholars Road, Upper Tantallon, Nova Scotia, bearing interest at 6.43% (2023 - 3.8%) repayable in blended monthly payments over 17 years maturing May 2026. This loan is secured by a first charge over the property in the amount of \$2.75 million.

The Corporation has a non-revolving demand loan of \$250,000 (2023 - \$250,000) available to finance capital projects on behalf of the parishes of which \$nil (2023 - \$nil) was drawn down at December 31, 2024. The demand loan bears interest at prime plus 0.50%.

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

18. Contingent liabilities *(Continued from previous page)*

The Corporation has been named in a class action claim. In the prior year, a settlement was reached which caps the Corporation's maximum potential exposure to \$8,150,000 which includes the claimants' legal fees and the settlements. Total claimant legal fees paid by the Corporation totaled \$508,860 (2023 - \$508,860) inclusive of disbursements and HST. \$nil of these legal fees were recorded as an expense in the current year, the balance of these legal fees were recorded in the non-consolidated statement of operations in prior years. Claims totaling \$nil (2023 - \$98,700 and 2022 - \$60,000) have been recorded to date. The Corporation is working closely with their insurers on the settlement. Claims for the class action lawsuit are currently in process of being assessed and it is not expected to have a determination of all claims prior to late 2026.

There are no legal fees accrued with legal counsel that have not yet been billed as of December 31, 2024.

During the year, the Corporation obtained a \$4,950,000 letter of credit for the purpose of satisfying any settlement payments related to the class action claim. A monthly commission fee equal to 0.75% of the face amount of the letter of credit is assessed and payable quarterly. Any draws from the letter of credit bear interest at prime plus 0.75%, until repaid in full. The letter of credit is secured by a \$9.9 million charge to investment holdings. The letter of credit matures June 2025.

19. Building Our Future Trust

An amount, when required, is allocated to the principal of the Trust from the Trust's income at the end of the year to ensure that, so far as reasonably possible, the market value of the Trust property together with the accumulated unspent net appreciation thereof will over time not be diminished on an after-inflation basis. The original principal balance and the market principal balance on each of the programs are as follows:

	<i>2024</i> <i>Principal</i>	<i>2024</i> <i>Market</i>	<i>2023</i> <i>Market</i>
Priestly Development	2,086,553	2,618,373	2,381,975
Priestly Development available to be distributed	133,107	133,107	5,344
Pastoral Services	2,086,553	2,618,373	2,381,975
Pastoral Services available to be distributed	186,573	186,573	123,290
Social Outreach	2,086,553	2,618,373	2,381,975
Social Outreach available to be distributed	227,739	227,739	84,810
	6,807,078	8,402,538	7,359,369

20. Financial instruments

The Corporation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk with its accounts receivable and long-term amounts receivable (note 4 and note 6). The Corporation has a long-term amount receivable that represents 10% of the accounts receivable and long-term amounts receivable at December 31, 2024. During the year, the Corporation recorded bad debt recovery of \$5,444 (2023 - bad debts of \$251). Other financial instruments that potentially subject the Corporation to concentrations of credit risk consists of cash and investments held by financial institutions. To minimize this risk, the Corporation holds cash and investments with high quality Canadian financial institutions.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in the market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets and liabilities, known as price risk.

The Corporation is exposed to interest rate risk with respect to bank indebtedness and bank loans.

The Roman Catholic Episcopal Corporation of Halifax

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2024

20. Financial instruments *(Continued from previous page)*

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Corporation is exposed to other price risk with respect to its investments. To manage these risks, the Corporation has established a target mix of investment types designed to achieve the optimal return within reasonable risk tolerances. In addition these risks are mitigated through the use of five professional investment managers.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Corporation is exposed to fluctuations arising from changes in foreign exchange rates as it relates to the USD cash and investment balances. At year end, the Corporation has USD cash of \$21,386 (2023 - \$8,804) and USD investments of \$5,565,845 (2023 - \$5,254,229).

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 liquidity risk with respect to bank indebtedness, special purpose funds, parish and other deposits and contingent liabilities with regards to the class action suit.

21. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

The Roman Catholic Episcopal Corporation of Halifax
Schedule 1 - Non-Consolidated Schedule of Changes in Diocesan Designated Funds

For the year ended December 31, 2024

Schedule 1	<i>Opening balance</i>	<i>Investment income</i>	<i>Contributions</i>	<i>Expenditures</i>	<i>Interfund transfer</i>	<i>Other income (expenditure)</i>	<i>Adjustment to Market Value</i>	<i>Closing Balance</i>
Externally restricted:								
St. Mary's Cathedral Basilica Poor Fund	275,400	18,304	-	-	(9,033)	5,701	-	290,372
Theological Education & Vocations - Priests	365,734	24,307	-	-	(17,994)	7,571	-	379,618
Catholic Social Services	220,919	14,683	-	-	(4,972)	4,573	-	235,203
Infirm and Retired Priests	346,258	23,013	-	-	(30,181)	7,168	-	346,258
Patrick Power - Religious Education	110,926	7,372	-	-	(5,458)	2,296	-	115,136
Patrick Power - Youth, Handicap	80,277	5,335	-	-	(3,652)	1,662	-	83,622
Diocesan Mission Fund	103,730	6,894	-	-	(3,690)	2,147	-	109,081
Youth	83,789	5,569	-	-	(4,341)	1,735	-	86,752
Ministry for Aged	87,362	5,806	-	-	(4,298)	1,809	-	90,679
Priestly Assistance Fund	9,509	632	-	-	(468)	197	-	9,870
Burke Priestly Assistance Fund	65,720	4,368	-	-	(3,233)	1,360	-	68,215
Laypersons and Deacons Pension Fund	398,587	-	52,090	-	28,208	-	-	478,885
Property Insurance Fund - Atlantic	446,449	-	416,476	(428,912)	20,193	-	-	454,206
Deferred Income - O/C & Foundation	1,132,694	-	69,775	-	(49,369)	-	-	1,153,100
A.M. Hynes Scholarship Fund	548,679	36,466	-	-	(260,256)	11,358	-	336,247
Fr. Caissie Clinical Education Fund	26,993	1,794	-	-	-	559	-	29,346
Diocesan Outreach	18,221	1,211	181,318	-	(68,204)	377	-	132,923
Local Indigenous Reconciliation	84,197	5,596	14,632	(1,043)	-	1,743	-	105,125
Deferred Income O/C PB	-	-	12,810	-	-	-	-	12,810
Priestly Fomation	-	-	42,359	-	-	-	-	42,359
St. Mary's Cathedral	-	-	254,551	-	(66,569)	-	-	187,982
Continued on next page	4,405,444	161,350	1,044,011	(429,955)	(483,317)	50,256	-	4,747,789

The Roman Catholic Episcopal Corporation of Halifax
Schedule 1 - Non-Consolidated Schedule of Changes in Diocesan Designated Funds

For the year ended December 31, 2024

Schedule 1	Opening balance	Investment income	Contributions	Expenditures	Interfund transfer	Other income (expenditure)	Adjustment to Market Value	Closing Balance
Externally restricted from previous page	4,405,444	161,350	1,044,011	(859,910)	(483,317)	50,256	-	9,495,578
Internally restricted:								
Camp Villa Maria Fund	1,626,257	108,084	-	-	(88,494)	33,666	-	1,679,513
St. Joseph's Orphanage Fund	1,167,691	77,607	-	-	(151,863)	24,173	-	1,117,608
Capital Maintenance Fund	146,586	9,742	-	-	(127,977)	3,035	-	31,386
Self Insurance Fund	130,384	-	-	-	6,661	-	-	137,045
Catechetics Fund	24,825	1,650	-	-	(1,287)	514	-	25,702
Infirm and Retired Priests	206,670	13,736	-	-	(60,222)	4,278	-	164,462
Contingency Fund 2024	-	-	-	-	1,000,000	-	-	1,000,000
Pastoral Centre Fund	8,861,422	588,946	-	-	(1,004,350)	183,443	-	8,629,461
Contingency Fund 2019	217,719	14,470	-	-	(209,840)	4,507	-	26,856
Parish Assistance for Capital Projects	2,001,033	132,992	33,136	-	(667,229)	41,424	-	1,541,356
Arthur Dube Bequest	1,038,024	68,989	-	-	(51,071)	21,489	-	1,077,431
National Indigenous Reconciliation	428,274	28,463	-	(127,915)	-	8,866	-	337,688
Adjust to Market	1,259,957	-	-	-	-	-	1,297,367	2,557,324
	17,108,842	1,044,679	33,136	(127,915)	(1,355,672)	325,395	1,297,367	18,325,832
	21,514,286	1,206,029	1,077,147	(557,870)	(1,838,989)	375,651	1,297,367	23,073,621

The Roman Catholic Episcopal Corporation of Halifax
Schedule 2 - Non-Consolidated Schedule of Changes in Diocesan Trust Funds

For the year ended December 31, 2024

Schedule 2	<i>Opening balance</i>	<i>Investment income</i>	<i>Contributions</i>	<i>Expenditures</i>	<i>Interfund transfer</i>	<i>Other income (expenditure)</i>	<i>Adjustment to Market Value</i>	<i>Closing Balance</i>
Mary E. Skerry	441,226	28,648	-	-	(46,001)	1,620	-	425,493
Lawrence Lynch	395,162	25,657	-	-	(23,591)	1,450	-	398,678
Rev. Charles Frecker	251,852	16,353	-	-	(15,036)	924	-	254,093
Archbishop James Hayes	103,103	6,694	-	-	(6,155)	378	-	104,020
Patrick Power	75,744	4,918	-	-	(14,522)	278	-	66,418
Priest Travel Study Rome	160,665	10,432	-	-	-	590	-	171,687
MacKey Estate	38,610	2,507	-	-	(2,305)	142	-	38,954
Rev. R. Hallett Bursary	33,282	2,161	-	4,300	-	122	-	31,265
Rose Doyle Cemetery	48,340	3,139	-	-	-	177	-	51,656
Thomas Roache	23,114	1,501	-	-	(1,095)	85	-	23,605
Mary O'Sullivan Cemetery	33,953	2,205	-	-	-	125	-	36,283
John T. Joy	16,696	1,084	-	-	-	61	-	17,841
T. Buchanan	8,789	571	-	-	(313)	32	-	9,079
Ecclesiastical Student	8,380	544	-	-	(375)	31	-	8,580
Rt. Rev. Donahoe	5,275	342	-	-	(289)	19	-	5,347
Agnus MacIsaac	4,880	317	-	-	(291)	18	-	4,924
Mary Daly Poor	4,637	301	-	-	(277)	17	-	4,678
Ruth Gray Cemetery	31,654	2,055	-	-	-	116	-	33,825
Faith Formation	1,073,035	72,009	-	-	(99,666)	(2,107)	-	1,043,271
Adjustment to market value of investments, net	714,706	-	-	-	-	-	603,372	1,318,078
	3,473,103	181,438	-	(4,300)	(209,916)	4,078	603,372	4,047,775

The Roman Catholic Episcopal Corporation of Halifax Schedule 3 - Non-Consolidated Schedule of Expenditures

For the year ended December 31, 2024

Schedule 3	2024	2023
Cost center expenses		
St. Mary's Cathedral	845,927	781,178
Cemeteries	685,668	525,512
Business office	528,681	441,131
Chancery and administration	390,183	338,430
Pastoral Centre	385,486	366,644
St. Mary's Glebe	342,840	324,483
Steubenville	289,735	212,478
Infirm and retired priests	288,647	354,483
Human resources	283,570	294,378
Adult faith formation	277,479	220,585
Diocesan Outreach	214,714	260,708
Chaplains	199,974	194,929
Ordained ministries - priestly formation	169,219	120,707
Office services	169,194	155,829
Assistance to Parishes	162,136	181,071
Evangelization Univ. Chaplaincy	147,780	120,238
Atlantic School of Theology	138,652	153,667
Vocations	111,662	132,164
Marriage tribunal	100,923	88,093
Communications	98,993	104,138
Canadian Bishops' assessments	94,278	92,931
Development Office	91,785	74,812
Other Property	86,034	13,946
Council of priests	67,422	62,771
Archives	61,572	56,211
Sacred Heart Ministries	47,261	34,450
Ordained ministries - Diaconate Formation	46,133	55,886
Catholic social affairs	26,803	30,305
Liturgical and education	25,047	6,784
Ministry to the deaf	11,168	10,880
Council of deacons	5,594	15,933
Hope Cottage	5,047	5,006
Ministry of Care	1,000	5,000
	6,400,607	5,835,761

The Roman Catholic Episcopal Corporation of Halifax
Schedule 4 - Non-Consolidated Schedule of General Fund Expenditures

For the year ended December 31, 2024

	2024	2023
General fund expenditures		
Advertising	100	1,768
Amortization	465,175	440,116
Bank charges and interest	22,201	18,289
Car expenses & mileage	92,161	60,036
Conferences & meetings	382,370	297,370
Conferences (out of town)	1,629	8,904
Donations	28,671	13,688
Dues, fees and subscriptions	384,896	407,067
Equipment & furnishings	18,691	25,561
Freight & courier charges	1,484	1,470
Grants	137,368	170,500
Heat, lights and water	99,130	98,136
Insurance	267,519	231,757
Rent	345,799	326,257
Living allowances	262,574	223,894
Office supplies	10,190	10,358
Postage	10,659	10,491
Printing and photocopying	38,218	14,846
Professional fees	429,096	503,026
Programs, develop. & education	99,885	100,384
Repairs and maintenance	329,656	271,348
Salaries and benefits	2,660,212	2,337,045
Stipends	84,895	77,510
Supplies	106,374	62,752
Taxes	23,967	19,146
Telephone	30,666	29,150
Travel	33,443	38,209
	6,400,607	5,835,761