Episcopal Corporation of Saskatoon
Financial Statements
June 30, 2023

Contents

For the year ended June 30, 2023

Management's Responsibility

To the Council of Episcopal Corporation of Saskatoon:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Diocesan Finance Council ("Council") and Audit Committee are composed primarily of Members who are neither management nor employees of the Corporation. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues.

MNP LLP is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

December 13, 2023

Management

To the To the Council of Episcopal Corporation of Saskatoon:

Qualified Opinion

We have audited the financial statements of Episcopal Corporation of Saskatoon (the "Corporation"), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As explained in Note 2, certain accounting policies followed by the Corporation are not in accordance with Canadian accounting standards for not-for-profit organizations. Not all tangible capital assets owned by the Corporation are recorded and being amortized, not all deferred contributions related to tangible capital asset purchases are being recognized through revenues, and pensions are accounted for on a cash basis. The effect of these departures from Canadian accounting standards for not-for-profit organizations on the audited financial statements has not been determined. Our audit opinion on the financial statements for the year ended June 30, 2022 was modified accordingly because of these departures.

In addition, in common with many charitable organizations, the Corporation derives revenue from the general public in the form of fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Corporation. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, special collections revenue, parish assessments revenue, Bishop's Annual Appeal revenue, excess (deficiency) of support and revenue over expenses, and cash flows from operations for the years ended June 30, 2023 and June 30, 2022, current assets as at June 30, 2023 and 2022, and net assets as at July 1 and June 30 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended June 30, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 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 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.

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

Management is responsible for the preparation and fair presentation of the 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.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

Saskatoon, Saskatchewan

MNP LLP

December 13, 2023

Chartered Professional Accountants

Episcopal Corporation of Saskatoon
Statement of Financial Position
As at June 30, 2023

	2023	2022
Assets		
Current		
Cash *(Note 12)*	**2,913,287**	2,753,974
Accounts receivable *(Note 6), (Note 12)*	**752,656**	1,041,729
Investments *(Note 4), (Note 12)*	**9,544,256**	8,545,496
Prepaid expenses and deposits	**275,511**	210,663
	13,485,710	12,551,862
Tangible capital assets *(Note 5)*	**2,205,664**	2,205,664
Long-term accounts receivable *(Note 6), (Note 12)*	**748,798**	761,593
Restricted cash *(Note 3)*	**606,376**	593,283
	17,046,548	16,112,402
Liabilities		
Current		
Accounts payable *(Note 6), (Note 12)*	**8,322,657**	8,504,648
Deferred revenue	**280,576**	274,195
Current portion of accrued liabilities *(Note 7)*	**120,000**	17,500
	8,723,233	8,796,343
Deferred contribution *(Note 5)*	**200,000**	200,000
Migration sponsorship funds in trust *(Note 3)*	**610,250**	592,025
Accrued liabilities *(Note 7)*	**202,500**	265,000
	1,012,750	1,057,025
	9,735,983	9,853,368
Guarantee *(Note 14)*		
Net Assets		
Internally restricted *(Note 9)*	**827,392**	878,702
Unrestricted	**4,477,509**	3,374,668
Invested in tangible capital assets	**2,005,664**	2,005,664
	7,310,565	6,259,034
	17,046,548	16,112,402

Approved on behalf of the Diocesan Finance Council

Director

Director

The accompanying notes are an integral part of these financial statements

Episcopal Corporation of Saskatoon
Statement of Operations
For the year ended June 30, 2023

	2023	*2022*
Support and revenue		
Parish assessments *(Note 6)*	**1,235,001**	1,074,845
Bishop's Annual Appeal *(Note 6)*	**975,000**	942,000
Insurance and occupancy costs recovery and administration *(Note 6)*	**848,189**	846,501
Clergy recovery	**427,571**	399,588
Contributions from Diocese of Saskatoon Catholic Foundation Inc. *(Note 6)*	**388,900**	214,991
Donations	**177,214**	131,215
Fifth Avenue property rental	**123,920**	95,920
Special collections	**115,722**	178,992
Participant fees related to ministry	**78,227**	39,110
Sundry	**66,693**	8,049
Cost recovery from support of external ministries	**16,901**	18,456
Sts. Benedict & Scholastica	**14,694**	7,888
Events revenue	**3,097**	8,710
Government assistance *(Note 13)*	**(745)**	126,432
	4,470,384	4,092,697
Expenses		
Administration *(Note 6)*	**1,559,900**	1,268,608
Clergy *(Note 8)*	**675,556**	819,241
Ministry	**905,854**	688,438
Chancery and tribunal	**213,333**	215,203
Special collections	**115,722**	178,866
Occupancy costs *(Note 6)*	**177,616**	176,080
Bishop's office and housing	**180,363**	168,609
Support of external ministries	**207,084**	146,912
Pastoral services	**94,045**	84,844
Sts. Benedict & Scholastica	**35,586**	62,703
Fifth Avenue property	**19,800**	19,902
	4,184,859	3,829,406
Excess of support and revenue over expenses before investment income (expenses)	**285,525**	263,291
Investment income (expenses)		
Realized gain on disposal of investments *(Note 12)*	**68,632**	265,742
Dividend and interest income *(Note 6), (Note 12)*	**370,997**	242,525
Investment management fees *(Note 12)*	**(51,643)**	(57,981)
Interest expense - Parish Development Fund *(Note 6), (Note 12)*	**(242,023)**	(150,904)
Other income	**3,727**	-
Unrealized gain (loss) on investments *(Note 12)*	**616,316**	(840,833)
	766,006	(541,451)
Excess (deficiency) of support and revenue over expenses	**1,051,531**	(278,160)

The accompanying notes are an integral part of these financial statements

	Unrestricted	*Internally restricted*	*Invested in tangible capital assets*	*2023*	*2022*
Net assets, beginning of year	**3,374,668**	**878,702**	**2,005,664**	**6,259,034**	6,537,194
Excess (deficiency) of support and revenue over expenses	**1,051,531**	**-**	**-**	**1,051,531**	(278,160)
Internal restrictions	**51,310**	**(51,310)**	**-**	**-**	-
Net assets, end of year	**4,477,509**	**827,392**	**2,005,664**	**7,310,565**	6,259,034

Episcopal Corporation of Saskatoon
Statement of Cash Flows
For the year ended June 30, 2023

	2023	*2022*
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of support and revenue over expenses	**1,051,531**	(278,160)
Unrealized loss (gain) on investments	**(616,316)**	840,833
Realized gain on disposal of investments	**(68,632)**	(265,742)
Restricted cash	**5,132**	(1,258)
	371,715	295,673
Changes in working capital accounts		
Accounts receivable	**289,073**	(132,895)
Long-term accounts receivable	**12,795**	(172,572)
Prepaid expenses and deposits	**(64,848)**	(44,122)
Accounts payable	**(181,991)**	432,978
Deferred revenue	**6,381**	60,652
Accrued liabilities	**40,000**	55,000
	473,125	494,714
Investing		
Proceeds on disposal (purchase) of investments, net	**(313,812)**	(226,467)
Purchase of tangible capital assets, net of deferred contribution	**-**	(376,456)
	(313,812)	(602,923)
Increase (decrease) in cash resources	**159,313**	(108,209)
Cash resources, beginning of year	**2,753,974**	2,862,183
Cash resources, end of year	**2,913,287**	2,753,974

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Episcopal Corporation of Saskatoon (the “Corporation”) was incorporated under a private members bill in the Province of Saskatchewan.

The Corporation consists of the Bishop's office and other Canonically mandated offices as well as Pastoral ministries working with, and on behalf of, the Roman Catholic Parishes in the Diocese of Saskatoon.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), except for the accounting policies noted for tangible capital assets, deferred contributions related to tangible capital assets, and the defined benefit pension plan, and include the following significant accounting policies:

Basis of presentation

The accompanying financial statements include the assets, liabilities, net assets and financial activities of the Corporation.

The parishes of the Diocese of Saskatoon are related to the Corporation by virtue of common control by the Bishop. The activities and accounts of these parishes are not consolidated in the 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 elected to measure all investments at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

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 (deficiency) of support and revenue 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 has no related party financial instruments required to be recognized at fair value.

All 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.

Financial instruments that were initially measured at cost 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 (deficiency) of support and revenue 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. Management considers whether the issuer is having significant financial difficulty 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.

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

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.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of support and revenue over expenses.

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 (deficiency) of support and revenue over expenses in the year the reversal occurs.

Revenue recognition

The Corporation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions, donations and collections, including those from the Bishop's Annual Appeal and Parish Assessments, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest on investments is recognized as revenue as it is earned. Gains and losses that arise from the sale of investments or that arise from changes in market values are recognized in the excess (deficiency) of support and revenue over expenses in the period that the gains and losses occurred.

Cash and cash equivalents

Cash and cash equivalents include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Tangible capital assets

Certain purchased tangible capital assets are recorded at cost.

Amortization is not recorded on these tangible capital assets, and not all tangible capital assets are recorded, which is not in accordance with ASNPO.

Deferred contributions related to tangible capital assets

Deferred contributions related to tangible capital assets represent the unamortized portion of contributed tangible capital assets and restricted contributions that were used to purchase the Corporation’s tangible capital assets. Recognition of these amounts as revenue is deferred to periods when the related tangible capital assets are amortized. Given the Corporation does not record amortization on its tangible capital assets, no amounts will be recognized as revenue, which is not in accordance with ASNPO.

Employee future benefits

The Corporation’s employee future benefit program consists of a defined benefit plan for the benefit of the priests of the Diocese of Saskatoon.

The Corporation does not follow defined benefit plan accounting for this plan. Contributions to the plan are expensed as incurred, which is not in accordance with ASNPO.

Foreign currency translation

These financial statements have been presented in Canadian dollars, the principal currency of the Corporation's operations.

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

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess (deficiency) of support and revenue over expenses for the current period.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Corporation's operations and would otherwise have been purchased.

Government assistance

Emergency wage subsidies

The Corporation recognizes government assistance when there is reasonable assurance that it will comply with the conditions required to qualify for the assistance, and that the assistance will be received.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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 are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Government assistance is valued based on claims made under government support programs. These are new programs so there are uncertainties about the interpretation and application of the conditions of the programs and it is possible that differences in interpretation could lead to differences in eligible amounts determined.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of support and revenue over expenses in the periods in which they become known.

3. Restricted cash

During the year, the Corporation received the net amount of $13,093 (2022 - $245,310) from co-sponsors on immigration applications being handled by the Corporation's Migration Office. The use of the funds is restricted for financial support of the new migrants when they arrive in Canada, and it is held in trust until that time.

4. Investments

	2023	*2022*
Measured at fair value:		
Equities (book value: 2023 - $4,709,018, 2022 - $4,383,791)	**5,877,378**	5,046,470
Fixed income (book value: 2023 - $3,652,002, 2022 - $3,573,173)	**3,628,925**	3,499,026
Cash surrender value of life insurance	**37,953**	-
	9,544,256	8,545,496

5. Tangible capital assets

	2023 Cost	2022 Cost
Catholic centre	**416,998**	416,998
Bishop's house	**436,210**	436,210
Guadalupe house	**76,000**	76,000
Sts. Benedict & Scholastica house	**730,956**	730,956
House for religious vocation	**530,000**	530,000
Vehicles	**15,500**	15,500
	2,205,664	2,205,664
Deferred contribution towards house for religious vocation	**(200,000)**	(200,000)
	2,005,664	2,005,664

6. Related party transactions

During the year, the Corporation entered into transactions with the Diocese of Saskatoon Catholic Foundation Inc., and parishes of the Saskatoon Roman Catholic Diocese, organizations which are under common control. These transactions were made in the normal course of business and have been recorded at the exchange amounts, which is the amount of consideration established and agreed to by the parties. The balances receivable for the Parish Development Fund and Priests are under specific payment plans. The balances payable for the Parish Development Fund and all other amounts have no set repayment terms and are due on demand.

The particulars of the related party transactions with the Diocese of Saskatoon Catholic Foundation Inc. for the year are as follows:

	2023	2022
Support and revenue		
Bishop's Annual Appeal	**975,000**	942,000
Contributions from Diocese of Saskatoon Catholic Foundation Inc.		
Operations	**302,500**	127,500
Clergy pension	**77,400**	77,400
Prison ministry	**9,000**	9,000
Other small initiatives	**-**	1,091
	388,900	214,991
Costs recovery and administration		
Occupancy fees	**24,000**	24,000
Office and administrative	**24,364**	35,405
	48,364	59,405

The particulars of the related party transactions with the parishes for the year are as follows:

Support and revenue		
Parish assessments	**1,235,001**	1,074,845
Insurance and occupancy costs recovery and administration	**765,011**	743,450
Interest income on Parish Development Fund loan balances	**24,818**	18,720
	2,024,830	1,837,015

6. Related party transactions *(Continued from previous page)*

	2023	***2022***
Expenses		
Administration expense - insurance premiums	**828,806**	722,082
Occupancy costs - Holy Family Parish	**177,616**	176,080
Interest expense - Parish Development Fund	**242,023**	150,904
	1,248,445	1,049,066
Included in current and long-term accounts receivable are amounts due from the following related parties:		
Parishes - parish assessments, insurance and other balances	**374,569**	333,520
Priests	**161,140**	128,021
Parishes - Parish Development Fund long-term accounts receivable	**656,733**	698,434
Diocese of Saskatoon Catholic Foundation Inc.	**-**	427,761
	1,192,442	1,587,736
Included in accounts payable and accrued liabilities are amounts due to the following related parties:		
Parishes - Parish Development Fund	**7,904,042**	8,183,404

7. Accrued liabilities

	2023	*2022*
Clergy stipend payable	**322,500**	282,500
Less: current portion	**120,000**	17,500
	202,500	265,000

8. Employee future benefits

An independent actuarial review of the St. Joseph's Mutual Aid Society Pension Plan is conducted every three years with the last actuarial valuation for funding purposes performed at January 1, 2023. The evaluation prepared based on the going concern assumption reported a $441,200 funding excess.

The total amount of pension expense included in clergy expense is $62,261 (2022 - $97,242).

9. Restrictions on net assets

Internally restricted net assets

The Council has internally restricted $827,392 (2022 - $878,702) of net assets to be used for specific program activities. These internally restricted amounts are not available for other purposes without approval of the Council and consist of the following:

	2023	*2022*
Insurance deductible reserve	**282,997**	334,307
Clergy medical reserve	**214,813**	214,813
Capital building reserve	**191,743**	191,743
Laity education and formation reserve	**62,000**	62,000
Bishop's ordination reserve	**25,531**	25,531
Capital equipment reserve	**26,320**	26,320
Diaconal discernment reserve	**15,000**	15,000
Bishop's discretionary reserve	**6,000**	6,000
Mass stipends reserve	**2,050**	2,050
Ministries reserve	**938**	938
	827,392	878,702

10. 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.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in 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 or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure by maintaining a diversified investment portfolio.

The Corporation is exposed to interest rate price risk with respect to its investments including bonds which are subject to fixed interest rates ranging from 1.150% to 5.070% (2022 - 0.91% to 3.66%). In seeking to minimize the risks from interest rate fluctuations, the Corporation manages its exposure by selecting investments with a variety of rates of return and maturity dates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign 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’s investments in publicly-traded securities exposes the Corporation to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets. The Corporation has an investment policy, which limits activity to those designated as moderate risk investments.

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

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 enters into transactions denominated in United States currency for which the related cash and investment balances are subject to exchange rate fluctuations. This risk is not currently managed by the Corporation. As at June 30, 2023, the following items are denominated in United States currency:

	2023	*2022*
	CAD$	*CAD$*
Cash	**206,062**	238,213
Investments - equities	**3,866,533**	3,216,727

Credit risk

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. Financial instruments that potentially subject the Corporation to credit risk consist principally of cash, investments, and accounts receivable with individual parishes, priests, and the Diocese of Saskatoon Catholic Foundation Inc.

The Corporation's cash and investments are maintained at major financial institutions, therefore the Corporation considers the risk of non-performance of these instruments to be remote.

Credit concentration

As at June 30, 2023, two contributors (2022 - three) accounted for 46% (2022 - 63%) of short and long-term accounts receivable. The Corporation believes that there is no unusual exposure associated with the collection of these receivables. The Corporation performs regular credit assessments of its contributors and provides allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation manages its exposure to liquidity risk through maintaining liquid assets and through controlling its expenditures, which are partially discretionary based on revenues received.

11. Income taxes

The Corporation is registered as a charitable organization under the *Income Tax Act* (the “Act”) and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Corporation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

12. Parish Development Fund

The financial statements of the Corporation include the following amounts relating to the Parish Development Fund:

	2023	*2022*
Assets		
Cash	**663,136**	1,083,948
Receivable from Parishes	**685,863**	718,829
Investments	**7,468,816**	6,834,225
	8,817,815	8,637,002
Liabilities		
Accounts payable - Parishes	**7,052,256**	7,560,616
Accounts payable - Cemetery	**850,949**	622,788
Accounts payable - Other	**837**	-
	7,904,042	8,183,404
Investment income (expenses)		
Investment income	**183,314**	156,920
Interest income	**24,818**	18,720
Unrealized gain (loss) on investments	**487,082**	(631,852)
Realized gain on disposal of investments	**51,294**	182,371
Investment management fees	**(40,861)**	(45,837)
Interest expense	**(242,023)**	(150,904)
Other	**3,727**	-
	467,351	(470,582)

13. Government assistance

Emergency wage subsidies

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provided a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. This subsidy was retroactive to March 15, 2020. The qualification and application of the CEWS was assessed over multiple four-week application periods.

The Corporation has applied for and received government assistance related to the CEWS in the amount of $nil (2022 - $126,432) which has been reflected in revenue. Application to the CEWS program was subject to uncertainty around the review and approval of the Corporation's applications by the Canada Revenue Agency ("CRA"). It is not possible to predict with assurance the ultimate outcome of any potential reviews performed by the CRA. Any differences arising from CRA reviews would be reported in the period in which such determination was made. $745 of CEWS assistance was recovered by CRA in 2023 (2022 - $nil).

14. Guarantee

The Corporation guaranteed a loan with J.A.R. & Sons Enterprises Ltd. for the Cathedral of Holy Family in the maximum amount of $436,317 (2022 - $993,126).

As at June 30, 2023, no liability has been recorded associated with this guarantee.