

**THE ROMAN CATHOLIC ARCHBISHOP OF
VANCOUVER – JOHN PAUL II PASTORAL
CENTRE**

**Financial Statements
December 31, 2023**

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INDEPENDENT AUDITORS' REPORT

TO THE MOST REVEREND J. MICHAEL MILLER, CSB ARCHBISHOP OF VANCOUVER

Qualified Opinion

We have audited the financial statements of the Roman Catholic Archbishop of Vancouver - John Paul II Pastoral Centre (the "Archdiocese"), which comprise:

- ◆ the statement of financial position as at December 31, 2023;
- ◆ the statement of operations for the year then ended;
- ◆ the statement of changes in net assets;
- ◆ the statement of operations and changes in net assets internally restricted for specific programs for the year then ended;
- ◆ the statement of operations and changes in net assets externally restricted for the year then ended;
- ◆ the statement of cash flows for the year then ended; and
- ◆ the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of the Archdiocese as at December 31, 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

In common with many not-for-profit organizations and charities, the Archdiocese derives revenue from donations and fundraising activities, 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 Archdiocese. Therefore, we were unable to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022 and net assets as at January 1 and December 31 for both the 2023 and 2022 years.

As explained in note 2(d), all expenditures for purchases and donations received for property and equipment are charged as current year costs in the statement of operations. Property and equipment are not capitalized and amortized over their useful lives. The policy adopted by the Archdiocese constitutes a departure from Canadian accounting standards for not-for-profit organizations. It is not practicable to quantify the effects of this departure on the excess of revenues over expenditures, and cash flows from operations and investing activities for the years ended December 31, 2023 and 2022 and property and equipment and total assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years.

Our opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of the limitations in scope and departure from Canadian accounting standards for not-for-profit organizations.

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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 from the Archdiocese 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 audit 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 Archdiocese'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 Archdiocese or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Archdiocese's internal control.

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- ◆ 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 Archdiocese'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 Archdiocese 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.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 25, 2024

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THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Statement of Financial Position
December 31

	2023	2022
Assets		
Current		
Cash	\$ 14,534,093	\$ 16,360,726
National and Diocesan collections and donations - restricted cash	4,138,306	3,671,458
Amounts receivable (note 6)	3,709,239	5,965,827
Amount due from CISVA (note 12)	94,990	-
Prepaid expenses	353,243	273,673
Current portion of loans receivable (notes 5 and 6)	1,800,000	900,000
	24,629,871	27,171,684
Investments (note 4)		
Unrestricted	57,007,389	55,176,735
Restricted	187,426,323	177,261,957
	244,433,712	232,438,692
Refundable deposit (note 12)	1,304,692	-
Loans receivable from parishes, agencies and schools (note 5)	38,604,410	37,540,505
Loan receivable from Notre Dame (note 5)	6,153,514	6,686,395
Loan receivable from Gardens of Gethsemani (note 6)	5,427,418	6,947,701
	51,490,034	51,174,601
	\$ 320,553,617	\$ 310,784,977
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 6,713,743	\$ 2,286,681
Deposits from parishes and agencies	179,511,981	174,616,238
National and Diocesan collections and donations payable	4,138,306	3,671,458
Parish Project Advance rebates payable	1,877,126	1,599,360
Deferred contributions	1,681,444	-
	193,922,600	182,173,737
Net Assets		
Unrestricted	44,920,447	42,495,063
Internally restricted for specific programs	72,563,108	76,904,078
Externally restricted	9,147,462	9,212,099
	126,631,017	128,611,240
	\$ 320,553,617	\$ 310,784,977

Contingencies (note 10)

Approved by The Roman Catholic Archbishop of Vancouver:

+ J. Michael Miller CSB

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Statement of Operations
Year Ended December 31

	2023	2022
Revenues		
Diocesan assessments (note 8)	\$ 5,330,043	\$ 4,599,460
Project Advance - general	1,050,000	1,150,000
Legacies, bequests and donations	867,033	434,005
Program revenues	464,006	566,734
Rent	267,244	306,713
	7,978,326	7,056,912
Expenditures		
Archdiocesan operating expenses (Note 7)	9,174,839	8,144,228
Archdiocesan grants (schedule 1)	422,829	714,829
	9,597,668	8,859,057
Deficiency of revenues over expenditures before other items	(1,619,342)	(1,802,145)
Other items		
Investment income (expenditures)		
Interest and dividends	10,783,805	7,522,621
Investment income distribution	(4,686,393)	(3,142,845)
Investment management fees	(1,012,887)	(799,902)
Foreign exchange loss	(200,398)	(7,988)
	4,884,127	3,571,886
Property income (expenditures) (note 2(d))		
Sale of properties	-	31,033,835
Purchase of properties	-	(2,686,358)
Construction costs	(310,525)	(972,514)
General property carrying costs	(315,172)	(336,458)
	(625,697)	27,038,505
Excess of revenues over expenditures for year	\$ 2,639,088	\$ 28,808,246

**THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Statement of Changes in Net Assets
Year Ended December 31**

	2023			
	Unrestricted	Internally Restricted	Externally Restricted	Total
Balance, beginning of year	\$ 42,495,063	\$ 76,904,078	\$ 9,212,099	\$ 128,611,240
Excess (deficiency) of revenues over expenditures	2,639,088	(5,691,871)	(64,637)	(3,117,420)
Net assets transferred from Group Benefits Plan (note 12)	-	1,137,197	-	1,137,197
Interfund transfers - internally restricted funds	(213,704)	213,704	-	-
Balance, end of year	\$ 44,920,447	\$ 72,563,108	\$ 9,147,462	\$ 126,631,017

	2022			
	Unrestricted	Internally Restricted	Externally Restricted	Total
Balance, beginning of year	\$ 40,495,645	\$ 49,810,644	\$ 9,270,076	\$ 99,576,365
Excess (deficiency) of revenues over expenditures	28,808,246	284,606	(57,977)	29,034,875
Interfund transfers - internally restricted funds	(26,808,828)	26,808,828	-	-
Balance, End of Year	\$ 42,495,063	\$ 76,904,078	\$ 9,212,099	\$ 128,611,240

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Statement of Operations and Changes in Net Assets Internally Restricted for Specific Programs
Year Ended December 31

	Balance, December 31, 2022	Transfer-in	Program Revenues (Expenditures), net (schedule 2)	Transfers from Unrestricted Net Assets	Balance, December 31, 2023
All Were Filled Project	\$ 29,435	\$ -	\$ -	\$ -	\$ 29,435
Archbishop Fundraising: Catholic Charities	787,963	-	(18,460)	-	769,503
Archbishop Fundraising: St. John Vianney	1,080,996	-	166,762	-	1,247,758
Archbishop's Crisis Response Fund	123,008	-	1,000	-	124,008
Archbishop's Discretionary Fund	70,974	-	(38,487)	-	32,487
Archbishop's Restricted Fund	375,663	-	167,000	-	542,663
Catholic Education 2000	28,020	-	(20)	(28,000)	-
Catholic Ethics	56,039	-	(20,000)	-	36,039
Chapel	408,272	-	(187)	-	408,085
Chaplaincies	267,812	-	(357,940)	90,128	-
Clergy Care	1,727,758	-	80,715	-	1,808,473
Continuing Education of the Clergy	-	-	(3,036)	3,036	-
Deacon Formation	184,626	-	(94,250)	-	90,376
Evangelization	943,712	-	(147,950)	-	795,762
Group Benefits Plan (note 12)	-	1,137,197	30,965	-	1,168,162
Holy Rosary Cathedral Renovations	312,259	-	100	-	312,359
Indigenous Relations	68,774	-	(83,768)	14,994	-
Lay Formation	295,215	-	(69,623)	-	225,592
Low-Interest Revolving Fund	8,706,863	-	(47,038)	-	8,659,825
Parish Renewal Fund	-	-	7,647	-	7,647
Retreat Centre	28,680,153	-	(109,599)	-	28,570,554
Secondary School Construction Fund	23,235,033	-	(3,717,980)	-	19,517,053
Self-insurance	2,092,579	-	(683,559)	-	1,409,020
Seminary and Vocations	838,989	-	(204,973)	-	634,016
Sites Fund	4,088,551	-	-	-	4,088,551
Special Events	118,757	-	(18,235)	-	100,522
St. Joseph's Clergy Residence	1,121,386	-	(9,242)	-	1,112,144
Strategic Initiatives Fund	19,763	-	(153,309)	133,546	-
Truth and Reconciliation	1,085,616	-	(445,528)	-	640,088
Youth Ministry	155,862	-	77,124	-	232,986
	\$ 76,904,078	\$ 1,137,197	\$ (5,691,871)	\$ 213,704	\$ 72,563,108

See notes to financial statements.

**THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Statement of Operations and Changes in Net Assets Internally Restricted for Specific Programs
Year Ended December 31**

	Balance, December 31, 2021	Transfer-in	Program Revenues (Expenditures), net (schedule 2)	Transfers from Unrestricted Net Assets	Balance, December 31, 2022
All Were Filled Project	\$ 29,435	\$ -	\$ -	\$ -	\$ 29,435
Archbishop Fundraising: Catholic Charities	343,215	-	444,748	-	787,963
Archbishop Fundraising: St. John Vianney	1,140,323	-	(59,327)	-	1,080,996
Archbishop's Crisis Response Fund	123,008	-	-	-	123,008
Archbishop's Discretionary Fund	83,272	-	(12,298)	-	70,974
Archbishop's Restricted Fund	218,397	-	(342,734)	500,000	375,663
Catholic Education 2000	28,020	-	-	-	28,020
Catholic Ethics	156,039	-	(150,000)	50,000	56,039
Chapel	408,479	-	(207)	-	408,272
Chaplaincies	-	-	(232,188)	500,000	267,812
Christmas Project 2020	47	-	(47)	-	-
Clergy Care	1,814,909	-	(87,151)	-	1,727,758
Continuing Education of the Clergy	245	-	(245)	-	-
Deacon Formation	264,792	-	(80,166)	-	184,626
Evangelization	999,797	-	(56,085)	-	943,712
Holy Rosary Cathedral Renovations	312,296	-	(37)	-	312,259
Indigenous Relations	-	-	(81,226)	150,000	68,774
Lay Formation	383,144	-	(87,929)	-	295,215
Low-Interest Revolving Fund	8,680,251	-	26,612	-	8,706,863
Retreat Centre	13,684,412	-	(4,259)	15,000,000	28,680,153
Secondary School Construction Fund	11,485,033	-	1,750,000	10,000,000	23,235,033
Self-insurance	2,857,256	-	(764,677)	-	2,092,579
Seminary and Vocations	849,696	-	(10,707)	-	838,989
Sites Fund	4,088,551	-	-	-	4,088,551
Special Events	135,576	-	(16,819)	-	118,757
St. Joseph's Clergy Residence	1,132,492	-	(11,106)	-	1,121,386
Strategic Initiatives Fund	-	-	(230,237)	250,000	19,763
Truth and Reconciliation	577,433	-	149,355	358,828	1,085,616
Youth Ministry	14,526	-	141,336	-	155,862
	\$ 49,810,644	\$ -	\$ 284,606	\$ 26,808,828	\$ 76,904,078

See notes to financial statements.

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Statement of Operations Externally Restricted
Year Ended December 31

	2023	2022
Revenues	\$ 818,533	\$ 540,882
Expenditures	(883,170)	(598,859)
Deficiency of revenues over expenditures	\$ (64,637)	\$ (57,977)

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Statement of Cash Flows
Year Ended December 31

	2023	2022
Operating Activities		
Excess of revenues over expenditures	\$ 2,639,088	\$ 28,808,246
Internally restricted program transactions	(5,691,871)	284,606
Net assets transferred from Group Benefits Plan	1,137,197	-
Deficiency of revenues over expenditures - externally restricted	(64,637)	(57,977)
Sale of properties	-	(31,033,835)
Purchase of properties	-	2,686,358
Items not involving cash		
Accrued interest on Loan to Gardens of Gethsemani	(340,267)	(274,000)
	(2,320,490)	413,398
Changes in non-cash working capital		
Amounts receivable	2,161,598	(3,115,534)
Prepaid expenses	(79,570)	(51,513)
Refundable deposit	(1,304,692)	-
Accounts payable and accrued liabilities	4,427,062	209,340
Deposits from parishes and agencies	4,895,743	(4,606,378)
National and Diocesan Collections and donations payable	466,848	777,213
Parish Project Advance rebates payable	277,766	(207,009)
Deferred contributions	1,681,444	-
	12,526,199	(6,993,881)
Cash Provided by (Used in) Operating Activities	10,205,709	(6,580,483)
Investing Activities		
Investments purchased and redeemed, net	(11,995,020)	(8,703,187)
Proceeds from sale of properties	-	31,033,835
Acquisition of properties	-	(2,686,358)
Repayments from Notre Dame	532,881	549,284
Loans to other parishes, net of repayments	(1,063,905)	3,481,084
Repayment from Gardens of Gethsemani	960,550	-
Cash Provided by (Used in) Investing Activities	(11,565,494)	23,674,658
Financing Activity		
Repayment of loan payable	-	(4,573,076)
Inflow (Outflow) of Cash	(1,359,785)	12,521,099
Cash, Beginning of Year	20,032,184	7,511,085
Cash, End of Year	\$ 18,672,399	\$ 20,032,184
Cash represented by:		
Cash	\$ 14,534,093	\$ 16,360,726
National and Diocesan collections and donations - restricted cash	4,138,306	3,671,458
	\$ 18,672,399	\$ 20,032,184

1. NATURE OF OPERATIONS

The Roman Catholic Archbishop of Vancouver, the Corporate Sole, was incorporated by a special act of the BC Legislature on March 12, 1909 and amended on December 9, 1938 (the "Archdiocese"). The Archdiocese of Vancouver operates in the geographical area known as the Lower Mainland, and administers the ecclesiastical, religious, charitable, educational, and temporal affairs of the Archdiocese.

The Corporate Sole is a civil law statute for the holding and administering of real and personal property pertaining to the Archdiocese, including its parishes, in accordance with its fiduciary obligations arising out of Canon Law.

The Archdiocesan accounts are maintained at the John Paul II Pastoral Centre Office. This office directs all the non-parish administrative activities of the Archdiocese under the guidance and direction of the Archbishop of Vancouver.

The Archdiocese is registered as a charitable organization and is exempt from income taxes under section 149(1)(f) of the *Income Tax Act* (Canada). The Archdiocese issues charitable donation receipts for income tax purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Archdiocese were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), and include the following significant accounting policies:

(a) Basis of presentation

The statement of financial position and statement of operations reflect only the John Paul II Pastoral Centre activities of the Archdiocese. These financial statements exclude the divisional accounts and activities of the entities below as they are not required to be consolidated. The entities are as follows:

- The Catholic Independent Schools of the Vancouver Archdiocese
- The Gardens of Gethsemani, St. Peter's Cemetery and St. Mary's Cemetery - the Catholic Cemeteries of the Archdiocese of Vancouver
- Saint Joseph's Society
- B.C. Catholic Newspaper
- Catholic Charities of the Archdiocese of Vancouver
- Archdiocese Missionary Seminary Redemptoris Mater

The accounts of the 77 parishes within the Archdiocese, which are related by the common control of The Roman Catholic Archbishop of Vancouver, are not required to be consolidated with these financial statements. Transactions with the Archdiocese are disclosed in note 8.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Fund accounting

The Archdiocese prepares its financial statements using the concept of fund accounting. A description of each fund is as follows:

(i) Unrestricted

This fund represents revenue from diocesan assessments, unrestricted general donations, and investment gains (losses) used to cover the Archdiocese's operating and administration costs and assistance granted to certain parishes. The fund balance represents the accumulated excess (deficiency) of revenues over expenditures from general operations and net of property transaction income (costs) not attributable to the Sites and Secondary School Construction funds and transfers from (to) internally restricted funds.

(ii) Internally restricted

These are funds specifically set aside to cover costs for specific programs.

(iii) Externally restricted

These are funds received from donors that have specific restrictions. Any interest earned by certain funds is to be used for specific programs.

(c) Revenue recognition

The Archdiocese follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue in the year the contribution is received. Unrestricted contributions are recognized in the general fund as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All legacies, bequests and donations are included as revenue when received or receivable.

Diocesan assessments are comprised of parish assessments and assessment on the normal operations of the Catholic Cemeteries of the Archdiocese of Vancouver (the "Catholic Cemeteries"). Parish assessments are based on 14.7% (2022 - 14.7%) of the parishes' reported income of Ordinary Collections from the previous year. The assessment to normal operations of the Catholic Cemeteries are based on 14.7% (2022 - 14.7%) of net revenues earned from the year preceding the prior year.

Contributions to the Group Benefits Plan are based on member reporting by the participating employers. Amounts are recorded on an accrual basis. Member contributions vary based on benefits selected. Contributions for the upcoming year received in the current year are recorded as deferred contributions.

Revenue from sale of properties is recognized in accordance with the terms of the contract.

Program and rental revenue are recorded as earned.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue recognition (continued)

Interest and dividend income from investments are recorded as earned. Accrued interest is included in the cost of the investments.

Investment gains/losses are recorded upon settlement date.

(d) Properties

Properties, construction costs, leasehold improvements, furniture, and equipment are not capitalized or amortized in accordance with ASNPO. All expenditures for purchases and donations received for property and equipment, carrying costs of property assets and any sale proceeds are charged as current year costs or recorded as revenues in the statement of operations, except for financed acquisitions.

No amortization has been recorded in the statement of operations, as capital expenditures are fully expensed in the year incurred.

(e) Financial instruments

The Archdiocese initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Archdiocese subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and fixed income investments that are quoted in an active market, and deposits from parishes and agencies, which are measured at fair value.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down would be recognized in excess (deficiency) of revenues over expenditures. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in excess (deficiency) of revenues over expenditures provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption.

Financial assets measured at amortized cost include cash, amounts receivable, due from CISVA, and loans receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, National and Diocesan Collections and Donations payable, and Parish Project Advance rebates payable.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Use of estimates

The preparation of the Archdiocese's financial statements in conformity with ASNPO may require 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 expenditures during the reporting period. Significant areas requiring the use of estimates relate to the accrual of payables and the collectability of amounts receivable and loans receivable. Management believes these estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

(g) Foreign currency translation

Foreign currency transactions and balances are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities at the rate of exchange in effect as at the statement of financial position date; and

(ii) Revenues and expenditures at the rate of exchange on the transaction date.

Gains and losses arising from the translation of foreign currency balances are recorded in the statement of operations.

(h) Pension plan

The Archdiocese contributes to a defined contribution pension plan on behalf of its current employees, excluding clergy. This plan is available to certain qualified employees immediately upon hiring. The Archdiocese contributes at varying rates of salary depending on length of service.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Liquidity risk

Liquidity risk is the risk that the Archdiocese will encounter difficulty in meeting obligations associated with financial liabilities.

The Archdiocese is exposed to liquidity risk with regard to accounts payable and accrued liabilities, deposits from parishes and agencies, collections and donations payable, and parish project advance rebates payable. Cash flows from operations provides a substantial portion of the Archdiocese's cash requirements and any additional requirements can be covered by sale of properties.

(b) Credit risk

Credit risk related to financial instruments arises from the possibility the counterparty to an instrument may fail to discharge its obligation to the Archdiocese.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The Archdiocese's investments and cash are subject to credit risk and the maximum exposure to credit risk on these instruments is their fair value. The Archdiocese manages this risk by holding its investments and cash with major financial institutions.

The Archdiocese does not anticipate that any counterparties will fail to meet their obligations.

The Archdiocese believes that credit risk in accounts receivable and loans to parishes, agencies and school, including Notre Dame and Gardens of Gethsemani, are minimal as they are under common control of the Corporate Sole.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Archdiocese's monetary assets and liabilities are affected by changes in prevailing market interest rates, the Archdiocese is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market interest rates differ from the interest rates on the Archdiocese's monetary assets and liabilities, the Archdiocese is exposed to interest rate price risk.

The Archdiocese is exposed to interest rate price risk on its investment portfolio through its fixed income instruments.

Investments are made with different maturity terms ranging from 30 days to 10 years to level out the changes of market rates. The Archdiocese is exposed to interest cash flow risk on its variable rate securities and loans receivable.

(d) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Archdiocese held the following amounts denominated in US dollars at their Canadian dollar equivalent.

	2023	2022
Cash	\$ 3,969	\$ 889,635
Investments	76,401,877	41,678,646
Amounts receivable	218,456	-
	\$ 76,624,302	\$ 42,568,281

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Notes to Financial Statements
Year Ended December 31, 2023

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to 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 Archdiocese is subject to other price risk through its publicly traded instruments and fixed income investments recorded at fair value. The Archdiocese monitors and limits concentration levels of its investments.

4. INVESTMENTS

Unrestricted

These investments are for the general operations of the Archdiocese.

Restricted

These investments have been set aside to fully collateralize the deposits received from parishes and agencies and net assets that are externally restricted where there is an interest obligation.

Investments are represented as follows:

	2023	2022
Accrued interest	\$ 693,532	\$ 212,047
At fair value		
Fixed income	66,301,720	43,753,516
Common shares	49,194,395	49,310,786
Interest bearing deposits	34,817,547	74,223,226
Mutual funds	30,266,144	34,970,809
Infrastructure	17,253,895	-
Real estate	16,735,073	-
Foreign securities	13,855,185	14,130,915
Preferred shares	12,277,980	11,090,640
Cash holdings in investment account	3,038,241	4,746,753
	243,740,180	232,226,645
	\$ 244,433,712	\$ 232,438,692

The cost of the investments at year end is \$233,019,152 (2022 - \$234,386,716).

Included in interest bearing deposits are guaranteed investment certificates of \$27,662,116 (2022 - \$53,040,353) with maturity dates of less than 12 months.

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
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Notes to Financial Statements
Year Ended December 31, 2023

5. LOANS RECEIVABLE

	2023	2022
Notre Dame loan	\$ 7,053,514	\$ 7,586,395
Current portion from Notre Dame loan	(900,000)	(900,000)
	6,153,514	6,686,395
Parishes	27,490,815	31,117,464
Schools	9,874,958	4,574,958
Agencies	1,238,637	1,848,083
	38,604,410	37,540,505
	\$ 44,757,924	\$ 44,226,900

The Notre Dame loan is unsecured and repayable at \$75,000 monthly for a four-year term starting November 2020 with a maximum amortization period of 12 years with a fixed interest rate of 5.00% per annum.

The parish loans are charged a fixed interest rate of 5% per annum until December 31, 2024 (2022 - floating rate of BMO prime ranging from 2.70% to 5.95% per annum with an average rate of 4.33% per annum; 5% for certain parishes).

Loans receivable from schools are interest-free with no set repayment terms.

6. AMOUNTS RECEIVABLE FROM GARDENS OF GETHSEMANI

	2023	2022
Principal balance before accrued interest	\$ 6,500,000	\$ 6,500,000
Accumulated accrued interest	787,968	447,701
Repayment of loan and interest	(960,550)	-
	(172,582)	447,701
Total loan receivable	6,327,418	6,947,701
Current portion of loan receivable	(900,000)	-
	\$ 5,427,418	\$ 6,947,701

The loan is unsecured and repayable over 12 years starting July 2018. Starting January 2024, the loan is repayable at \$75,000 monthly. Interest is calculated monthly at BMO prime rate ranging from 2.70% to 5.95% until November 2022 and fixed at 5.00% per annum from December 2022 to December 2024.

At year-end, included in amounts receivable is \$586,136 (2022 - \$1,075,979) due from Gardens of Gethsemani for the Diocesan Assessment and other billed costs.

7. ARCHDIOCESAN OPERATING EXPENSES

Included in Archdiocesan operating expenses are salaries and personnel expenses of \$5,467,017 (2022 - \$5,057,110).

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Notes to Financial Statements
Year Ended December 31, 2023

8. RELATED PARTY TRANSACTIONS

The John Paul II Pastoral Centre had the following transactions with the 77 parishes within the Archdiocese and Gardens of Gethsemani. The parishes and Gardens of Gethsemani are related by common control of The Roman Catholic Archbishop of Vancouver, the Corporate Sole.

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

	2023	2022
Payments received/receivable from:		
Parishes:		
Project Advance collections	\$ 7,347,197	\$ 7,241,476
Diocesan assessments	4,399,032	3,992,478
Special collections	2,270,757	1,755,344
Insurance premiums assessed	2,312,176	2,072,607
Gardens of Gethsemani:		
Diocesan assessments	931,011	606,982
Charitable works	55,000	55,000
Interest earned on loan	340,267	274,000
Advertising services	60,000	60,000
HR support	53,333	40,000
Insurance	-	19,085
	\$ 17,768,773	\$ 16,116,972
Payments made/payable to:		
Parishes:		
Interest paid on deposit accounts	\$ 4,298,687	\$ 2,951,122
Project Advance rebates	1,756,568	1,822,957
Low-interest revolving fund interest paid	285,598	77,462
Youth ministry rebates	42,563	43,664
	\$ 6,383,416	\$ 4,895,205

Deposits from parishes, agencies and certain externally restricted funds totaling \$187,426,323 (2022 - \$177,261,957) represent funds received for purposes of earning investment income. The interest rates paid for the deposits are 2.55% per annum for January to June 2023 and 3.02% per annum for July to December 2023 (2022 - 1.75% and 2.25% per annum, respectively).

9. GUARANTEES

- (a) The Archdiocese is the guarantor to its bank for letters of credit issued in the amount of \$533,758 (2022 - \$429,519).
- (b) A property owned by the Archdiocese is being held as collateral for a school bank loan.

10. CONTINGENCIES

Contingent assets

The Archdiocese has been designated owner/beneficiary of four unfunded term life insurance policies. The proceeds will be receivable on the death of the insured.

Contingent liabilities

The Archdiocese has been named as a defendant in claims seeking unspecified damages. It is not possible at this time to predict with any certainty the outcome of the claims.

11. PENSION PLAN

The Archdiocese contributes to a defined contribution pension plan on behalf of its current employees, excluding clergy. This plan is available to certain qualified employees immediately upon hiring.

The Archdiocese matches employee contributions. Employees with less than 15 years of service have an option of selecting a contribution rate of 3% or 7% of their annual salary. Contribution rates can increase to 8% after 15 years of completed years of continuous service and can further increase to 9% after 20 years of continuous service. Employees are entitled to full vesting of their employee and employer contributions and investment earnings immediately after membership in the plan. The 2023 employer contributions were \$250,411 (2022 - \$227,789) and are included in archdiocesan operating expenses.

12. GROUP BENEFITS PLAN

Effective December 1, 2023, the Archdiocese took over as the sponsor and policyholder of the Group Benefits Plan (the "Plan") that covers approximately 185 employers from three Catholic Independent School Boards, six Catholic Dioceses, and other Catholic affiliates from Catholic Independent Schools of Vancouver Archdiocese ("CISVA"). The following is a summary of the underwriting agreements and carriers as at December 31, 2023:

	Carrier	Underwriting
Dental	Canada Life	Self-insured
Extended health	Canada Life	Fully pooled
Life insurance	Canada Life	Fully pooled
Short-term disability	Canada Life	Fully pooled
Long-term disability	Canada Life	Fully pooled
Critical illness	Industrial Alliance	Fully pooled
Accidental death and dismemberment	Industrial Alliance	Fully pooled

The Group Life and Health Insurer retains funds referred to as Claims Fluctuation Reserve ("CFR") that are used to offset experience deficits and are refundable to the Plan when the policy is terminated.

The Plan has an August 31 year-end experience period. The experience report as at August 31, 2023 showed a CFR balance of \$995,706 which is not recognized in the financial statements.

**THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
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Notes to Financial Statements
Year Ended December 31, 2023**

12. GROUP BENEFITS PLAN (Continued)

As a result of the transition of the Plan, the net assets as at December 1, 2023 transferred to the Archdiocese are as follows:

	December 1, 2023	
Cash	\$	954,282
Investments		4,070,817
Refundable deposit		1,304,692
Accounts payable and accrued liabilities		(3,779,951)
Deferred contributions		(1,412,643)
Net assets	\$	1,137,197

As at December 31, 2023, the Archdiocese recognized an amount due from CISVA of \$94,990 after taking into account the transactions and accruals for the month of December 2023.

13. COMPARATIVE FIGURES

Certain comparative figures were reclassified to conform to the presentation adopted in the current year.

**THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
 JOHN PAUL II PASTORAL CENTRE
 Archdiocesan Grants
 Year Ended December 31**

Schedule 1

	2023	2022
St. Mark's College	\$ 200,000	\$ 250,000
Project Advance Grants	100,000	200,000
Catholic Health Association of B.C.	45,000	40,000
Canadian Catholic Bioethics Institute	25,000	25,000
Roman Catholic Diocese of Whitehorse	24,829	24,829
Catholic Pacific College	28,000	175,000
	\$ 422,829	\$ 714,829

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Revenues and Expenditures of Internally Restricted Funds for Specific Programs
Year Ended December 31

Schedule 2

2023			
	Program Revenues	Program Expenditures	Program Revenues (Expenditures), net
All Were Filled Project	\$ -	\$ -	\$ -
Archbishop Fundraising: Catholic Charities	26,318	(44,778)	(18,460)
Archbishop Fundraising: St. John Vianney	166,762	-	166,762
Archbishop's Crisis Response Fund	1,000	-	1,000
Archbishop's Discretionary Fund	130,765	(169,252)	(38,487)
Archbishop's Restricted Fund	170,000	(3,000)	167,000
Catholic Education 2000	-	(20)	(20)
Catholic Ethics	-	(20,000)	(20,000)
Chapel	-	(187)	(187)
Chaplaincies	7,338	(365,278)	(357,940)
Clergy Care	220,826	(140,111)	80,715
Continuing Education of the Clergy	670	(3,706)	(3,036)
Deacon Formation	60,162	(154,412)	(94,250)
Evangelization	80,020	(227,970)	(147,950)
Group Benefits Plan	1,443,608	(1,412,643)	30,965
Holy Rosary Cathedral Renovations	100	-	100
Indigenous Relations	51,400	(135,168)	(83,768)
Lay Formation	9,660	(79,283)	(69,623)
Low-Interest Revolving Fund	238,560	(285,598)	(47,038)
Parish Renewal Fund	124,647	(117,000)	7,647
Retreat Centre	-	(109,599)	(109,599)
Secondary School Construction Fund	1,950,020	(5,668,000)	(3,717,980)
Self-insurance	3,820	(687,379)	(683,559)
Seminary and Vocations	360,313	(565,286)	(204,973)
Sites Fund	-	-	-
Special Events	7,660	(25,895)	(18,235)
St. Joseph's Clergy Residence	-	(9,242)	(9,242)
Strategic Initiatives Fund	12,000	(165,309)	(153,309)
Truth and Reconciliation	311,795	(757,323)	(445,528)
Youth Ministry	119,687	(42,563)	77,124
	\$ 5,497,131	\$ (11,189,002)	\$ (5,691,871)

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
JOHN PAUL II PASTORAL CENTRE
Revenues and Expenditures of Internally Restricted Funds for Specific Programs
Year Ended December 31

Schedule 2

2022			
	Program Revenues	Program Expenditures	Program Revenues (Expenditures), net
All Were Filled Project	\$ -	\$ -	\$ -
Archbishop Fundraising: Catholic Charities	455,420	(10,672)	444,748
Archbishop Fundraising: St. John Vianney	653,055	(712,382)	(59,327)
Archbishop's Crisis Response Fund	-	-	-
Archbishop's Discretionary Fund	146,792	(159,090)	(12,298)
Archbishop's Restricted Fund	161,297	(504,031)	(342,734)
Catholic Education 2000	-	-	-
Catholic Ethics	-	(150,000)	(150,000)
Chapel	-	(207)	(207)
Chaplaincies	82,607	(314,795)	(232,188)
Christmas Project 2020	380	(427)	(47)
Clergy Care	31,467	(118,618)	(87,151)
Continuing Education of the Clergy	-	(245)	(245)
Deacon Formation	100,950	(181,116)	(80,166)
Evangelization	247,074	(303,159)	(56,085)
Holy Rosary Cathedral Renovations	98	(135)	(37)
Indigenous Relations	-	(81,226)	(81,226)
Lay Formation	4,904	(92,833)	(87,929)
Low-Interest Revolving Fund	104,074	(77,462)	26,612
Retreat Centre	-	(4,259)	(4,259)
Secondary School Construction Fund	1,750,000	-	1,750,000
Self-insurance	-	(764,677)	(764,677)
Seminary and Vocations	437,464	(448,171)	(10,707)
Sites Fund	-	-	-
Special Events	300,000	(316,819)	(16,819)
St. Joseph's Clergy Residence	44,359	(55,465)	(11,106)
Strategic Initiatives Fund	7,894	(238,131)	(230,237)
Truth and Reconciliation	244,289	(94,934)	149,355
Youth Ministry	185,000	(43,664)	141,336
	\$ 4,957,124	\$ (4,672,518)	\$ 284,606