

**THE ROMAN CATHOLIC ARCHBISHOP
OF VANCOUVER – CHANCERY DIVISION**

**Financial Statements
December 31, 2013**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Chancery Division of The Roman Catholic Archbishop of Vancouver, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in unrestricted net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Chancery Division derives revenue from donations and other unreceiptable activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Chancery operations and we were unable to determine whether any adjustments might be necessary to revenues, current assets and net assets.

As explained in notes 2(c), 5(a) and 5(b), properties are not capitalized and amortized and sales from properties sold are not recognized when received in accordance with Canadian accounting standards for not-for-profit organizations. It is not practicable to quantify the financial effects.

Qualified Opinion

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 Chancery Division of The Roman Catholic Archbishop of Vancouver as at December 31, 2013 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.

SmytheRatcliffe LLP

Chartered Accountants

Vancouver, British Columbia
June 12, 2014

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Statement of Financial Position
December 31

	2013	2012
Assets		
Current		
Cash	\$ 2,561,914	\$ 2,073,354
Amounts receivable	1,949,060	2,074,945
Loans receivable from parishes (note 3)	262,030	257,844
	4,773,004	4,406,143
Investments (notes 4(a) and (b))		
Unrestricted	0	3,420,838
Restricted	87,243,227	90,531,721
Pledged collateral (note 8)	29,036,159	30,320,624
	116,279,386	124,273,183
Loans Receivable (note 3)	5,370,617	4,836,251
Mortgage Receivable (note 5(a))	135,000	135,000
Investment in Land (note 5(a))	357,000	357,000
	5,862,617	5,328,251
	\$ 126,915,007	\$ 134,007,577
Liabilities		
Current		
Accounts payable	\$ 2,103,630	\$ 738,357
Collections payable	1,570,146	1,505,269
Parish Project Advance rebates payable (note 13)	1,166,053	957,865
	4,839,829	3,201,491
Deposits from Parishes and Agencies (note 4)	86,020,545	83,816,183
Deferred Revenue (notes 2(c) and 5(a))	357,000	357,000
	91,217,374	87,374,674
Net Assets		
Unrestricted	13,650,156	19,367,827
Internally Restricted for Specific Programs (schedule 1)	20,824,795	20,549,538
Externally Restricted (schedule 2)	1,222,682	6,715,538
	35,697,633	46,632,903
	\$ 126,915,007	\$ 134,007,577

Commitments and Contingencies (notes 9 and 14)

Approved by the Roman Catholic Archbishop of Vancouver:

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THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Statement of Operations
Year Ended December 31

	2013	2012
Revenues		
Diocesan assessments	\$ 3,761,042	\$ 3,725,959
Project Advance	925,000	950,000
	4,686,042	4,675,959
Expenditures		
Archdiocesan Curia operating expenses (schedule 3)	4,990,372	4,962,084
Archdiocesan Curia grants (schedule 4)	812,108	833,744
	5,802,480	5,795,828
Deficiency Before Other Items	(1,116,438)	(1,119,869)
Other Expenditures		
Seismic study	177,847	291,354
Clergy care	263,645	259,201
Consulting and audit	69,248	74,147
Legal costs	54,782	34,202
	(565,522)	(658,904)
Other Revenues		
Legacies, bequests and donations (note 6)	494,710	2,345,253
Investment income, net	261,245	466,074
Unrealized capital gain	97,109	299,406
	853,064	3,110,733
Reallocation of donation receipts (note 12)	(433,693)	(1,771,581)
	419,371	1,339,152
Deficiency Before Property Transactions	(1,262,589)	(439,621)
Property Transactions (note 5(b))		
Revenues (expenditures)		
Net property transactions and secondary school construction costs (schedule 5)	(11,667,165)	1,669,705
General property carrying costs, net (note 5)	(118,389)	(133,148)
Site investigation	(282,281)	(164,343)
	(12,067,835)	1,372,214
Excess (Deficiency) of Revenues over Expenditures	\$ (13,330,424)	\$ 932,593

**THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION**

**Statement of Changes in Unrestricted Net Assets
Year Ended December 31**

	2013			2012	
	Unrestricted	Sites Fund (schedule 5)	Secondary School Construction Fund (schedule 5)	Total	Total
Balance, Beginning of Year	\$ 28,219,266	\$ (749,391)	\$ (8,102,048)	\$ 19,367,827	\$ 17,193,122
Excess (Deficiency) of Revenues over Expenditures	(1,663,259)	(13,092,165)	1,425,000	(13,330,424)	932,593
Transfers from Internally Restricted Funds (schedule 1)	1,164,286	0	0	1,164,286	1,242,112
Transfer from Externally Restricted Funds (schedule 2)	6,448,467	0	0	6,448,467	0
Balance, End of Year	\$ 34,168,760	\$ (13,841,556)	\$ (6,677,048)	\$ 13,650,156	\$ 19,367,827

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Statement of Cash Flows
Year Ended December 31

	2013	2012
Operating Activities		
Excess (deficiency) of revenues over expenditures	\$ (13,330,424)	\$ 932,593
Item not involving cash		
Unrealized gain on investments	(1,174,410)	(299,406)
	(14,504,834)	633,187
Changes in non-cash working capital		
Amounts receivable	125,885	(552,408)
Loans receivable – current	(4,186)	1,018,228
Loans receivable – long-term	(534,366)	285,492
Interest accrued on investments	(1,302,411)	(1,995,557)
Accounts payable	1,365,273	337,732
Collections payable	64,877	193,969
Parish Project Advance rebates payable	208,188	2,960
Deposits from parishes and agencies	2,204,362	5,178,364
Internally restricted, net (schedule 1)	1,439,543	1,766,238
Externally restricted, net (schedule 2)	955,611	(356,816)
	4,522,776	5,878,202
Cash Provided by (Used in) Operating Activities	(9,982,058)	6,511,389
Investing Activities		
Property financed through loan	0	500,000
Interest received on investments	2,359,573	3,138,068
Investments purchased	(76,092,365)	(61,430,150)
Investments redeemed	84,203,410	51,118,772
Cash Provided by (Used in) Investing Activities	10,470,618	(6,673,310)
Financing Activity		
Loan payment – Parish	0	(500,000)
Inflow (Outflow) of Cash	488,560	(661,921)
Cash, Beginning of Year	2,073,354	2,735,275
Cash, End of Year	\$ 2,561,914	\$ 2,073,354

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER CHANCERY DIVISION

Notes to Financial Statements
Year Ended December 31, 2013

1. NATURE OF OPERATIONS

The Roman Catholic Archbishop of Vancouver, a 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.

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, and in accordance with its fiduciary obligations arising out of Canon Law.

The Archdiocesan accounts are maintained at the Chancery Office. This office directs all the non-parish administrative activities of the Archdiocese under the guidance and direction of the Archbishop of Vancouver. The Chancery Division is one such operation.

The Archdiocese is registered as a charitable organization under the *Income Tax Act* (Canada) and, as such, is exempt from income taxes and 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 Chancery Division activities of The Roman Catholic Archbishop of Vancouver, the Corporate Sole. These financial statements exclude the divisional accounts and activities of the following:

- The Catholic Independent Schools of the Vancouver Archdiocese
- Gardens of Gethsemani – the Archdiocesan cemetery operations
- Saint Joseph's Society
- Archdiocesan services and societies that receive pastoral grants. These include:
 - B.C. Catholic Newspaper
 - Catholic Family Services
 - Catholic Charities
 - Rosemary Heights Retreat Centre.

These financial statements do not consolidate the accounts of the 76 parishes within the Archdiocese (see note 13), which are related by the common control of the Roman Catholic Archbishop of Vancouver.

(b) Revenue recognition

The Chancery Division follows the restricted method of accounting for contributions. Restricted contributions are recognized as revenue in the year the contribution is received. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Notes to Financial Statements
Year Ended December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue recognition (Continued)

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 13.8% (2012 - 13.8%) of the parishes reported income of normal Sunday collections from the previous year. The assessment to normal operations of the Catholic Cemeteries are based on 10% (2012 - 10%) of gross revenues from the previous year.

These financial statements do not report as revenue funds collected on behalf of parishes that are subsequently disbursed to various intended recipients for which the collections are made.

(c) Properties

Properties, furniture and equipment are not capitalized or amortized in accordance with ASNPO. All expenditures for purchases and carrying costs of property assets less any rentals or sale proceeds are charged to operations as current year costs, except for financed acquisitions.

The amounts not capitalized and the amounts charged to operations as amortization to date are detailed in note 5(a). Current year amortization has not been included in these financial statements as it has been determined that it is not practical to calculate the amount.

The Archdiocese holds an equitable interest in land resulting from a sale in a previous year. Certain of the proceeds from the sale of land have not been recognized in accordance with ASNPO. The amounts receivable relating to the equitable interest in land have been deferred and will be recognized when they are received as detailed in note 5(b).

In addition, properties have not been presented in accordance with ASNPO, as they have not been separated between land and building.

(d) Interest income

Interest income on all investments is recorded on an accrual basis. Accrued interest is included in the cost of the investments.

Interest is credited to the Specific Programs funds twice a year and recognized as revenue.

Interest income earned on behalf of the parishes' investments are paid out twice a year and netted against interest income.

**THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION**

**Notes to Financial Statements
Year Ended December 31, 2013**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenues over expenditures.

Financial assets measured at 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. These transaction costs are amortized into income on a straight-line basis over the term of the instrument. All other transaction costs are recognized in excess (deficiency) of revenues over expenditures in the period incurred.

(f) Use of estimates

The preparation of the Chancery Division'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 receivables and payables, and the collectability of loans receivable and mortgage 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 are recorded in the statement of operations for the year.

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Notes to Financial Statements
Year Ended December 31, 2013

3. LOANS RECEIVABLE

	2013	2012
Loans receivable – parishes	\$ 4,693,105	\$ 4,278,436
Less: current portion	262,030	257,844
	4,431,075	4,020,592
Loans receivable – other	939,542	815,659
	\$ 5,370,617	\$ 4,836,251

Loans receivable from parishes bear interest at the bank prime rate up to 4%, with no fixed repayment terms. Parish loans for Notre Dame Regional Secondary School are interest-free for the first five years under the Parish Deposit Loan program.

The current portion is based on the expected repayment over the next year and bears interest at the parish deposit rates of 3.94% and 3.00% (2012 - 3.36% and 3.70%).

Other loans receivable from agencies are either non-interest bearing or bear interest up to the bank prime rate with no fixed repayment terms.

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.

(a) Investments are classified as follows:

	2013	2012
Held for trading, at fair value		
Unrestricted	\$ 0	\$ 315,856
Restricted	13,286,952	8,359,056
Held to maturity, at amortized cost		
Restricted (market value 2013 - \$74,357,615; 2012 - \$83,181,156)	73,956,275	82,172,666
Unrestricted (market value 2013 - \$nil; 2012 - \$3,143,088)	0	3,104,981
Pledged collateral (market value 2013 - \$29,036,159; 2012 - \$30,320,624)	29,036,159	30,320,624
	\$ 116,279,386	\$ 124,273,183

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Notes to Financial Statements
Year Ended December 31, 2013

4. INVESTMENTS (Continued)

(b) Investments are represented as follows:

	2013	2012
Accrued interest	\$ 2,620,494	\$ 3,685,317
Held for trading, at fair value		
Mutual funds	10,152,870	6,603,976
Common shares	2,739,342	1,778,045
Foreign securities	394,740	292,891
	13,286,952	8,674,912
Held to maturity, at amortized cost		
Guaranteed investment certificates	50,450,299	40,416,984
Fixed income investments	47,405,183	61,640,242
Government and government-backed securities and bankers acceptance notes	2,516,458	9,855,728
	100,371,940	111,912,954
	\$ 116,279,386	\$ 124,273,183

Government and government-backed securities and bankers acceptance notes bear fixed interest yields ranging from 1.35% to 5.22% (2012 - 1.40% to 5.45%).

Included in fixed income investments are a banker's collateral account bearing interest at the bank prime rate (2012 - bank prime rate).

Guaranteed investment certificates bear interest at rates ranging from 1.20% to 2.05%.

5. PROPERTIES

(a) This represents the net cost of properties (land and improvements), which are presently owned and are being held for future sites, both parishes and schools, or other needs of the Archdiocese.

	2013		2012	
	Cost	Accumulated Amortization	Net	Net
Properties held for parishes/schools future use	\$ 43,340,288	\$ 43,340,288	\$ 0	\$ 0

Other net costs capitalized to properties have been charged to operations in general property carrying costs.

Certain properties have been recorded at a nominal value of \$1.

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Notes to Financial Statements
Year Ended December 31, 2013

5. PROPERTIES (Continued)

(a) (Continued)

The Archdiocese holds an equitable interest in land resulting from the sale of a property (Pacific Redeemer College) for \$742,000 consisting of:

- (i) \$250,000 in cash proceeds received during 2011;
 - (ii) \$135,000 in mortgage receivable, repayable over ten years without stated terms of repayment or interest, secured against the title of the property; and
 - (iii) \$357,000 equitable interest on the land. This equitable interest will be determined at the time of subsequent disposition by the purchaser based on the appraised fair market value, as determined by an independent accredited appraiser, on the property less the selling price at that time. In addition, the Archdiocese will reserve the right of first refusal to purchase the property back at the fair market value less the Archdiocese's equitable interest in the property. The purchaser may, at any time, pay out the Archdiocese's equitable interest.
- (b) On November 24, 2011, the Archdiocese entered into a Purchase and Sale Agreement (the "Agreement") for the sale of certain land and building. Under the terms of the Agreement, the Archdiocese will receive proceeds of \$21,500,000 in three tranches, as follows:
- (i) \$3,000,000 within 48 hours of written notice confirming that the Archdiocese has received approval from the Holy See. The written notice and these proceeds were received in 2012;
 - (ii) \$2,000,000 within six months following the execution of the Agreement. These proceeds were received in 2012; and
 - (iii) \$16,500,000 by March 31, 2015.

6. LEGACIES, BEQUESTS AND DONATIONS

All legacies, bequests and donations are included as revenue when received. Those gifts that have designated terms and conditions are set aside for those designated purposes and transferred to the externally restricted fund or internally restricted specific program fund.

7. CONTINGENT ASSETS

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

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Notes to Financial Statements
Year Ended December 31, 2013

8. GUARANTEES

The Archdiocese is the guarantor to its bankers for:

	2013	2012
Parish bank loans	\$ 29,035,679	\$ 30,320,043
Letters of credit issued	1,248,498	1,297,094
	30,284,177	31,617,137
Pledged collateral security	(29,036,159)	(30,320,624)
	\$ 1,248,018	\$ 1,296,513

As per the Archdiocese's agreement with a certain bank, the parish bank loans cannot exceed \$40 million at any point during the year.

Pledged collateral security consists of cash held by the Archdiocese at two major Canadian financial institutions.

9. COMMITMENTS

(a) The Archdiocese, as at December 31, 2013, had granted approval in principle for the construction of parish churches, parish centres and schools in the amount of \$74,424,334 (2012 - \$59,538,087), of which \$47,318,535 (2012 - \$47,030,000) is the balance remaining to complete the projects.

(b) The Archdiocese is committed to funding the operations and theological education of St. Mark's College and Corpus Christi College, aggregating \$1,100,000, expiring in 2017. Commitments in each of the next four years are as follows:

2014	\$ 300,000
2015	400,000
2016	300,000
2017	100,000
	\$ 1,100,000

(c) The Archdiocese is committed to pay \$500,000 plus interest accrued to date on the amount of the balance outstanding relating to the purchase of the Youville Residence property on October 31, 2014.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Archdiocese manages its investments in accordance with defined guidelines as to acceptable debt instruments and acceptable terms and conditions. Management is responsible for monitoring performance and recommending changes. The College of Consultors and Archdiocesan Finance Council are responsible for the governance and strategic direction of the investment portfolio.

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Notes to Financial Statements
Year Ended December 31, 2013

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(a) Fair value

The carrying values of cash, amounts receivable, loans receivable, accounts payable, collections payable, Parish Project Advance rebates payable, loans payable, and deposits from parishes and agencies approximate their fair values due to the short-term maturity of these financial instruments.

The fair value of investments is as disclosed in note 4 to the financial statements.

(b) Market risk

The Archdiocese is exposed to market risk, which is the risk the fair value of its fixed income investments will fluctuate in the future due to price changes. All investments are exposed to economic changes and other fluctuations in domestic markets as well as risks specific to issuers that may affect the market value of their securities.

(c) 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. The Archdiocese's investments are subject to credit risk and the maximum exposure to credit risk on these instruments is their carrying value. The Archdiocese manages this risk by establishing rules to ensure that the credit rating from a recognized credit ratings agency do not fall below a threshold acceptable and approved by the Archdiocese. The Archdiocese does not anticipate that any counterparties will fail to meet their obligations.

(d) Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The Archdiocese investment portfolio is exposed to interest rate risk 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 the market rates. The effective interest rates for 2013 were 3.00% and 3.94% (2012 – 3.36% and 3.70%).

(e) 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. As at December 31, 2013, the Archdiocese holds US investments of \$394,740 (2012 - \$292,891) at their Canadian dollar equivalent.

(f) 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 public market investments.

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Notes to Financial Statements
Year Ended December 31, 2013

11. PENSION PLAN

The Archdiocese of Vancouver contributes to a defined contribution pension plan on behalf of its current employees, excluding clergy. This plan is available to all permanent and permanent part-time employees immediately upon hiring.

The Archdiocese matches employee contributions. The employee has an option of selecting a 3% or 7% contribution of their salary. Employees are entitled to full vesting of their employee and employer contributions and investment earnings allocated after two years of membership in the plan. The 2013 employer's contributions were \$230,917 (2012 - \$206,660).

12. REALLOCATION OF DONATION RECEIPTS

Donation receipts recorded have been reallocated as follows:

	2013	2012
Corpus Christi/St. Mark's College Seminary and Vocations	\$ 200,000	\$ 0
Archbishop's Discretionary Fund	73,000	100,000
Deacon and Clergy Formation	60,693	60,000
Truth and Reconciliation Fund	50,000	0
Chapel	25,000	55,715
Evangelization	25,000	0
Discalced Carmelites Fund	0	530,866
Holy Rosary Hall	0	500,000
Queen of Peace Monastery	0	25,000
Total amount reallocated	\$ 433,693	\$ 1,771,581

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Notes to Financial Statements
Year Ended December 31, 2013

13. RELATED PARTY TRANSACTIONS

The Chancery Division had the following transactions with the 76 parishes within the Archdiocese. They are related by the 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.

	2013	2012
Payments received from parishes		
Project Advance collections	\$ 6,849,636	\$ 6,953,648
Diocesan assessments	3,761,042	3,725,959
Special collections	3,308,769	2,264,180
Insurance premiums assessed	1,702,800	1,713,766
Interest earned from loans	54,564	51,000
	\$ 15,676,811	\$ 14,708,553
Payments made to parishes		
Project Advance rebates	\$ 2,407,052	\$ 2,742,850
Interest paid on deposit accounts	1,700,429	1,616,607
Low-interest revolving fund interest paid	105,448	85,209
Youth ministry rebates	54,720	53,041
	\$ 4,267,649	\$ 4,497,707

In addition to the Project Advance rebates paid during the year, \$1,136,427 (2012 - \$920,165) were still payable as at year-end and are included in Parish Project Advance rebates payable.

14. CONTINGENCIES

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.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentations.

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Net Assets Internally Restricted for Specific Programs
Year Ended December 31

Schedule 1

	Balance, December 31, 2012	Revenues	Expenditures	Transfers to (from) Unrestricted Net Assets	Balance, December 31, 2013
Low-Interest Revolving Fund	\$ 7,982,839	\$ 285,009	\$ 105,448	\$ 0	\$ 8,162,400
Self-insurance	3,278,098	625,779	228,780	(41,354)	3,716,451
Seminary and Vocations	2,432,613	429,831	0	412,949	2,449,495
Clergy Care	2,351,196	111,626	0	263,645	2,199,177
Catholic Education 2000	1,302,602	20,212	0	10,000	1,312,814
Seniors	1,053,982	37,689	0	40,000	1,051,671
Holy Rosary Cathedral Renovations	199,071	2,211	0	201,282	0
Chapel	491,141	38,161	0	0	529,302
Evangelization	445,432	66,943	0	0	512,375
Holy Rosary Cathedral Hall	509,525	21,806	0	26,231	505,100
John Paul II Pastoral Centre	185,166	6,621	0	0	191,787
Deacon and Clergy Formation	179,231	50,000	0	145,533	83,698
Truth and Reconciliation	56,527	1,018	0	6,000	51,545
Chaplaincies	29,630	1,059	0	0	30,689
Youth Ministry	52,485	130,526	54,720	100,000	28,291
	\$ 20,549,538	\$ 1,828,491	\$ 388,948	\$ 1,164,286	\$ 20,824,795

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Net Assets Externally Restricted
Year Ended December 31

Schedule 2

	2013	2012
Balance, beginning of year	\$ 6,715,538	\$ 7,072,354
Revenues	1,411,530	722,111
Expenditures	(455,919)	(1,078,927)
Transfer to unrestricted net assets	(6,448,467)	0
Balance, end of year	\$ 1,222,682	\$ 6,715,538

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Archdiocesan Curia Operating Expenses
Year Ended December 31

Schedule 3

	2013	2012
Apostleship of the Sea	\$ 64,741	\$ 66,127
Archdiocesan Operations	255,388	283,264
Archives	92,302	88,394
B.C. Catholic	75,196	266,878
Building Cost Recoveries	(217,566)	(243,577)
Chaplaincies	181,466	163,032
Chancery	819,401	775,744
Catechetics	343,048	295,105
Office of Life, Marriage and Family	472,756	454,781
Communications	142,713	129,827
Deacon Formation	145,533	222,647
Development	152,588	156,047
Finance Office	235,117	192,498
First Nations Ministry	52,528	45,869
Faith Formation	157,228	155,295
Human Resources	113,285	103,049
Information Technology	234,137	207,439
Internal Audit	108,657	108,144
Matrimonial Tribunal	430,405	397,742
Office of Evangelization	113,741	106,758
Office of Service and Justice	179,525	163,597
Project Management	(63)	26,422
Rosemary Heights Retreat Centre	27,956	26,837
Seminary and Vocations	412,949	418,911
Stewardship	64,762	53,134
Vanspec	53,593	59,954
Youth and Young Adult	278,986	238,166
	\$ 4,990,372	\$ 4,962,084

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Archdiocesan Curia Grants
Year Ended December 31

Schedule 4

	2013	2012
St. Mark's College and Corpus Christi College	\$ 445,675	\$ 645,244
Holy Rosary	227,513	0
Project Advance Grants	75,000	100,000
Catholic Health Association of B.C.	42,920	42,500
Family Planning Programs	11,000	11,000
St. Thomas More Collegiate Foundation	10,000	10,000
Redeemer Pacific College	0	25,000
	\$ 812,108	\$ 833,744

THE ROMAN CATHOLIC ARCHBISHOP OF VANCOUVER
CHANCERY DIVISION
Property Acquisitions/Dispositions and Secondary School Construction
Year Ended December 31

Schedule 5

	2013			2012	
	Property Acquisitions / Dispositions	Secondary School Construction	Total	Total	
Acquisitions and construction	\$ 8,867,064	\$ 0	\$ 8,867,064	\$ 9,617,665	
New JP II Pastoral Centre	4,875,101	0	4,875,101	1,541,645	
Elementary school grant	0	0	0	150,000	
Financing from Project Advance	(650,000)	(1,425,000)	(2,075,000)	(2,050,000)	
Sale of properties ¹	(1,069,494)	0	(1,069,494)	(11,061,391)	
Allocation of proceeds from sale of Cartier Street to Clergy Retirement Fund	1,069,494	0	1,069,494	132,376	
	\$ 13,092,165	\$ (1,425,000)	\$ 11,667,165	\$ (1,669,705)	

Note:

¹ Included in sale of properties is proceeds received from the sale of 28 - 4900 Cartier Street.