

Priests Benevolent Fund Inc.

Financial Statements
(Unaudited)
December 31, 2022

Member of The AC Group of Independent Accounting Firms

April 3, 2023

Independent Practitioners' Review Engagement Report

To the Members of Priests Benevolent Fund Inc.

We have reviewed the accompanying financial statements of Priests Benevolent Fund Inc. that comprise the statement of financial position as at December 31, 2022 and the statements of changes in net assets, operations 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.

Practitioners' Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Priests Benevolent Fund Inc. as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

ArsenaultBestCameronEllis

Chartered Professional Accountants

Priests Benevolent Fund Inc.

Statement of Financial Position

(Unaudited)

As at December 31, 2022

	2022	2021
	\$	\$
Assets		
Current assets		
Cash	107,982	107,476
Accrued interest receivable	5,860	7,164
Prepaid expenses	44,286	40,879
	<u>158,128</u>	<u>155,519</u>
Investments	<u>5,058,390</u>	<u>5,780,906</u>
	<u>5,216,518</u>	<u>5,936,425</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,600	2,600
Fund Balances		
Net assets	<u>5,213,918</u>	<u>5,933,825</u>
	<u>5,216,518</u>	<u>5,936,425</u>

Approved by the Board

_____ Member

_____ Member

Priests Benevolent Fund Inc.

Statement of Changes in Net Assets

(Unaudited)

For the year ended December 31, 2022

	2022	2021
	\$	\$
Net assets - Beginning of year	5,933,825	5,217,531
Excess revenue (expenses) for the year	<u>(719,907)</u>	<u>716,294</u>
Net assets - End of year	<u>5,213,918</u>	<u>5,933,825</u>

Priests Benevolent Fund Inc.

Statement of Operations

(Unaudited)

For the year ended December 31, 2022

	2022	2021
	\$	\$
Revenue		
Clergy dues	16,095	8,395
Dividend income	63,035	78,024
Donations and bequests	248,210	331,273
Campaign pledges	26,419	55,280
Interest earned on managed funds	47,205	43,858
Diocese of Charlottetown	7,500	-
	<u>408,464</u>	<u>516,830</u>
Expenses		
Clergy benefits	292,022	285,192
Health	45,244	42,488
Management fees	68,075	65,079
Miscellaneous	199	150
Professional fees and administration	3,221	2,415
	<u>408,761</u>	<u>395,324</u>
Operating excess revenue (expenses)	<u>(297)</u>	<u>121,506</u>
Other income (expenses)		
Gain (loss) on foreign exchange	47,175	(3,164)
Unrealized gain (loss) on sale of marketable securities	(745,973)	280,029
Withholding taxes	(3,028)	(4,647)
Realized gain (loss) on investments	(17,784)	322,570
	<u>(719,610)</u>	<u>594,788</u>
Excess revenue (expenses) for the year	<u>(719,907)</u>	<u>716,294</u>

Priests Benevolent Fund Inc.

Statement of Cash Flows

(Unaudited)

For the year ended December 31, 2022

	2022	2021
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess revenue (expenses) for the year	(719,907)	716,294
Items not affecting cash		
Unrealized loss (gain) on investments	745,973	(280,029)
Realized gain on sale of investments	17,784	(322,570)
Loss (gain) on foreign exchange	(47,175)	3,164
	(3,325)	116,859
Net change in non-cash working capital items		
Accrued interest receivable	1,304	309
Prepaid expenses	(3,407)	(2,107)
	(5,428)	115,061
Investing activity		
Decrease (increase) in investments, net of non-cash items	5,934	(137,380)
Increase (decrease) in net cash	506	(22,319)
Net Cash - Beginning of year	107,476	129,795
Net Cash - End of year	107,982	107,476

Priests Benevolent Fund Inc.

Notes to Financial Statements

(Unaudited)

December 31, 2022

1. General

Priests Benevolent Fund Inc. was established to provide benefits for Priests of the Roman Catholic Diocese of Charlottetown who are retired, ill, injured or incapacitated including, but not limited to, provision for their physical needs, financial benefits, retirement benefits, housing needs, medical needs, nursing needs and welfare needs. The Priests Benevolent Fund Inc. is a registered charity for income tax purposes and is therefore a non-taxable entity.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash

Cash consists of balances with financial institutions.

Revenue recognition

Priests Benevolent Fund Inc. follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable and when ultimate collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

There are currently no restricted or endowment contributions.

Revenue from contributions, clergy dues, dividends and interest is recognized when received.

Revenue from donations, bequests and pledges are recognized when received as the receivable amounts cannot be reasonably estimated.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include valuation of accrued interest receivable. Actual results could differ from those estimates.

Priests Benevolent Fund Inc.

Notes to Financial Statements

(Unaudited)

December 31, 2022

2. Summary of significant accounting policies, continued

Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for 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 revenue (expenses) in the period incurred.

Financial assets measured at amortized cost on a straight line basis include cash, accrued interest receivable and investments.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

(ii) Impairment

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess revenue (expenses). A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess revenue (expenses).

3. Campaign

The Priests Benevolent Fund Inc., in conjunction with the parishes of the Diocese of Charlottetown, wound up the fundraising campaign that commenced in 2012.

4. Financial risk management

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Priests Benevolent Fund Inc.

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December 31, 2022

4. Financial risk management, continued

(a) Market risk

The organization's investment in publicly traded securities exposes the Priests Benevolent Fund Inc. to market risk, since these equity investments are subject to price fluctuations in the open market.