

The Roman Catholic Episcopal Corporation of Yarmouth
Non-Consolidated Financial Statements
December 31, 2025

The Roman Catholic Episcopal Corporation of Yarmouth

Contents

For the year ended December 31, 2025

Page

Independent Practitioner's Review Engagement Report

Non-Consolidated Financial Statements

Non-Consolidated Statement of Financial Position..... 1

Non-Consolidated Statement of Operations..... 2

Non-Consolidated Statement of Changes in Net Assets..... 3

Non-Consolidated Statement of Cash Flows..... 4

Notes to the Non-Consolidated Financial Statements..... 5

Schedules

Schedule 1 - Non-Consolidated Schedule of Changes in Diocesan Funds 12

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

We have reviewed the accompanying non-consolidated financial statements of The Roman Catholic Episcopal Corporation of Yarmouth (the "Corporation") that comprise the non-consolidated statement of financial position as at December 31, 2025, and the non-consolidated statements of operations, changes in 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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying non-consolidated 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 non-consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Corporation, as appropriate, and applying analytical procedures, and evaluates 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 non-consolidated financial statements.

Basis for Qualified Conclusion

As common with many charitable organizations, the Corporation derives many different types of revenues from the general public, including donations, contributions, bequests and gifts, the completeness of which is not susceptible to satisfactory review verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Corporation; therefore, we were not able to determine whether any adjustments might be necessary to contributions, donations, bequests and gifts, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2025 and December 31, 2024, current assets as of December 31, 2025 and December 31, 2024, and net assets as at December 31, 2025 and December 31, 2024. Our report on the non-consolidated financial statements for the year ended December 31, 2024 was also modified accordingly because of the possible effects of this limitation in scope.

The Corporation controls numerous parishes as part of its operations, the assets, liabilities, net assets and operating results of which should be disclosed in the notes to the non-consolidated financial statements. The cost of providing this information outweighs the benefit as management has access to the financial statements of the controlled entities; therefore, this disclosure is not provided in the non-consolidated financial statements. Our report on the non-consolidated financial statements for the year ended December 31, 2024 was also modified.

Qualified Conclusion

Based on our review, except for the possible effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the non-consolidated financial statements do not present fairly, in all material respects, the financial position of The Roman Catholic Episcopal Corporation of Yarmouth as at December 31, 2025, 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.

Emphasis of Matter

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

We also draw attention to note 13 in the non-consolidated financial statements which describes a class action lawsuit that the Corporation has been named in.

Dartmouth, Nova Scotia

June 24, 2026

MNP LLP
Chartered Professional Accountants

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

As at December 31, 2025

	General Fund	Designated Funds	2025	2024
Assets				
Current				
Cash	198,562	-	198,562	211,342
Accounts receivable (Note 3)	48,300	-	48,300	142,081
Note receivable (Note 4)	-	-	-	203,500
Land held for sale (Note 5)	211,575	-	211,575	-
Current portion of long-term investments (Note 6)	521,508	48,443	569,951	499,833
	979,945	48,443	1,028,388	1,056,756
Investments (Note 6)	5,163,776	565,525	5,729,301	5,202,339
Cash surrender value of life insurance	-	-	-	7,431
Due from (to) funds (Note 14)	(4,034)	4,034	-	-
	6,139,687	618,002	6,757,689	6,266,526
Liabilities				
Current				
Bank indebtedness (Note 7)	150,000	-	150,000	100,000
Accounts payable and other accruals (Note 8)	583,121	-	583,121	275,800
Current portion of parish funds on deposit (Note 11)	37,900	-	37,900	678,600
	771,021	-	771,021	1,054,400
Advance from a related party (Note 9)	1,053,547	-	1,053,547	1,053,547
Special purpose funds (Note 10)	19,317	-	19,317	20,131
Parish funds on deposit (Note 11)	4,362,410	-	4,362,410	3,747,394
	6,206,295	-	6,206,295	5,875,472
Contingency (Note 13)				
Net Assets				
Internally restricted	-	299,834	299,834	242,074
Externally restricted	-	318,168	318,168	310,282
Unrestricted	(66,608)	-	(66,608)	(161,302)
	(66,608)	618,002	551,394	391,054
	6,139,687	618,002	6,757,689	6,266,526

Approved on behalf of The Most Reverend Brian J Dunn



Archbishop of Halifax-Yarmouth

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

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

For the year ended December 31, 2025

	<i>General Fund</i>	<i>Designated Funds</i>	2025	2024
Revenue				
Parish contributions based on revenues <i>(Note 12)</i>	229,035	-	229,035	230,954
Contributions, donations and subscriptions <i>(Note 12)</i>	-	7,404	7,404	4,985
Investment income	173,701	20,167	193,868	173,272
Collections and fees <i>(Note 12)</i>	16,200	-	16,200	16,225
	418,936	27,571	446,507	425,436
Expenses				
Business office <i>(Note 12)</i>	44,628	-	44,628	50,490
Infirm and retired priests	5,175	-	5,175	18,749
Assistance to parishes <i>(Note 12)</i>	4,753	-	4,753	25,340
Chaplaincy	70,476	-	70,476	70,421
Catechetics	63,424	-	63,424	61,451
CCCB <i>(Note 12)</i>	20,355	-	20,355	15,400
Fund expenditures <i>(Note 12)</i>	-	-	-	5,000
	208,811	-	208,811	246,851
Excess of revenues over expenses before other income (expenses)	210,125	27,571	237,696	178,585
Other income (expenses)				
Interest on parish funds <i>(Note 12)</i>	(154,311)	-	(154,311)	(218,604)
Special property parish assessment <i>(Note 12)</i>	10,366	-	10,366	6,979
Bad debt recovery	-	-	-	1,526
Interest on funds held in trust	127,839	-	127,839	-
Mediation settlements and legal fees <i>(Note 12), (Note 13)</i>	(514,854)	-	(514,854)	(142,235)
Interest on bank indebtedness	(13,886)	-	(13,886)	(1,639)
Realized gain on cash surrender value of life insurance	1,797	-	1,797	-
Realized gain (loss) on investments	(34,621)	(4,590)	(39,211)	69,400
Investment and management fees	(34,431)	(3,683)	(38,114)	(33,773)
Unrealized gain on investments	488,814	54,204	543,018	621,450
	(123,287)	45,931	(77,356)	303,104
Excess of revenue over expenses	86,838	73,502	160,340	481,689

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

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

For the year ended December 31, 2025

	<i>General Fund</i>	<i>Designated Funds</i>	2025	2024
Net assets (deficit), beginning of year	(161,302)	552,356	391,054	(90,635)
Excess of revenue over expenses	86,838	73,502	160,340	481,689
Interfund transfers (Note 14)	7,856	(7,856)	-	-
Net assets, end of year	(66,608)	618,002	551,394	391,054

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

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

For the year ended December 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	160,340	481,689
Unrealized gain on investments	(543,018)	(621,450)
Realized (gain) loss on investments	39,211	(69,400)
Realized gain on cash surrender value of life insurance	(1,797)	-
	(345,264)	(209,161)
Changes in working capital accounts		
Accounts receivable	93,779	(10,364)
Accounts payable and other accruals	307,321	727
Special purpose funds	(814)	(138)
	55,022	(218,936)
Financing		
Advances of bank indebtedness	50,000	100,000
Increase in parish funds on deposit	652,918	348,604
Decrease in parish funds on deposit	(678,602)	(97,094)
	24,316	351,510
Investing		
Purchase of land	(8,075)	-
Purchase of investments	(282,483)	(1,301,566)
Proceeds on disposal of investments	189,212	784,554
Proceeds on disposal of cash surrender value of life insurance	9,228	-
Increase in cash surrender value of life insurance	-	(95)
	(92,118)	(517,107)
Decrease in cash resources	(12,780)	(384,533)
Cash resources, beginning of year	211,342	595,875
Cash resources, end of year	198,562	211,342

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

The Roman Catholic Episcopal Corporation of Yarmouth

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2025

1. Incorporation and nature of the organization

The Roman Catholic Episcopal Corporation of Yarmouth (the "Corporation") was incorporated as a corporation sole under the statutes of the Province of Nova Scotia on March 31, 1953. The Corporation is a registered charity and, as a result, is exempt from income tax pursuant to paragraph 149 (1) (f) of the Income Tax Act.

The Corporation is the ministerial and administrative centre with the purpose of providing support and services to the parishes within the counties of Yarmouth, Kings, Annapolis, Digby and Shelburne.

The Corporation controls several related entities including the parishes.

These non-consolidated financial statements reflect the assets, liabilities and operations of the Corporation. The non-consolidated financial statements do not reflect the assets, liabilities, and operations of the parishes within the Archdiocese or any other related entities. The financial statements of these entities are all readily available to management.

2. Significant accounting policies

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

Fund accounting

The Corporation follows the restricted fund method of accounting for contributions, and maintains two funds: the General Fund and the Designated Funds fund.

General Fund

The General Fund reports the general operations of the Corporation. The main sources of revenue are investment income and parish contributions. There are a variety of expenses set out in the non-consolidated statement of operations. Restricted contributions for which no corresponding restricted fund exists are included in the General Fund.

Designated Funds

The Designated Funds of the Corporation are used to fund specific purposes, as either internally or externally restricted funds. Presently, the externally restricted designated fund is used for Diocesan outreach, and the internally restricted designated fund is used for a variety of expenses. Both the income and principal of the Designated Funds may be expended.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Investments

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

Revenue recognition

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

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

The Roman Catholic Episcopal Corporation of Yarmouth

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2025

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

Government assistance

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

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. Due to the difficulty of determining the fair value of these items, no amounts are recognized in the non-consolidated financial statements.

Financial instruments

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

Arm's length financial instruments

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

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

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

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

Related party financial instruments

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

- Investments in equity instruments quoted in an active market

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to note 12).

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

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

The Roman Catholic Episcopal Corporation of Yarmouth

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2025

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

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

Financial asset impairment

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

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

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

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

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

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

Measurement uncertainty (use of estimates)

The preparation of non-consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated 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 or impairment is provided where considered necessary. Accrued liabilities are recorded using management's best estimate of expenses incurred but not invoiced at year-end. As per note 13, no additional amounts have been recorded for any potential contingent liabilities as amounts cannot be reasonably estimated.

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

The Roman Catholic Episcopal Corporation of Yarmouth

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2025

3. Accounts receivable

	2025	2024
Receivables from parishes	46,625	137,229
HST receivable	1,675	4,852
	48,300	142,081

4. Note receivable

	2025	2024
Unsecured collateral mortgage bearing interest at 3.5%, repayable in annual principal plus interest instalments of \$54,490, matured during the year.	-	203,500

During the prior year, the Corporation experienced a default on the note receivable as the borrower failed to make the scheduled payment.

During the current year, the Corporation reclaimed the deed for the land that was previously sold as detailed in note 5, resulting in the extinguishment of this note receivable.

5. Land held for sale

During the year, the Corporation reacquired legal title to a parcel of land that had been previously sold. Management has committed to a plan to resell the property and has classified the land as held for sale.

As at year-end, the land is available for immediate sale in its present condition and has been actively marketed. Subsequent to year-end, the Corporation entered into a conditional agreement of purchase and sale for the property, which has been approved. The sale remains subject to customary conditions, including property inspection and financing approval.

6. Investments

	2025	2024
Measured at fair value:		
Nesbitt Burns - cemetery #1	1,912,977	1,714,649
Nesbitt Burns - cemetery #2	994,440	893,578
Nesbitt Burns - vocation and parish	2,777,867	2,545,844
Nesbitt Burns - designated funds	613,968	548,101
	6,299,252	5,702,172
Less: current portion	569,951	499,833
	5,729,301	5,202,339

Current portion of investments consist of cash and short term investments maturing within one year. It is management's intention to reinvest short term investments upon maturity.

Average funds invested during fiscal year 2025 totalled \$6,000,712 (2024 - \$5,098,241), resulting in a return on investment of 10.99% (2024 - 16.29%).

The Roman Catholic Episcopal Corporation of Yarmouth
Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2025

7. Bank indebtedness

Bank indebtedness includes an operating demand loan totaling \$500,000 (2024 - \$500,000) of which \$150,000 (2024 - \$100,000) was drawn down. The operating loan bears interest at prime plus 0.50% (2024 – prime plus 0.50%). Assets pledged as collateral are Nesbitt Burns cemetery #2 investments, with a market value of \$994,440 (2024 – \$893,578).

8. Accounts payable and other accruals

	2025	2024
Accounts payable and accruals	523,649	188,169
Payables to parishes	38,166	55,601
Payable to The Roman Catholic Episcopal Corporation of Halifax	21,306	32,030
	583,121	275,800

Payables to parishes and The Roman Catholic Episcopal Corporation of Halifax are connected to the Corporation through common control. Balances owed are non-interest bearing, unsecured, and due on demand.

9. Advances from a related party

In 2022, \$1,053,547 was advanced from The Roman Catholic Episcopal Corporation of Halifax. This amount is non-interest bearing and has no set terms of repayment, therefore, it is classified as a long-term liability.

10. Special purpose funds

	2025	2024
Balance beginning of year	20,131	20,269
Amount spent on expenses and distributions during the year	(814)	(138)
	19,317	20,131

11. Parish funds on deposit

These deposits bear interest of prime less 1.5% with an average rate for the year of 3.45% (2024 - 5.00%) and have no specified repayment terms. The Corporation usually has advance warning of any upcoming repayments to be requested on these loans. Amounts requested and not yet paid have been classified as current payables. The remaining balances have been classified as long-term.

The parish funds on deposit outstanding at year end include the following:

	2025	2024
Parish funds on deposit	4,400,310	4,425,994
Less: current portion	37,900	678,600
	4,362,410	3,747,394

The Roman Catholic Episcopal Corporation of Yarmouth

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2025

12. Related party transactions

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

The balances due from related parties are included in accounts receivable (note 3). The short-term balances due to related parties are included in accounts payable and accrued liabilities (note 8). The long-term balances owing to related parties are included in parish funds on deposit and other long-term liabilities (note 11).

Included in the non-consolidated statement of operations are the following related party transactions:

	2025	2024
Contributions:		
Parish contributions based on revenues from controlled entities	229,035	230,954
Special property parish assessment revenue	10,366	6,979
Designated funds from a controlled entity from the sale of a parish property	7,404	4,985
Collections and fees from controlled entities	16,200	16,225
Expenditures:		
Management fees paid to The Roman Catholic Episcopal Corporation of Halifax	12,000	12,000
Grants paid to controlled entities	4,753	25,340
Conference of Catholic Bishops' Assessment	20,355	15,400
Fund expenditure paid to parish	-	5,000
Interest paid on parish funds on deposit	154,311	218,604
Legal fees paid to The Roman Catholic Episcopal Corporation of Halifax	8,627	17,254

13. Contingent liability

The Corporation has been named in a class action claim. In the prior year, a settlement was reached which capped the Corporation's maximum potential exposure to \$1,850,000 which includes the claimants legal fees and settlements. To date, \$766,993 in legal and adjudication fees have been paid leaving a settlement pot available to claimants of \$1,083,007. The Corporation's insurance coverage is estimated to be \$3,514. Of the \$766,994 in legal and adjudication fees paid, \$436,791 will not be covered by insurance and therefore are to be paid by the Corporation, leaving a potential liability of \$1,516,285. Claims and legal fees totaling \$462,738 (2024 - \$nil, 2023 - \$329,122, 2022 - \$310,000, 2021 - \$414,425) have been recorded to date. The Corporation is working closely with their insurers on the final settlement. Claims for the class action lawsuit are currently in the process of being assessed and it is not expected to have a determination of all the claims prior to mid-July 2026.

14. Inter-fund transfers and loans

During the year, funds totaling \$7,856 (2024 - \$28,801) were approved to be transferred from the Designated Funds to the General Fund to cover expenditures incurred.

The General Fund has a loan balance due to the Designated Funds. This loan is non-interest bearing. The inter-fund loans have no set terms of repayment and, accordingly, these loans have been classified as long-term.

The Roman Catholic Episcopal Corporation of Yarmouth

Notes to the Non-Consolidated Financial Statements

For the year ended December 31, 2025

15. Financial instruments

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

Credit concentration

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk with its accounts receivable (note 3). The Corporation has one party whose receivable balances represent 15% (2024 - 49%) of total accounts receivable. During the year, the Corporation had bad debts of \$nil (2024 - recovery of \$1,526). Financial instruments that potentially subject the Corporation to concentrations of credit risk consists of cash and investments held by financial institutions. To minimize this risk, the Corporation holds cash and investments with high quality Canadian financial institutions.

Interest rate risk

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

The Corporation is exposed to interest rate cash flow risk with respect to bank indebtedness bearing interest at a variable rate. The Corporation is also exposed to interest rate price risk on its fixed rate notes receivable, advances from a related party and parish funds on deposit.

Other price risk

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

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

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Corporation is exposed to fluctuations arising from changes in foreign exchange rates as it relates to the USD cash and investment balances. At year end, the Corporation has USD cash of \$46,094 (2024 - \$34,667) and USD investments of \$1,422,843 (2024 - \$1,322,4432).

Liquidity risk

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

The Corporation is exposed to liquidity risk with respect to bank indebtedness, accounts payable and accrued liabilities, special purpose funds, parish funds on deposit and contingent liabilities with regards to the class action suit.

16. Comparative figures

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

The Roman Catholic Episcopal Corporation of Yarmouth
Schedule 1 - Non-Consolidated Schedule of Changes in Diocesan Funds
For the year ended December 31, 2025

Schedule 1	Opening balance	Investment income	Contributions	Expenditures	Interfund transfer	Other income (expenditure)	Adjustment to Market Value	Closing Balance
Externally restricted								
Louis Comeau Fund	307,113	13,372	-	-	-	(5,486)	-	314,999
Self Insurance Yarmouth	3,169	-	-	-	-	-	-	3,169
	310,282	13,372	-	-	-	(5,486)	-	318,168
Internally restricted:								
Parish Assistance For Capital Project	55,506	2,417	7,404	-	(1,742)	(991)	-	62,594
St. Pius Fund	110,566	4,378	-	-	(6,114)	(1,796)	-	107,034
Adjust to Market	76,002	-	-	-	-	-	54,204	130,206
	242,074	6,795	7,404	-	(7,856)	(2,787)	54,204	299,834
	552,356	20,167	7,404	-	(7,856)	(8,273)	54,204	618,002