

*Financial Statements of*

**THE CATHOLIC FOUNDATION OF VANCOUVER  
ISLAND**

*(unaudited – see review engagement report)*

*Year ended December 31, 2018*

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To: The Trustees of The Catholic Foundation of Vancouver Island

We have reviewed the accompanying financial statements of The Catholic Foundation of Vancouver Island that comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net fund balances and cash flows for the year then ended, and notes, comprising 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 of 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.

### *Practitioner's 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 practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, 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 financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of The Catholic Foundation of Vancouver Island as at December 31, 2018, 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.

**Abercrombie & Associates**

Chartered Professional Accountants

Victoria, BC June 4, 2019

# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Statements of Financial Position

December 31, 2018 and December 31, 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 12,460	\$ 24,145
Accounts receivable	2,034	1,533
	<b>14,494</b>	<b>25,678</b>
<b>INVESTMENTS (Note 3)</b>	<b>1,119,341</b>	<b>1,179,183</b>
	<b>\$ 1,133,835</b>	<b>\$ 1,204,861</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 4,100	\$ 3,317
	<b>4,100</b>	<b>3,317</b>
<b>FUND BALANCES</b>		
Internally restricted – Foundation Fund	<b>1,129,735</b>	<b>1,201,544</b>
	<b>\$ 1,133,835</b>	<b>\$ 1,204,861</b>

See accompanying notes

APPROVED BY TRUSTEES

..... Trustee

..... Trustee

**Abercrombie & Associates**

CHARTERED PROFESSIONAL ACCOUNTANTS

# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Statements of Operations and Changes in Fund Balances

Years ended December 31, 2018 and December 31, 2017

	2018 General Fund	2018 Foundation Fund	2018 Total	2017 General Fund	2017 Foundation Fund	2017 Total
Revenue						
Donations	\$ 2,214	\$ 7,641	\$ 9,855	\$ 2,214	\$ 16,410	\$ 18,624
Interest and other	21,220	10,936	32,156	20,622	11,143	31,765
Gain (loss) on sale of investments	-	(20,034)	(20,034)	-	23,807	23,807
Unrealized gain (loss) on investments	-	(33,308)	(33,308)	-	42,249	42,249
	23,434	(34,765)	(11,331)	22,836	93,609	116,445
Expenses						
Administration	4,800	-	4,800	4,800	-	4,800
Life insurance premiums	4,649	-	4,649	4,649	-	4,649
Office and promotion	950	-	950	790	-	790
Professional fees	13,035	-	13,035	12,597	-	12,597
	23,434	-	23,434	22,836	-	22,836
EXCESS OF REVENUE OVER EXPENSES	-	(34,765)	(34,765)	-	93,609	93,609
Grants	-	37,044	37,044	-	35,750	35,750
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES AND GRANTS	-	(71,809)	(71,809)	-	57,589	57,859
Fund balance, beginning of year	-	1,201,544	1,201,544	-	1,143,685	1,143,685
FUND BALANCE, END OF YEAR	\$ -	\$ 1,129,735	\$ 1,129,735	\$ -	\$ 1,201,544	\$ 1,201,544

See accompanying notes



# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Statements of Cash Flows

Years ended December 31, 2018 and December 31, 2017

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess (Deficiency) of revenue over expenditures and grants	\$ (71,809)	\$ 57,859
Item not involving cash		
Non-cash donation	(2,214)	(2,214)
Loss (gain) on sale of investments	20,034	(23,807)
Unrealized (gain) loss on investments	33,308	(42,249)
<b>CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS</b>		
Accounts receivable	(501)	949
Accounts payable and accrued liabilities	783	418
	\$ (20,399)	\$ (9,044)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	\$ (125,278)	\$ (301,862)
Proceeds on sale of investments	133,992	308,828
	8,714	6,966
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(11,685)</b>	<b>(2,078)</b>
CASH, BEGINNING OF YEAR	24,145	26,223
CASH, END OF YEAR	\$ 12,460	\$ 24,145

See accompanying notes and schedules

# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Notes to the Financial Statements

Years ended December 31, 2018 and December 31, 2017

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### 1. GENERAL

The Catholic Foundation of Vancouver Island's (the "Foundation") purpose is to further the spiritual mission of the Roman Catholic Church and in particular those objectives set out in the Indenture of Trust. The Foundation is a registered charity under the Income Tax Act and is legally structured as a trust. Its geographical territory covers Vancouver Island.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are:

#### (a) *Fund Accounting*

The Foundation follows the restricted fund method of accounting for contributions. The Foundation maintains a General Fund to record operating revenues and expenses and has established a Foundation Fund which is presented as internally restricted and which contains all the equity of the Foundation.

#### (b) *Revenue Recognition*

Contributions of cash and gifts in kind are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Gifts in kind of \$2,214 (2017 - \$2,214) for insurance policy premiums are included in General Fund donation revenue.

Investment income is recorded on the accrual basis.

#### (c) *Financial Instruments*

All investments are classified as held-for-trading financial assets, measured at fair value with the resulting gain or loss recognized in the Statements of Operations and Changes in Fund Balances.

Accounts receivable are classified as receivables. Accounts payable and accrued liabilities are classified as other financial liabilities. These assets and liabilities are initially recognized at fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties and is subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognised in the statement of Operations and Changes in Fund Balances upon derecognition or impairment.

#### (d) *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 at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results could differ from these estimates.

# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Notes to the Financial Statements

Years ended December 31, 2018 and December 31, 2017

### 3. INVESTMENTS

	<u>2018</u>	<u>2017</u>
ALTM HI Money Market	-	57,138
Apple Inc.	45,190	44,583
Avigilon Corp	-	23,199
Bank of America Corp New	41,177	45,365
Bank of Nova Scotia	29,942	35,693
BMO Covered Call CDN Banks ETF	54,528	62,400
BMO Europe High Div EFT	18,520	21,860
BNS Investment savings account	-	129,806
Canadian Natural Resources Ltd.	33,928	-
Canadian Utils Ltd.	46,980	56,115
Canadian Western Bank GIC 2.4%	50,000	50,000
CDN Life Co Split Corp PFD 12	29,970	31,020
Citigroup Inc. New	26,633	35,005
Crescent Point Energy Corp	-	12,454
Element Fleet Management Corp	-	14,250
Enbridge Inc.	42,410	-
GBL Champions Split A S1 PFD	-	35,140
George Weston Ltd.	6,664	-
JP BK CDA	27,903	-
JPMorgan Chase & Co	39,952	40,247
LBCC GIC 2.76%	57,888	-
Loblaws Cos Ltd.	33,610	37,521
Manulife Financial Corp	37,771	51,129
Mastercard Incorporated	51,471	37,976
Metlife Inc.	35,009	39,642
Micron Technology Inc.	18,397	-
Microsoft Corp.	69,281	53,655
NTL Bank of Canada	30,827	-
NBC GIC 1.65%	-	53,758
NBC GIC 1.81%	55,200	55,200
NBC NBI	37,774	-
RBC FLT PFD	37,650	37,305
Ren US Hi Int Savings	37,534	-
Royal Bank of Canada	41,114	45,166
Superior Plus Corporation	17,037	-
TD Bank	33,251	36,088
Transcanada 1 <sup>st</sup> PFD	31,730	37,468
	\$ <u>1,119,341</u>	\$ <u>1,179,183</u>

**Abercrombie & Associates**

CHARTERED PROFESSIONAL ACCOUNTANTS



# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Notes to the Financial Statements

Years ended December 31, 2018 and December 31, 2017

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### 4. AFFILIATED PARTY TRANSACTIONS

The Bishop of Victoria Corporation Sole is incorporated by a separate Act of the legislature. The Bishop and one priest of the Diocese of Victoria serve as trustees of the Foundation. Eight lay persons form the balance of the trustees.

During the year, grants totalling \$15,900 (2017 - \$23,000) were authorized for disbursement to the Bishop of Victoria and societies controlled by the Bishop of Victoria. During the year, administrative expense of \$4,800 (2017 - \$4,800) were paid to the Bishop of Victoria. Included in accounts payable is a balance due to the Bishop of Victoria of \$400 (2017 - \$188).

These transactions are in the normal course of operations and are measured at the exchange amount of consideration agreed to by the related parties.

### 5. LIFE INSURANCE PREMIUMS

The Foundation is the beneficiary under two policies:

Face value of \$50,000 – annual premium of \$2,214 paid by the insured for which a donation receipt is issued.  
Face value of \$100,000 – annual premium of \$2,435 paid by the Foundation.

### 6. DISTRIBUTIONS

Distributions arise from investment income earned on fund balances after administrative expenses are deducted and can be accumulated for distribution during another fiscal period. Donations and capital gains are treated as capital amounts and distributions of capital are only permitted in order to meet the requirements of any applicable law, including any disbursement quota imposed under the Income Tax Act.