

*Financial Statements of*

**THE CATHOLIC FOUNDATION OF VANCOUVER  
ISLAND**

*Years ended December 31, 2016 and December 31, 2015*

## REVIEW ENGAGEMENT REPORT

To the Trustees of The Catholic Foundation of Vancouver Island

We have reviewed the statement of financial position of The Catholic Foundation of Vancouver Island as at December 31, 2016 and December 31, 2015 and the statements of operations and changes in fund balances and cash flows for the years ended December 31, 2016 and December 31, 2015. Our reviews were made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

In common with many charitable organizations, the Foundation derives revenue from the general public in the form of donations, the completeness of which is not susceptible of satisfactory review verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and fund balances.

Except as noted in the above paragraph, based on our reviews, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

*Abercrombie & Associates*

Chartered Professional Accountants

June 7, 2017

# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

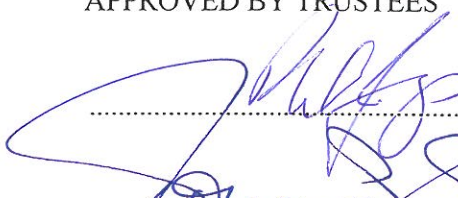
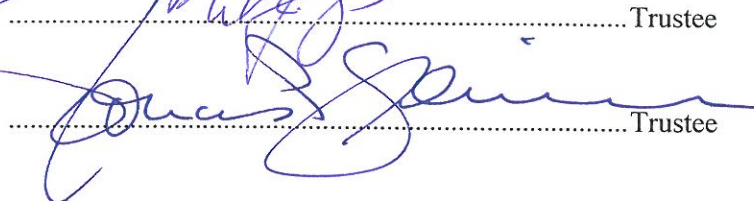
## Statements of Financial Position

December 31, 2016 and December 31, 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 26,223	\$ 31,082
Accounts receivable	2,481	2,554
	<u>28,704</u>	<u>33,636</u>
<b>INVESTMENTS (Note 3)</b>	<u>1,117,881</u>	<u>1,023,228</u>
	<u>\$ 1,146,585</u>	<u>\$ 1,056,864</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 2,900	\$ 2,670
	<u>2,900</u>	<u>2,670</u>
<b>FUND BALANCES</b>		
Internally restricted – Foundation Fund	<u>1,143,685</u>	<u>1,054,194</u>
	<u>\$ 1,146,585</u>	<u>\$ 1,056,864</u>

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, 2016 and December 31, 2015

	2016 General Fund	2016 Foundation Fund	2016 Total	2015 General Fund	2015 Foundation Fund	2015 Total
Revenue						
Donations	\$ 2,214	\$ 7,555	\$ 9,769	\$ 2,214	\$ 15,041	\$ 17,255
Interest and other	18,518	13,608	32,126	17,863	17,433	35,296
Gain (loss) on sale of investments	-	17,633	17,633	-	26,342	26,342
Unrealized gain (loss) on investments	-	88,945	88,945	-	(28,487)	(28,487)
	20,732	127,741	148,473	20,077	30,329	50,406
Expenses						
Administration	4,800	-	4,800	4,800	-	4,800
Life insurance premiums	4,649	-	4,649	4,649	-	4,649
Office and promotion	707	-	707	569	-	569
Professional fees	10,576	-	10,576	10,059	-	10,059
	20,732	-	20,732	20,077	-	20,077
EXCESS OF REVENUE OVER EXPENSES	-	127,741	127,741	-	30,329	30,329
Grants	-	38,250	38,250	-	40,500	40,500
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES AND GRANTS	-	89,491	89,491	-	(10,171)	(10,171)
Fund balance, beginning of year	-	1,054,194	1,054,194	-	1,064,365	1,064,365
FUND BALANCE, END OF YEAR	\$ -	\$ 1,143,685	\$ 1,143,685	\$ -	\$ 1,054,194	\$ 1,054,194

See accompanying notes

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# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Statements of Cash Flows

Years ended December 31, 2016 and December 31, 2015

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures and grants	\$ 89,491	\$ (10,171)
Item not involving cash		
Non-cash donation	(2,214)	(2,214)
Loss (gain) on sale of investments	(17,633)	(26,342)
Unrealized (gain) loss on investments	(88,945)	28,487
<b>CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS</b>		
Accounts receivable	73	154
Accounts payable – Bishop of Victoria	-	-
Accounts payable and accrued liabilities	230	15
	\$ (18,998)	\$ (10,071)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	\$ (378,524)	\$ (317,869)
Proceeds on sale of investments	392,663	352,446
	14,139	34,577
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(4,859)</b>	<b>24,506</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>31,082</b>	<b>6,576</b>
<b>CASH, END OF YEAR</b>	<b>\$ 26,223</b>	<b>\$ 31,082</b>

See accompanying notes and schedules



# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Notes to the Financial Statements

Years ended December 31, 2016 and December 31, 2015

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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 (2015 - \$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.

**Abercrombie & Associates**

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# THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

## Notes to the Financial Statements

Years ended December 31, 2016 and December 31, 2015

### 3. INVESTMENTS

	<u>2016</u>	<u>2015</u>
Apple Inc.	32,657	30,593
AT&T Inc.	-	30,955
Avigilon Corp	28,204	15,070
Bank of America Corp New	36,350	28,534
Bank of Nova Scotia	47,099	35,261
BCE Inc New	-	33,412
BMO Covered Call CDN Banks ETF	58,816	49,664
BNS GIC 1.8%	-	51,500
BNS Investment savings account	100,783	-
CDN Life Co Split Corp PFD 12	30,900	30,390
Canadian Utils Ltd.	54,285	47,910
Citigroup Inc. New	29,924	26,858
Chevron Corp	-	24,901
CIBC GIC 1.95%	51,500	51,500
Crescent Point Energy Corp	23,725	10,075
ECN Capital Corp	4,950	-
Element Fleet Management Corp	18,690	25,050
General Motors Co	32,044	32,243
International Business Machines Corp	-	26,665
JPMorgan Chase & Co	48,662	38,382
Loblaws Cos Ltd.	38,962	35,937
Manulife Financial Corp	46,625	40,443
Mastercard Incorporated	42,976	41,771
Metlife Inc.	45,224	41,703
Microsoft Corp.	41,718	38,392
NAV CDA MTN 4.713%	-	53,361
NBC GIC 1.65%	53,758	-
NBC GIC 1.81%	55,200	-
Power Financial Corp	23,492	22,267
Royal Bank of Canada	48,161	39,299
TD Bank	45,692	37,426
TECK Resources	-	6,408
Vancity GIC 1.25% (2015- 1.4%)	42,500	41,000
Walt Disney Co	34,984	36,358
	<u>\$ 1,117,881</u>	<u>\$ 1,023,228</u>

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## Notes to the Financial Statements

Years ended December 31, 2016 and December 31, 2015

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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 \$18,500 (2015 - \$16,000) 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 (2015 - \$4,800) were paid to the Bishop of Victoria.

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.