

Financial Statements of

**THE CATHOLIC FOUNDATION OF VANCOUVER
ISLAND**

(unaudited – see review engagement report)

Year ended December 31, 2017

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, 2017, 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, 2017, 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 20, 2018

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

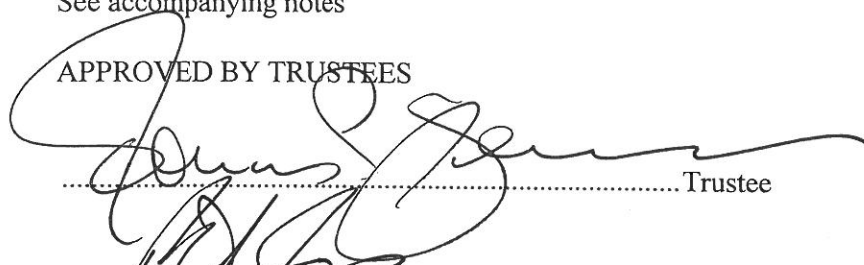
Statements of Financial Position

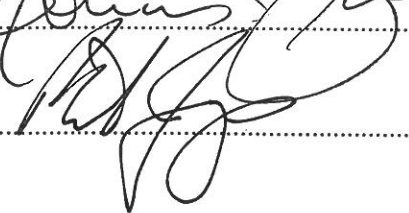
December 31, 2017 and December 31, 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash	\$ 24,145	\$ 26,223
Accounts receivable	1,533	2,481
	25,678	28,704
INVESTMENTS (Note 3)	1,179,183	1,117,881
	\$ 1,204,861	\$ 1,146,585
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,317	\$ 2,900
	3,317	2,900
FUND BALANCES		
Internally restricted – Foundation Fund	1,201,544	1,143,685
	\$ 1,204,861	\$ 1,146,585

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, 2017 and December 31, 2016

	2017 General Fund	2017 Foundation Fund	2017 Total	2016 General Fund	2016 Foundation Fund	2016 Total
Revenue						
Donations	\$ 2,214	\$ 16,410	\$ 18,624	\$ 2,214	\$ 7,555	\$ 9,769
Interest and other	20,622	11,143	31,765	18,518	13,608	32,126
Gain (loss) on sale of investments	-	23,807	23,807	-	17,633	17,633
Unrealized gain (loss) on investments	-	42,249	42,249	-	88,945	88,945
	22,836	93,609	116,445	20,732	127,741	148,473
Expenses						
Administration	4,800	-	4,800	4,800	-	4,800
Life insurance premiums	4,649	-	4,649	4,649	-	4,649
Office and promotion	790	-	790	707	-	707
Professional fees	12,597	-	12,597	10,576	-	10,576
	22,836	-	22,836	20,732	-	20,732
EXCESS OF REVENUE OVER EXPENSES	-	93,609	93,609	-	127,741	127,741
Grants	-	35,750	35,750	-	38,250	38,250
EXCESS OF REVENUE OVER EXPENSES AND GRANTS	-	57,859	57,859	-	89,491	89,491
Fund balance, beginning of year	-	1,143,685	1,143,685	-	1,054,194	1,054,194
FUND BALANCE, END OF YEAR	\$ -	\$ 1,201,544	\$ 1,201,544	\$ -	\$ 1,143,685	\$ 1,143,685

See accompanying notes

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THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Statements of Cash Flows

Years ended December 31, 2017 and December 31, 2016

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Excess of revenue over expenditures and grants	\$ 57,859	\$ 89,491
Item not involving cash		
Non-cash donation	(2,214)	(2,214)
Loss (gain) on sale of investments	(23,807)	(17,633)
Unrealized (gain) loss on investments	(42,249)	(88,945)
CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS		
Accounts receivable	949	73
Accounts payable – Bishop of Victoria	188	-
Accounts payable and accrued liabilities	230	230
	\$ (9,044)	\$ (18,998)
INVESTING ACTIVITIES		
Purchase of investments	\$ (301,862)	\$ (378,524)
Proceeds on sale of investments	308,828	392,663
	6,966	14,139
NET INCREASE (DECREASE) IN CASH	(2,078)	(4,859)
CASH, BEGINNING OF YEAR	26,223	31,082
CASH, END OF YEAR	\$ 24,145	\$ 26,223

See accompanying notes and schedules

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2017 and December 31, 2016

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 (2016 - \$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.

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THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2017 and December 31, 2016

3. INVESTMENTS

	<u>2017</u>	<u>2016</u>
ALTM HI Money Market	57,138	-
Apple Inc.	44,583	32,657
Avigilon Corp	23,199	28,204
Bank of America Corp New	45,365	36,350
Bank of Nova Scotia	35,693	47,099
BMO Covered Call CDN Banks ETF	62,400	58,816
BMO Europe High Div EFT	21,860	-
BNS Investment savings account	129,806	100,783
Canadian Utils Ltd.	56,115	54,285
Canadian Western Bank GIC 2.4%	50,000	-
CDN Life Co Split Corp PFD 12	31,020	30,900
Citigroup Inc. New	35,005	29,924
CIBC GIC 1.95%	-	51,500
Crescent Point Energy Corp	12,454	23,725
ECN Capital Corp	-	4,950
Element Fleet Management Corp	14,250	18,690
GBL Champions Split A S1 PFD	35,140	-
General Motors Co	-	32,044
JPMorgan Chase & Co	40,247	48,662
Loblaws Cos Ltd.	37,521	38,962
Manulife Financial Corp	51,129	46,625
Mastercard Incorporated	37,976	42,976
Metlife Inc.	39,642	45,224
Microsoft Corp.	53,655	41,718
NBC GIC 1.65%	53,758	53,758
NBC GIC 1.81%	55,200	55,200
Power Financial Corp	-	23,492
RBC FLT PFD	37,305	-
Royal Bank of Canada	45,166	48,161
TD Bank	36,088	45,692
Transcanada 1 st PFD	37,468	-
Vancity GIC 1.25% (2015- 1.4%)	-	42,500
Walt Disney Co	-	34,984
	<u>\$ 1,179,183</u>	<u>\$ 1,117,881</u>

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THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2017 and December 31, 2016

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 \$23,000 (2016 - \$18,500) 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 (2016 - \$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.