

Financial Statements of

**THE CATHOLIC FOUNDATION OF VANCOUVER
ISLAND**

Years ended December 31, 2014 and December 31, 2013

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, 2014 and December 31, 2013 and the statements of operations and changes in fund balances and cash flows for the years ended December 31, 2014 and December 31, 2013. 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 Accountants
June 5, 2015



THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Statements of Financial Position

December 31, 2014 and December 31, 2013

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 6,576	\$ 18,038
Accounts receivable	2,708	3,444
	9,284	21,482
INVESTMENTS (Note 3)	1,057,736	988,728
	\$ 1,067,020	\$ 1,010,210
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,655	\$ 2,854
Accounts payable – Bishop of Victoria	-	447
	2,655	3,301
FUND BALANCES		
Internally restricted – Foundation Fund	1,064,365	1,006,909
	\$ 1,067,020	\$ 1,010,210

See accompanying notes

APPROVED BY TRUSTEES


 Trustee

 Trustee

Abercrombie & Associates

CHARTERED ACCOUNTANTS

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND
Statements of Operations and Changes in Fund Balances
Years ended December 31, 2014 and December 31, 2013

	2014 General Fund	2014 Foundation Fund	2014 Total	2013 General Fund	2013 Foundation Fund	2013 Total
Revenue						
Donations	\$ 2,214	\$ 7,593	\$ 9,807	\$ 2,214	\$ 11,074	\$ 13,288
Interest and other	16,225	11,599	27,824	15,895	17,365	33,260
Gain (loss) on sale of investments	-	37,841	37,841	-	(17,059)	(17,059)
Unrealized gain (loss) on investments	-	36,573	36,573	-	58,178	58,178
	18,439	93,606	112,045	18,109	69,558	87,667
Expenses						
Administration	4,800	-	4,800	4,800	-	4,800
Board expenses	-	-	-	73	-	73
Life insurance premiums	4,649	-	4,649	4,649	-	4,649
Office and promotion	409	-	409	1,064	-	1,064
Professional fees	8,581	-	8,581	7,523	-	7,523
	18,439	-	18,439	18,109	-	18,109
EXCESS OF REVENUE OVER EXPENSES	-	93,606	93,606	-	69,558	69,558
Grants	-	36,150	36,150	-	29,500	29,500
EXCESS OF REVENUE OVER EXPENSES AND GRANTS	-	57,456	57,456	-	40,058	40,058
Fund balance, beginning of year	-	1,006,909	1,006,909	-	966,851	966,851
FUND BALANCE, END OF YEAR	\$ -	\$ 1,064,365	\$ 1,064,365	\$ -	\$ 1,006,909	\$ 1,006,909

See accompanying notes

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Statements of Cash Flows

Years ended December 31, 2014 and December 31, 2013

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures and grants	\$ 57,456	\$ 40,058
Item not involving cash		
Non-cash donation	(2,214)	(2,214)
Loss (gain) on disposal of investments	(37,841)	17,059
Unrealized (gain) loss investments	(36,573)	(58,178)
CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS		
Accounts receivable	736	1,242
Accounts payable – Bishop of Victoria	(447)	403
Accounts payable and accrued liabilities	(199)	44
	\$ (19,082)	\$ (1,586)
INVESTING ACTIVITIES		
Purchase of investments	\$ (450,929)	\$ (415,422)
Proceeds on sale of investments	458,549	427,418
	7,620	11,996
NET INCREASE (DECREASE) IN CASH	(11,462)	10,410
CASH, BEGINNING OF YEAR	18,038	7,628
CASH, END OF YEAR	\$ 6,576	\$ 18,038

See accompanying notes and schedules

Abercrombie & Associates

CHARTERED ACCOUNTANTS

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2014 and December 31, 2013

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 (2013 - \$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. Accrued liabilities are classified as other financial assets. 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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CHARTERED ACCOUNTANTS

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2014 and December 31, 2013

3. INVESTMENTS

	<u>2014</u>	<u>2013</u>
Aimia Inc	\$ -	\$ 24,387
Altimira High Interest	-	167,283
Apple Inc.	26,891	17,901
AT&T Inc.	25,329	-
Avigilon Corp	21,098	-
Bank of Nova Scotia	41,775	-
BMO Covered Call CDN Banks ETF	54,688	25,680
BNS GIC 1.8%	52,175	-
Bombardier Inc. 5.5% Series 2 Pfd	13,090	15,279
Canadian APRT Reit	35,182	-
Canadian Utils Ltd.	17,387	15,160
Chevron Corp	26,028	-
CIBC GIC 1.95%	52,232	-
Crescent Point Energy	16,819	-
General Electric Co	24,918	-
General Motors Co	27,742	29,777
Home Depot	24,355	-
International Business Machines Corp	26,058	-
Ishares Dex All Corp Bd Index Fund	62,350	60,117
Ishares S&P/TSX Capital Energy	-	84,084
Ishares S&P/TSX Capital Financial Index	-	119,474
JPMorgan Chase & Co	30,492	-
Loblaws Cos Ltd.	34,193	-
Manulife Fin, annual yield 4.896%	-	58,782
Manulife Financial Corp	43,251	20,436
Mastercard	30,986	-
Microsoft Corp.	26,943	19,895
NAV CDA MTN 4.713%	55,768	56,388
NTL BK FLTG, annual yield 4.7%	56,718	57,741
Power Financial Corp	25,326	-
RBC Investment Savings	61,761	142,622
RBC Investment Savings F-NA	-	56,383
Riocan Reit Trust Units	18,501	17,339
Royal Bank of Canada	42,527	-
TD Bank	38,302	-
TECK Resources	19,056	-
United Parcel DVC Inc.	25,795	-
	\$ <u>1,057,736</u>	\$ <u>988,728</u>

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CHARTERED ACCOUNTANTS

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2014 and December 31, 2013

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 \$30,150 (2013 - \$6,000) 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 (2013 - \$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.

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CHARTERED ACCOUNTANTS