

Financial Statements of

**THE CATHOLIC FOUNDATION OF VANCOUVER
ISLAND**

(unaudited – see review engagement report)

Year ended December 31, 2019

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, 2019, 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, 2019, 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, 2020

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Statements of Financial Position

December 31, 2019 and December 31, 2018

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 16,351	\$ 12,460
Accounts receivable	4,197	2,034
	20,548	14,494
INVESTMENTS (Note 3)	1,297,850	1,119,341
	\$ 1,318,398	\$ 1,133,835
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,680	\$ 4,100
	3,680	4,100
FUND BALANCES		
Internally restricted – Foundation Fund	1,314,718	1,129,735
	\$ 1,318,398	\$ 1,133,835

See accompanying notes

APPROVED BY TRUSTEES

.....Trustee

.....Trustee

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND
Statements of Operations and Changes in Fund Balances
Years ended December 31, 2019 and December 31, 2018

	2019 General Fund	2019 Foundation Fund	2019 Total	2018 General Fund	2018 Foundation Fund	2018 Total
Revenue						
Donations	\$ 2,214	\$ 6,257	\$ 8,471	\$ 2,214	\$ 7,641	\$ 9,855
Interest and other	19,093	15,902	34,995	21,220	10,936	32,156
Gain (loss) on sale of investments	-	85,325	85,325	-	(20,034)	(20,034)
Unrealized gain (loss) on investments	-	120,149	120,149	-	(33,308)	(33,308)
	21,307	227,633	248,940	23,434	(34,765)	(11,331)
Expenses						
Administration	4,800	-	4,800	4,800	-	4,800
Life insurance premiums	4,649	-	4,649	4,649	-	4,649
Office and promotion	410	-	410	950	-	950
Professional fees	11,448	-	11,448	13,035	-	13,035
	21,307	-	21,307	23,434	-	23,434
EXCESS OF REVENUE OVER EXPENSES	-	227,633	227,633	-	(34,765)	(34,765)
Grants	-	42,650	42,650	-	37,044	37,044
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES AND GRANTS	-	184,983	184,983	-	(71,809)	(71,809)
Fund balance, beginning of year	-	1,129,735	1,129,735	-	1,201,544	1,201,544
FUND BALANCE, END OF YEAR	\$ -	\$ 1,314,718	\$ 1,314,718	\$ -	\$ 1,129,735	\$ 1,129,735

See accompanying notes

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Statements of Cash Flows

Years ended December 31, 2019 and December 31, 2018

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenditures and grants	\$ 184,983	\$ (71,809)
Item not involving cash		
Non-cash donation	(2,214)	(2,214)
Loss (gain) on sale of investments	(85,325)	20,034
Unrealized (gain) loss on investments	(120,149)	33,308
CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS		
Accounts receivable	2,163	(501)
Accounts payable and accrued liabilities	(420)	783
	\$ (20,962)	\$ (20,399)
INVESTING ACTIVITIES		
Purchase of investments	\$ (245,911)	\$ (125,278)
Proceeds on sale of investments	270,764	133,992
	24,853	8,714
NET INCREASE (DECREASE) IN CASH	3,891	(11,685)
CASH, BEGINNING OF YEAR	12,460	24,145
CASH, END OF YEAR	\$ 16,351	\$ 12,460

See accompanying notes and schedules

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2019 and December 31, 2018

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 (2018 - \$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, 2019 and December 31, 2018

3. INVESTMENTS

	<u>2019</u>	<u>2018</u>
Apple Inc.	57,209	45,190
Bank of America Corp New	27,446	41,177
Bank of Nova Scotia	32,274	29,942
BMO Covered Call CDN Banks ETF	58,976	54,528
BMO Europe High Div EFT	21,120	18,520
Canadian Natural Resources Ltd.	43,260	33,928
Canadian Utils Ltd.	58,755	46,980
Canadian Western Bank GIC 2.4%	50,000	50,000
CCBC GIC 2.8%	67,500	-
CDN Life Co Split Corp PFD 12	31,590	29,970
CIBC GIC 2.5%	67,500	-
Citigroup Inc. New	38,910	26,633
Enbridge Inc.	41,304	42,410
George Weston Ltd.	7,624	6,664
JP BK CDA	29,613	27,903
JPMorgan Chase & Co	27,158	39,952
LBCC GIC 2.76%	57,888	57,888
Loblaws Cos Ltd.	36,850	33,610
Manulife Financial Corp	51,402	37,771
Manulife Bank Premium	55,006	-
Mastercard Incorporated	58,171	51,471
Metlife Inc.	-	35,009
Micron Technology Inc.	29,686	18,397
Microsoft Corp.	61,446	69,281
NTL Bank of Canada	39,644	30,827
NBC GIC 1.81%	-	55,200
NBC NBI	-	37,774
RBC FLT PFD	-	37,650
Ren US Hi Int Savings	127,962	37,534
Royal Bank of Canada	34,935	41,114
Superior Plus Corporation	22,106	17,037
TC Energy Red	26,828	-
TD Bank	35,687	33,251
Transcanada 1 st PFD	-	31,730
	<u>\$ 1,297,850</u>	<u>\$ 1,119,341</u>

Subsequent to December 31, 2019, as a result of the Covid-19 pandemic, there has been a significant decrease in the fair market value of the investments. No provision has been made in the financial statements with respect to the 2020 change in investment market values.

Abercrombie & Associates

CHARTERED PROFESSIONAL ACCOUNTANTS

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2019 and December 31, 2018

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 \$15,000 (2018 - \$15,900) 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 (2018 - \$4,800) were paid to the Bishop of Victoria. Included in accounts payable is a balance due to the Bishop of Victoria of \$108 (2018 - \$400).

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.