

Financial Statements of

**THE CATHOLIC FOUNDATION OF VANCOUVER
ISLAND**

(unaudited – see review engagement report)

Year ended December 31, 2020

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, 2020, 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, 2020, 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 1, 2021

THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Statements of Financial Position

December 31, 2020 and December 31, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash	\$ 79,764	\$ 16,351
Accounts receivable	2,715	4,197
	82,479	20,548
INVESTMENTS (Note 3)	1,210,314	1,297,850
	\$ 1,292,793	\$ 1,318,398
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,680	\$ 3,680
	3,680	3,680
FUND BALANCES		
Internally restricted – Foundation Fund	1,289,113	1,314,718
	\$ 1,292,793	\$ 1,318,398

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, 2020 and December 31, 2019

	2020 General Fund	2020 Foundation Fund	2020 Total	2019 General Fund	2019 Foundation Fund	2019 Total
Revenue						
Donations	\$ 2,214	\$ 6,750	\$ 8,964	\$ 2,214	\$ 6,257	\$ 8,471
Interest and other	19,349	17,391	36,740	19,093	15,902	34,995
Gain (loss) on sale of investments	-	(8,246)	(8,246)	-	85,325	85,325
Unrealized gain (loss) on investments	-	(11,050)	(11,050)	-	120,149	120,149
	21,563	4,845	26,408	21,307	227,633	248,940
Expenses						
Administration	4,800	-	4,800	4,800	-	4,800
Life insurance premiums	4,649	-	4,649	4,649	-	4,649
Office and promotion	132	-	132	410	-	410
Professional fees	11,982	-	11,982	11,448	-	11,448
	21,563	-	21,563	21,307	-	21,307
EXCESS OF REVENUE OVER EXPENSES	-	4,845	4,845	-	227,633	227,633
Grants	-	30,450	30,450	-	42,650	42,650
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES AND GRANTS	-	(25,605)	(25,605)	-	184,983	184,983
Fund balance, beginning of year	-	1,314,718	1,314,718	-	1,129,735	1,129,735
FUND BALANCE, END OF YEAR	\$ -	\$ 1,289,113	\$ 1,289,113	\$ -	\$ 1,314,718	\$ 1,314,718

See accompanying notes

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THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Statements of Cash Flows

Years ended December 31, 2020 and December 31, 2019

	2020	2019
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenditures and grants	\$ (25,605)	\$ 184,983
Item not involving cash		
Non-cash donation	(2,214)	(2,214)
Loss (gain) on sale of investments	8,246	(85,325)
Unrealized (gain) loss on investments	11,050	(120,149)
CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS		
Accounts receivable	1,482	(2,163)
Accounts payable and accrued liabilities	-	(420)
	\$ (7,041)	\$ (25,288)
INVESTING ACTIVITIES		
Purchase of investments	\$ (251,333)	\$ (241,585)
Proceeds on sale of investments	321,787	270,764
	70,454	29,179
NET INCREASE (DECREASE) IN CASH	63,413	3,891
CASH, BEGINNING OF YEAR	16,351	12,460
CASH, END OF YEAR	\$ 79,764	\$ 16,351

See accompanying notes and schedules

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THE CATHOLIC FOUNDATION OF VANCOUVER ISLAND

Notes to the Financial Statements

Years ended December 31, 2020 and December 31, 2019

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 (2019 - \$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, 2020 and December 31, 2019

3. INVESTMENTS

	<u>2020</u>	<u>2019</u>
Apple Inc.	94,607	57,209
Bank of America Corp New	23,154	27,446
Bank of Nova Scotia	30,272	32,274
BMO Covered Call CDN Banks ETF	56,256	58,976
Canadian Natural Resources Ltd.	31,508	43,260
Canadian Utils Ltd.	46,635	58,755
CCBC GIC 2.8%	67,500	67,500
CDN Life Co Split Corp PFD 12	30,120	31,590
Enbridge Inc.	32,568	41,304
George Weston Ltd.	34,229	7,624
Ishares CDN Corp BD Index EFT	32,547	-
Ishares COR CDN ST BD Index EFT	47,991	-
JP BK CDA	29,889	29,613
JPMorgan Chase & Co	24,268	27,158
LBCC GIC 2.76%	57,888	57,888
Loblaws Cos Ltd.	34,545	36,850
Manulife Financial Corp	44,168	51,402
Manulife Bank Premium	57,603	55,006
Mastercard Incorporated	68,167	58,171
Micron Technology Inc.	40,681	29,686
Microsoft Corp.	84,956	61,446
Ren US Hi Int Savings	109,570	127,962
Royal Bank of Canada	35,561	34,935
SPDR Portfolio TIPS EFT	39,635	-
TC Energy Red	21,584	26,828
Telus Corp	34,412	-
BMO Europe High Div EFT	-	21,120
Canadian Western Bank GIC 2.4%	-	50,000
CIBC GIC 2.5%	-	67,500
Citigroup Inc. New	-	38,910
NTL Bank of Canada	-	39,644
Superior Plus Corporation	-	22,106
TD Bank	-	35,687
	\$ <u>1,210,314</u>	\$ <u>1,297,850</u>

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Notes to the Financial Statements

Years ended December 31, 2020 and December 31, 2019

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 (2019 - \$15,000) 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 (2019 - \$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.

7. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.