

**Canadian Foundation for Spiritual Care**

**Financial Statements**

December 31, 2014

**Canadian Foundation for Spiritual Care**  
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**December 31, 2014**

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A Member Firm of The AC Group of Independent Accounting Firms Limited

## **Independent Auditor's Report**

To the Members of  
Canadian Foundation for Spiritual Care

We have audited the accompanying financial statements of Canadian Foundation for Spiritual Care, which comprise the statement of financial position as at December 31, 2014, and the statements of operations and changes in net assets and cash flows for the year then ended, and 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 for 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independent Auditor's Report, continued

### *Basis for Qualified Opinion*

Canadian Foundation for Spiritual Care derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

### *Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the foundation as at December 31, 2014 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.

### *Other Matter*

The balance sheets as at December 31, 2013 and January 1, 2013, and the statements of operations and changes in net assets and cash flows for the year ended December 31, 2013, were audited by another accounting firm.



Bedford, Nova Scotia  
April 3, 2015

**RGH Inc.**  
Chartered Accountants

**Canadian Foundation for Spiritual Care**  
**Statement of Financial Position**  
December 31

	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 3,316	\$ 3,301
Accounts receivable	36	36
	<b>3,352</b>	3,337
<b>INVESTMENTS (note 3)</b>	<b>159,202</b>	144,812
<b>PROPERTY, PLANT AND EQUIPMENT (note 4)</b>	<b>140</b>	175
	<b>\$ 162,694</b>	\$ 148,324
<b>LIABILITY</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 999	\$ 999
<b>UNRESTRICTED NET ASSETS</b>	<b>161,695</b>	147,325
	<b>\$ 162,694</b>	\$ 148,324

On behalf of the Board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

See accompanying notes to the financial statements

**Canadian Foundation for Spiritual Care**  
**Statement of Operations and Changes in Net Assets**  
Year ended December 31

	<b>2014</b>	<b>2013</b>
<b>REVENUES</b>		
Contribution Revenue	\$ 10,690	\$ 10,130
Dividend income	5,116	5,014
Interest income	429	429
	<b>16,235</b>	15,573
<b>EXPENDITURES</b>		
Professional fees	5,775	1,017
Research Grants	3,200	2,646
Bursary	3,000	2,950
Investment fees	1,688	1,458
Office	1,193	1,207
Amortization	35	44
	<b>14,891</b>	9,322
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>1,344</b>	6,251
<b>OTHER INCOME (EXPENSE)</b>		
Gain (loss) on disposal of investments	2,382	(3,201)
Unrealised gain on write up to market of investments	10,644	15,328
	<b>13,026</b>	12,127
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>14,370</b>	18,378
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	<b>147,325</b>	128,947
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	<b>\$ 161,695</b>	\$ 147,325

See accompanying notes to the financial statements

**Canadian Foundation for Spiritual Care**  
**Statement of Cash Flows**  
Year ended December 31

	<b>2014</b>	<b>2013</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 14,370	\$ 18,378
Adjustments for		
Amortization	35	44
(Gain) loss on disposal of investments	(2,382)	3,201
Unrealised gain on write up to market of investments	(10,644)	(15,328)
	<b>1,379</b>	<b>6,295</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(23,624)	(31,933)
Proceeds on sale of investments	22,260	26,678
	<b>(1,364)</b>	<b>(5,255)</b>
<b>NET INCREASE IN CASH</b>	<b>15</b>	<b>1,040</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>3,301</b>	<b>2,261</b>
<b>CASH, END OF YEAR</b>	<b>\$ 3,316</b>	<b>\$ 3,301</b>
 <b>CASH CONSISTS OF:</b>		
Cash	\$ 1,922	\$ 2,400
Investment cash account	1,394	901
	<b>\$ 3,316</b>	<b>\$ 3,301</b>

See accompanying notes to the financial statements

**1. Nature of operations**

Canadian Foundation for Spiritual Care was created for the purpose of promoting the advancement of pastoral practice and education in Canada by fostering research, and enhancing training and service possibilities. The foundation was incorporated on January 1, 2003 as a charitable foundation and is exempt from tax under the provision of the Income Tax Act.

**2. Significant accounting policies**

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized as follows.

**(a) Cash and cash equivalents**

Cash consists of bank accounts held with financial institutions.

**(b) Revenue recognition**

The foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Interest and dividend income on investments is recognized as earned. Realized gains or losses on investments are recognized when the individual investments are sold. Any increases or decreases in market value of remaining investments on hand at year-end are recognized as unrealised gains or losses, and included as part of investment income for the year.

**(c) Equipment**

Equipment is recorded at cost and is being amortized over its estimated useful life on a declining balance method. The annual amortization rate is as follows:

Equipment	20%
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**2. Significant accounting policies, continued**

**(d) Investments**

Investments are recorded at fair value. Unrealized gains and losses as a result of fair value adjustments at year end are included in investment income for the year.

**(e) Donated material and services**

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

**Canadian Foundation for Spiritual Care**  
**Notes to the Financial Statements**  
December 31, 2014

**3. Investments**

	Cost	2014 Market	Cost	2013 Market
Power Financial Corp (275 shares)	\$ 7,568	\$ 9,950	\$ 7,568	\$ 9,900
Crombie Real Estate Investment Trust (625 units)	8,231	8,075	8,732	8,462
TransCanada Corporation (225 shares)	7,281	12,848	7,281	10,922
Toronto-Dominion Bank (240 shares)	8,773	13,322	8,773	12,013
BRP Finance ULC (6.132% due 11/30/2016)	7,539	7,490	7,539	7,675
BCE Inc - Redeemable Preferred (400 shares)	10,040	10,216	-	-
Brookfield Asset Mgmt inc - 4.2% Cumulative Pref. (275 shares)	7,003	6,982	-	-
Bank of Nova Scotia (200 shares)	10,734	13,262	10,734	13,286
Manulife Financial Corp. - 5.6% non-cumulative 5 years (395 shares)	-	-	10,454	10,045
Northland Power Inc. - 5.25% cumulative pref. (460 shares)	11,499	9,458	11,499	9,402
AT&T Inc. - 250 shares	7,087	9,742	8,505	11,219
General Electric Co (470 shares)	9,167	13,778	9,167	14,012
General Mills Inc (225 shares)	9,380	13,920	7,946	10,603
JP Morgan Chase & Co (245 shares)	14,388	17,787	8,739	9,327
Newell Rubbermaid Inc. (280 shares)	7,965	12,373	7,965	9,633
Teva Pharmaceutical Ltd (195 shares)	-	-	8,016	8,313
	<b>\$ 126,655</b>	<b>\$ 159,203</b>	<b>\$ 122,918</b>	<b>\$ 144,812</b>

**Canadian Foundation for Spiritual Care**  
**Notes to the Financial Statements**  
December 31, 2014

**4. Property, plant and equipment**

	<b>2014</b>		<b>2013</b>	
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>	<b>Net</b>
Equipment	\$ 475	\$ 335	\$ 140	\$ 175

**5. Related party transactions**

The Foundation is related to the Canadian Association for Spiritual Care by way of membership. Any transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. During the year, the foundation did not enter into any transactions with the related party.

**6. Financial instruments**

The foundation's financial instruments consist of cash, equity investments, accounts payable and accrued liabilities. It is management's opinion that the foundation is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.