

**CANADIAN FOUNDATION FOR
SPIRITUAL CARE**

Financial Statements

December 31, 2013

CANADIAN FOUNDATION FOR SPIRITUAL CARE

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Independent Auditor's Report

To the Board of Directors 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, 2013**, 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 qualified audit opinion.

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, 2013 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.

Independent Auditor's Report, continued

Other Matter

The financial statements of Canadian Foundation for Spiritual Care for the year ended December 31, 2012 were audited by Horwich Rossiter, who expressed an unmodified opinion on those statements on March 22, 2013. The partners and staff of Horwich Rossiter joined Grant Thornton LLP subsequent to February 28, 2014.

Grant Thornton LLP

Halifax, Nova Scotia
March 21, 2014

Chartered Accountants

CANADIAN FOUNDATION FOR SPIRITUAL CARE

Statement of Operations and Changes in Net Assets For the year ended December 31, 2013

	2013	2012
Revenues		
Contribution Revenue	\$ 10,130	\$ 10,435
Dividend income	5,014	4,496
Interest income	<u>429</u>	<u>485</u>
	<u>15,573</u>	<u>15,416</u>
Expenditures		
Bursaries	2,950	3,000
Research grants	2,646	3,000
Investment fees	1,458	1,318
Professional fees	1,017	1,569
Office supplies	542	1,620
Entertainment of guests	330	143
Interest and bank charges	180	127
Conference calls	125	102
Amortization	44	55
Government dues	<u>30</u>	<u>30</u>
	<u>9,322</u>	<u>10,964</u>
Excess of revenues over expenditures from operations	<u>6,251</u>	<u>4,452</u>
Other income (expense)		
Gain (loss) on disposal of marketable securities	(3,201)	2,100
Unrealized gain on write up to market of investments	<u>15,328</u>	<u>5,732</u>
	<u>12,127</u>	<u>7,832</u>
Excess of revenues over expenditures	18,378	12,284
Unrestricted net assets, beginning of year	<u>128,947</u>	<u>116,663</u>
Unrestricted net assets, end of year	<u>\$ 147,325</u>	<u>\$ 128,947</u>

(The accompanying notes are an integral part of these financial statements)

CANADIAN FOUNDATION FOR SPIRITUAL CARE

Statement of Financial Position As at December 31, 2013

	2013	2012
Assets		
Current		
Cash	\$ 3,301	\$ 2,261
Accounts receivable	<u>36</u>	<u>36</u>
	3,337	2,297
Investments (Note 3)	144,812	127,431
Equipment (Note 4)	<u>175</u>	<u>219</u>
	<u>\$ 148,324</u>	<u>\$ 129,947</u>
Liability		
Current		
Accounts payable	\$ 999	\$ 1,000
Net Assets		
Unrestricted net assets	<u>147,325</u>	<u>128,947</u>
	<u>\$ 148,324</u>	<u>\$ 129,947</u>

Approved on behalf of the board

_____ Member

_____ Member

CANADIAN FOUNDATION FOR SPIRITUAL CARE

Statement of Cash Flows For the year ended December 31, 2013

	2013	2012
Cash flows from (used in) operating activities		
Excess of revenues over expenditures	\$ 18,378	\$ 12,284
Adjustments for		
Amortization	44	55
Loss (gain) on disposal of marketable securities	3,201	(2,100)
Unrealized (gain) loss on investments	<u>(15,328)</u>	<u>(5,732)</u>
	<u>6,295</u>	<u>4,507</u>
Change in non-cash working capital items		
Accounts receivable	-	(36)
Accounts payable	<u>-</u>	<u>(2)</u>
	<u>-</u>	<u>(38)</u>
	<u>6,295</u>	<u>4,469</u>
Cash flows from (used in) investing activities		
Purchase of investments	(31,933)	(67,899)
Proceeds on sale of investments	<u>26,678</u>	<u>55,626</u>
	<u>(5,255)</u>	<u>(12,273)</u>
Increase (decrease) in cash	1,040	(7,804)
Cash, beginning of year	<u>2,261</u>	<u>10,065</u>
Cash, end of year	<u>\$ 3,301</u>	<u>\$ 2,261</u>
Represented by:		
Cash	\$ 2,400	\$ 807
Investment cash account	<u>901</u>	<u>1,454</u>
	<u>\$ 3,301</u>	<u>\$ 2,261</u>

(The accompanying notes are an integral part of these financial statements)

CANADIAN FOUNDATION FOR SPIRITUAL CARE

Notes to the Financial Statements For the year ended December 31, 2013

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 provisions 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) 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 unrealized gains or losses, and included as part of investment income for the year.

(b) Equipment

Equipment is recorded at cost and is being amortized over its estimated useful life. The annual amortization rates and methods are as follows:

Equipment	20% Declining balance
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One-half the normal amortization amount is recorded in the year of acquisition.

(c) Investments

Investments are recorded at fair value. Unrealized gains and losses as a result of fair value adjustments at year end are recognized in net assets.

CANADIAN FOUNDATION FOR SPIRITUAL CARE

Notes to the Financial Statements For the year ended December 31, 2013

3. Investments

	<u>Cost</u>	<u>2013 Market</u>	<u>Cost</u>	<u>2012 Market</u>
Power Financial Corp - 275 shares	\$ 7,568	\$ 9,900	\$ 7,568	\$ 7,491
BMO InvestorLine Account	-	-	6,000	6,000
Crombie Real Estate Trust	8,732	8,462	8,981	9,225
TransCanada Corp - 225 shares	7,281	10,922	7,281	10,580
TD Bank - 120 shares	8,773	12,013	8,773	10,050
BRP Finance ULC - 6.132% - 11/30/2016	7,539	7,675	7,539	7,707
Bank of Nova Scotia - common	10,734	13,286	10,734	11,492
Bank of Nova Scotia - 5% - Non- cumulative 5 years	-	-	7,869	7,449
Manulife Financial Corp. - 5.6% - Non-cumulative 5 year	10,454	10,045	6,723	6,570
Northland Power Inc. - 5.25%	11,499	9,402	7,768	7,665
AT&T Inc. - 300 shares	8,505	11,219	8,505	10,032
Barrick Gold Corp - 160 shares	-	-	6,235	5,571
Finning International Inc. - 260 shares	-	-	6,386	6,388
General Electric Co - 470 shares	9,167	14,012	9,168	9,786
General Mills Inc - 200 shares	7,946	10,603	11,323	11,425
JP Morgan Chase & Co. - 150 shares	8,739	9,327	-	-
Newell Rubbermaid Inc. - 280 shares	7,965	9,633	-	-
Teva Pharmaceutical Ltd - 195 shares	8,016	8,313	-	-
	<u>\$ 122,918</u>	<u>\$ 144,812</u>	<u>\$ 120,853</u>	<u>\$ 127,431</u>

Investments consist of equity investments and GICs and are valued at market value.

4. Equipment

	<u>2013</u>			<u>2012</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	<u>\$ 475</u>	<u>\$ 300</u>	<u>\$ 175</u>	<u>\$ 219</u>

5. Capital management

The foundation's objective in managing its capital is to remain a sustainable operation while fulfilling its overall mandate. It achieves this objective by day-to-day management of its cash flows, and by regularly monitoring revenues and expenditures against its annual operating and capital budgets. When necessary, the entity takes appropriate action to reduce expenditures or curtail programs when actual revenues do not meet its budget and alternate sources of revenue cannot be found.

CANADIAN FOUNDATION FOR SPIRITUAL CARE

Notes to the Financial Statements For the year ended December 31, 2013

6. **Financial instruments and credit risk**

The foundation's financial instruments consist of cash, equity investments and GICs, accounts payable and accrued liabilities.

Due to their short term nature, all other financial instruments are considered to be carried at amounts which approximate their fair value.

The foundation does not enter into hedging activities and does not engage in derivative transactions.

The foundation is not exposed to any credit risk.