

Canadian Foundation for Spiritual Care

Financial Statements

December 31, 2016

Canadian Foundation for Spiritual Care
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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, 2016, 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, 2016 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.



Bedford, Nova Scotia
June 8, 2017

RGH Inc.
Chartered Professional Accountants, Licensed
Public Accountants

Canadian Foundation for Spiritual Care
Statement of Financial Position
December 31

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 5,695	\$ 59,029
Accounts receivable	-	374
	5,695	59,403
INVESTMENTS (note 3)		
General investments	203,961	170,998
King education fund investments	58,364	-
	262,325	170,998
OTHER ASSETS		
Property, plant and equipment (note 4)	90	112
	\$ 268,110	\$ 230,513

LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,001	\$ 1,000
DEFERRED BURSARIES (note 5)	-	50,000
	1,001	51,000
UNRESTRICTED NET ASSETS	267,109	179,513
	\$ 268,110	\$ 230,513

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

	2016	2015
REVENUES		
Contribution Revenue	\$ 65,220	\$ 10,682
Dividend income	7,493	5,917
Interest income	840	589
	73,553	17,188
EXPENDITURES		
Research Grants	4,000	4,000
Bursary	3,000	2,000
Professional fees	2,458	1,417
Investment fees	2,336	1,842
Office	890	402
Amortization	22	28
	12,706	9,689
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	60,847	7,499
OTHER INCOME (EXPENSE)		
Gain on foreign exchange	201	-
Loss on disposal of investments	(4,754)	(4,569)
Unrealised gain on write up to market of investments	31,302	14,888
	26,749	10,319
EXCESS OF REVENUES OVER EXPENDITURES	87,596	17,818
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	179,513	161,695
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 267,109	\$ 179,513

See accompanying notes to the financial statements

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

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 87,596	\$ 17,818
Adjustments for		
Amortization	22	28
Loss on disposal of investments	4,754	4,569
Unrealised gain on write up to market of investments	<u>(31,302)</u>	<u>(14,888)</u>
	61,070	7,527
Change in non-cash working capital item		
Accounts receivable	<u>375</u>	<u>(337)</u>
	61,445	7,190
INVESTING ACTIVITIES		
Purchase of investments	<u>(94,064)</u>	(8,608)
Proceeds on sale of investments	<u>29,285</u>	<u>7,131</u>
	(64,779)	(1,477)
FINANCING ACTIVITY		
Deferred bursaries	<u>(50,000)</u>	50,000
NET (DECREASE) INCREASE IN CASH	(53,334)	55,713
CASH, BEGINNING OF YEAR	59,029	3,316
CASH, END OF YEAR	\$ 5,695	\$ 59,029
CASH CONSISTS OF:		
Cash	\$ 4,157	\$ 54,446
Investment cash account	<u>1,538</u>	<u>4,583</u>
	\$ 5,695	\$ 59,029

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.

2. Significant accounting policies, continued

(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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(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, 2016

3. Investments

	2016		2015	
	Cost	Market	Cost	Market
Crombie Real Estate Investment Trust (625 units)	\$ 7,559	\$ 8,488	\$ 7,872	\$ 8,000
Power Financial Corp (275 shares)	7,568	9,229	7,568	8,748
TransCanada Corporation (225 shares)	7,281	13,622	7,281	10,168
Toronto-Dominion Bank (240 shares)	8,773	15,893	8,773	13,018
BRP Finance ULC (6.132% due 11/30/2016)	-	-	7,804	7,259
BCE Inc - Redeemable Preferred (550 shares)	-	-	13,252	11,792
Brookfield Asset Mgmt inc - 4.2% Cumulative Pref. (450 shares)	-	-	10,424	9,266
Bank of Nova Scotia (235 shares)	12,802	17,569	12,802	13,153
AT&T Inc. - 250 shares	7,087	14,276	7,087	11,906
General Electric Co (470 shares)	9,167	19,942	9,167	20,262
General Mills Inc (225 shares)	9,380	18,661	9,380	17,955
JP Morgan Chase & Co (245 shares)	14,388	28,386	14,388	22,389
Newell Rubbermaid Inc (280 shares)	7,965	16,786	7,965	17,082
Ishares Canadian Short Term Bond Index ETF (280 shares)	7,890	7,855	-	-
BMO Laddered Preferred Share Index ETF Unit (3,100 shares)	31,555	33,170	-	-
Ishares Canadian Short Term Bond Index ETF (190 shares)	5,411	5,330	-	-
BMO Laddered Preferred Share Index ETF Unit (545 shares)	5,548	5,832	-	-
Bank of Nova Scotia (60 shares)	3,707	4,486	-	-

Canadian Foundation for Spiritual Care
Notes to the Financial Statements
December 31, 2016

3. Investments, continued

Cymbria Corporation (150 shares)	4,874	5,903	-	-
Fortis Inc (100 shares)	4,069	4,146	-	-
Ishares Core S&P 500 Index ETF Cad-Hedged (420 shares)	9,870	10,739	-	-
Ishares S&P/TSX Capped Energy Index ETF (300 shares)	3,123	4,206	-	-
Manulife Financial Corp (175 shares)	3,089	4,184	-	-
National Bank of Canada (100 shares)	4,226	5,453	-	-
Telus Corporation (90 shares)	3,773	3,848	-	-
Transcanada Corporation (70 shares)	3,449	4,238	-	-
	\$ 182,554	\$ 262,325	\$ 115,891	\$ 170,998

4. Property, plant and equipment

	2016		2015	
	Cost	Accumulated amortization	Net	Net
Equipment	\$ 475	\$ 385	\$ 90	\$ 112

5. Deferred bursaries

During the year the foundation recognized the contribution received in the prior year of \$50,000 as revenue. The contribution was used towards purchase of new investments during the year.

6. 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.

7. Financial instruments risks and uncertainties

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.