

**CANADIAN FRIENDS SERVICE COMMITTEE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2013**

**Lyne Arseneau**  
CHARTERED ACCOUNTANT

**LYNE ARSENEAU, CPA, C.A.**  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Canadian Friends Service Committee

I have audited the accompanying financial statements of Canadian Friends Service Committee, which comprise the statement of financial position as at March 31, 2013, March 31, 2012, and April 1, 2011 and the statements of operations and fund balance, and statement of cash flow for the years 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**

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

In common with many charitable organizations the corporation may derive revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly my verification of these revenues was limited to the amounts recorded by the corporation and I was not able to determine whether any adjustments might be necessary to these revenues, excess of income over expense, asset and fund balances.

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

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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 entity'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 entity'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, except for the effects of any adjustments which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations referred to earlier, the financial statements present fairly, in all material respects, the financial position of Canadian Friends Service Committee as at March 31, 2013, March 31, 2012, and April 1, 2011 and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

As required by the Corporations Act, I report that, in my opinion, these standards have been applied on a basis consistent with that of the preceding year.



Toronto

July 4, 2013

Chartered Accountant

CPA

Licensed Public Accountant

**CANADIAN FRIENDS SERVICE COMMITTEE**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31 2013**

	2013	2012	April 1, 2011 (Note 2)
	\$	\$	\$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	48,524	145,591	89,454
Short term investments (Note 2)	2,235,909	2,109,039	1,826,805
Investment in Canadian Alternative Investment Co-operative Trust (CAIC)	173,000	173,000	173,000
Prepaid expenses	4,129	4,212	3,908
Other receivables	3,863	9,277	8,049
	<b>2,465,425</b>	<b>2,441,119</b>	<b>2,101,216</b>
CAPITAL ASSETS (Note 3)	4,546	6,494	7,722
<b>Total Assets</b>	<b>2,469,971</b>	<b>2,447,613</b>	<b>2,108,938</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable	13,507	10,854	11,660
Deferred income	21,112	2,000	967
Project funding payable (Note 4)	17,085	45,851	20,213
Interest free loans (Note 5)	103,000	103,000	103,000
	<b>154,704</b>	<b>161,705</b>	<b>135,840</b>
<b>NET ASSETS</b>			
UNRESTRICTED NET ASSETS	2,315,267	2,285,908	1,973,098
	<b>2,469,971</b>	<b>2,447,613</b>	<b>2,108,938</b>

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_  
General Secretary

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Director

**CANADIAN FRIENDS SERVICE COMMITTEE**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended March 31 2013

	2013 \$	2012 \$
<b>UNRESTRICTED NET ASSETS</b>		
<b>UNDESIGNATED FUND</b>		
Balance, beginning of the year	356,056	337,192
Deficiency of revenues over expenses	(4,386)	(108,305)
Transfer to Fischer Income Fund	(10,000)	(12,000)
Transfer from Bequest Fund	136,056	138,818
Transfer from QIAP Fund	-	351
Undesignated Fund, end of the year	477,726	356,056
<b>BEQUEST FUND</b>		
Balance, beginning of the year	1,092,852	810,912
Bequest received	33,745	420,758
Transfer to General Fund	(136,056)	(138,818)
Bequest Fund, end of the year	990,541	1,092,852
<b>FISCHER INCOME FUND</b>		
Balance, beginning of the year	664,000	652,000
Transfer from General Fund	10,000	12,000
Fischer Income Fund, end of the year	674,000	664,000
<b>ALTERNATIVE INVESTMENT FUND</b>		
Balance, beginning of the year	173,000	173,000
Alternative Investment Fund, end of the year	173,000	173,000
<b>QIAP FUND</b>		
Balance, beginning of the year	-	(6)
Deficiency of revenues over expenses	-	0
Transfer to General Fund	-	(351)
QIAP Fund, end of the year	-	-
<b>TOTAL UNRESTRICTED NET ASSETS</b>	<b>2,315,267</b>	<b>2,285,908</b>

# CANADIAN FRIENDS SERVICE COMMITTEE

## STATEMENT OF OPERATIONS

For the year ended March 31 2013

	2013	2012
	\$	\$
REVENUES		
Undesignated donations	322,859	190,437
Designated donations	23,030	124,371
Investment income	70,330	50,776
Realized gains/(losses) on investments	5,570	(36,328)
CIDA grants	-	22,227
Other grants	-	7,386
Miscellaneous	5,549	4,431
	<u>427,338</u>	<u>363,301</u>
EXPENSES		
Programme Committees:		
Peace and Sustainability	37,334	159,855
Quakers Fostering Justice	11,862	9,398
Aboriginal Affairs	20,602	18,700
Partnerships	15,687	15,450
Quaker International Affairs	-	443
Education and Witness	22,924	26,679
Administration	21,013	17,210
Promotion	5,187	6,103
Investment Management Fees	17,749	12,759
Amortization	1,948	2,783
Personnel	328,359	263,708
	<u>482,663</u>	<u>533,088</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE UNREALIZED GAINS/LOSSES	<u>( 55,325)</u>	<u>( 169,787)</u>
Unrealized gains/(losses) on investments held for trading	50,939	61,839
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES AFTER UNREALIZED GAINS/LOSSES	<u>(4,386)</u>	<u>(107,948)</u>

# CANADIAN FRIENDS SERVICE COMMITTEE

## STATEMENT OF CASH FLOWS

For the year ended March 31 2013

	2012	2012
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	(4,386)	(107,948)
Items not involving cash:		
Amortization	1,948	2,783
	(2,438)	(105,165)
Changes in non-cash working capital (Note 6)	(128,374)	(257,901)
	(130,812)	(363,066)
FINANCING ACTIVITIES		
Decrease in interest free loans	-	-
Bequests received	33,745	420,758
	33,745	420,758
INVESTING ACTIVITIES		
Purchase of capital assets	-	(1,555)
INCREASE IN CASH	(97,067)	56,137
CASH, BEGINNING OF YEAR	145,591	89,454
CASH, END OF YEAR	48,524	145,591

# CANADIAN FRIENDS SERVICE COMMITTEE

## NOTES TO FINANCIAL STATEMENTS (page 1)

For the year ended March 31 2013

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### 1. PURPOSE OF THE COMMITTEE

Canadian Friends Service Committee is the peace, social justice and international development arm of the Religious Society of Friends (Quakers) in Canada. It is a registered Canadian charity, registration # 13214 6549 RR001 and is exempt from income taxes.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The organization has adopted the new accounting standards for not-for-profit organizations. These standards came into effect for the corporation on April 1, 2012, and require that all comparative figures be restated in accordance with the standards for not-for-profit organizations, and that an opening statement of financial position be presented using the new standards for not-for-profit organizations. The restatement of opening balances did not result in any charge to fund balances, nor to any of the assets or liabilities of the corporation.

#### USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses of the reporting period and disclosure of contingent assets and liabilities at the date of the financial statements. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the earnings of the period in which they become known.

#### FINANCIAL INSTRUMENTS

The organization classifies all of its financial instruments as held-for-trading. The instruments are carried in the balance sheet at fair value with changes in fair value recognized in the income statements. Transaction costs related to instruments as held-for-trading are expensed as incurred.

Short-term investments are shown at fair value except where no active market exists for the investment. There is no active market for the investment in CAIC, and it is therefore valued at cost.

Other financial instruments consist of cash, other receivable, accounts payable, deferred income, and project funding payable. The organization is not exposed to any significant currency or credit risk arising from these financial instruments, and the carrying amounts approximate fair values.

#### CAPITAL ASSETS AND AMORTIZATION

Purchased capital assets having a cost of \$1,000 or more are recorded at cost. Capital assets are being amortized at 30% by the declining balance method.



# CANADIAN FRIENDS SERVICE COMMITTEE

## NOTES TO FINANCIAL STATEMENTS (page 2)

For the year ended March 31 2013

### BEQUESTS

Bequests which are received without direction regarding how the money is to be spent are allocated to a bequest fund. Bequests less than \$50,000 are amortized to the general fund at a rate of 20% per annum. In the year the bequest is received, the portion taken into current income is pro-rated according to the number of months remaining in the year. During each fiscal year, one-fifth of the balance of this fund is taken into current-year income. Bequests greater than \$50,000 are amortized to the general fund at a rate of 10% per annum. In the year the bequest is received, the portion taken into current income is pro-rated according to the number of months remaining in the year. During each fiscal year, one-tenth of the balance of this fund is taken into current-year income.

### REVENUE RECOGNITION

Canadian Friends Service Committee follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the years 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.

### 3. CAPITAL ASSETS

	2013		2012	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Computer Equipment	42,318	37,772	4,546	6,494

### 4. PROJECT FUNDING PAYABLE

Project funding payable consists of amounts which were designated by the donor for specific projects which were received before year end together with other project amounts approved to be paid during the year from undesignated donations, neither of which had been paid by March 31, 2013.

### 5. INTEREST FREE LOANS

Interest free loans are due not more than 60 days from the date of request for repayment.

### 6. CHANGES IN NON WORKING CAPITAL

	2013	2012
	\$	\$
Short term investments	(126,870)	(282,234)
Other receivables	5,413	(1,227)
Prepaid expenses and deposits	83	(304)
Accounts payable	2,654	(807)
Deferred income	19,112	1,033
Project funding payable	(28,766)	25,638
	(128,374)	(257,901)