

CANADIAN FRIENDS SERVICE COMMITTEE

FINANCIAL STATEMENTS

MARCH 31, 2014

Lyne Arseneau
CHARTERED ACCOUNTANT

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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, 2014, March 31, 2013 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 material misstatement of the financial statements, whether due to fraud or error. In

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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, 2014, March 31, 2013 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 16, 2014

Chartered Accountant

CPA

Licensed Public Accountant

CANADIAN FRIENDS SERVICE COMMITTEE
STATEMENT OF FINANCIAL POSITION

As at March 31 2014

	2014	2013
	\$	\$
ASSETS		
CURRENT		
Cash	(3,302)	48,524
Short term investments (Note 2)	2,304,805	2,235,909
Investment in Canadian Alternative Investment Co-operative Trust (CAIC)	173,000	173,000
Investment in Oikocredit	10,000	-
Prepaid expenses	5,940	4,129
Other receivables	6,515	3,863
	2,496,957	2,465,425
CAPITAL ASSETS (Note 3)	4,345	4,546
Total Assets	2,501,303	2,469,971
LIABILITIES		
CURRENT		
Accounts payable	11,336	13,507
Deferred income	150	21,112
Project funding payable (Note 4)	8,441	17,085
Interest free loans (Note 5)	83,000	103,000
	102,927	154,704
NET ASSETS		
UNRESTRICTED NET ASSETS	2,398,376	2,315,267
	2,501,303	2,469,971

APPROVED ON BEHALF OF THE BOARD

General Secretary

Director

CANADIAN FRIENDS SERVICE COMMITTEE
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31 2014

	2014 \$	2013 \$
UNRESTRICTED NET ASSETS		
UNDESIGNATED FUND		
Balance, beginning of the year	477,726	356,056
Excess (deficiency) of revenues over expenses	72,577	(4,386)
Transfer Oikocredit to Alternative Investment Fund	(10,000)	-
Transfer to Fischer Income Fund	(6,000)	(10,000)
Transfer from Bequest Fund	125,657	136,056
Undesignated Fund, end of the year	659,960	477,726
BEQUEST FUND		
Balance, beginning of the year	990,541	1,092,852
Bequest received	10,532	33,745
Transfer to General Fund	(125,657)	(136,056)
Bequest Fund, end of the year	875,416	990,541
FISCHER INCOME FUND		
Balance, beginning of the year	674,000	664,000
Transfer from General Fund	6,000	10,000
Fischer Income Fund, end of the year	680,000	674,000
ALTERNATIVE INVESTMENT FUND		
Balance, beginning of the year	173,000	173,000
Investment in Oikocredit	10,000	-
Alternative Investment Fund, end of the year	183,000	173,000
TOTAL UNRESTRICTED NET ASSETS	2,398,376	2,315,267

CANADIAN FRIENDS SERVICE COMMITTEE
STATEMENT OF OPERATIONS
For the year ended March 31 2014

	2014	2013
	\$	\$
REVENUES		
Undesignated donations	226,680	322,859
Designated donations	34,552	23,030
Investment income	86,071	70,330
Realized gains/(losses) on investments	(4,033)	5,570
Miscellaneous	9,480	5,549
	352,750	427,338
EXPENSES		
Programme Committees:		
Peace and Sustainability	43,329	37,334
Quakers Fostering Justice	12,853	11,862
Indigenous Rights	37,929	20,602
Partnerships	12,893	15,687
Education and Witness	27,504	22,924
Administration	19,524	21,013
Promotion	3,847	5,187
Investment Management Fees	21,323	17,749
Amortization	1,862	1,948
Personnel	298,445	328,359
	479,509	482,663
EXCESS/(DEFICIENCY) OF REVENUES		
OVER EXPENSES BEFORE		
UNREALIZED GAINS/LOSSES	(126,759)	(55,325)
Unrealized gains/(losses) on investments held for trading	199,336	50,939
EXCESS/(DEFICIENCY) OF REVENUES		
OVER EXPENSES AFTER		
UNREALIZED GAINS/LOSSES	72,577	(4,386)

CANADIAN FRIENDS SERVICE COMMITTEE
STATEMENT OF CASH FLOWS
For the year ended March 31 2014

	2014	2013
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	72,577	(4,386)
Items not involving cash:		
Amortization	1,862	1,948
	74,439	(2,438)
Changes in non-cash working capital (Note 6)	(115,136)	(128,374)
	(40,697)	(130,812)
FINANCING ACTIVITIES		
Decrease in interest free loans	(20,000)	-
Bequests received	10,532	33,745
	(9,468)	33,745
INVESTING ACTIVITIES		
Purchase of capital assets	(1,661)	-
INCREASE IN CASH	(51,826)	(97,067)
CASH, BEGINNING OF YEAR	48,524	145,591
CASH, END OF YEAR	(3,302)	48,524

CANADIAN FRIENDS SERVICE COMMITTEE
NOTES TO FINANCIAL STATEMENTS (page 1)

For the year ended March 31 2014

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.

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

Financial instruments are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations. Transaction costs 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 or the investment in Oiko, and they are 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 2014

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

	2014		2013	
	Cost \$	Accumulated Amortization \$	Net \$	Net \$
Computer Equipment	43,980	39,635	4,345	4,546

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, 2014.

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

	2014	2013
	\$	\$
Short term investments	(78,896)	(126,870)
Other receivables	(2,651)	5,413
Prepaid expenses and deposits	(1,811)	83
Accounts payable	(2,171)	2,654
Deferred income	(20,962)	19,112
Project funding payable	(8,645)	(28,766)
	(115,136)	(128,374)