

HOMEFRONT SOCIETY FOR THE
PREVENTION OF DOMESTIC VIOLENCE
FINANCIAL STATEMENTS
MARCH 31, 2015

To the Board of Directors of
HomeFront Society for the Prevention of Domestic Violence

We have audited the accompanying financial statements of HomeFront Society for the Prevention of Domestic Violence (the "Society"), which comprise the statement of financial position as at March 31, 2015, and the statements of operations, 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 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.

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

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenues, deficiency of revenues over expenditures and cash flow from operating activities for the year ended March 31, 2015, current assets as at March 31, 2015 and net assets as at March 31, 2015 and 2014.



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Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of HomeFront Society for the Prevention of Domestic Violence as at March 31, 2015, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

We draw attention to the unaudited supplementary financial information included in Schedules 1 and 2 for the Society. These supplementary schedules have been included for information purposes only and are not audited or reviewed.

BDO Canada LLP

Chartered Accountants

Calgary, Alberta
June 19, 2015

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
STATEMENT OF FINANCIAL POSITION

March 31	2015	2014
ASSETS		
CURRENT		
Cash	\$ 22,599	\$ 36,740
Short-term investments	-	224,957
Restricted short-term investments	175,000	256,542
Contributions receivable	176,728	239,698
Prepaid expenses	9,842	11,683
	384,169	769,620
CAPITAL ASSETS (Note 2)	34,093	43,339
	\$ 418,262	\$ 812,959
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 124,437	\$ 128,709
Deferred contributions (Note 3)	219,342	256,542
	343,779	385,251
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 4)	26,455	32,510
	370,234	417,761
NET ASSETS		
INTERNALLY RESTRICTED (Note 5)	175,000	450,000
UNRESTRICTED	(126,972)	(54,802)
	48,028	395,198
	\$ 418,262	\$ 812,959

Approved on behalf of the Board

 Director
 Director

The accompanying notes are an integral part of these financial statements.

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31	2015	2014
REVENUES		
Contributions (Note 3)	\$ 2,471,134	\$ 2,204,022
Fundraising (Note 6)	-	14,475
Donations	120,880	104,596
Amortization of deferred contributions related to capital assets (Note 4)	10,986	13,493
Interest income	6,634	17,767
	2,609,634	2,354,353
EXPENDITURES		
Amortization	14,177	18,032
Bank charges and interest	4,188	4,631
Community collaboration	19,610	72,273
Evaluation	43,559	57,234
Fundraising expenses (Note 6)	-	147,270
Office	143,225	112,675
Professional development	25,617	87,480
Professional fees	27,196	26,760
Public education and outreach	4,012	41,903
Salaries and benefits	1,783,748	1,728,589
Travel and parking	33,984	37,564
Treatment	857,488	756,748
	2,956,804	3,091,159
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (347,170)	\$ (736,806)

The accompanying notes are an integral part of these financial statements.

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
STATEMENT OF CHANGES IN NET ASSETS

March 31, 2015	Internally Restricted	Unrestricted	Total
Balance, beginning of year	\$ 450,000	\$ (54,802)	\$ 395,198
Deficiency of revenues over expenditures	-	(347,170)	(347,170)
Transfer	(275,000)	275,000	-
Balance, end of year	\$ 175,000	\$ (126,972)	\$ 48,028

March 31, 2014	Internally Restricted	Unrestricted	Total
Balance, beginning of year	\$ 1,200,000	\$ (67,996)	\$ 1,132,004
Deficiency of revenues over expenditures	-	(736,806)	(736,806)
Transfer	(750,000)	750,000	-
Balance, end of year	\$ 450,000	\$ (54,802)	\$ 395,198

The accompanying notes are an integral part of these financial statements.

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (347,170)	\$ (736,806)
Items not affecting cash		
Amortization	14,177	18,032
Amortization of deferred contributions related to capital assets	(10,986)	(13,493)
	(343,979)	(732,267)
Change in non-cash working capital items		
Contributions receivable	62,970	(82,144)
Prepaid expenses	1,841	(2,249)
Accounts payable and accrued liabilities	(4,272)	27,266
Deferred contributions	(37,200)	(123,245)
	(320,640)	(912,639)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	-	(5,162)
Deferred contributions related to capital assets	-	3,872
Proceeds on disposal of short-term investments	306,499	931,835
	306,499	930,545
CHANGE IN CASH POSITION	(14,141)	17,906
CASH, beginning of year	36,740	18,834
CASH, end of year	\$ 22,599	\$ 36,740

The accompanying notes are an integral part of these financial statements.

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

1. Significant Accounting Policies

Nature of operations

HomeFront Society for the Prevention of Domestic Violence ("HomeFront" or "the Society") was incorporated under the Alberta Societies Act on May 14, 2001 as a not-for-profit organization and is a registered charitable organization under Section 149(1)(f) of the Income Tax Act and, accordingly, is exempt from income taxes. Therefore, no provision for income taxes is recorded in the accounts.

Prior to its incorporation as a society, HomeFront operated as a project of United Way Calgary and Area ("United Way") known as the Calgary Justice Working Committee. HomeFront's goal is to reduce domestic violence in Calgary and provide a structurally linked system that is cohesive, specialized and integrated with community services. HomeFront collaborates with the City of Calgary Police Service, Alberta Justice, Chief Crown Prosecutor's Office, the Probation Office and numerous other social services agencies to achieve its goal. In addition to this collaborative effort, a voluntary board oversees the operations of HomeFront.

Basis of accounting

The financial statements of HomeFront have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies.

Measurement uncertainty

The valuation of contributions receivable is based on management's best estimate of the collectability of these receivables. The valuation of capital assets is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as capital assets. The amounts recorded for amortization of the capital assets and amortization of deferred contributions related to capital assets are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets. The valuation of accounts payable and accrued liabilities is based on management's best estimate of the incurred expenses.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

Cash

Cash consists of cash held at financial institutions.

Short-term investments

Short-term investments consist of cashable guaranteed investment certificates maturing in May 2015. The cashable guaranteed investment certificates earn interest at fixed rates of 0.95%.

The restricted short-term investments consist of funding provided by various contributors. The funding is restricted for use by the contributors for specific program expenses and is not available for general use.

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

1. Significant Accounting Policies, continued

Revenue recognition

HomeFront follows the deferral method of accounting for contributions. Restricted contributions from the various contributors to HomeFront are recognized as revenue in the year in which the related expenditures are incurred.

Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Unrestricted contributions are recognized as revenue when received or receivable.

Restricted and unrestricted contributions receivable are recorded if the amount can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as it is earned.

Capital assets

Purchased capital assets are recorded at cost. Amortization on capital assets is provided using the declining balance method at the following annual rates:

Computer hardware	30%
Database	30%
Furniture and office equipment	20%

Impairment of long-lived assets

In the event that facts and circumstances indicate that the Society's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow is required. Any excess of the net carrying amount over any residual value is recognized as an expenditure in the statement of operations.

Contributed services

The Calgary Police Service, the Crown Prosecutor's Office, Alberta Justice and the Probation Office and other social service agencies provide significant support to HomeFront in a coordinated effort to carry out its service delivery activities. Due to the constraints of time and cost, and access to information from these entities, management is unable to quantify a fair value for the services provided by these entities in order for Homefront to carry out its service delivery activities. Since HomeFront would not otherwise have paid for the services if they were not made available, they are not recognized in the financial statements.

Homefront's ability to carry out its service delivery activities are dependent on the continuing support of these entities in addition to the financial support obtained through contributions, donations and fund raising activities.

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

1. Significant Accounting Policies, continued

Financial instruments

The Society's financial instruments consist of cash, restricted and unrestricted short-term investments, contributions receivable and accounts payable and accrued liabilities. The Society's financial instruments are initially measured at fair value and subsequently measured at amortized cost, with the exception of equities quoted in an active market, which are required to be measured at fair value, and financial instruments which are designated at fair value.

2. Capital Assets

			2015	2014
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Computer hardware	\$ 67,050	\$ 53,631	\$ 13,419	\$ 14,239
Database	139,982	121,740	18,242	26,060
Furniture and office equipment	30,923	28,491	2,432	3,040
	<u>\$ 237,955</u>	<u>\$ 203,862</u>	<u>\$ 34,093</u>	<u>\$ 43,339</u>

During the year the Society recognized a contributed printer at its fair value of \$4,931. The purpose of the asset is to assist the Society in carrying out its administrative functions.

3. Deferred Contributions

Deferred contributions are comprised of the unspent portion of externally restricted operating funding received in the current period from various government and community sources that are related to the subsequent period.

	2015	2014
Balance, beginning of year	\$ 256,542	\$ 379,787
Amounts received during the year	2,433,934	2,084,649
Amounts recognized as revenue during the year	(2,471,134)	(2,204,022)
Amounts applied to capital assets	-	(3,872)
Balance, end of year	<u>\$ 219,342</u>	<u>\$ 256,542</u>

4. Deferred Contributions Related To Capital Assets

Deferred contributions related to capital assets are comprised of the unamortized portion of contributed capital assets and contributions from government and community donors restricted for the purchase of capital assets.

	2015	2014
Balance, beginning of year	\$ 32,510	\$ 42,131
Grants received	4,931	3,872
Amounts amortized to revenue	(10,986)	(13,493)
Balance, end of year	<u>\$ 26,455</u>	<u>\$ 32,510</u>

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

5. Internally Restricted Net Assets

During 2012, the Board of Directors passed a motion to set aside internally restricted net assets sufficient to cover three months of operating expenses and to cover programming beyond the current pilot project stages. The Board of Directors has approved the transfer of \$275,000 (2014 - \$750,000) from the internally restricted net assets to unrestricted net assets to cover operating and program expenses incurred in the year.

6. Fundraising Revenues And Expenses

In accordance with regulation, Section 7(2)(e) of the *"Charities Fundraising Act and Regulation"*, gross fundraising contributions received were \$Nil (2014 - \$126,851).

Expenses incurred in the year for the purposes of soliciting contributions were \$Nil (2014 - \$147,270). Dispositions of gross fundraising contributions received were \$Nil (2014 - \$26,851).

Of the disposed contributions, the following comprised 10% or more of the total:

	<u>2015</u>	<u>2014</u>
Government of Alberta Community Spirit	\$Nil	\$21,086

During 2014, HomeFront used BCM Philanthropic Counsel, an independent consultant, for fund development. Funds received from the use of this service were \$Nil (2014 - \$126,851). During 2015, the Society did not use the services of the independent consultant for fund development.

HomeFront does not compensate directors for their services performed on the Board of the Society.

7. Financial Instruments

The Society is exposed to the following in respect of the financial instruments held:

a) Credit risk

The financial instruments that potentially subject the Society to a significant concentration of credit risk consist primarily of cash, restricted and unrestricted short-term investments, and contributions receivable.

The Society has a concentration of credit risk with respect to cash, short-term investments and restricted short-term investments as substantially all of its cash, short-term investments and restricted short-term investments are held at one financial institution, and as such, the Society is exposed to the risks of the institution.

The Society has a concentration of credit risk with respect to contributions receivable in that 100% (2014 - 100%) of its contributions receivable is due from the Government of Alberta.

b) Interest rate risk

The Society is exposed to interest rate price risk to the extent that short-term investments earn interest at fixed rates.

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

7. Financial Instruments, continued

c) Liquidity risk

Liquidity risk relates to the risk the Society will encounter difficulty in meeting obligations associated with its financial liabilities. The financial liability on its statement of financial position consists of accounts payable and accrued liabilities.

HomeFront Society for the Prevention of Domestic Violence
 Schedule of Deferred Contributions
 Year Ended March 31, 2015
 (Unaudited)

Schedule 1

	Alberta Children's Services	Anonymous Donor	United Way of Calgary and Area	Jerry Selinger Memorial Fund	Alberta Health Services	Calgary Foundation	Calgary Foundation Pride	YWCA GTW	Victims of Crime	Crime Prevention Investment Plan
Contributions received to beginning of year:	\$ -	\$ -	\$ 442,951	\$ 98,679	\$ 2,095,302	\$ 74,050	\$ -	\$ 2,500	\$ -	\$ -
Less amounts recognized as revenue to beginning of year:	-	-	429,431	21,264	2,055,302	54,523	-	85	-	-
Balance, beginning of year	600,000	250,000	13,520	77,415	40,000	19,527	3,000	2,415	-	-
Contributions received/receivable during the year	-	-	125,216	-	422,499	11,000	-	-	150,000	65,000
Contributions for capital assets	-	-	-	-	-	-	-	-	-	-
	600,000	250,000	138,736	77,415	462,499	30,527	3,000	2,415	150,000	65,000
Less amounts recognized as revenue during year to fund the following expenses:										
Bank charges and interest	868	193	-	-	-	335	-	-	439	499
Community collaboration	1,644	-	3,000	-	-	96	-	2,415	1,847	275
Evaluation	-	1,812	-	-	-	3,630	-	-	-	-
Office	27,137	9,350	-	1,673	-	7,505	1,461	-	11,204	7,664
Professional development	10,151	-	7,694	-	-	2,047	90	-	982	382
Professional fees	6,965	1,500	-	473	-	-	-	-	-	250
Public education and outreach	541,974	233,727	128,042	-	-	1,462	-	-	-	447
Salaries and benefits	11,261	3,418	-	16,751	162,499	758	-	-	132,310	53,225
Travel and parking	-	-	-	384	-	3,694	-	-	3,218	2,258
Treatment	-	-	-	1,499	260,000	-	-	-	-	-
	600,000	250,000	138,736	20,780	422,499	19,527	1,551	2,415	150,000	65,000
Balance, end of year	\$ -	\$ -	\$ -	\$ 56,635	\$ 40,000	\$ 11,000	\$ 1,449	\$ -	\$ -	\$ -

HomeFront Society for the Prevention of Domestic Violence
 Schedule of Deferred Contributions
 Year Ended March 31, 2015
 (Unaudited)

Schedule 1
 (continued)

	Government of Alberta Safe Community -	Government of Alberta Safe Initiatives	Government of Alberta - Mental Health	Nickle Foundation - Equipment	Cenovus	Donations - STS	Other	2015 Total	2014 Total
Contributions received to beginning of year	\$ 935,324	\$ -	\$ -	\$ -	\$ 325,408	\$ 10,077	\$ -	\$ 3,984,290	\$ 4,524,655
Less amounts recognized as revenue to beginning of year	935,298	-	-	-	225,408	6,437	-	3,727,748	4,144,868
Balance, beginning of year	26	-	-	-	100,000	3,640	-	256,542	379,787
Contributions received/receivable during the year	-	60,000	636,234	5,000	100,000	-	5,985	2,433,934	2,084,649
Contributions for capital assets	-	-	-	-	-	-	-	-	(3,872)
	26	60,000	636,234	5,000	200,000	3,640	5,985	2,690,476	2,460,564
Less amounts recognized as revenue during year to fund the following expenses:									
Bank charges and interest	26	-	-	-	322	-	-	2,682	2,511
Community collaboration	-	-	-	-	49	135	-	9,461	40,631
Evaluation	-	-	-	-	-	-	-	5,442	25,631
Office	-	-	-	3,304	2,210	927	-	72,435	92,432
Professional development	-	-	-	-	-	-	-	21,346	15,698
Professional fees	-	-	2,684	-	-	-	-	11,872	20,087
Public education and outreach	-	-	-	-	-	-	-	1,909	19,844
Salaries and benefits	-	60,000	37,574	-	96,697	-	-	1,463,557	1,207,726
Travel and parking	-	-	-	-	722	-	-	24,955	26,088
Treatment	-	-	595,976	-	-	-	-	857,475	753,374
	26	60,000	636,234	3,304	100,000	1,062	-	2,471,134	2,204,022
Balance, end of year	\$ -	\$ -	\$ -	\$ 1,696	\$ 100,000	\$ 2,578	\$ 5,985.00	\$ 219,342	\$ 256,542

HomeFront Society for the Prevention of Domestic Violence
 Schedule of Deferred Contributions Related to Capital Assets
 Year Ended March 31, 2015
 (Unaudited)

Schedule 2

	Government of Canada Minister of Justice	Community Initiatives Program	Government of Alberta	Community Incentive Program	Children's Services Program	Calgary Foundation - Kayak	Calgary Foundation - OV	Aboriginal Strategies	Patriation Foundation	Calgary Foundation Database	Alberta Health Services	Government of Alberta - Community Spirit	Government of Alberta - Safe Community - DCRT	Nexen	Continental	2015 Total	2014 Total
Contributions received to beginning of year	\$ 1,017	\$ 1,081	\$ 14,529	\$ 1,983	\$ 8,450	\$ 1,370	\$ 2,823	\$ 948	\$ 5,039	\$ 42,500	\$ 36,370	\$ 10,737	\$ 26,958	\$ 3,872	\$ -	\$ 157,357	\$ 153,485
Less: Amounts amortized to revenue to beginning of year	756	1,061	11,420	1,760	7,483	1,140	2,248	769	4,191	35,357	30,257	8,582	18,582	1,161	\$ -	\$ 124,847	\$ 111,354
Balance, Beginning of year	281	30	3,109	173	667	230	475	159	848	7,143	6,113	2,155	8,376	2,711	-	32,510	42,131
Contributions received during the year	62	6	796	34	133	69	142	48	254	2,143	1,834	659	2,514	813	1,479	10,986	13,493
Less: Amounts amortized to revenue during the year	(62)	(6)	(796)	(34)	(133)	(69)	(142)	(48)	(254)	(2,143)	(1,834)	(659)	(2,514)	(813)	(1,479)	(6,055)	(9,672)
Balance, end of year	\$ 219	\$ 24	\$ 2,313	\$ 139	\$ 534	\$ 161	\$ 333	\$ 111	\$ 594	\$ 5,000	\$ 4,279	\$ 1,536	\$ 5,862	\$ 1,898	\$ 3,452	\$ 26,455	\$ 32,510