

**HOMEFRONT SOCIETY FOR THE
PREVENTION OF DOMESTIC VIOLENCE
FINANCIAL STATEMENTS
MARCH 31, 2016**



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Independent Auditor's Report

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, 2016, 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, 2016, current assets as at March 31, 2016 and net assets as at March 31, 2016 and 2015.

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, 2016, 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 Professional Accountants

Calgary, Alberta
June 13, 2016

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

March 31	2016	2015
ASSETS		
CURRENT		
Cash	\$ 500,393	\$ 22,599
Restricted short-term investments	100,950	175,000
Contributions receivable	193,211	176,728
Prepaid expenses	1,558	9,842
	796,112	384,169
CAPITAL ASSETS (Note 2)	31,366	34,093
	\$ 827,478	\$ 418,262
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 111,656	\$ 124,437
Deferred contributions (Note 3)	633,900	219,342
	745,556	343,779
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 4)	18,716	26,455
	764,272	370,234
NET ASSETS		
INTERNALLY RESTRICTED (Note 5)	175,000	175,000
UNRESTRICTED	(111,794)	(126,972)
	63,206	48,028
	\$ 827,478	\$ 418,262

Approved on behalf of the Board

Margaret Stwana, Director

Chris D., Director

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

HOMEFRONT SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE
STATEMENT OF OPERATIONS

For the year ended March 31	2016	2015
REVENUES		
Contributions (Note 3)	\$ 2,813,491	\$ 2,471,134
Donations	35,538	120,880
Fundraising contributions (Note 6)	93,062	-
Amortization of deferred contributions related to capital assets (Note 4)	7,739	10,986
Interest income	1,592	6,634
	<u>2,951,422</u>	<u>2,609,634</u>
EXPENDITURES		
Amortization	13,095	14,177
Bank charges and interest	3,604	4,188
Community collaboration	24,930	19,610
Evaluation	43,790	43,559
Fundraising expenses (Note 6)	38,067	-
Office	113,435	143,225
Professional development	14,651	25,617
Professional fees	22,434	27,196
Public education and outreach	960	4,012
Salaries and benefits	1,733,080	1,783,748
Travel and parking	27,254	33,984
Treatment	900,944	857,488
	<u>2,936,244</u>	<u>2,956,804</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 15,178</u>	<u>\$ (347,170)</u>

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, 2016	Internally Restricted	Unrestricted	Total
Balance, beginning of year	\$ 175,000	\$ (126,972)	\$ 48,028
Excess of revenues over expenditures	-	15,178	15,178
Balance, end of year	\$ 175,000	\$ (111,794)	\$ 63,206

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

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	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 15,178	\$ (347,170)
Items not affecting cash		
Amortization	13,095	14,177
Amortization of deferred contributions related to capital assets	(7,739)	(10,986)
	20,534	(343,979)
Change in non-cash working capital items		
Contributions receivable	(16,483)	62,970
Prepaid expenses	8,284	1,841
Accounts payable and accrued liabilities	(12,781)	(4,272)
Deferred contributions	414,558	(37,200)
	414,112	(320,640)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of short-term investments	74,050	306,499
Purchase of property and equipment	(10,368)	-
	63,682	306,499
CHANGE IN CASH POSITION	477,794	(14,141)
CASH, beginning of year	22,599	36,740
CASH, end of year	\$ 500,393	\$ 22,599

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, 2016

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 2016. The cashable guaranteed investment certificates earn interest at fixed rates of 0.65%.

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, 2016

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, 2016

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.

At the end of each reporting period, the Society assesses whether there are any indications that a financial asset, or a group of similar financial assets, measured at cost or amortized cost may be impaired. When there is an indication of impairment, and the net realizable value amount is less than the carrying amount, the carrying amount is written down accordingly.

2. Capital Assets

			2016	2015
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Computer hardware	\$ 77,418	\$ 60,767	\$ 16,651	\$ 13,419
Database	139,982	127,213	12,769	18,242
Furniture and office equipment	30,923	28,977	1,946	2,432
	<u>\$ 248,323</u>	<u>\$ 216,957</u>	<u>\$ 31,366</u>	<u>\$ 34,093</u>

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.

	2016	2015
Balance, beginning of year	\$ 219,342	\$ 256,542
Amounts received during the year	3,228,049	2,433,934
Amounts recognized as revenue during the year	(2,813,491)	(2,471,134)
Balance, end of year	<u>\$ 633,900</u>	<u>\$ 219,342</u>

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

MARCH 31, 2016

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.

	2016	2015
Balance, beginning of year	\$ 26,455	\$ 32,510
Grants received	-	4,931
Amounts amortized to revenue	(7,739)	(10,986)
Balance, end of year	\$ 18,716	\$ 26,455

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 \$Nil (2015 - \$275,000) 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 \$93,062 (2015 - \$Nil).

Expenses incurred in the year for the purposes of soliciting contributions were \$38,067 (2015 - \$Nil).

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% (2015 - 100%) of its contributions receivable is due from the Government of Alberta.

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

MARCH 31, 2016

7. Financial Instruments (continued)

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.

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, 2016
 (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	Birchcliff Energy	Victims of Crime	Crime Prevention Investment Plan
Contributions received to beginning of year	\$ -	\$ -	\$ -	\$ 98,679	\$ 2,517,801	\$ 85,050	\$ 1,449	\$ -	\$ -	\$ -
Less amounts recognized as revenue to beginning of year	-	-	-	42,044	2,477,801	74,050	-	-	-	-
Balance, beginning of year	600,000	150,000	131,332	56,635	40,000	11,000	1,449	-	-	-
Contributions received/receivable during the year	600,000	150,000	131,332	56,635	446,721	11,000	-	50,000	150,000	50,000
Less amounts recognized as revenue during year to fund the following expenses:										
Bank charges and interest	896	346	-	-	-	-	-	-	545	164
Community collaboration	1,466	-	-	-	-	-	-	-	-	56
Evaluation	8,793	6,937	-	-	-	1,226	-	-	-	3,630
Fundraising expenses										
Office	21,997	12,062	8,534	2,076	-	1,256	65	-	12,283	5,033
Professional development	4,974	1,686	-	-	-	-	-	-	1,000	-
Professional fees	4,645	1,000	-	-	-	-	-	-	525	-
Public education and outreach	35	-	-	-	-	-	97	-	366	41
Salaries and benefits	550,013	124,713	121,332	-	159,600	8,322	-	-	131,522	37,568
Travel and parking	7,181	3,256	-	489	-	166	-	-	3,759	3,508
Treatment	-	-	-	1,805	300,000	-	-	-	-	-
Balance, end of year	\$ 600,000	\$ 150,000	\$ 129,866	\$ 4,370	\$ 459,600	\$ 10,970	\$ 162	\$ -	\$ 150,000	\$ 50,000
	\$ -	\$ -	\$ 1,466	\$ 52,265	\$ 27,121	\$ 11,030	\$ 1,287	\$ 50,000	\$ -	\$ -

HomeFront Society for the Prevention of Domestic Violence
 Schedule of Deferred Contributions
 Year Ended March 31, 2016
 (Unaudited)

Schedule 1
 (continued)

	Government of Alberta DCRT	Government of Alberta - Mental Health	Nickle Foundation - Equipment	Calgary Police Service	Cenovus	Donations - STS	Other	2016 Total	2015 Total
Contributions received to beginning of year	\$ -	\$ -	\$ 1,696	\$ -	\$ 425,408	\$ 10,077	\$ 5,984	\$ 3,146,143	\$ 3,984,290
Less amounts recognized as revenue to beginning of year	-	-	-	-	325,408	7,498	-	2,926,801	3,727,748
Balance, beginning of year	333,334	650,662	1,696	480,000	100,000	2,579	5,984	219,342	256,542
Contributions received/receivable during the year	333,334	650,662	1,696	480,000	200,000	2,579	80,983	3,447,391	2,433,994
Less amounts recognized as revenue during year to fund the following expenses:									
Bank charges and interest	-	-	-	1,104	215	-	-	3,270	2,682
Community collaboration	-	-	-	256	-	1,488	-	3,266	9,461
Evaluation	-	1,053	-	9,303	3,630	-	-	34,572	5,442
Fundraising expenses	-	-	-	-	-	-	26,176	26,176	-
Office	-	-	-	42,078	1,183	-	-	106,742	72,435
Professional development	-	-	-	116	485	175	-	8,283	21,346
Professional fees	-	-	-	-	-	22	-	8,855	11,872
Public education and outreach	-	-	-	214	-	-	-	753	1,909
Salaries and benefits	-	48,011	-	420,893	93,401	-	-	1,695,375	1,463,557
Travel and parking	-	-	-	6,036	1,086	-	-	25,481	24,955
Treatment	-	598,913	-	-	-	-	-	900,718	857,475
	-	650,662	-	480,000	100,000	1,685	26,176	2,813,491	2,471,134
Balance, end of year	\$ 333,334	\$ 0	\$ 1,696	\$ -	\$ 100,000	\$ 894	\$ 54,807	\$ 633,900	\$ 219,342

HomeFront Society for the Prevention of Domestic Violence
 Schedule of Delevered Contributions Related to Capital Assets
 Year Ended March 31, 2016
 (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 Foundation	PrairieProaction Foundation	Calgary Foundation Database	Alberta Health Services	Government of Alberta - Community Split	Government of Alberta - Site Community - DICKT	Nexen	Continental	2015 Total	2016 Total	2015 Total
\$	1,017	\$ 1,091	\$ 14,529	\$ 1,893	\$ 8,150	\$ 1,370	\$ 2,828	\$ 948	\$ 5,089	\$ 42,500	\$ 36,370	\$ 10,757	\$ 26,958	\$ 3,872	\$ 4,891	\$ 162,288	\$ 157,357	
	798	1,067	12,216	1,794	7,616	1,209	2,490	887	4,465	37,500	32,081	9,221	21,096	1,974	1,479	135,833	124,847	
	219	24	2,313	139	534	161	333	111	594	5,000	4,279	1,536	5,862	1,888	3,452	26,455	32,510	
	48	5	584	28	107	48	100	33	178	1,500	1,284	461	1,789	559	1,035	7,739	30,986	
	(48)	(5)	(584)	(28)	(107)	(48)	(100)	(33)	(178)	(1,500)	(1,284)	(461)	(1,789)	(559)	(1,035)	(7,739)	(6,055)	
\$	171	19	1,729	111	427	113	233	78	416	3,500	2,995	1,072	4,109	1,329	2,417	18,716	26,435	

Contributions received to beginning of year
 Less: Amounts amortized to revenue to beginning of year

Balance, beginning of year

Contributions received during the year
 Less: Amounts amortized to revenue during the year

Balance, end of year