

HOMEFRONT SOCIETY FOR THE  
PREVENTION OF DOMESTIC VIOLENCE  
FINANCIAL STATEMENTS  
MARCH 31, 2019



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## Independent Auditor's Report

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

#### Qualified Opinion

We have audited the financial statements of HomeFront Society for the Prevention of Domestic Violence (The "Society"), which comprise the statement of financial position as at March 31, 2019 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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, 2019 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.

#### 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, excess of revenues over expenditures and cash flow from operating activities for the year ended March 31, 2019, current assets as at March 31, 2019 and net assets as at March 31, 2019 and 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### 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.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.



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## Independent Auditor's Report

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In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.



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Independent Auditor's Report

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants

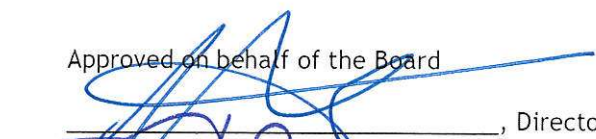
Calgary, Alberta


June 6, 2019

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

March 31	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 411,078	\$ 223,021
Restricted short-term investments (Note 5)	203,125	202,114
Prepaid expenses	9,625	12,711
GST receivable	4,804	5,753
Contributions receivable	-	101,212
	<u>628,632</u>	<u>544,811</u>
<b>CAPITAL ASSETS (Note 2)</b>	<u>15,003</u>	<u>20,957</u>
	<u>\$ 643,635</u>	<u>\$ 565,768</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 109,705	\$ 112,222
Deferred contributions (Note 3)	278,053	380,270
	<u>387,758</u>	<u>492,492</u>
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 4)</b>	<u>6,686</u>	<u>9,408</u>
	<u>394,444</u>	<u>501,900</u>
<b>NET ASSETS</b>		
<b>INTERNALLY RESTRICTED (Note 5)</b>	175,000	175,000
<b>UNRESTRICTED</b>	<u>74,191</u>	<u>(111,132)</u>
	<u>249,191</u>	<u>63,868</u>
	<u>\$ 643,635</u>	<u>\$ 565,768</u>

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

For the year ended March 31	2019	2018
<b>REVENUES</b>		
Contributions	\$ 2,376,626	\$ 2,872,340
Fundraising contributions (Note 6)	262,468	191,339
Donations	164,504	87,163
Amortization of deferred contributions related to capital assets (Note 4)	2,722	3,851
Interest income	1,011	1,108
	<u>2,807,331</u>	<u>3,155,801</u>
<b>EXPENDITURES</b>		
Amortization	5,954	8,386
Bank charges and interest	7,372	6,228
Community collaboration	9,746	2,823
Evaluation	25,625	43,562
Fundraising expenses (Note 6)	23,413	39,882
Office	97,334	120,982
Professional development	31,719	28,334
Professional fees	22,324	27,971
Public education and outreach	5,000	1,920
Salaries and benefits	1,414,907	1,944,257
Travel and parking	23,845	32,006
Treatment	954,769	902,877
	<u>2,622,008</u>	<u>3,159,228</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 185,323</u>	<u>\$ (3,427)</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, 2019	Internally Restricted	Unrestricted	Total
<b>Balance, beginning of year</b>	\$ 175,000	\$ (111,132)	\$ 63,868
Excess of revenues over expenditures	-	185,323	185,323
<b>Balance, end of year</b>	<b>\$ 175,000</b>	<b>\$ 74,191</b>	<b>\$ 249,191</b>

March 31, 2018	Internally Restricted	Unrestricted	Total
<b>Balance, beginning of year</b>	\$ 175,000	\$ (107,705)	\$ 67,295
Excess of revenues over expenditures	-	(3,427)	(3,427)
<b>Balance, end of year</b>	<b>\$ 175,000</b>	<b>\$ (111,132)</b>	<b>\$ 63,868</b>

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	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 185,323	\$ (3,427)
Items not affecting cash		
Amortization	5,954	8,386
Amortization of deferred contributions related to capital assets	(2,722)	(3,851)
	188,555	1,108
Change in non-cash working capital items		
GST receivable	950	(45)
Contributions receivable	101,212	11,573
Prepaid expenses	3,086	(82)
Accounts payable and accrued liabilities	(2,517)	819
Deferred contributions	(102,218)	(182,614)
	189,068	(169,241)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of restricted short-term investments	(1,011)	(508)
<b>CHANGE IN CASH POSITION</b>	188,057	(169,749)
<b>CASH, beginning of year</b>	223,021	392,770
<b>CASH, end of year</b>	\$ 411,078	\$ 223,021

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, 2019

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**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 April and May 2019. The cashable guaranteed investment certificates earn interest at a fixed rate of 0.5%.

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**

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**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 fundraising activities.

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

MARCH 31, 2019

**1. Significant Accounting Policies, continued**

**Financial instruments**

The Society's financial instruments consist of cash, restricted 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**

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 83,965	\$ 76,008	\$ 7,957	\$ 11,367
Database	139,982	135,602	4,380	6,257
Furniture and office equipment	34,185	31,519	2,666	3,333
	<u>\$ 258,132</u>	<u>\$ 243,129</u>	<u>\$ 15,003</u>	<u>\$ 20,957</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.

	2019	2018
Balance, beginning of year	\$ 380,270	\$ 562,884
Amounts received during the year	2,448,093	2,968,228
Amounts recognized as revenue during the year	(2,550,310)	(3,150,842)
Balance, end of year	<u>\$ 278,053</u>	<u>\$ 380,270</u>

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

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**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.

	2019	2018
Balance, beginning of year	\$ 9,408	\$ 13,259
Amounts amortized to revenue	(2,722)	(3,851)
Balance, end of year	\$ 6,686	\$ 9,408

**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.

**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 \$262,468 (2018 - \$191,339).

Expenses incurred in the year for the purposes of soliciting contributions were \$23,413 (2018 - \$39,882).

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 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 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% (2018 - 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**

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**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.

**8. Comparative Figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.