

Financial Statements of

**THE BRENDA STRAFFORD SOCIETY  
FOR THE PREVENTION OF  
DOMESTIC VIOLENCE**

Year ended March 31, 2016



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## **INDEPENDENT AUDITORS' REPORT**

To the Directors of The Brenda Strafford Society for the Prevention of Domestic Violence

We have audited the accompanying financial statements of The Brenda Strafford Society for the Prevention of Domestic Violence, which comprise the statement of financial position as at March 31, 2016, the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising 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.

### **Auditors' 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 our 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, we consider 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 not-for-profit organizations, The Brenda Strafford Society for the Prevention of Domestic Violence derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of donation revenues was limited to the amounts recorded in the records of The Brenda Strafford Society for the Prevention of Domestic Violence.

Therefore, we were not able to determine whether, as at and for the years ended March 31, 2016 and March 31, 2015, any adjustments might be necessary to donation revenues and deficiency of revenues over expenses reported in the statements of operations, deficiency of revenues over expenses reported in the statements of cash flows and current assets and net assets balances reported in the statements of financial position. This caused us to qualify our audit opinion on the financial statements for the year ended March 31, 2015.

### **Qualified Opinion**

In our opinion, except for the possible 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 The Brenda Strafford Society for the Prevention of Domestic Violence as at March 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads 'KPMG LLP' in a stylized, cursive font.

Chartered Professional Accountants

June 22, 2016

Calgary, Canada

# THE BRENDA STRAFFORD SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE

Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
<b>Assets</b>		
Current assets:		
Cash	\$ 693,658	\$ 280,416
Prepaid expenses and deposits	1,461	6,986
Accounts receivable	8,690	-
	<u>703,809</u>	<u>287,402</u>
Capital assets (note 3)	191,359	178,438
	<u>\$ 895,168</u>	<u>\$ 465,840</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (notes 4 and 5)	\$ 199,834	\$ 183,911
Casino proceeds reserve	74,563	72,789
Deferred revenue (note 6)	598,737	-
	<u>873,134</u>	<u>256,700</u>
Net assets	22,034	209,140
Economic dependence (note 7)		
	<u>\$ 895,168</u>	<u>\$ 465,840</u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

, Director

, Director

# THE BRENDA STRAFFORD SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE

Statement of Operations and Changes in Net Assets

Year ended March 31, 2016 with comparative information for 2015

	2016	2015
Revenues:		
Funding by The Brenda Strafford Foundation Ltd. (notes 4 and 7)	\$ 1,107,131	\$ 988,762
Rent subsidy from Calgary Housing Company (note 7)	684,745	538,088
Rent from residents	370,898	359,993
Donations	199,045	162,846
Funding from City of Calgary (note 11)	150,302	151,778
Funding from Casino recognized	73,109	129,000
Funding from United Way (note 10)	82,864	83,467
Funding from Alberta Children's Services (note 9)	58,683	58,683
Funding from Alberta Human Services (note 12)	622,190	-
Signature event	13,583	-
Other income	7,201	90
	3,369,751	2,472,707
Expenses:		
Rent (note 4)	1,257,000	1,257,000
Salaries	856,545	702,745
Repairs & maintenance	405,812	252,424
General operating expenses	230,203	202,470
Property taxes	193,577	148,067
Utilities	139,097	132,488
Security	141,543	98,454
Employee benefits	99,750	75,781
Programs expenses	131,909	71,703
Management fee (note 4)	62,685	53,754
Amortization	19,751	17,864
Audit and professional expenses	14,110	9,300
Loss on disposal	4,875	-
	3,556,857	3,022,050
Deficiency of revenues over expenses	(187,106)	(549,343)
Net assets, beginning of year	209,140	758,483
Net assets, end of year	\$ 22,034	\$ 209,140

See accompanying notes to financial statements.

# THE BRENDA STRAFFORD SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE

## Statement of Cash Flows

Year ended March 31, 2016 with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Deficiency of revenues over expenses	\$ (187,106)	\$ (549,343)
Items not involving cash:		
Amortization	19,751	17,864
Loss on Disposal	4,875	
	<u>(162,480)</u>	<u>(531,479)</u>
Change in non-cash operating working capital:		
Due from the Brenda Strafford Foundation Ltd.	-	292,872
Prepays	5,525	(6,986)
Accounts Receivable	(8,690)	-
Accounts payable and accrued liabilities	15,923	183,911
Casino proceeds reserve	1,774	(129,000)
Deferred Revenue	598,737	-
	<u>450,789</u>	<u>(190,682)</u>
Investing:		
Purchase of capital assets	(38,147)	(35,328)
Proceeds on disposals	600	-
	<u>(37,547)</u>	<u>(35,328)</u>
Increase (decrease) in cash	413,242	(226,010)
Cash, beginning of year	280,416	506,426
Cash, end of year	<u>\$ 693,658</u>	<u>\$ 280,416</u>

See accompanying notes to financial statements.

# THE BRENDA STRAFFORD SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE

Notes to the Financial Statements

Year ended March 31, 2016

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## 1. Description of business:

The Brenda Strafford Society for the Prevention of Domestic Violence (the "Society"), commenced operations in January 1996. The Society provides counseling services to families experiencing domestic violence.

## 2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook, the more significant of which are as follows:

### (a) Revenue recognition:

The Society follows the deferral method of accounting for contributions.

Revenues are recognized when there is reasonable assurance that the Society has complied with and will continue to comply with, all conditions necessary to recognize these revenues.

Contributions subject to externally imposed restrictions are recognized as revenue in the year in which the related expenses are incurred.

Contributions received which do not have any externally imposed restrictions as to use, are reported as income in the year in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and supplies that would otherwise be paid for by the Society are recorded at fair value when provided.

Government grants are recorded in the accounts when there is a reasonable assurance that the Society has complied with, and will continue to comply with, all conditions necessary to obtain the grants.

### (b) Capital assets:

Capital assets are recorded at cost and are amortized on a declining balance basis using the following annual rates:

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Furnishings	10%
Equipment	10%

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Year ended March 31, 2016

## 2. Significant accounting policies (continued):

### (c) Use of estimates:

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates include providing for amortization of capital assets. Actual results could differ from these estimates.

### (d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

It is management's opinion that there is no exposure to significant amounts of interest or foreign exchange risks.

### (e) Allocation of expenses:

Programs classify expenses by function. The Programs do not allocate expenses between functions on the Program statements (included in notes 9, 10, 11 and 12). However, the Society does allocate some expenses between programs by identifying the appropriate basis of allocating and applying that basis consistently each year.

## 3. Capital assets:

March 31, 2016	Cost	Accumulated amortization	Net book value
Furnishings	\$ 284,274	\$ 148,419	\$ 135,855
Equipment	135,504	80,000	55,504
	\$ 419,778	\$ 228,419	\$ 191,359

March 31, 2015	Cost	Accumulated amortization	Net book value
Furnishings	\$ 262,157	\$ 134,553	\$ 127,604
Equipment	126,466	75,632	50,834
	\$ 388,623	\$ 210,185	\$ 178,438

# THE BRENDA STRAFFORD SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE

Notes to the Financial Statements, page 3

Year ended March 31, 2016

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#### 4. Related party transactions:

The Brenda Stafford Foundation Ltd. (the "Foundation") is related to the Society by virtue of common management and Board. Management remuneration in the amount of \$62,685 (2015 - \$53,754) has been paid to the Foundation for administrative and advisory services provided. The transactions are in the normal course of operations and are measured at the exchange amount which is the amount established and agreed to by the related parties.

Rent, with an exchange amount agreed to by the related parties of \$1,257,000 (2015 - \$1,257,000), has been provided by the Foundation in respect of premises occupied and used by the Society. The transaction is in the normal course of operations.

For the year ended March 31, 2016, any liabilities that were outstanding and payable for the operations of the Society were assumed and settled by the Foundation. These liabilities have been accounted for as part of the funding transferred from the Foundation during the year of \$1,107,131 (2015 - \$988,762).

#### 5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$590 (2015 - \$2,800).

#### 6. Deferred revenue:

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	2016
Deferred revenue, beginning balance	\$ -
Contributions received	1,419,972
Contributions recognized as revenue	(821,235)
Deferred revenue, ending balance	<u>\$ 598,737</u>

#### 7. Funding revenue and Economic Dependence:

The Society receives the majority of its revenue from the Foundation, Alberta Human Services and from the Calgary Housing Company. During the year, \$1,107,131 (2015 - \$988,762) was received from the Foundation, \$1,091,802 (2015 - \$nil) from Alberta Human Services and \$684,745 (2015 - \$538,088) was received from the Calgary Housing Company.

In management's opinion, the Society's ongoing operations are dependent on the continuance of these funding sources.

# THE BRENDA STRAFFORD SOCIETY FOR THE PREVENTION OF DOMESTIC VIOLENCE

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Year ended March 31, 2016

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## 8. Financial instruments:

The Society's financial instruments recognized in the statement of financial position consist of cash, accounts receivable, accounts payable and accrued liabilities and a casino proceeds reserve.

The Society's activities expose it to a variety of financial risks:

### (a) Credit risk:

The Society's maximum exposure to credit risk is on cash.

Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Cash is placed with reputable commercial financial institutions. Credit risk is minimized by ensuring that credit is only extended to those entities that management believes has the financial capacity to pay obligations due to the Society.

### (b) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

## 9. Statement of revenue and expenses – The Children's Counselling Program:

	2016	2016
Revenues:		
Children's Counselling Program	\$ 58,693	\$ 58,683
Expenses:		
Salaries	49,217	51,152
Employee benefits	5,835	6,716
Administrative and office support	34,691	48,436
Programs expenses	3,802	8,439
	93,545	114,743
Deficiency of revenues over expenses	\$ (34,862)	\$ (56,060)

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Year ended March 31, 2016

## 10. Statement of Operations – The Child and Youth Program:

	2016	2015
Revenues:		
Funding from United Way	\$ 82,864	\$ 83,467
Expenses:		
Salaries	71,454	65,744
Employee benefits	7,265	7,477
Administrative and office support	49,604	61,287
Programs expenses	571	5,330
	128,894	139,838
Deficiency of revenues over expenses	\$ (49,030)	\$ (56,371)

## 11. Statement of Operations – Outreach Counsellor and Volunteer Coordinator:

	2016	2016
Revenues:		
Funding from City of Calgary	\$ 150,302	\$ 151,778
Expenses:		
Salaries	147,239	125,923
Employee benefits	17,676	5,109
Programs expenses	119,789	116,847
	284,704	247,879
Deficiency of revenues over expenses	(134,402)	\$ (96,101)

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Year ended March 31, 2016

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## 12. Statement of Operations – Services for Women and Children:

	2016	2015
Revenues:		
Funding from Alberta Human Services	\$ 622,190	\$ -
Expenses:		
Salaries	204,257	-
Rental expenses	60,656	-
Employee benefits	22,922	-
Programs expenses	4,024	-
General operating expenses	77,875	-
Repairs, maintenance and housekeeping	118,667	-
Security	94,802	-
Management fee	38,987	-
	622,190	-
Excess or deficiency of revenues over expenses	\$ -	\$ -