

THE BRENDA STRAFFORD CENTRE  
FOR THE PREVENTION OF  
DOMESTIC VIOLENCE

(A Division of The Brenda Stafford Foundation Ltd.)

FINANCIAL STATEMENTS

MARCH 31, 2013

To the Directors of  
The Brenda Strafford Foundation Ltd.

**Report on the Financial Statements**

We have audited the statement of financial position of The Brenda Strafford Centre For The Prevention of Domestic Violence (A Division of The Brenda Strafford Foundation Ltd.), which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statement of receipts over expenses and division net assets, the statement of funding by The Brenda Strafford Foundation Ltd. and the statement of cash flows for the years then ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information. This audit was done as it is one of the components of the Agency Contribution Agreement for the 2013 term, with the United Way of Calgary and Area as well as one of the components of the Family and Community Support Services Funding Agreement effective March 31, 2013, with the City of Calgary.

**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 audit opinion.

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at March 31, 2013, March 31, 2012 and April 1, 2011 and its financial performance, funding by the Brenda Strafford Foundation Ltd. and cash flows for the years then ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations and the provisions of the funding agreements referred to above.

**Restatement of the Prior Period**

Without modifying our opinion, we draw attention to Note 6 of these financial statements as at and for the year ended March 31, 2012 which indicates that the March 31, 2012 comparative information has been restated from that on which we originally reported on September 12, 2012.



Chartered Accountants

Calgary, Alberta  
January 24, 2014

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**THE BRENDA STRAFFORD CENTRE FOR THE PREVENTION OF  
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**STATEMENT OF FINANCIAL POSITION**

	<u>March 31</u>		<u>April 1</u>
	<u>2013</u>	<u>(Restated – Note 6)</u> <u>2012</u>	<u>2011</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 404,398	\$ 296,476	\$ 19,554
Accounts receivable	-	-	10,500
Capital assets (Note 4)	153,478	164,934	185,147
	\$ 557,876	\$ 461,410	\$ 215,201
<b>LIABILITIES AND DIVISION NET ASSETS</b>			
Deferred revenue	\$ -	\$ 50,503	\$ -
Division net assets	557,876	410,907	215,201
	\$ 557,876	\$ 461,410	\$ 215,201

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**STATEMENT OF RECEIPTS OVER EXPENSES  
AND DIVISION NET ASSETS**

	<u>Year ended March 31</u>	
	<u>2013</u>	<u>(Restated – Note 6)</u> <u>2012</u>
Receipts:		
Funding by The Brenda Strafford Foundation Ltd. (Note 5)	\$ 1,573,983	\$ 1,596,560
Donations – Cash	4,293	135,972
Funding from United Way	105,939	87,821
Funding from City of Calgary	139,651	131,418
Funding from Alberta Children's Services	58,683	58,683
Funding from other sources	-	44,000
Rent from residents	338,920	244,790
Rent subsidy from CalHomes	591,935	475,920
	<hr/> 2,813,404	<hr/> 2,775,164
Expenses:		
Amortization	23,556	26,454
Children's Programs	5,061	11,734
Employee benefits	74,039	68,081
General operating expenses	289,641	259,489
Management fee (Note 5)	46,000	49,800
Outreach Program	143	581
Property taxes	95,268	81,846
Salaries	642,783	615,900
Security	118,303	102,138
Utilities	114,641	106,435
Rent (Note 5)	1,257,000	1,257,000
	<hr/> 2,666,435	<hr/> 2,579,458
Excess revenue over expenses	146,969	195,706
Division net assets, beginning of year	410,907	215,201
Division net assets, end of year	<hr/> <u>\$ 557,876</u>	<hr/> <u>\$ 410,907</u>

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**STATEMENT OF FUNDING BY THE BRENDA STRAFFORD FOUNDATION LTD.**

	<u>Year ended March 31</u>	
	<u>2013</u>	<u>(Restated – Note 6)</u> <u>2012</u>
Funding by The Brenda Strafford Foundation Ltd. during the year	\$ 1,573,983	\$ 1,596,560
Cumulative funding by The Brenda Strafford Foundation Ltd., beginning of year	<u>5,863,349</u>	<u>4,266,789</u>
Cumulative funding by The Brenda Strafford Foundation Ltd., end of year	<u>\$ 7,437,332</u>	<u>\$ 5,863,349</u>

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**STATEMENT OF CASH FLOWS**

	<u>Year ended March 31</u>	
	<u>2013</u>	<u>(Restated – Note 6)</u> <u>2012</u>
<b>OPERATING ACTIVITIES</b>		
Receipts of funding and donations:	\$ 1,832,046	\$ 2,115,457
Rent revenue:	930,855	720,710
Operating expenses less amortization:	(2,642,879)	(2,553,004)
	<u>120,022</u>	<u>283,163</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	<u>(12,100)</u>	<u>(6,241)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	107,922	276,922
Cash, beginning of year	<u>296,476</u>	<u>19,554</u>
<b>CASH, END OF YEAR</b>	<u>\$ 404,398</u>	<u>\$ 296,476</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2013**

1. Description of business:

The Brenda Strafford Centre for the Prevention of Domestic Violence (the "Division") commenced operations in January 1996 and is a division of The Brenda Strafford Foundation Ltd., a registered Canadian charitable organization. The Centre provides counseling services to families experiencing domestic violence.

2. Adoption of Accounting Standards for Not-for-Profit Organizations:

These financial statements were prepared in accordance with Part III of the *CICA Handbook-Accounting* ("Part III").

The Division's first reporting period using Part III is for the year ended March 31, 2013. As a result, the date of transition to Part III is April 1, 2011. The Division presented financial statements under previous Canadian generally accepted accounting principles ("CGAAP") annually to March 31 of each fiscal year up to, and including, March 31, 2012.

As these financial statements are the first financial statements for which the Division has applied Part III, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of Part III, First-time Adoption by Not-for-Profit Organizations.

The Division is required to apply Part III effective for periods ending on March 31, 2013 in:

- a) preparing and presenting its opening statement of financial position at April 1, 2011; and
- b) preparing and presenting its statement of financial position for March 31, 2013 (including comparative amounts for 2012), statement of excess of receipts over expenses and division net assets, and statement of funding by The Brenda Strafford Foundation Ltd. for the year ended March 31, 2013 (including comparative amounts for 2012) and disclosures (including comparative information for 2012).

Section 1501 provides organizations with certain exemptions to the principle that an organization's opening statement of financial position shall comply with Part III. The Division elected not to use any of these exemptions. Further, the application of Part III as discussed above had no impact on the previously reported statement of financial position at April 1, 2011 or the statement of financial position, statement of excess of receipts over expenses and division net assets, and statement of funding by The Brenda Strafford Foundation Ltd for the year ended March 31, 2012.

3. Significant accounting policies:

These financial statements present the financial position and results of operations for the division and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following accounting policies:

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a) Amortization-

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

Furnishings	10%
Security equipment	10%
Equipment	20%

b) Donated revenue-

Donations are deposited to the operating fund, unless they are specifically designated by the donor for special purposes in which case they are segregated.

Donations with respect to materials and services are recognized when their estimated fair market value can be reasonably determined.

c) Deferred revenue-

Deferred revenue is being recognized in income when the related expenses are incurred.

d) Government grants-

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

e) Measurement uncertainty-

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

f) Financial instruments policy-

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Impairment:

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down is recognized in the net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of expenses over revenues.



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g) Capital Management

Capital is comprised of the Division's net assets and debt that it may issue. As at March 31, 2013, the Division's net assets were \$557,876 and it had no outstanding debt. The Division's objectives when managing capital are to continue as a going concern to protect its ability to meet its on-going liabilities. Funding received for designated purposes must be used for the purpose outlined by the funding party. Protecting the ability to pay current and future liabilities includes maintaining internally determined capital guidelines based on risk management policies.

h) Capital management requirement

The Division received an operating grant of \$139,651 from The City of Calgary FCSS to fund one outreach counselor and one volunteer coordinator at The Brenda Strafford Centre for the Prevention of Domestic Violence and to fund a strategic plan. The Division is in compliance with the terms of this operating grant as it has met its service and financial accountabilities.

The Division received an operating grant of \$88,290 from The United Way of Calgary to fund one child and youth counselor at The Brenda Strafford Centre for the Prevention of Domestic Violence. The Division is in compliance with the terms of this operating grant as it has met its service and financial accountabilities.

The Division received an operating grant of \$58,683 from Alberta Children and Youth Services to fund one child and youth counselor at The Brenda Strafford Centre for the Prevention of Domestic Violence. The Division is in compliance with the terms of this operating grant as it has met its service and financial accountabilities.

4. Capital assets:

	2013			2012
	Cost	Accumulated amortization	Net book value	Net book Value
Furnishings	\$ 204,170	\$ 110,432	\$ 93,738	\$ 92,055
Security equipment	27,016	14,096	12,920	14,354
Equipment	91,445	44,625	46,820	58,525
	<u>\$ 322,631</u>	<u>\$ 169,153</u>	<u>\$ 153,478</u>	<u>\$ 164,934</u>

5. Related party transactions:

Management remuneration in the amount of \$46,000 (2012 - \$49,800) has been paid to The Brenda Strafford Foundation Ltd. 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 a fair market value of \$1,257,000 (2012 - \$1,257,000) has been donated by The Brenda Strafford Foundation Ltd. in respect of premises occupied and used by the Division. The transaction is in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. The \$1,257,000 donated rent is included in revenue as part of the funding received from the Brenda Strafford Foundation Ltd.

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5. Related party transactions (continued):

Funding of \$270,983 (2012 – \$289,760) was made by the Brenda Stafford Foundation Ltd. (the Foundation) to cover expenses incurred at the Brenda Stafford Centre For The Prevention of Domestic Violence in excess of total funding received from sources other than the Foundation and Net Assets as at the beginning of current year.

6. Restatement of the prior period:

The financial statements for the year ended March 31, 2012 as initially reported, have been restated for an error resulting in salaries expense for the year ended March 31, 2012 being understated by \$155,000. The effect of the restatement has been to increase salaries expenses by \$155,000 and increase Funding by The Brenda Stafford Foundation Ltd. by \$155,000 for the year ended March 31, 2012.