Financial Statements of

ORGANIZATION FOR THE PREVENTION OF VIOLENCE

Year ended March 31, 2020

ORGANIZATION FOR THE PREVENTION OF VIOLENCE

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Year ended March 31, 2020

KPMG LLP
2200,10175-101 Street
Edmonton AB T5J 0H3
Canada
Tel 780-429-7300
Fax 780-429-7379

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Organization for the Prevention of Violence

Opinion

We have audited the financial statements of Organization for the Prevention of Violence (the Entity), which comprise:

- the balance sheet as at March 31, 2020
- the statement of operations and net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

October 20, 2020

ORGANIZATION FOR THE PREVENTION OF VIOLENCE

Balance Sheet

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	$ 42,048	$ 101,484
Accounts receivable	138,960	27,115
Prepaid expenses and deposits	6,614	1,680
	$ 187,622	$ 130,279
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 35,205	$ 35,219
Deferred grants and contributions (note 2)	133,057	84,084
	168,262	119,303
Net assets:		
Unrestricted	19,360	10,976
	$ 187,622	$ 130,279

COVID-19 pandemic (note 5)

See accompanying notes to financial statements.

On behalf of the Board:

(BRIAN SINSON)

Anna Kirova

ORGANIZATION FOR THE PREVENTION OF VIOLENCE

Statement of Operations and Net Assets

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Grants and contributions (note 2)	$ 789,763	$ 587,840
Net amounts (deferred) recognized (note 2)	(48,973)	(84,084)
Grants and contributions (repaid) recovered (note 2)	(21,725)	467
In-kind contributions	56,235	84,895
Other revenues	8,384	35,275
	783,684	624,393
Expenses:		
Salaries and benefits	497,716	351,578
Contracted services	64,260	15,378
In-kind expenses	56,235	84,895
Bookeeping and administrative support	42,000	32,091
Office and general	26,267	21,776
Travel	25,824	38,616
Rent	25,429	20,160
Professional fees	15,005	17,898
Vehicles	8,501	5,487
Meals and entertainment	7,632	20,692
Insurance	5,709	3,594
Advertising and website	722	1,252
	775,300	613,417
Excess of revenues over expenses	8,384	10,976
Net assets, beginning of year	10,976	-
Net assets, end of year	$ 19,360	$ 10,976

See accompanying notes to financial statements.

ORGANIZATION FOR THE PREVENTION OF VIOLENCE

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	$ 8,384	$ 10,976
(Increase) decrease in accounts receivable	(111,845)	2,414
Increase in prepaid expenses and deposits	(4,934)	(1,680)
Decrease in accounts payable and accrued liabilities	(14)	(16,803)
Decrease in grants and contributions repayable	-	(6,007)
Increase in deferred grants and contributions	48,973	84,084
(Decrease) increase in cash and cash equivalents	(59,436)	72,984
Cash and cash equivalents, beginning of year	101,484	28,500
Cash and cash equivalents, end of year	$ 42,048	$ 101,484

See accompanying notes to financial statements.

Nature of operations:

Organization for the Prevention of Violence ("Society") is a not for profit incorporated under the Societies Act of Alberta. OPV is a community-led initiative in Alberta working to better understand and prevent hate-motivated violence.

The Society is exempt from income taxes under Section 149 (1) of the Income Tax Act.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Society's significant accounting policies are as follows:

(a) Revenue recognition:

The Society follows the deferral method of accounting for contributions which include grants and contributions. Restricted grants and contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted grants and contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Contributed supplies and services:

Contributed supplies and services that would otherwise have been purchased are recorded as in-kind contributions and expenses. Such transactions are measured at the fair value at the date the contribution, when a fair value can be reasonably determined.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits, which are highly liquid with original maturities of less than three months.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded 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.

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Use of estimates:

The preparation of the financial statements 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 year. Significant items subject to such estimates of contributed services. Actual results could differ from those estimates.

2. Grants and contributions:

Deferred grants and contributions are comprised of the following:

		2020		2019
Countering Hate Motivated Violence	$	133,057	$	59,500
Community Resiliency Project		-		24,584
	$	133,057	$	84,084

The Society entered into an agreement, Countering Violent Extremism (CVE) in Alberta - Assessing and Addressing the Problem of Radicalization to Violence (CVE Alberta) with Her Majesty the Queen in Right of Canada as represented by the Minister of Public Safety and Emergency Preparedness. During the year, the Society received $562,643 (2019 - $503,755) and recognized eligible expenses of $540,918 (2019 - $503,755). At year end, the Society repaid $21,725 (2019 - recovered $467) under the agreement.

The Society entered into an agreement with the City of Edmonton FCSS and REACH Edmonton Council to support the awareness and public education about violent extremism in Alberta. This initiative is part of the City of Edmonton FCSS Community Resiliency project. During the year, the Society received $nil (2019 - $24,584) and recognized eligible expenses of $24,584 (2019 - $nil).

The Society entered into an agreement with REACH Edmonton Council in support of the Countering Hate Motivated Violence (HMV) in Edmonton. During the year, the Society received $212,500 (2019 - $59,500) and recognized eligible expenses of $138,943 (2019 - $nil).

The Society applied for and received $14,620 (2019 - $nil) under the Canada Summer Jobs program from the Minister of Employment and Social Development. During the year, the Society recognized eligible expenses of $14,620 (2019 - $nil).

3. Financial risks and concentration of risk:

The Society's financial risks include liquidity and credit risk.

(a) 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.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Society monitors the credit risk of customers through credit rating reviews.

4. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

5. COVID-19 pandemic:

On March 11 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The current challenging economic climate may lead to adverse changes in cash flows and working capital levels which may have a significant impact on future operations. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial impact on the Society is not known at this time.