

**HOMES FIRST FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2011**

# **HOMES FIRST FOUNDATION**

**Financial Statements  
December 31, 2011**

<b><u>Index</u></b>	<b><u>Page</u></b>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6

**AKLER, BROWNING, FRIMET & LANDZBERG LLP**  
**CHARTERED ACCOUNTANTS**

---

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Homes First Foundation

We have audited the accompanying financial statements of Homes First Foundation, which comprise the statement of financial position as at December 31, 2011, and the statements of operations and 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 generally accepted accounting principles, 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 organization'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 organization'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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*

In common with many charitable organizations, Homes First Foundation derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Homes First Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2011, total assets or net assets as at December 31, 2011.

*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 Homes First Foundation as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.


*Akler, Browning, Frimet*  
*& Landzberg LLP*

Chartered Accountants  
Licensed Public Accountants  
Toronto, Canada  
May 24, 2012

**HOMES FIRST FOUNDATION**  
**Statement of Financial Position**  
**December 31, 2011**

	2011	2010
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 177,424	\$ 150,948
Accounts receivable	-	1,333
<b>Total Assets</b>	<b>\$ 177,424</b>	<b>\$ 152,281</b>
<b>Liabilities</b>		
<b>Current</b>		
Due to Homes First Society	\$ 28,977	\$ 12,046
<b>Fund Balances</b>		
<b>Net assets</b>	<b>148,447</b>	<b>140,235</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 177,424</b>	<b>\$ 152,281</b>

Approved on behalf of the Board:

  
 \_\_\_\_\_ Member  
 May 24, 2012 Date

\_\_\_\_\_ Member

**HOMES FIRST FOUNDATION**  
**Statement of Operations and Changes in Net Assets**  
**Year ended December 31, 2011**

	2011	2010
<b>Revenues</b>		
Donations	\$ 34,092	\$ 35,978
<b>Expenditures</b>		
Fundraising activities	20,512	1,838
Administrative overhead	5,368	3,174
<b>Total expenditures</b>	25,880	5,012
<b>Excess of revenues over expenditures before other item</b>	8,212	30,966
<b>Other expense</b>		
Disbursement to Homes First Society	-	25,000
<b>Excess of revenues over expenditures for the year</b>	8,212	5,966
<b>Net assets, beginning of year</b>	140,235	134,269
<b>Net assets, end of year</b>	\$ 148,447	\$ 140,235

**HOMES FIRST FOUNDATION****Statement of Cash Flows****Year ended December 31, 2011**

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	\$ 8,212	\$ 5,966
Net change in non-cash working capital items		
Accounts receivable	1,333	(1,333)
Due to Homes First Society	16,931	6,438
	18,264	5,105
<b>Net increase in cash</b>	<b>26,476</b>	<b>11,071</b>
<b>Cash, beginning of year</b>	<b>150,948</b>	<b>139,877</b>
<b>Cash, end of year</b>	<b>\$ 177,424</b>	<b>\$ 150,948</b>

# HOMES FIRST FOUNDATION

## Notes to the Financial Statements

December 31, 2011

---

### 1. NATURE OF OPERATIONS

Homes First Foundation (the "Foundation") was incorporated pursuant to the Canada Corporations Act as a non-share capital corporation on November 7, 2001. The Foundation is a Public Foundation within the meaning of the Income Tax Act and is registered as such. As a registered charity, the Foundation is exempt from income tax.

The goal of the Foundation is to receive and maintain a fund or funds and to apply all or part of the principal and income generated to the charitable activities and charitable purposes of Homes First Society.

---

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

#### (a) Revenue recognition

Revenue from grants and donations are recognized when received or when collection is not in doubt.

#### (b) Measurement uncertainty

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

#### (c) Financial instruments

The Foundation has elected to use the exemption provided by the Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply the following sections of the CICA Handbook: Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, which would otherwise have applied to the financial statements of the organization for the year ended December 31, 2011. The foundation applies the requirements of Section 3861, Financial Instruments - Disclosures and Presentation.

The Foundation designates its cash, accounts receivable and amount owing to Homes First Society as held for trading and carries them at fair value. The carrying value of cash and amount owing to Homes First Society are determined to be at their fair value due to their short term nature. Where applicable, the unrealized gain or loss on investments, being the difference between book value and fair value, is included in investment income in the statement of operations.

---

## **HOMES FIRST FOUNDATION**

### **Notes to the Financial Statements**

**December 31, 2011**

---

#### **3. FUTURE ACCOUNTING CHANGES**

In December 2010, the Canadian Accounting Standards Board issued a comprehensive set of accounting standards applicable to not-for-profit organizations. These standards are effective for fiscal years beginning on or after January 1, 2012 and require retrospective application. The organization is currently considering the impact that the initial adoption of these standards will have on its financial statements.

---

#### **4. RELATED PARTY**

Homes First Foundation is related to Homes First Society by virtue of an economic interest between the two organizations.

During the year Homes First Foundation disbursed \$Nil (2010 - \$25,000) tax receipted donations to Homes First Society.

---

#### **5. FINANCIAL INSTRUMENTS**

##### **Fair value**

The organization's financial instruments include cash, accounts receivable, and due to Homes First Society. The carrying value of these instruments approximates their fair value due to their short-term maturities.

##### **Credit risk**

The Foundation carries little or no accounts receivable or other items which have a credit risk attached to them.

---