

Canadian Foundation for the Prevention of Family Violence

**Financial Statements
December 31, 2023**

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December 31, 2023

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CHARTERED PROFESSIONAL
ACCOUNTANT

Syed A. Raza Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of *Canadian Foundation for the Prevention of Family Violence*

Qualified Opinion

I have audited the financial statements of Canadian Foundation for the Prevention of Family Violence which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies..

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report , the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Foundation for the Prevention of Family Violence as at December 31, 2023, 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 (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities, 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 the Organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets and net assets as at December 31, 2023 and 2022. My audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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

Responsibilities of Management and Those Charged with Governance 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 (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.

In preparing the financial statements, management is responsible for assessing the Organization'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 intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process.



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CHARTERED PROFESSIONAL
ACCOUNTANT

Syed A. Raza Professional Corporation

Auditor's Responsibility for the Audit of the Financial Statements

My 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 my 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 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements of, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Syed A. Raza Professional Corporation, CPA
Licensed Public Accountant
Authorized to practice public accounting by
The Chartered Professional Accountants of Ontario

Toronto, Ontario
September 4, 2024



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Canadian Foundation for the Prevention of Family Violence

Statement Of Financial Position

As at December 31, 2023

	2023	2022
Assets		
Current Assets		
Cash & Bank	\$ 124,780	\$ 56,496
Investments (Note 5)	428,345	628,564
Accounts Receivable	5,069	2,655
Prepaid Expenses	1,341	1,336
GST/HST Recoverable	15,375	10,155
Total Current Assets	\$ 574,910	\$ 699,206
Property, plant and equipment (Note 3)	\$ 26,385	\$ 25,171
Total Assets	\$ 601,295	\$ 724,377
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable & Accrued Liabilities (Note 4)	\$ 55,051	\$ 29,098
Total Liabilities	\$ 55,051	\$ 29,098
Net Assets (Page 5)	\$ 546,244	\$ 695,279
Total Net Assets	\$ 546,244	\$ 695,279
Total liabilities and Net assets	\$ 601,295	\$ 724,377

Related Party transactions (Note 6)

Approved on behalf of the Board

David Lockett Director
Dan Cornacchia Director

The attached notes are an integral part of these financial statements

Canadian Foundation for the Prevention of Family Violence
Statement Of Operations
For the year ended December 31, 2023

	2023	2022
REVENUE		
Donations	464,916	482,154
Federal Government Grants	33,110	28,416
Service Clubs	57,000	43,443
Fundraising activities and other income	33,682	457
TOTAL REVENUE	\$ 588,708	\$ 554,470
Expenses		
Administration and community relations	100,119	101,274
Depreciation Expense	7,022	6,691
Grow to Learn Program	406,376	257,403
LifeSkills programs	16,896	13,428
LifePlan and Coaching	216,885	123,976
Total Expense	\$ 747,298	\$ 502,772
Excess (deficiency) of Revenue over Expenses from Operations	\$ (158,590)	\$ 51,698
Other (Expenses) Income		
Unrealized (Loss) Gain Investments	9,555	(34,688)
Excess (deficiency) of Revenue over Expenses	\$ (149,035)	\$ 17,010

The attached notes are an integral part of these financial statements

Canadian Foundation for the Prevention of Family Violence
Statement of Changes in Net Assets
For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
Fund Balance , beginning of the year	\$ 695,279	\$ 678,269
Excess (deficiency) of Revenue over Expenses (Page 4)	(149,035)	17,010
Fund Balance, end of the year	\$ 546,244	\$ 695,279

The attached notes are an integral part of these financial statements

Canadian Foundation for the Prevention of Family Violence
Statement Of Cash Flows
For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
Cash Flow Provided By (Used In) Operating Activities:		
Excess(deficiency) of Revenue over Expenses (Page 4)	\$ (149,035)	\$ 17,010
Items not affecting cash		
Depreciation	\$ 7,022	\$ 6,691
Unrealized / Loss (Gain) on Investments	<u>(9,555)</u>	<u>34,688</u>
	(151,568)	58,389
Change in non-cash working capital items		
(Increase)/Decrease in Accounts Receivable	(2,414)	(2,655)
(Increase)/Decrease in Prepaid Expenses	(5)	(41)
(Increase)/Decrease in HST recoverable	(5,220)	(3,712)
Increase/(Decrease) in Accounts Payable & Accrued Liabilities	<u>25,953</u>	<u>(3,218)</u>
	\$ (133,254)	\$ 48,763
Cash Flow Provided By (Used In) Investing Activities:		
Disposition (Acquisition) of Property, Plant & Equipment	(8,237)	(29,883)
(Net purchase)/Net proceeds on disposition of investments	<u>209,775</u>	<u>9,078</u>
	\$ 201,538	\$ (20,805)
Cash Flow Provided By (Used In) Financing Activities:		
Increase (Decrease) in loan Payable	<u>-</u>	<u>-</u>
	\$ -	\$ -
Increase (Decrease) in cash & Cash Equivalent during the year	\$ 68,284	\$ 27,958
Cash & Cash Equivalents, beginning of the year	\$ 56,496	\$ 28,538
Cash & Cash Equivalents, End of the year	<u>\$ 124,780</u>	<u>\$ 56,496</u>

The attached notes are an integral part of these financial statements

Canadian Foundation for the Prevention of Family Violence
Notes to financial statements
December 31, 2023

1. Nature of operation

Canadian Foundation for the Prevention of Family Violence (the "Foundation") is a registered charitable organization, as defined in the Income Tax Act (Canada), dedicated to breaking the intergenerational cycle of family violence. The Foundation helps at-risk youth and builds peace and hope in urban communities in partnership with the courts and schools. The Foundation was created by two Toronto businessmen in 1995 and generally operates under the PACT name. The PACT Urban Peace Program builds peace in urban communities through empowering, supporting and encouraging youth to reach their full potential in life.

As the Foundation is a registered charitable organization, it is not subject to income tax under the Income Tax Act.

2. Summary of significant accounting policies

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

a. Financial Instruments

i) Measurement

The Foundation's financial instruments consist of cash, investments, GST/HST recoverable and accounts payable and accrued liabilities. The Foundation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market. Investments in equity instruments quoted in an active market are subsequently measured at fair value at year-end date. Changes in fair value of these equity investments are recognized in the results of operations in the period incurred.

Financial assets measured at amortized cost include cash and bank and GST/HST receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

ii) 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 results of operations. 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 the results of operations.

iii) Transaction Costs

The Organization recognizes its transaction costs in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

Canadian Foundation for the Prevention of Family Violence
Notes to financial statements
December 31, 2023

2. Significant accounting policies (continued)

b. Revenue Recognition

The Foundation follows the deferral method of accounting for contributions which include donations and service clubs donations.

Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising activities and other income revenue are recognized when the events are held.

c. Property, plant and equipment

During fiscal year end December 31, 2021, because the Foundation's gross average revenue for the current and preceding period was over \$500,000, the Foundation started to capitalize their capital assets purchases based on the ASNPO. The Foundation will continue to follow this Policy even if average revenue subsequently falls below \$500,000.

Prior to year 2021, capital assets were recorded as expenses in the year they are acquired.

Property and equipment are recorded at cost, less accumulated amortization and are amortized on the declining balance method at rates sufficient to substantially amortize the cost of the assets over their estimated useful lives.

Property, plant and equipment are amortized on declining-balance basis using the following annual rates:

Equipment	20%
Computer Equipment	55%

d. Impairment of Long-Lived Assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long lived asset exceeds its fair value.

e. Income Taxes

As the Foundation is a registered charitable organization, it is not subject to income tax under the Income Tax Act.

Canadian Foundation for the Prevention of Family Violence
Notes to financial statements
December 31, 2023

2. Significant accounting policies (continued)

f. Deferred Revenue

Deferred revenue relates to operating funding received during current period for programs to be provided in the future.

g. Allocation of Expenses

The Foundation records its expenses by class: Life Skills programs, Life Plan and Coaching, Administration and community relations.

h. Use of Estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations require 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 revenue and expenses during the year. These estimates which mainly consists of useful lives of property, plant and equipment, accounts payable and accrued liabilities are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

i. Cash and Cash Equivalents

Foundation's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity period of 90 days or less from the date of acquisition. Term deposits that the entity cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

j. Contributed materials and services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining fair value, contributed services and materials are not recognized in the financial statements.

k. Gifts in kind:

The value of donated materials and services contributed to the Foundation are not reflected in these financial statements.

l. Related party transactions

Related party transactions occurred during the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed by the related parties.

Canadian Foundation for the Prevention of Family Violence
Notes to financial statements
December 31, 2023

3. Property, Plant and Equipment

			2023	2022
	Cost	Accumulated Amortization	Net book Value	Net book Value
Equipment	37,836	12,078	25,758	24,103
Computer Equipment	2,700	2,073	627	1,068
	\$ 40,536	14,151	26,385	25,171

4. Accounts payable and accrued liabilities

Accounts Payable & Accrued Liabilities are as follows:

	2023	2022
Accrued subcontractors fees payable	23,075	13,871
Accrued professional fees payable	9,800	8,695
Accrued payable for other PACT programs expenses	14,396	4,202
Payroll Liabilities	7,780	2,330
	\$ 55,051	\$ 29,098

5. Investments

	2023	2022
Investment saving funds	266,605	450,875
Investment in shares of publicly traded companies	161,740	177,689
	\$ 428,325	\$ 628,564

Unrealized loss included is \$24,261 for year ended December 31, 2023 and \$33,816 for year ended December 31, 2022.

6. Related Party transactions

During the year, related party transactions are payment of salary to Director's daughter amounting to \$62,954 (\$46,680 in Year 2022).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Canadian Foundation for the Prevention of Family Violence
Notes to financial statements
December 31, 2023

7. Financial instruments

Canadian Foundation for the Prevention of Family Violence's financial instruments consist of cash and cash equivalents, GST/HST recoverable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their relative short-term maturities and credit terms. The following analysis provides a measure of the Foundation's risk exposure at December 31, 2023:

a. Liquidity Risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities of \$55,051 (2022 - \$29,098). The Foundation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate bank and investment balance to repay vendors or subcontractors' invoices when they become due. In the opinion of management, the liquidity risk exposure to the Foundation is low and not material.

b. Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation currently has minimal exposure to credit risk.

c. Currency Risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation currently has minimal exposure to currency risk.

d. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation currently has minimal exposure to interest risk.

e. Market Risk

Market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Foundation is exposed to this market risk mainly in respect of the investment in shares of publicly traded companies of \$161,740 (2022 - \$177,689). There is no significant exposure from the remaining financial instruments.

8. Prior years' financial statements

Prior years' financial statements were audited, and some accounts reclassified to conform to current year's presentation.



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