

CANADIAN CENTRE FOR MEN AND FAMILIES

Financial Statements

Year ended December 31, 2023

(In Canadian dollars)

CANADIAN CENTRE FOR MEN AND FAMILIES

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Year ended December 31, 2023

(In Canadian dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Canadian Centre for Men and Families

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Canadian Centre for Men and Families (the "Organization"), 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 our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Canadian Centre for Men and Families as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

Canadian Centre for Men and Families derives a material amount of revenue from donations. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for donations revenue, excess of revenues over expenditures and changes to net assets for the years ended December 31, 2023 and 2022 and net assets as at that dates because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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 either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT, continued

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's 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 auditor's 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 these 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Organization 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.

We 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.

MISSISSAUGA, Ontario
August 8, 2024

HS & Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

CANADIAN CENTRE FOR MEN AND FAMILIES

Statement of Financial Position

December 31

(In Canadian dollars)

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 1,190,206	\$ 1,167,904
Marketable securities (Note 3)	144,931	111,979
Grant receivable	100,000	-
Prepaid expenses and other assets	10,152	12,792
HST recoverable	16,376	26,147
	1,461,665	1,318,822
Capital assets (Note 4)	1,121,180	1,162,483
	\$ 2,582,845	\$ 2,481,305
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 62,432	\$ 55,794
Deferred contributions	87,663	-
Canada emergency business account (Note 6)	60,000	-
Current portion of mortgage payable (Note 5)	36,788	36,268
	246,883	92,062
Canada emergency business account (Note 6)	-	60,000
Mortgage payable (Note 5)	975,690	1,012,691
Restricted contributions (Note 7)	462,236	463,526
	1,684,809	1,628,279
NET ASSETS (Note 8)	898,036	853,026
	\$ 2,582,845	\$ 2,481,305

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

CANADIAN CENTRE FOR MEN AND FAMILIES

Statement of Operations

Year ended December 31

(In Canadian dollars)

	2023	2022
REVENUES		
Other income	\$ 196	\$ 1,300
Contributions	374,253	346,485
Membership	11,320	8,021
Events revenue	2,918	850
Grants	398,137	373,288
Programs and services revenue	55,125	29,480
	<u>841,949</u>	<u>759,424</u>
EXPENDITURES		
Amortization	41,301	38,420
Insurance	19,019	10,635
Interest and bank charges	7,806	5,324
Interest on long-term debt (Note 5)	20,435	21,365
Office and general	35,323	35,595
Marketing and promotion	17,800	18,671
Project expenses	93,783	73,902
Events and speaker series	29,881	28,258
Charity development	20,742	22,950
Professional fees	37,864	24,740
Occupancy cost	69,313	88,975
Salaries and related benefits	381,859	350,597
Telephone and telecommunication	43,019	21,457
Travel	3,080	839
	<u>821,225</u>	<u>741,728</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>20,724</u>	<u>17,696</u>
OTHER INCOME		
Gain on foreign exchange	1,063	989
Investment income	23,223	5,239
	<u>24,286</u>	<u>6,228</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 45,010</u>	<u>\$ 23,924</u>

CANADIAN CENTRE FOR MEN AND FAMILIES

Statement of Changes in Net Assets

Year ended December 31

(In Canadian dollars)

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 853,026	\$ 829,102
EXCESS OF REVENUES OVER EXPENDITURES	45,010	23,924
NET ASSETS - END OF YEAR	\$ 898,036	\$ 853,026

CANADIAN CENTRE FOR MEN AND FAMILIES

Statement of Cash Flows

Year ended December 31

(In Canadian dollars)

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 45,010	\$ 23,924
Adjustments for		
Amortization	41,301	38,420
Donations in shares	(10,411)	(23,375)
Total	75,900	38,969
Change in non-cash working capital items		
Grant receivable	(100,000)	40,833
Prepaid expenses and other assets	2,640	-
HST recoverable	9,771	11,089
Deferred contribution	87,663	-
Accounts payable and accrued liabilities	6,638	128
Restricted contributions	(1,290)	65,155
Cash flow from operating activities	81,322	156,174
INVESTING ACTIVITIES		
Term deposits	-	416,230
Marketable securities	(22,539)	(1,564)
Purchase of capital assets	-	(11,360)
Cash flow (used by) from investing activities	(22,539)	403,306
FINANCING ACTIVITY		
Mortgage payable	(36,481)	(35,551)
INCREASE IN CASH	22,302	523,929
CASH - BEGINNING OF YEAR	1,167,904	643,975
CASH - END OF YEAR	\$ 1,190,206	\$ 1,167,904
OTHER INFORMATION		
Interest paid	\$ 28,241	\$ 26,689

CANADIAN CENTRE FOR MEN AND FAMILIES

Notes to the Financial Statements

December 31, 2023

(In Canadian dollars)

1. PURPOSE OF ORGANIZATION AND INCOME TAX STATUS

Canadian Centre for Men and Families (the "Organization" or "CCMF"), is a registered mental health and social service charity serving as a hub of programs and services for boys, men, fathers and their families. The organization's primary focus is on three critical areas:

1. Reducing suicide among men at high-risk
2. Empowering fathers to strengthen the father-child relationship
3. Supporting men to heal from all forms of family violence, abuse and trauma

Through a network of physical Centres and virtual spaces, CCMF provides therapy, counselling, peer support groups, legal clinics, fathering programs, mentorship for male youth, and the Nexus Recovery program for male victims of family violence.

The organization also offers emergency housing support to men and their families who experience violence or abuse.

In addition to delivering front-line resources to families in crisis, CCMF works towards gender equality through educational programs, public events, community outreach, and engagement with new and traditional media.

The Organization was incorporated by letters patent under the Canada Corporations Act and issued a Certificate of Continuance under the Canada Not-for-profit Corporations Act. The Organization is a registered charity (business no. 841583719 RR0001) and is not subject to income tax pursuant to section 149(1) of the Income Tax Act (Canada).

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) Revenue recognition

The Organization follows the deferral method of accounting for contribution revenue. Contributions and donations which are unrestricted are recognized in the year to which they pertain and/or received. Sponsorships, fundraising revenue, membership fees and speaker's series revenue are recognized as revenue in the year received. Grant revenue is recognized when all conditions of receipt are met and collection is reasonably assured. Other revenue is recognized when received.

Contributions and donations which are externally restricted and not expensed are deferred and recognized to revenue in the year the related expenses are incurred. Contributions and donations for future periods are deferred and recognized as revenue in the year the related expenses are incurred.

Restricted contributions used to purchase assets subject to amortization are recognized to revenue as amortization is expensed. Restricted contributions used to purchase assets not subject to amortization are recognized as direct increases to net assets.

CANADIAN CENTRE FOR MEN AND FAMILIES

Notes to the Financial Statements

December 31, 2023

(In Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Investments

[i] Reported at fair value - Investments reported at fair value consist of equity instruments that are quoted in an active market, as well as any investments in debt or equity securities that the Organization designated to be measured at fair value. Such designation must be made when the investment is initially recognized. In the case of an equity instrument that was previously measured at fair value because it was quoted in an active market, this designation may be made when the instrument ceases to be quoted in an active market. This designation is irrevocable. Changes in fair value are recognized in net assets. Transaction costs to acquire or dispose of these securities are recognized in net assets in the period during which they are incurred.

[ii] Reported at cost or amortized cost - Investments in equity securities which are not quoted in an active market, as well as investments in debt securities, whether or not quoted in an active market are initially recorded at fair value plus financing fees and transaction costs that are directly attributable to their acquisition or disposal. These equity securities are thereafter carried at cost and the debt securities are carried at amortized cost using the straight-line amortization method.

Investment income is recorded on the accrual basis.

(c) Financial Instruments

The organization's financial instruments consist of cash, investments, accounts payable and long-term debt. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

(d) Financial Instrument Classification

All financial instruments are initially measured at fair value and subsequently according to the following measurement methods.

<u>Financial instruments</u>	<u>Classification</u>	<u>Subsequent measurement</u>
Accounts receivable	Loans and receivables	Fair value
Marketable securities	Held for trading	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost using the effective interest method
Long-term debt	Other liabilities	Amortized cost using the effective interest method

CANADIAN CENTRE FOR MEN AND FAMILIES

Notes to the Financial Statements

December 31, 2023

(In Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Capital Assets

Capital assets are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Building	25 years Straight-line
Office equipment	20% Declining balance
Furniture and fixtures	20% Declining balance

(f) Donated Materials and Services

Donated materials and services are not recorded because the fair market value is not readily determinable. The charity benefited from 46,218 hours (2022 - 36,974 hours) of volunteer labour over the course of the fiscal year.

(g) Measurement Uncertainty

The preparation of financial statements in conformity 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 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.

(h) Other

All other transactions of the Organization are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

3. MARKETABLE SECURITIES

	2023	2023	2022	2022
	Fair value	Cost	Fair value	Cost
Common shares and mutual funds	\$ 144,931	\$ 120,938	\$ 111,979	\$ 80,972

CANADIAN CENTRE FOR MEN AND FAMILIES

Notes to the Financial Statements

December 31, 2023

(In Canadian dollars)

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 337,492	\$ -	\$ 337,492	\$ 337,492
Building	866,707	104,005	762,702	798,758
Office equipment	13,823	9,323	4,500	5,625
Furniture and fixtures	28,952	12,466	16,486	20,608
	<u>\$ 1,246,974</u>	<u>\$ 125,794</u>	<u>\$ 1,121,180</u>	<u>\$ 1,162,483</u>

5. MORTGAGE PAYABLE

	2023	2022
Mortgage loan #1, interest bearing 2%, payment \$3,684/month, due December 1, 2045	\$ 786,971	\$ 815,343
Mortgage loan #2, interest bearing 2%, 5 year term, payment \$1,059/month, due November 5, 2025	225,507	233,616
	1,012,478	1,048,959
Less current portion	36,788	36,268
Due beyond one year	\$ 975,690	\$ 1,012,691

The mortgages are secured by land and building with a book value of \$1,100,194 (2022 - \$1,136,250).

In February 2023, the terms of Mortgage loan #1 was revised to extend the term from December 1, 2025 to December 1, 2045.

Estimated principal repayments are as follows:

2024	\$ 36,788
2025	246,540
2026	29,898
2027	30,502
Subsequent years	<u>668,750</u>
	\$ 1,012,478

CANADIAN CENTRE FOR MEN AND FAMILIES

Notes to the Financial Statements

December 31, 2023

(In Canadian dollars)

6. CANADA EMERGENCY BUSINESS ACCOUNT

The Canada Emergency Business Account (CEBA) was an interest free loan from the Federal Government to support eligible small businesses during the COVID-19 pandemic. The loan was repaid effective January 18, 2024 resulting in a loan forgiveness of \$20,000.

7. RESTRICTED CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 463,526	\$ 398,371
Contributions received	120,000	156,050
	<u>583,526</u>	554,421
Less:		
Contributions recognized in the year to revenue	<u>121,290</u>	90,895
	<u>\$ 462,236</u>	<u>\$ 463,526</u>

Restricted contributions relate to contributions received for the shelter project and recognized as revenue in the period in which the shelter building amortization, mortgage interest and other shelter related expenses are incurred.

8. NET ASSETS

Net assets consist of unrestricted net assets and restricted net assets on account of the purchase of land as follows:

	<u>2023</u>	<u>2022</u>
Excess of revenue over expenditure	\$ 720,173	\$ 675,163
Restricted contributions	177,863	177,863
	<u>\$ 898,036</u>	<u>\$ 853,026</u>

9. CAPITAL MANAGEMENT

The Organization considers net assets to be its capital. The Organization's objectives when managing its capital is to safeguard its ability to continue as a going concern and provide program and services described in note 1 above.

The Board of Directors monitors the Organization's financial position to ensure this objective is met and makes adjustments as necessary in light of changes in economic conditions and the risk characteristics of the Organization's underlying assets, liabilities and related activities.

CANADIAN CENTRE FOR MEN AND FAMILIES

Notes to the Financial Statements

December 31, 2023

(In Canadian dollars)

10. LEASE COMMITMENTS

The organization's total commitment, under an operating property lease agreement is as follows:

2024	<u>\$ 8,600</u>
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11. CONTINGENCY

The Organization has been named as defendant in a claim for damages in the amount of \$50,000 and reimbursement of expenses of \$5,000 as a result of the suspension of a former director. The outcome of this matter is not presently determinable and, accordingly, no provision for settlement has been recorded in the accompanying financial statements. The Organization's insurance providers are assuming full coverage in this matter.

12. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

The organization does not have credit risk. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

(b) Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of \$62,432 (2022 - \$55,794). Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains adequate funds to repay creditors. In the opinion of management the liquidity risk exposure to the organization is low.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risks as described below.

(d) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization's marketable securities denominated in US dollars are exposed to exchange rate fluctuations.

CANADIAN CENTRE FOR MEN AND FAMILIES

Notes to the Financial Statements

December 31, 2023

(In Canadian dollars)

12. FINANCIAL INSTRUMENTS, continued

(e) Interest rate risk

The organization is exposed to interest rate risk. Interest rate risk is the risk that the organization has interest rate fair value risk exposure on its fixed rate mortgage payables. The organization reduces its exposure to interest rate risk by regularly monitoring published interest rates which have been relatively stable over the period presented. The organization does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the organization is low.

(f) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Organization reduces its exposure to price risk by regularly monitoring published information regarding the market prices of its investments to ensure that they are appropriate in the market place given the inherent level of risk of invested funds. In the opinion of the management, the price risk exposure to the Organization is low.
