
SAFE FAMILIES CANADA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

INDEX

Page	1-2.	Independent Auditor's Report
	3.	Statement of Financial Position
	4.	Statement of Operations and Changes in Net Assets
	5.	Statement of Cash Flows
	6-9.	Notes to Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Directors
Safe Families Canada
MARKHAM
Ontario

Qualified Opinion

We have audited the accompanying financial statements of Safe Families Canada which comprise the statement of financial position as at September 30, 2024 and the statement of operations and changes in net assets, and statement of 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 effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at September 30, 2024 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

As is common with many charitable organizations, Safe Families Canada derives part of its revenues from the general public in the form of contributions, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from this source was limited to the amounts recorded in the records of Safe Families Canada and we were not able to determine whether any adjustments might be necessary to contribution revenues and the excess (deficiency) of revenues over expenses for the years ended September 30, 2024 and 2023, current assets as at September 30, 2024 and 2023 and net assets as at the beginning and end of the years ended September 30, 2024 and 2023. The audit opinion on the financial statements for the year ended September 30, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 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 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 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.

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.

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

- 1 -

PAUL A. SIMPSON, CPA
PAUL W. McMULLEN, CPA
MARK D. POTTER, CPA

MICHAEL J. McNEILL, CPA
PETER A. SIMPSON, CPA
MARC F. CERNELE, CPA

ANTHONY G. DILIBERTO, CPA
JENNIFER A. STALEY, CPA

NORTON McMULLEN LLP

ONE VALLEYWOOD DRIVE SUITE 200 MARKHAM ONTARIO L3R 5L9 T 905-479-7001 F 905-479-0045

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 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 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 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.

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.



NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

February 3, 2025

SAFE FAMILIES CANADA

STATEMENT OF FINANCIAL POSITION

As at September 30, 2024 2023

ASSETS

Current

Cash	\$ 699,687	\$ 684,164
Investment (Note 2)	15,000	445,000
HST recoverable	35,944	17,896
Prepaid expenses	<u>21,627</u>	<u>16,893</u>
	<u>\$ 772,258</u>	<u>\$ 1,163,953</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 144,928	\$ 61,371
Government remittances payable	48,183	30,477
Deferred revenue (Note 3)	<u>30,890</u>	<u>120,455</u>
	<u>\$ 224,001</u>	<u>\$ 212,303</u>

NET ASSETS

<u>548,257</u>	<u>951,650</u>
<u>\$ 772,258</u>	<u>\$ 1,163,953</u>

Approved by the Board:

_____ Director

_____ Director

See accompanying notes

- 3 -

SAFE FAMILIES CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended September 30,

2024

2023

REVENUES

Contributions	\$ 2,408,422	\$ 2,746,122
Other grants	225,393	32,746
Government grants (Note 4)	21,033	67,565
Interest income	21,025	2,683
	<u>\$ 2,675,873</u>	<u>\$ 2,849,116</u>

EXPENSES

Salaries and benefits	\$ 2,291,124	\$ 1,374,832
Office and sundry	202,761	80,501
Staff training	195,140	67,604
Travel	144,639	71,454
Promotion and fundraising	132,873	92,931
Professional fees	74,438	59,939
Insurance	35,130	17,928
Program expenses	3,161	28,693
	<u>\$ 3,079,266</u>	<u>\$ 1,793,882</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES

\$ (403,393) \$ 1,055,234

NET ASSETS - Beginning

951,650 (103,584)

NET ASSETS - Ending

\$ 548,257 \$ 951,650

See accompanying notes

- 4 -

SAFE FAMILIES CANADA

STATEMENT OF CASH FLOWS

For the year ended September 30,

2024

2023

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (deficiency) of revenues over expenses	\$ (403,393)	\$ 1,055,234
Net change in non-cash working capital balances:		
Contributions receivable	-	32,150
Government grants receivable - Canada Summer Jobs	-	3,188
HST recoverable	(18,048)	(10,350)
Prepaid expenses	(4,734)	(14,893)
Accounts payable and accrued liabilities	83,557	16,796
Government remittances payable	17,706	7,646
Deferred revenue	(89,565)	(865,089)
	<u>\$ (414,477)</u>	<u>\$ 224,682</u>

INVESTING ACTIVITIES

Redemption of investments	\$ 445,000	\$ 200,000
Purchase of investment	(15,000)	(445,000)
	<u>\$ 430,000</u>	<u>\$ (245,000)</u>

INCREASE (DECREASE) IN CASH

\$ 15,523	\$ (20,318)
-----------	-------------

CASH - Beginning

<u>684,164</u>	<u>704,482</u>
----------------	----------------

CASH - Ending

<u><u>\$ 699,687</u></u>	<u><u>\$ 684,164</u></u>
--------------------------	--------------------------

SAFE FAMILIES CANADA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NATURE OF OPERATIONS

Safe Families Canada (the "Organization") exists to provide for safe, temporary residential accommodation to children from families in crisis. The Organization is a not-for-profit corporation incorporated under the Canada Corporations Act (CCA) on July 4, 2012 and is a registered charity exempt from income taxes under the Income Tax Act. On April 28, 2014, the Organization was granted continuance under the Canada Not-For-Profit Corporations Act (CNCA).

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

b) Cash and Cash Equivalents

Cash and cash equivalents consists solely of cash held in the Organization's bank account.

c) Revenue Recognition

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

Interest income is recognized when earned.

d) Contributed Services

Volunteers and members contribute a significant number of hours per year to assist the Organization in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

SAFE FAMILIES CANADA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

e) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and investment in guaranteed investment certificates. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversals is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. INVESTMENT

Investment consist of a non-redeemable guaranteed investment certificate bearing interest at a fixed rate of 5.05% (2023 - variable rate which was 4.50% at time of purchase) per annum at the time of purchase. The investment matures March 14, 2025.

3. DEFERRED REVENUE

Deferred revenue consists of:

	2024	2023
Deferred contributions	\$ -	\$ 70,625
Other grants	<u>30,890</u>	<u>49,830</u>
	<u>\$ 30,890</u>	<u>\$ 120,455</u>

SAFE FAMILIES CANADA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

3. DEFERRED REVENUE - Continued

The change in deferred revenue for the year consists of the following:

	2024	2023
Balance - Beginning	\$ 120,455	\$ 985,544
Amount received during the year	25,000	41,276
Less: Amount recognized as revenue during the year	<u>(114,565)</u>	<u>(906,365)</u>
Balance - Ending	<u>\$ 30,890</u>	<u>\$ 120,455</u>

4. GOVERNMENT GRANTS

Government grants consist of the following:

	2024	2023
City of Hamilton City Enrichment Fund grant	\$ 10,752	\$ 1,922
New Horizons for Seniors Program grant	10,281	15,807
Canada Summer Jobs grant	<u>-</u>	<u>49,836</u>
	<u>\$ 21,033</u>	<u>\$ 67,565</u>

5. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at September 30, 2024:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization is not exposed to credit risk.

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital. There has been no change in the assessment of liquidity risk from the prior year.

SAFE FAMILIES CANADA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

5. FINANCIAL INSTRUMENTS - Continued

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 price risk. The Organization is mainly exposed to interest rate risk as follows:

i) 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. As described in Note 2, the Organization is exposed to interest rate risk with respect to its fixed income investment. The exposure to this risk fluctuates as the investments and related interest rates change from year to year.