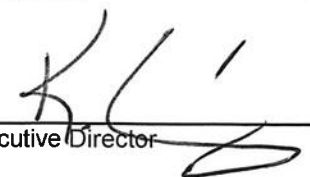


**COMMUNITY JUSTICE INITIATIVES
OF WATERLOO REGION**
FINANCIAL STATEMENTS
MARCH 31, 2024

Approved on behalf of the Board:


Chairperson


Executive Director



INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Justice Initiatives of Waterloo Region

Opinion

I have audited the financial statements of **Community Justice Initiatives of Waterloo Region**, which comprise the statement of financial position as at **March 31, 2024**, and the statement of operations and change in net assets, and the statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion the accompanying financial statements present fairly, in all material respects, the financial position of **Community Justice Initiatives of Waterloo Region** as at **March 31, 2024** and its results of operations, changes in net assets, and cash flows, for the year then ended, in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

Basis of Opinion

I 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 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 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 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.

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

Auditor's Responsibilities 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 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 Auditing Standards, I exercise professional judgment 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 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 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 or, 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 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.

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.

E.M. Simon CPA

August 27, 2024
Waterloo, ON

E.M. Simon CPA Professional Corporation

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COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

(with comparative figures as at March 31, 2023)

(the accompanying notes are an integral part of the financial statements)

	2024				2023			
	Operating	Capital	Operating		Operating	Capital	Operating	
	Fund	Fund	Reserve	Total	Fund	Fund	Reserve	Total
	Fund	Fund	Fund		Fund	Fund	Fund	
ASSETS								
CURRENT								
Cash	179,609	-	-	179,609	233,813	-	-	233,813
Investment (note 2)	-	-	240,635	240,635	-	-	229,432	229,432
Grants, contracts and HST receivable	156,620	-	-	156,620	161,286	-	-	161,286
Prepaid expenses	11,280	-	-	11,280	10,094	-	-	10,094
	\$ 347,509	\$ -	\$ 240,635	\$ 588,144	\$ 405,193	\$ -	\$ 229,432	\$ 634,625
LIABILITIES								
CURRENT								
Accounts payable and accrued	67,835	-	-	67,835	60,157	-	-	60,157
Government remittances payable	32,221	-	-	32,221	35,946	-	-	35,946
Deferred income (note 3)	153,440	-	-	153,440	204,543	-	-	204,543
	253,496	-	-	253,496	300,646	-	-	300,646
NET ASSETS								
Unrestricted	94,013	-	-	94,013	104,547	-	-	104,547
Investment in property and equipment	-	-	-	-	-	-	-	-
Internally restricted (note 1)	-	-	240,635	240,635	-	-	229,432	229,432
	94,013	-	240,635	334,648	104,547	-	229,432	333,979
	\$ 347,509	\$ -	\$ 240,635	\$ 588,144	\$ 405,193	\$ -	\$ 229,432	\$ 634,625

COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION

STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2024

(with comparative figures for the year ended March 31, 2023)

(the accompanying notes are an integral part of the financial statements)

	2024				2023			
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Operating Reserve Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Operating Reserve Fund</u>	<u>Total</u>
REVENUES								
Grants and contracts	1,046,638	-	-	1,046,638	1,048,090	-	-	1,048,090
United Way	67,000	-	-	67,000	66,000	-	-	66,000
Donations and fundraising	400,988	-	-	400,988	338,246	-	-	338,246
Fees and other income	187,813	-	11,203	199,016	321,285	-	5,591	326,876
	<u>1,702,439</u>	<u>-</u>	<u>11,203</u>	<u>1,713,642</u>	<u>1,773,621</u>	<u>-</u>	<u>5,591</u>	<u>1,779,212</u>
EXPENSES								
Wages, benefits and contract services	1,297,091	-	-	1,297,091	1,237,421	-	-	1,237,421
Purchased services	159,061	-	-	159,061	304,093	-	-	304,093
Office and facilities	177,605	4,424	-	182,029	186,572	3,574	-	190,146
Travel	9,499	-	-	9,499	12,253	-	-	12,253
Staff training	15,805	-	-	15,805	11,663	-	-	11,663
Program and events	33,857	-	-	33,857	65,775	-	-	65,775
Promotion and fundraising	15,631	-	-	15,631	8,418	-	-	8,418
Amortization	-	-	-	-	-	19,706	-	19,706
	<u>1,708,549</u>	<u>4,424</u>	<u>-</u>	<u>1,712,973</u>	<u>1,826,195</u>	<u>23,280</u>	<u>-</u>	<u>1,849,475</u>
EXCESS (DEFICIT)	(6,110)	(4,424)	11,203	669	(52,574)	(23,280)	5,591	(70,263)
NET ASSETS - opening	104,547	-	229,432	333,979	160,696	19,705	223,841	404,242
Interfund transfers								
Capital expenses funded by Operating Fund	(4,424)	4,424	-	-	(3,575)	3,575	-	-
NET ASSETS - closing	\$ 94,013	\$ -	\$ 240,635	\$ 334,648	\$ 104,547	\$ -	\$ 229,432	\$ 333,979

COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

(with comparative figures for the year ended March 31, 2023)

(the accompanying notes are an integral part of the financial statements)

	2024				2023			
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Operating Reserve Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Operating Reserve Fund</u>	<u>Total</u>
SOURCES (USES) OF CASH:								
OPERATING ACTIVITIES:								
Excess (deficit) of revenues over expenses	(6,110)	(4,424)	11,203	669	(52,574)	(23,280)	5,591	(70,263)
Amortization of property and equipment	-	-	-	-	-	19,706	-	19,706
	(6,110)	(4,424)	11,203	669	(52,574)	(3,574)	5,591	(50,557)
Change in non-cash items:								
Investment (note 2)	-	-	(11,203)	(11,203)	-	-	(5,591)	(5,591)
Grants, contracts and HST receivable	4,666	-	-	4,666	(104,788)	-	-	(104,788)
Prepaid expenses	(1,186)	-	-	(1,186)	1,971	-	-	1,971
Accounts payable and accrued	7,678	-	-	7,678	(30,215)	-	-	(30,215)
Government remittances payable	(3,725)	-	-	(3,725)	12,144	-	-	12,144
Deferred income (note 3)	(51,103)	-	-	(51,103)	44,328	-	-	44,328
	(49,780)	(4,424)	-	(54,204)	(129,134)	(3,574)	-	(132,708)
INVESTING ACTIVITIES:								
Leasehold improvements	-	-	-	-	-	(1)	-	(1)
FINANCING ACTIVITIES:								
Interfund transfers	(4,424)	4,424	-	-	(3,575)	3,575	-	-
CHANGE IN FUNDS FOR THE YEAR	(54,204)	-	-	(54,204)	(132,709)	-	-	(132,709)
CASH - opening	233,813	-	-	233,813	366,522	-	-	366,522
CASH - closing	\$ 179,609	\$ -	\$ -	\$ 179,609	\$ 233,813	\$ -	\$ -	\$ 233,813

COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

PURPOSE OF THE ORGANIZATION

Community Justice Initiatives of Waterloo Region (CJI) operates several programs designed to provide justice and healing through support, reconciliation and education. CJI is incorporated under the laws of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act, and as such, is exempt from income tax.

1. ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared using Canadian Accounting Standards for Not-for-profit Organizations.

Fund accounting

CJI uses fund accounting to maintain its books and records. Fund accounting comprises the collective accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary action.

The **Operating Fund** reflects the assets, liabilities, revenues and expenses related to program delivery and administrative activities.

The **Capital Fund** reflects the assets, liabilities, revenues and expenses related to property and equipment.

The **Operating Reserve Fund** was established by the Board of Directors to ensure long-term financial stability and position the organization to respond to varying economic conditions. Investment income earned by this fund is retained within the fund.

Revenue recognition

CJI uses the restricted fund method to recognize revenue, whereby restricted contributions are recognized as revenue in the appropriate restricted fund, where one exists, and reflected as restricted net assets on the statement of financial position until spent as designated. Restricted contributions related to general operations are reflected as deferred income of the Operating Fund on the statement of financial position, and only recognized as revenue when the related expenses are incurred. All revenues are only recognized as received or receivable when amounts can be reasonably estimated and collection is reasonably assured.

Cash

Cash includes cash on hand plus amounts held in accounts at financial institutions.

Financial instruments

A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument of another. Financial assets and liabilities are initially measured at fair value, except for non-arm's length transactions, if any. CJI subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments with quoted fair values in an active market, if any, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. Any 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 net income. Transaction costs are recognized in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

2. FINANCIAL INSTRUMENTS

	<u>2024</u>	<u>2023</u>
Financial assets carried at fair value:		
Investment - RBC Canadian Money Market Funds	240,635	229,432
Financial assets carried at amortized cost:		
Cash	179,609	233,813
Accounts receivable (excluding HST recoverable)	143,583	148,700
	323,192	382,513
	<u>\$563,827</u>	<u>\$611,945</u>

As in the prior year, management believes the organization does face some market risk, in that, changes in investment markets can impact the value of investments held by the organization. As in the prior year, management believes the organization does not face any significant credit, currency, interest rate or liquidity risk with respect to any of its financial instruments.

3. DEFERRED INCOME

Deferred income represent grants and restricted donations which have yet to be spent as designated.

4. SERVICE CONTRACTS

CJI has service contracts with The Ministry of Children, Community and Social Services, the Ministry of Community Safety, and Correctional Services Canada for its Stride Program. A reconciliation report for each of these programs is prepared annually by service, reflecting all revenues and expenditures. Each of these reports shows no surplus or deficit for the current fiscal year.

5. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

CJI has a lease commitment with respect to its premises for the period April 1, 2023 to March 31, 2026 which requires monthly base rent payments of \$9,742, plus a pro-rata share (based on square footage) of common operating costs.

Projected annual base rent payments:	<u>Fiscal Year</u>	<u>Amount</u>
	2025	116,904
	2026	116,904

6. ECONOMIC DEPENDENCE

The organization receives a significant amount of funding for several programs from government sources. The continuance of many of the organization's programs in their present form is largely dependent on the continued receipt of funding from these or similar entities.