COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION

Financial Statements

Year Ended March 31, 2026

Approved on behalf of the Board:

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Chairperson

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Executive Director

COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION
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Year Ended March 31, 2026

SIMON MODESTI LLP
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INDEPENDENT AUDITOR'S REPORT

To the Directors of Community Justice Initiatives of Waterloo Region

Opinion

We have audited the financial statements of Community Justice Initiatives of Waterloo Region (the "organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and 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 (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

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 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 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 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 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

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.

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Independent Auditor's Report to the Directors of Community Justice Initiatives of Waterloo Region *(continued)*

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.

Simon Modesti LLP

Waterloo, Ontario
September 16, 2026

SIMON MODESTI LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION
Statement of Financial Position
As at March 31, 2026

	2026				2025			
	Operating fund	Capital fund	Operating Reserve Fund	Total	Operating fund	Capital fund	Operating Reserve Fund	Total
ASSETS								
CURRENT								
Cash	477,453	-	-	477,453	332,838	-	-	332,838
Investments	-	-	257,860	257,860	-	-	251,077	251,077
Grants and contracts receivable	77,856	-	-	77,856	80,779	-	-	80,779
GST/HST recoverable	7,209	-	-	7,209	-	-	-	-
Prepaid expenses	5,342	-	-	5,342	10,538	-	-	10,538
	$ 567,860	$ -	$ 257,860	$ 825,720	$ 424,155	$ -	$ 251,077	$ 675,232
LIABILITIES								
CURRENT								
Accounts payable & accrued liabilities	84,864	-	-	84,864	71,988	-	-	71,988
Government remittances payable	-	-	-	-	8,941	-	-	8,941
Deferred income *(Note 4)*	332,046	-	-	332,046	281,463	-	-	281,463
	416,910	-	-	416,910	362,392	-	-	362,392
NET ASSETS								
Unrestricted	150,950	-	-	150,950	61,763	-	-	61,763
Internally restricted *(Note 2)*	-	-	257,860	257,860	-	-	251,077	251,077
	150,950	-	257,860	408,810	61,763	-	251,077	312,840
	$ 567,860	$ -	$ 257,860	$ 825,720	$ 424,155	$ -	$ 251,077	$ 675,232

COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION
Statement of Operations and Changes in Net Assets
Year Ended March 31, 2026

	2026				2025			
	Operating fund	Capital fund	Operating Reserve Fund	Total	Operating fund	Capital fund	Operating Reserve Fund	Total
REVENUES								
Donations and fundraising	373,394	-	-	373,394	395,489	-	-	395,489
Grants and contracts	697,548	-	-	697,548	1,075,180	-	-	1,075,180
Fees and other income	310,953	-	6,783	317,736	156,802	-	10,442	167,244
	$ 1,381,895	$ -	$ 6,783	$ 1,388,678	$ 1,627,471	$ -	$ 10,442	$ 1,637,913
EXPENSES								
Wages, benefits and contract services	989,861	-	-	989,861	1,249,764	-	-	1,249,764
Purchased services	160,168	-	-	160,168	186,770	-	-	186,770
Office and facilities	98,358	-	-	98,358	159,139	5,529	-	164,668
Travel	14,195	-	-	14,195	11,683	-	-	11,683
Staff training	8,254	-	-	8,254	8,752	-	-	8,752
Program and events	11,438	-	-	11,438	27,023	-	-	27,023
Promotion and fundraising	10,434	-	-	10,434	11,061	-	-	11,061
	1,292,708	-	-	1,292,708	1,654,192	5,529	-	1,659,721
EXCESS (DEFICIT) FROM OPERATIONS	89,187	-	6,783	95,970	(26,721)	(5,529)	10,442	(21,808)
NET ASSETS - OPENING	61,763	-	251,077	312,840	94,013	-	240,635	334,648
INTERFUND TRANSFERS	-	-	-	-	-	-	-	-
Capital expenses funded by Operating Fund	-	-	-	-	(5,529)	5,529	-	-
NET ASSETS - CLOSING	$ 150,950	$ -	$ 257,860	$ 408,810	$ 61,763	$ -	$ 251,077	$ 312,840

The accompanying notes form an integral part of these financial statements

COMMUNITY JUSTICE INITIATIVES OF WATERLOO REGION
Statement of Cash Flows
Year Ended March 31, 2026

	2026				2025			
	Operating fund	Capital fund	Operating Reserve Fund	Total	Operating fund	Capital fund	Operating Reserve Fund	Total
OPERATING ACTIVITIES								
Excess (deficit) for the year	**89,187**	-	**6,783**	**95,970**	(26,721)	(5,529)	10,442	(21,808)
Change in non-cash items:								
Grants and contracts receivable	**2,923**	-	-	**2,923**	75,841	-	-	75,841
GST/HST recoverable	**(7,209)**	-	-	**(7,209)**	-	-	-	-
Prepaid expenses	**5,196**	-	-	**5,196**	742	-	-	742
Accounts payable & accrued liabilities	**12,876**	-	-	**12,876**	4,153	-	-	4,153
Government remittances payable	**(8,941)**	-	-	**(8,941)**	(23,280)	-	-	(23,280)
Deferred revenue	**50,583**	-	-	**50,583**	128,023	-	-	128,023
	55,428	-	**6,783**	**151,398**	158,758	(5,529)	10,442	163,671
Cash flow from operating activities	**144,615**	-	**6,783**	**151,398**	158,758	(5,529)	10,442	163,671
INVESTING ACTIVITIES								
Purchase of investments	-	-	**(6,783)**	**(6,783)**	-	-	(10,442)	(10,442)
FINANCING ACTIVITIES								
Interfund transfers	-	-	-	-	(5,529)	5,529	-	-
CHANGE IN CASH FLOW	**144,615**	-	-	**144,615**	153,229	-	-	153,229
CASH - OPENING	**332,838**	-	-	**332,838**	179,609	-	-	179,609
CASH - CLOSING	**$ 477,453**	**$ -**	**$ -**	**$ 477,453**	$ 332,838	$ -	$ -	$ 332,838

The accompanying notes form an integral part of these financial statements

1. NATURE OF ORGANIZATION

Community Justice Initiatives of Waterloo Region (the "organization") is incorporated under the laws of Ontario as a not-for-profit organization. As a registered charity, the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization operates several programs designed to provide justice and healing through support, reconciliation and education.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The organization 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.

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

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

c) 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.

Cash and cash equivalents

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

Use of estimates

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. There are no significant areas requiring management estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment when there are indicators of impairment.

Financial assets measured at amortized cost include cash and grants and contracts receivable. Financial assets measured at fair value include investments, which are investments with actively traded markets.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The organization 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.

3. FINANCIAL INSTRUMENTS

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.

4. DEFERRED INCOME

Deferred income represents restricted funds received which have yet to be spent as designated.

	Opening balance	Restricted Funds Received	Restricted Funds Recognized	**Closing balance**
Donations and fundraising	$ 28,918	$ 129,130	$ 144,463	**$ 13,585**
Grants and contracts	65,232	828,076	676,483	**216,825**
Fees and other income	187,313	22,717	108,394	**101,636**
	$ 281,463	$ 979,923	$ 929,340	**$ 332,046**

5. SERVICE CONTRACTS

The organization 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.

6. MINISTRY OF JUSTICE AND ATTORNEY GENERAL OF CANADA

Enhancing Access to Restorative Justice: Building a Victim-Initiated Referral Community Project:

	2026	2025
Revenues		
Grants and contracts	$ **123,562**	$ 30,520
Expenses		
Salaries/Benefits	**90,000**	25,750
Administration	**13,404**	3,270
Evaluation	**10,000**	-
Project Delivery Costs	**6,860**	-
Audit	**3,000**	1,500
Professional and Contracting	**298**	-
	123,562	30,520
	$ **-**	$ -

7. LEASE COMMITMENTS

The organization has a long term lease with respect to its premises. The lease requires monthly gross rental payments (common costs included) over the next five years as follows:

2027	$ 62,868
2028	64,754
2029	66,697
2030	68,698
2031	52,673
	$ 315,690

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.