

INTERNATIONAL JUSTICE MISSION CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2005

AUDITOR'S REPORT

To the Board of Directors of International Justice Mission Canada

We have audited the balance sheet of International Justice Mission Canada as at December 31, 2005 and the statements of income and surplus for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2005 and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

Gordon Hardcastle LLP

Chartered Accountants

Dorchester, Ontario
June 1, 2006

INTERNATIONAL JUSTICE MISSION CANADA
(Incorporated under the laws of Ontario)
BALANCE SHEET
DECEMBER 31, 2005
(with comparative figures as at December 31, 2004)

| | <u>2005</u> | <u>2004</u> (unaudited) |
|--------------------------------|-------------------|----------------------------|
| <u>ASSETS</u> | | |
| Cash | \$158,687 | \$ 45,830 |
| GST recoverable | <u>500</u> | <u>500</u> |
| Total assets | <u>\$159,187</u> | <u>\$ 46,330</u> |
| <u>LIABILITIES AND SURPLUS</u> | | |
| Accounts payable | \$ 4,011 | \$ 4,974 |
| Deferred grant revenue | <u> </u> | <u>12,500</u> |
| | 4,011 | 17,474 |
| Surplus – Statement 2 | <u>155,176</u> | <u>28,856</u> |
| Total liabilities and surplus | <u>\$159,187</u> | <u>\$ 46,330</u> |

(see accompanying notes)

_____ Director

_____ Director

INTERNATIONAL JUSTICE MISSION CANADA
STATEMENT OF INCOME AND SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2005
(with comparative figures for the year ended December 31, 2004)

| | <u>Unrestricted</u> | Temporarily Restricted (note 3) | 2005 <u>Total</u> | 2004 (unaudited) <u>Total</u> |
|-----------------------------------|---------------------|---------------------------------------|----------------------|-------------------------------------|
| Revenue | | | | |
| Donations | \$206,634 | \$128,513 | \$335,147 | \$135,866 |
| Sale of books, dvds and shirts | 5,619 | | 5,619 | 2,794 |
| Honorariums | 4,811 | | 4,811 | 425 |
| Reimbursements | 70 | | 70 | |
| Interest | <u>25</u> | | <u>25</u> | <u>10</u> |
| | <u>217,159</u> | <u>128,513</u> | <u>345,672</u> | <u>139,095</u> |
| Expenses (Statement 3) | | | | |
| Program services | | | | |
| Education | 123,214 | | 123,214 | 64,927 |
| Overseas/Casework | 15,062 | 14,412 | 29,474 | 18,755 |
| Administration | <u>836</u> | | <u>836</u> | |
| Total program services | <u>139,112</u> | <u>14,412</u> | <u>153,524</u> | <u>83,682</u> |
| Supporting services | | | | |
| Board expenses | 7,418 | | 7,418 | |
| Fund development | 29,920 | | 29,920 | 17,113 |
| General and administrative | <u>28,490</u> | | <u>28,490</u> | <u>15,226</u> |
| Total supporting services | <u>65,828</u> | | <u>65,828</u> | <u>32,339</u> |
| Total expenses | <u>204,940</u> | <u>14,412</u> | <u>219,352</u> | <u>116,021</u> |
| Change in surplus | 12,219 | 114,101 | 126,320 | 23,074 |
| Surplus, beginning of year | <u>28,856</u> | | <u>28,856</u> | <u>5,782</u> |
| Surplus, end of year | <u>\$ 41,075</u> | <u>\$114,101</u> | <u>\$155,176</u> | <u>\$ 28,856</u> |

(see accompanying notes)

INTERNATIONAL JUSTICE MISSION CANADASTATEMENT OF EXPENSESFOR THE YEAR ENDED DECEMBER 31, 2005

(with comparative figures for the year ended December 31, 2004)

| | <u>PROGRAM SERVICES</u> | | | <u>SUPPORTING SERVICES</u> | | | <u>Total</u> <u>2 0 0 5</u> | <u>Total</u> <u>2 0 0 4</u> (unaudited) |
|---------------------------------------|-------------------------|-------------------------------|-----------------------|----------------------------|-----------------------------|---|--------------------------------|---|
| | <u>Education</u> | <u>Overseas/ Casework</u> | <u>Administration</u> | <u>Board Expenses</u> | <u>Fund Development</u> | <u>General & Administrative</u> | | |
| Expenses | | | | | | | | |
| Books and shirts for resale | \$ 5,611 | \$ | \$ | \$ | \$ 439 | \$ | \$ 6,050 | \$ 3,317 |
| CIDA MMI Project | 13,695 | | | | | | 13,695 | |
| Computer equipment | 4,747 | 826 | | | 2,734 | 3,560 | 11,867 | 3,138 |
| Conference registrations | 1,551 | | | | 388 | | 1,939 | 1,137 |
| Contract labour | 6,456 | 1,966 | | | 3,932 | 7,304 | 19,658 | 9,045 |
| Hosted events | 440 | | | | 1,760 | | 2,200 | |
| Insurance | 418 | 418 | | | 418 | 417 | 1,671 | 1,981 |
| Internet service | 28 | 7 | | | 14 | 21 | 70 | 532 |
| Legal fees | 104 | 69 | | | 87 | 87 | 347 | 2,720 |
| Office furniture and equipment | 1,321 | 573 | | | 660 | 263 | 2,817 | 131 |
| Office, postage, and miscellaneous | 3,092 | 432 | 796 | 234 | 2,055 | 1,744 | 8,350 | 7,554 |
| Overseas ministry | | 1,000 | | | | | 1,000 | 8,857 |
| Printing and reproduction | 2,502 | 1,251 | | | 1,877 | 626 | 6,256 | 926 |
| Rent | 5,099 | 1,274 | | | 2,549 | 3,824 | 12,746 | 6,260 |
| Telephone | 2,450 | 613 | | | 1,225 | 1,838 | 6,126 | 2,805 |
| Training | 8,754 | | | | | 2,189 | 10,943 | |
| Travel | 20,825 | 44 | 40 | 7,184 | 5,193 | 31 | 33,317 | 7,973 |
| Wages and benefits | <u>46,121</u> | <u>6,589</u> | | | <u>6,589</u> | <u>6,589</u> | <u>65,888</u> | <u>59,645</u> |
| Total expenses | <u>\$123,214</u> | <u>\$ 15,062</u> | <u>\$ 836</u> | <u>\$ 7,418</u> | <u>\$ 29,920</u> | <u>\$ 28,490</u> | <u>\$204,940</u> | <u>\$116,021</u> |

(see accompanying notes)

INTERNATIONAL JUSTICE MISSION CANADA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. Nature of organization

International Justice Mission Canada is a non-profit organization incorporated without share capital under the Canada Corporations Act and is a registered charity under the Income Tax Act. Its primary purpose is to pursue justice for the oppressed through casework and education initiatives.

2. Significant accounting policies

a) Contributions

The Charity records contributions as unrestricted or temporarily restricted depending on the nature of any donor restrictions. Donor restricted contributions are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon fulfilment of the restriction.

b) Accrual basis of accounting

These financial statements have been prepared in accordance with the accrual basis of accounting. Under this method, all revenue is recorded when earned and all expenses are recorded when incurred.

c) Contributed services

Volunteers contribute many hours each year to assist the organization in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

d) Capital assets

Capital assets consist of computer and office equipment, furniture and fixtures. Due to the relatively insignificant value of these assets, the Charity follows the practice of expensing capital assets in the year of acquisition.

INTERNATIONAL JUSTICE MISSION CANADA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

3. Temporarily restricted funds

| | <u>Bolivia</u> | <u>Thailand</u> | <u>Uganda</u> | <u>Total</u> |
|----------------------------|------------------|-----------------|---------------|------------------|
| Surplus, beginning of year | \$ | \$ | \$ | \$ |
| Revenue | 118,488 | 4,025 | 6,000 | 128,513 |
| Expenses | <u>5,187</u> | <u>4,025</u> | <u>5,200</u> | <u>14,412</u> |
| Surplus, end of year | <u>\$113,301</u> | <u>\$</u> | <u>\$ 800</u> | <u>\$114,101</u> |

4. Comparative figures

The unaudited comparative figures are based on the financial statements which were reported on by another firm of Chartered Accountants.