

**International Justice
Mission Canada**

Financial Statements
December 31, 2006

AUDITORS' 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, 2006 and the statement of income and surplus and changes in financial position 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, 2006 and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

Gordon Hardcastle LLP

Licensed Public Accountants

Dorchester, Ontario
April 14, 2007

International Justice Mission Canada

Balance Sheet December 31, 2006

	2006 \$	2005 \$
Assets		
Cash	123,628	158,688
Investment	99,000	-
Accounts receivable	<u>5,975</u>	<u>500</u>
	<u>228,603</u>	<u>159,188</u>
 Liabilities and Surplus		
Accounts payable	<u>9,983</u>	<u>4,012</u>
	9,983	4,012
 Surplus	 <u>218,620</u>	 <u>155,176</u>
	<u>228,603</u>	<u>159,188</u>

Approved by the Board:

_____ *Director*

_____ *Director*

International Justice Mission Canada

Statement of Income and Surplus Year ended December 31, 2006

	Unrestricted	Temporarily Restricted	Total 2006	2005
	\$	\$	\$	\$
Revenue				
Donations	313,575	17,649	331,224	335,147
Sale of books and shirts	10,027	-	10,027	5,619
Fundraising events	6,970	-	6,970	-
Honoraria	7,540	-	7,540	4,811
Other	<u>72</u>	<u>-</u>	<u>72</u>	<u>95</u>
	338,184	17,649	355,833	345,672
Expenses - schedule				
Education	156,001	-	156,001	124,050
Overseas / casework	55,363	6,305	61,668	29,474
Board expenses	3,469	-	3,469	7,418
Fund development	41,659	-	41,659	29,920
General	<u>29,593</u>	<u>-</u>	<u>29,593</u>	<u>28,490</u>
	<u>286,085</u>	<u>6,305</u>	<u>292,390</u>	<u>219,352</u>
Change in surplus	52,099	11,344	63,443	126,320
Surplus, beginning of year	<u>41,076</u>	<u>114,101</u>	<u>155,177</u>	<u>28,856</u>
Surplus, end of year	<u>93,175</u>	<u>125,445</u>	<u>218,620</u>	<u>155,176</u>

International Justice Mission Canada

Statement of Changes in Financial Position Year ended December 31, 2006

	2006	2005
	\$	\$
Operating activities		
Excess of revenue over expenses	63,443	126,320
Items not requiring outlay of funds:		
Changes in non-cash working capital (<i>note 4</i>)	<u>497</u>	<u>(13,462)</u>
	63,940	112,858
Investing activities		
Investment	<u>(99,000)</u>	<u>-</u>
Increase to cash	(35,060)	112,858
Cash, beginning of year	<u>158,688</u>	<u>45,830</u>
Cash, end of year	<u>123,628</u>	<u>158,688</u>

International Justice Mission Canada

Notes to the Financial Statements
December 31, 2006

1. Purpose of the 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 fulfillment 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 and 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.

e) Financial Instruments

Financial instruments consists of cash and marketable securities, accounts receivable and accounts payable. The carrying values of these financial instruments approximate their fair values unless otherwise disclosed.

f) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

g) Income taxes

The corporation claims exemption from taxes on income under the relevant provisions of the Income Tax Act.

3. Temporarily restricted funds

	Bolivia	Thailand	Uganda	Total
Surplus, beginning of year	113,301	-	800	114,101
Revenue	12,759	4,890	-	17,649
Expenses	<u>5,505</u>	<u>-</u>	<u>800</u>	<u>6,305</u>
Surplus, end of year	<u>120,555</u>	<u>4,890</u>	<u>-</u>	<u>125,445</u>

4. Changes in non-cash working capital

Changes to non-cash working capital in the Statement of Cash Flows are comprised as follows:

	2006	2005
	\$	\$
Accounts receivable	(5,475)	-
Accounts payable	5,972	(962)
Deferred grant revenue	<u>-</u>	<u>(12,500)</u>
	<u>497</u>	<u>(13,462)</u>

5. Comparative figures

Certain figures have been reclassified to conform with current year presentation.

International Justice Mission Canada

Schedule of Expenses
Year Ended December 31, 2006

	Program Services		Supporting Services			Total	
	Education	Overseas Casework	Board Expenses	Fund Development	General	2006	2005
	\$	\$	\$	\$	\$	\$	\$
Agency fees	1,123	1,124	-	749	749	3,745	-
Books and shirts for resale	1,740	-	-	4,883	-	6,623	6,050
CIDA MMI project	-	-	-	-	-	-	13,695
Computer equipment	4,111	1,317	-	1,760	1,865	9,053	12,693
Conference registrations	1,438	410	-	-	205	2,053	1,939
Contract labour	21,144	7,048	-	3,524	3,524	35,240	18,832
GST recovered	-	-	-	-	(4,087)	(4,087)	(1,620)
Hosted events	7,805	-	-	2,601	-	10,406	2,200
Insurance	1,394	465	824	233	232	3,148	1,671
Office furniture	-	-	-	-	480	480	2,817
Office, postage and miscellaneous	7,764	3,106	-	3,106	1,552	15,528	10,265
Overseas ministry	-	7,505	-	-	-	7,505	15,412
Printing and reproduction	7,686	1,281	-	2,562	1,281	12,810	6,256
Professional fees	-	6,523	-	-	10,283	16,806	347
Rent	7,744	3,520	-	1,407	1,407	14,078	12,746
Telephone	2,426	1,617	2,426	809	809	8,087	6,126
Training	-	-	-	-	776	776	10,943
Travel	28,529	6,720	219	9,508	-	44,976	33,092
Wages and benefits	<u>63,097</u>	<u>21,032</u>	<u>-</u>	<u>10,517</u>	<u>10,517</u>	<u>105,163</u>	<u>65,888</u>
	<u>156,001</u>	<u>61,668</u>	<u>3,469</u>	<u>41,659</u>	<u>29,593</u>	<u>292,390</u>	<u>219,352</u>

This schedule is unaudited and provided for information purposes only.

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