

**International Justice
Mission Canada**

Financial Statements
December 31, 2008

AUDITOR'S REPORT

To the Board of Directors of International Justice Mission Canada

I have audited the statement of financial position of International Justice Mission Canada as at December 31, 2008 and the statements of operations and surplus and cash flow for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 common with many charitable organizations, the organization derives revenue from donations and fundraising the completeness of which is not susceptible of satisfactory verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets or net assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the contributions referred to in the previous paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2008 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'Auditor J 3', with a long horizontal flourish extending to the right.

Licensed Public Accountant

*Dorchester, Ontario
April 27, 2009*

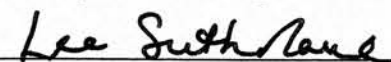
International Justice Mission Canada

Statement of Financial Position December 31, 2008

	2008 \$	2007 \$
Assets		
Cash	63,062	43,439
Investment	50,170	50,000
Accounts receivable	74,938	4,924
Prepaid expenses	<u>31,823</u>	<u>-</u>
	<u>219,993</u>	<u>98,363</u>
 Liabilities and Surplus		
Accounts payable	<u>28,181</u>	<u>15,098</u>
	28,181	15,098
Surplus	<u>191,812</u>	<u>83,265</u>
	<u>219,993</u>	<u>98,363</u>

Approved by the Board:

 Director

 Director

International Justice Mission Canada

Statement of Operations and Surplus Year ended December 31, 2008

	Unrestricted	Temporarily Restricted	Total 2008	2007
	\$	\$	\$	\$
Revenue				
Donations	757,533	178,730	936,263	500,996
Sale of books and shirts	16,018	-	16,018	7,204
Fundraising events	8,764	-	8,764	6,396
Honoraria	14,283	-	14,283	8,514
Other	<u>1,132</u>	<u>-</u>	<u>1,132</u>	<u>1,571</u>
	797,730	178,730	976,460	524,681
Expenses - schedule				
Education	217,733	-	217,733	169,385
Overseas / casework	133,410	292,763	426,173	325,718
Board expenses	10,353	-	10,353	10,031
Fund development	146,898	-	146,898	87,962
General	<u>66,756</u>	<u>-</u>	<u>66,756</u>	<u>66,939</u>
	<u>575,150</u>	<u>292,763</u>	<u>867,913</u>	<u>660,035</u>
Surplus (deficit) for the year	222,580	(114,033)	108,547	(135,354)
Transfer to (from) funds	(17,037)	17,037	-	-
Surplus, beginning of year	<u>79,517</u>	<u>3,748</u>	<u>83,265</u>	<u>218,619</u>
Surplus (deficit), end of year	<u>285,060</u>	<u>(93,248)</u>	<u>191,812</u>	<u>83,265</u>

International Justice Mission Canada

Statement of Cash Flow Year ended December 31, 2008

	2008	2007
	\$	\$
Operating activities		
Surplus (deficit) for the year	108,547	(135,354)
Changes in non-cash working capital	<u>(88,754)</u>	<u>6,165</u>
	19,793	(129,189)
Investing activities		
Change in investment	<u>(170)</u>	<u>49,000</u>
Increase (decrease) to cash	19,623	(80,189)
Cash, beginning of year	<u>43,439</u>	<u>123,628</u>
Cash, end of year	<u>63,062</u>	<u>43,439</u>

International Justice Mission Canada

Notes to the Financial Statements
December 31, 2008

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

Contributions are recorded 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 are recorded at cost. Amortization is provided over the useful life of the assets at the following rates:

Furniture	7 years
Vehicles	5 years
Computer and office equipment	3 years
Customized software	5 years

e) Investment

Investment is classified as available-for-sale since the corporation does not intend to trade the investment for short-term profit making and has not elected to classify them as held-for-trading.

Unrealized holding gains and losses related to investment are excluded from net income and included in other comprehensive income until such gains or losses are realized or an other than temporary impairment is determined to have occurred.

f) Financial instruments

Financial instruments consists of cash, investment, accounts receivable and accounts payable.

Cash, accounts receivable and accounts payable are reported at their fair value on the statement of financial position. The fair value are the same as the carrying values due to their short term nature.

The fair value of the investment is reported at its quoted market price.

g) 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.

h) Income taxes

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

i) Change in accounting policy

The corporation adopted the Capital Assets Held by Not-for-Profit Organizations provisions of the CICA, applicable to entities with annual revenues greater than \$500,000, in 2008. These provisions address the recognition and measurement of capital assets in the financial statements. As a result of adopting these new standards, the corporation was not required to record any changes in accounting for capital assets as assets of a capital nature acquired in previous years were insignificant.

3. Comprehensive income and accumulated other comprehensive income

The corporation had no comprehensive income adjustment during the year and has no accumulated other comprehensive income at year-end. Accordingly, statements of Comprehensive Income and Accumulated Other Comprehensive Income are not included in these financial statements.

4. Changes in non-cash working capital

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

	2008	2007
	\$	\$
Accounts receivable	(70,014)	1,051
Prepaid expenses	(31,823)	-
Accounts payable	<u>13,083</u>	<u>5,114</u>
	<u>(88,754)</u>	<u>6,165</u>

5. Contractual obligation

Pursuant to a Contract for Services dated January 1, 2007 between International Justice Mission Canada and The International Justice Mission, International Justice Mission Canada has agreed to pay \$247,500 (in U.S. dollars) for work to be completed by The International Justice Mission in the period January 1, 2009 to December 1, 2009.

International Justice Mission Canada

Schedule of Temporarily Restricted Funds Year ended December 31, 2008

	Bolivia \$	SE Asia \$	India \$	Africa \$	Professional Development \$	Total \$
Balance, beginning of year	(23,927)	16,204	-	-	11,471	3,748
Revenue	120,006	44,421	2,864	439	11,000	178,730
Expenditures	<u>237,259</u>	<u>21,430</u>	<u>-</u>	<u>-</u>	<u>34,074</u>	<u>292,763</u>
	(141,180)	39,195	2,864	439	(11,603)	(110,285)
Transfer from operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,037</u>	<u>17,037</u>
Balance, end of year	<u>(141,180)</u>	<u>39,195</u>	<u>2,864</u>	<u>439</u>	<u>5,434</u>	<u>(93,248)</u>

International Justice Mission Canada

Schedule of Expenses
Year Ended December 31, 2008

	Program Services		Supporting Services			Total	
	Education	Overseas Casework	Board Expenses	Fund Development	General	2008	2007
	\$	\$	\$	\$	\$	\$	\$
Books and shirts for resale	15,641	-	-	2,522	-	18,163	7,336
Computer equipment	7,948	1,715	-	8,681	3,993	22,337	14,659
Conference registrations	441	-	111	-	318	870	4,683
Contract labour	629	1,368	-	28,847	839	31,683	4,098
GST expense (recovered)	-	-	-	-	-	-	73
Hosted events	9,677	-	-	11,468	-	21,145	17,640
Insurance	44	38	68	25	18	193	2,145
Office furniture	322	215	-	185	201	923	1,786
Office, postage and miscellaneous	15,870	663	1,300	15,467	10,662	43,962	37,365
Overseas ministry	1,500	279,597	-	-	-	281,097	230,312
Printing and reproduction	15,643	244	135	18,038	881	34,941	21,899
Professional fees	756	2,641	528	291	4,035	8,253	19,854
Rent	7,376	6,314	-	4,209	3,383	21,282	17,721
Telephone	2,464	1,957	292	2,285	2,679	9,677	10,022
Training	1,330	31,866	-	1,765	33	34,995	3,114
Travel	25,377	18,922	7,919	8,814	1,125	62,156	62,865
Wages and benefits	<u>112,715</u>	<u>80,633</u>	<u>-</u>	<u>44,301</u>	<u>38,589</u>	<u>276,236</u>	<u>204,464</u>
	<u>217,733</u>	<u>426,173</u>	<u>10,353</u>	<u>146,898</u>	<u>66,756</u>	<u>867,913</u>	<u>660,036</u>