

LANARK COUNTY COMMUNITY JUSTICE PROGRAM INC.
Statement of Financial Position
March 31, 2021

	2021 \$	2020 \$
Assets		
Current		
Cash	68,905	46,762
Accounts receivable	3,684	710
	72,589	47,472
Investment with Perth & District Community Foundation (Note 3)	10,000	10,000
	82,589	57,472
Liabilities		
Current		
Accounts payable	5,289	8,740
Government taxes payable	-	1,462
Deferred revenues (Note 5)	27,080	30,929
Total liabilities	32,369	41,131
Fund Balances		
Internally Restricted - Subsequent year operations	40,220	6,341
Internally Restricted - Contingency	10,000	10,000
	50,220	16,341
	82,589	57,472

On behalf of the Board

Director

LANARK COUNTY COMMUNITY JUSTICE PROGRAM INC.
Statement of Revenues and Expenditures and Changes in Fund Balances
Year Ended March 31, 2021

	Budget \$	2021 \$	2020 \$
Revenues			
Ministry of Children, Community and Social Services	48,500	48,500	47,587
Foundations	10,000	17,750	35,000
United Way	3,000	18,999	8,000
Municipal Grants	7,000	6,748	6,000
Donations	4,755	18,790	35,084
Memberships and other income	11,151	8,606	1,612
Fundraising revenue	7,705	5,489	881
	92,111	124,882	134,164
Expenses			
Forum expenses	1,500	504	1,039
Fundraising expense	2,000	66	25
Insurance	3,200	3,026	3,134
Office and computer supplies	3,100	13,300	5,983
Professional fees	2,300	8,801	2,500
Program costs	800	3,630	455
Public Education	1,000	1,290	5,040
Rent	2,400	2,728	1,800
Salaries and wages	81,627	83,553	73,855
Telephone and website	1,800	1,963	1,921
Travel and staff expense	3,000	1,429	1,221
Service contracts	3,000	-	-
Volunteer expense	1,000	1,164	757
	106,727	121,454	97,730
(Deficiency) excess of revenues over expenses from operations	(14,616)	3,428	36,434
Canada emergency wage subsidy	15,257	30,451	-
Net Revenues for the Year	641	33,879	36,434
Fund Balances, Beginning of Year	16,341	16,341	(20,093)
Fund Balances, End of Year	16,982	50,220	16,341

The accompanying notes are an integral part of these financial statements.

LANARK COUNTY COMMUNITY JUSTICE PROGRAM INC.

Statement of Cash Flows
Year Ended March 31, 2021

	2021 \$	2020 \$
Operating activities		
Net revenues for the year	33,879	36,434
Changes in non-cash working capital:		
Accounts receivable	(2,974)	(132)
Accounts payable	(3,451)	(760)
Government taxes payable	(1,462)	(12,843)
Deferred income	(3,849)	24,929
	(11,736)	11,194
Cash flow from operating activities	22,143	47,628
Investing activity		
Investment with Perth & District Community Foundation	-	(10,000)
Cash flow used by investing activity	-	(10,000)
Increase in cash	22,143	37,628
Cash - beginning of year	46,762	9,134
Cash - end of year	68,905	46,762

Draft for discussion purposes

LANARK COUNTY COMMUNITY JUSTICE PROGRAM INC.

Notes to Financial Statements

Year Ended March 31, 2021

1. Nature of Corporation

The Lanark County Community Justice Program Inc., incorporated under the Ontario Corporations Act, is a registered charity and volunteer program whose core services is the facilitation of community justice forums.

2. Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for Not-For-Profit Organizations.

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Grants and subsidies are recognized as revenue in the year in which the related expenses are incurred. Grants and subsidies received in advance are deferred for financial statement purposes. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations and other revenue are recorded as received.

Expense Recognition

Expenses are recognized according to the accrual basis of accounting in that the expenses are recorded as incurred as a result of receipt of goods and services and the creation of a legal obligation to pay.

Donated Services

No amounts are reflected in the statements for donated services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Corporation and its fundraising activities.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and bank term deposits or equivalent financial instruments with original maturities upon issue of less than 90 days

Investments

Investments are recorded at the lower of cost and market value.

Deferred Revenues

The Corporation receives certain amounts for which the related services have yet to be performed. These amounts are recognized as revenues in the fiscal year the related expenses are incurred or services performed.

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LANARK COUNTY COMMUNITY JUSTICE PROGRAM INC.

Notes to Financial Statements

Year Ended March 31, 2021

2. Significant Accounting Policies (continued)

Capital Assets

The historical cost and accumulated depreciation for capital assets are not recorded; capital assets are reported as an expense on the Statement of Operations and Fund Balances in the year of acquisition.

Internally Restricted Surplus

Internally restricted surplus are established at the discretion of the Board of Directors. The restricted funds are to provide contingency funds for three months operating costs. Funds may be added annually and the expectation is investment income will be added to the restricted surplus.

Financial Instruments

All financial instruments are initially recognized at fair value on the balance sheet. The Corporation has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net earnings.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Corporation classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, and accounts payable as other financial liabilities.

Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically and as adjustments become necessary they are reported in earnings in the period in which they become due.

3. Investment

The Organization has established a fund with an initial donation of \$10,000 with the Perth & District Community Foundation. Each gift of the fund shall be held "as a spend down fund" and invested by the Perth & District Community Foundation in accordance with the financial management policies of the Foundation. The intent of this fund is to act as a contingency fund for the Organization.

LANARK COUNTY COMMUNITY JUSTICE PROGRAM INC.

Notes to Financial Statements

Year Ended March 31, 2021

4. Net Revenues (Expenses)

The disposition of any net revenues (expenses) is at the discretion of the government agency funding the program.

The Corporation has service contracts with the Ministry of Children, Community and Social Services. A reconciliation report summarizes by service all revenues and expenses and identifies any resulting surplus or deficit that relates to the Service Contract approval.

A review of these reports shows the following services to be in a deficit position as at March 31, 2021, Ministry of Children, Community and Social Services \$Nil (2020 \$Nil). Any surplus amounts are reflected in Due to Province.

5. Deferred Revenues

	2021 \$	2020 \$
Perth & District Community Foundation	9,500 ✓	10,000
County of Lanark	6,000 ✓	6,000
Service Clubs	5,500 ✓	9,550
Golf Tournament	3,580 ✓	-
Fundraising	2,500 ✓	4,299
Tay Valley Township	-	1,000
Membership fees	-	80
	27,080	30,929

6. Financial instruments

The Corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2021.

The Corporation's financial instruments consist of cash, accounts receivable, accounts payable and due to Province of Ontario. The fair values of cash, investments, accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Corporation's exposure to and management of risk has not changed materially from March 31, 2020.

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LANARK COUNTY COMMUNITY JUSTICE PROGRAM INC.

Notes to Financial Statements

Year Ended March 31, 2021

6. Financial Instruments (continued)

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from customers. In order to reduce its credit risk, the Corporation reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other price risks arising from these financial instruments.

7. Impact of COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that were put in place to combat the spread of the virus.

The duration and impact of COVID-19 are unknown at this time. It is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and conditions of the Corporation in future periods. The Corporation continues to closely monitor and assess the impact on its operations. It is management's assessment that the Corporation will have sufficient resources to mitigate potential losses in fiscal 2022 as a result of COVID-19.

LANARK COUNTY COMMUNITY JUSTICE PROGRAM INC.

Statement of Operations for Ministry of Children,
Community and Social Services (Schedule 1)

Year Ended March 31, 2021

	2021 \$	2020 \$
Revenues		
Provincial grant	48,500	47,587
Expenses		
Insurance	3,026	2,256
Office supplies	2,838	3,639
Professional fees	1,871	800
Rent	2,200	1,800
Administrative expense	1,856	1,974
Wages and benefits	34,770	34,768
Volunteer orientation and training sessions	2,417	2,601
	48,978	47,838
Net Program Expenses for the Year	(478)	(251)

Draft for discussion purposes only