THE CANADIAN ASSOCIATION OF JOURNALISTS

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Members of
The Canadian Association of Journalists

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of The Canadian Association of Journalists, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Canadian Association of Journalists as at December 31, 2023, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

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 Canadian Association of Journalists in accordance with the 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.

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INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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.

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.

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INDEPENDENT AUDITORS' REPORT (Continued)

- 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 Association'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 Association'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 Association 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.

KRIENS~LAROSE, LLP

KRIENS~LAROSE, LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, ON
July 22, 2024

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023 $	2022 $
ASSETS		
CURRENT		
Cash	77,767	54,685
Investments (Note 2)	51,169	101,156
Accounts receivable	3,542	1,377
Sales tax recoverable	3,918	3,102
Prepaid expenses	15,070	17,352
	151,466	177,672
LONG-TERM INVESTMENTS (Note 2)	50,387	-
EQUIPMENT (Note 3)	1,099	2,198
	202,952	179,870
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	8,642	8,378
Payroll remittances payable	765	2,731
Deferred grant (Note 4)	48,125	16,446
	57,532	27,555
FUND BALANCES (Note 1)		
Operating Fund	44,264	51,159
Reserve Fund	101,156	101,156
	145,420	152,315
	202,952	179,870

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

_____, Director

_____, Director

STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Operating fund $	Reserve fund $	Total 2023 $	Total 2022 $
Balance, beginning of year	51,159	101,156	152,315	155,992
(Deficiency) of revenues over expenses for the year	(6,895)	-	(6,895)	(3,677)
Balance, end of year	44,264	101,156	145,420	152,315

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 $	2022 $
REVENUES		
Participation fees	71,576	63,925
Memberships	51,659	57,184
Sponsorships	44,998	43,250
Grants (Note 4)	28,321	59,704
Other	8,672	5,727
Consulting	1,000	-
	206,226	229,790
EXPENSES		
Wages	84,872	86,121
Operations	39,746	30,024
Program	38,130	56,757
Technology	30,016	24,774
Professional fees	14,429	29,169
Bank fees	4,829	4,848
Amortization	1,099	1,774
	213,121	233,467
(DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	(6,895)	(3,677)

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 $	2022 $
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from memberships	49,494	56,138
Cash receipts from consulting	1,000	-
Cash receipts from other	8,672	5,727
Cash receipts from grants	60,000	10,000
Cash receipts from sponsorship	44,998	43,250
Cash receipts from participation fees	71,576	63,925
Cash paid to suppliers and employees	(212,258)	(236,959)
	23,482	(57,919)
INVESTING ACTIVITIES		
(Purchase) of equipment	-	(3,296)
Net change in investments	(400)	(1,156)
	(400)	(4,452)
Change in cash	23,082	(62,371)
Cash, beginning of year	54,685	117,056
Cash, end of year	77,767	54,685

PURPOSE OF THE ORGANIZATION

The Canadian Association of Journalists (the "Association") is a not-for-profit organization that provides advocacy and professional development for journalists across Canada. The Association is dedicated to promoting excellence in journalism. The Canadian Association of Journalists is exempt from income tax in Canada as a not-for-profit entity under Section 149(1) of the Income Tax Act (Canada).

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The Association measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash, guaranteed investment certificates and accounts receivable. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Significant financial statement items that require the use of estimates is accrued liabilities. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Equipment

Equipment is recorded at cost. Amortization is provided on a straight line basis over the estimated useful life of the asset at the following rates:

Computer equipment	3 years

Where equipment no longer has any long-term service potential to the Association, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of operations.

Revenue Recognition

The Association follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue of the specific fund to which they were given. Unrestricted contributions are recognized as revenue of the Operating Fund. Donations are recorded when received or receivable, if the amount can be reasonably determined and collection is reasonably assured. Pledges receivable are not recorded in the accounts.

Fund Accounting

For financial reporting purposes, the Association's fund balances have been classified as follows:

The Operating Fund comprises amounts that are available for immediate use as determined by the Board of Directors.

The Reserve Fund comprises amounts that are to be used for specific purposes as specified by the Board of Directors

Donated Property and Services

During the year, voluntary services were provided. Because these services are not normally purchased by the Association, and because of the difficulty in determining their fair value, donated services are not recognized in these statements.

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2. INVESTMENTS

Investments are summarized as follows:

	2023 $	2022 $
GICs, 5.00% to 5.71%, maturing September and December, 2024	51,169	-
GICs, 5.8% to 5.9%, maturing May and November, 2025	50,387	-
GICs, .61% to 4.4%, maturing March and November, 2023	-	101,156
	101,556	101,156
Current	51,169	101,156
Long-term	50,387	-
	101,556	101,156

3. EQUIPMENT

	2023		2022	
	Cost $	Accumulated amortization $	Cost $	Accumulated amortization $
Computer equipment	3,296	2,197	3,296	1,098
Net book value	1,099		2,198	

Continued...

4. GRANTS

The changes in the deferred grants balance is as follows:

	2023 $	2022 $
Balance, beginning of year	16,446	66,150
Grant received in the the year	60,000	-
Amounts recognized as revenue during the year	(28,321)	(49,704)
Balance, end of year	48,125	16,446

The Association received a grant from Canadian Internet Registration Authority (CIRA) in the 2021 fiscal year. The grant is recorded as revenue based on the grant expenditures incurred in the year. The grant expenditures in 2023 were $16,446 (2022: $49,704).

The Association received a grant of $10,000 from Canadian Race Relations Foundation (CRRF) in the 2023 fiscal year. The grant is recorded as revenue based on the grant expenditures incurred in the year. The grant expenditures in 2023 were $10,000.

The Association received a grant of $50,000 from Inspirit Foundation in the 2023 fiscal year. The grant is recorded as revenue based on the grant expenditures incurred in the year. The grant expenditures in 2023 were $1,875. The December 31, 2023 deferred amount is the portion to be used to fund grant expenditures in the 2024 fiscal year.

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5. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following presents the Association's risk exposure and concentration as at December 31, 2023.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Association's credit risk would occur with their accounts receivable. Actual exposure to credit losses is minimal. The allowance for doubtful accounts is $nil (2022: $nil).

Liquidity Risk
Liquidity risk is the risk the Association will encounter difficulties in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Association expects to meet these obligations as they come due by generating sufficient cash flow from operations.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Currency Risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association does not have a significant foreign currency risk

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association has a low interest rate risk as its investments are GICs.

Other Price Risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not exposed to other price risk.