

Community Legal Assistance Services for Saskatoon  
Inner City Inc. o/a CLASSIC

Financial Statements

March 31, 2025

**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
CLASSIC**

**MARCH 31, 2025**

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I

## INDEPENDENT AUDITORS' REPORT

To the directors of:

Community Legal Assistance Services for Saskatoon Inner City Inc. o/a CLASSIC

### Opinion

We have audited the financial statements of Community Legal Assistance Services for Saskatoon Inner City Inc. o/a CLASSIC, which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets 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 accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2025, 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

### Auditors' 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 auditors' 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 judgement 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.
- 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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the organization 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.

*HTH CPAs*

**June 13, 2025**  
**Saskatoon, Saskatchewan**

**CHARTERED PROFESSIONAL ACCOUNTANTS**

**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
CLASSIC**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31, 2025**

	<u><b>2025</b></u>	<u><b>2024</b></u>
<b>REVENUE</b>		
Donations (Note 3)	\$ 242,079	\$ 137,673
Fundraising	32,664	1,348
Grants (Note 2)	1,245,083	1,172,812
Interest	21,409	22,274
Sponsorships	<u>22,500</u>	<u>5,050</u>
	<u><b>1,563,735</b></u>	<u><b>1,339,157</b></u>
<b>EXPENDITURES</b>		
Advertising and promotion	4,970	2,896
Amortization	32,078	23,800
Consultants and strategic planning	51,503	32,125
Fees and dues	23,505	16,676
Fundraising	27,597	-
Honorariums	7,253	5,431
Information technology support	44,609	34,124
Insurance	11,612	12,994
Interest and bank charges	2,093	1,107
Loss on disposal of capital assets	-	8,068
Meetings	5,924	10,171
Office rent	79,231	79,128
Office supplies	29,735	33,421
Professional fees	13,815	11,588
Project ID expenses	8,820	7,395
Repairs and maintenance	13,865	18,729
Salaries and benefits	1,064,063	948,202
Telephone	11,131	11,509
Training and seminars	6,777	6,853
Utilities	<u>11,312</u>	<u>15,911</u>
	<u><b>1,449,893</b></u>	<u><b>1,280,128</b></u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u><u><b>\$ 113,842</b></u></u>	<u><u><b>\$ 59,029</b></u></u>

**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
CLASSIC**

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>INTERNALLY RESTRICTED NET ASSETS</b>		
Balance, beginning of year	\$ 472,332	\$ 452,413
Transfer from unrestricted net assets (Note 4)	<u>65,954</u>	<u>19,919</u>
	<u><u>\$ 538,286</u></u>	<u><u>\$ 472,332</u></u>
<b>UNRESTRICTED NET ASSETS</b>		
Balance, beginning of year	\$ 413,623	\$ 374,513
Transfer to internally restricted net assets	(65,954)	(19,919)
Excess of revenue over expenditures	<u>113,842</u>	<u>59,029</u>
	<u><u>\$ 461,511</u></u>	<u><u>\$ 413,623</u></u>

**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
CLASSIC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 113,842	\$ 59,029
Items not involving cash:		
Amortization	32,078	23,800
Loss on disposal of capital assets	<u>-</u>	<u>8,068</u>
	145,920	90,897
Net change in working capital:		
Accounts receivable	64	(64)
Grants receivable	15,599	74,918
GST receivable	965	(1,882)
Accrued interest receivable	(291)	(629)
Prepaid expenses	(1,121)	(2,527)
Accounts payable and accrued liabilities	(9,986)	16,142
Salaries payable	30,609	3,226
Vacation pay payable	403	(9,273)
Payroll deductions payable	(4,000)	12,985
Deferred revenue	<u>189,678</u>	<u>161,155</u>
	<u>367,840</u>	<u>344,948</u>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in short term investments	(125,000)	50,000
Increase in investments	-	(50,000)
Additions to capital assets	<u>(4,813)</u>	<u>(74,654)</u>
	<u>(129,813)</u>	<u>(74,654)</u>
<b>INCREASE IN CASH</b>	238,027	270,294
<b>CASH, beginning of year</b>	<u>630,160</u>	<u>359,866</u>
<b>CASH, end of year</b>	\$ <u><u>868,187</u></u>	\$ <u><u>630,160</u></u>
<hr/>		
<b>CASH IS REPRESENTED BY:</b>		
Cash - unrestricted	\$ 861,698	\$ 564,334
Cash - restricted	<u>6,489</u>	<u>65,826</u>
	\$ <u><u>868,187</u></u>	\$ <u><u>630,160</u></u>

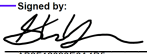
**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
CLASSIC**


**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2025**

	<u><b>2025</b></u>	<u><b>2024</b></u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash - unrestricted	\$ 861,698	\$ 564,334
Cash - restricted	6,489	65,826
Accounts receivable	72	136
Grants receivable (Note 5)(Note 5)(Note 5)	12,400	28,000
GST receivable	6,118	7,083
Short term investments - restricted (Note 6)	325,000	200,000
Accrued interest receivable - restricted	6,797	6,506
Prepaid expenses	<u>22,700</u>	<u>21,579</u>
	1,241,274	893,464
<b>INVESTMENTS - RESTRICTED</b> (Note 6)	200,000	200,000
<b>TANGIBLE CAPITAL ASSETS</b> (Note 7)	<u>48,982</u>	<u>76,247</u>
	<u><u>\$ 1,490,256</u></u>	<u><u>\$ 1,169,711</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 21,126	\$ 31,114
Salaries payable	37,907	7,298
Vacation pay payable	39,040	38,637
Payroll deductions payable	30,552	34,552
Deferred revenue (Note 8)	<u>361,834</u>	<u>172,155</u>
	<u>490,459</u>	<u>283,756</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	461,511	413,623
<b>INTERNALLY RESTRICTED NET ASSETS</b> (Note 9)	<u>538,286</u>	<u>472,332</u>
	<u>999,797</u>	<u>885,955</u>
	<u><u>\$ 1,490,256</u></u>	<u><u>\$ 1,169,711</u></u>

**APPROVED ON BEHALF OF THE BOARD:**

Signed by:  \_\_\_\_\_, Director  
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Signed by:  \_\_\_\_\_, Director  
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**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
CLASSIC**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2025**

The organization was incorporated under the laws of the Non-Profit Corporations Act of the Province of Saskatchewan on March 31, 2006. It became a registered charity under the provision of the Canada Revenue Agency effective February 2, 2007. The main purpose of the organization is to provide legal services to low income individuals.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the organization are in accordance with Canadian accounting standards for not-for-profit organizations applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

**Cash and cash equivalents**

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding.

**Donated materials and services**

The organization recognizes donated goods as revenue at their fair value when the goods are donated, the organization would have otherwise purchased the goods, and the goods are expected to be used in the normal course of operations and management believes the fair value can be reasonably determined.

Volunteers assist the organization in carrying out its service delivery activities. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

**Financial instruments**

Financial assets and liabilities are recognized when the organization becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights and obligations to receive or repay cash flows from the assets and liabilities have expired or have been transferred and the organization has transferred substantially all the risks and rewards of ownership.

The organization initially measures all its financial assets and financial liabilities at fair value and subsequently at amortized cost. Changes in fair value are recognized in the statement of operations. Financial assets are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Financial assets measured at amortized cost include cash, term deposits, and grants receivable. Financial liabilities measured at amortized cost include accounts payable.

**Recognition of revenue**

The organization follows the deferral method of accounting for contributions, which include donations and grants. Grants are recognized as revenue when the related expenses are incurred. Donations are recorded when received. Revenue from fundraising activities are recorded when the event occurs or when they are considered receivable. All other revenue is recognized when earned.

**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
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**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income taxes**

The organization is incorporated as a not-for-profit organization; therefore, its earnings are not subject to income tax and no provision has been made for them in these financial statements.

**Tangible capital assets and amortization**

Tangible capital assets are recorded at cost. Normal maintenance and repair expenditures are expensed as incurred. Amortization is recorded using the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Computer equipment	45%	Declining balance
Equipment	20%	Declining balance
Leasehold improvements	5 years	Straight line
Office equipment	20%	Declining balance

In the year of acquisition, assets are amortized at half of the above rates. No amortization is charged in the year of disposal.

**2. GRANTS**

	<u>2025</u>	<u>2024</u>
City of Saskatoon	\$ 20,000	\$ 10,000
Community Initiatives Fund (Legal Advice Clinic)	30,000	28,333
Community Initiatives Fund (Walk-In Advocacy Clinic)	30,000	22,500
Department of Justice Canada	70,000	70,000
Future Generations Foundation	44,000	-
Government of Canada - Community Services Recovery Fund	20,924	19,500
Law Foundation of Saskatchewan	675,000	600,000
Law Foundation of Saskatchewan Legacy Grant - Developing Law Training Materials	17,575	-
Law Foundation of Saskatchewan Legacy Grant - Measuring Individual and Systemic Impact of CLASSIC's Services	7,700	-
Law Foundation of Saskatchewan Legacy Grant - Technology and Office Upgrades	481	-
Merlis Belsher Fund	20,700	27,681
National Indian Brotherhood Trust Fund	-	100,000
Saskatoon Community Foundation	10,000	17,000
Saskatoon Community Foundation and the Robert Steane gift	91,032	45,516
SaskEnergy - Share the Warmth program	1,000	1,000
United Way of Saskatoon and Area	55,000	60,000
University of Saskatchewan - College of Law	79,300	122,319
University of Saskatchewan - College of Law (from Saskatchewan Ministry of Justice)	63,640	36,360
University of Saskatchewan - College of Law (Pathways to Equity research project)	-	3,603
University of Saskatchewan - Social Innovation Lab	8,731	9,000
	<u>\$ 1,245,083</u>	<u>\$ 1,172,812</u>

**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
CLASSIC**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**3. DONATIONS**

	<u><b>2025</b></u>	<u><b>2024</b></u>
Anonymous donor	\$ 150,000	\$ 98,880
Canada Helps donations	24,660	25,899
Receipted donations	6,350	3,940
Unreceipted donations	<u>61,069</u>	<u>8,954</u>
	<u><u>\$ 242,079</u></u>	<u><u>\$ 137,673</u></u>

**4. TRANSFER OF FUNDS**

The transfers between funds represents the interest earned on the accounts and other amounts approved by the board.

**5. GRANTS RECEIVABLE**

	<u><b>2025</b></u>	<u><b>2024</b></u>
Community Initiatives Fund (Legal Advice Clinic)	\$ 1,000	\$ 1,000
Department of Justice Canada	7,000	7,000
Future Generations Foundation	4,400	-
National Indian Brotherhood Trust Fund	-	10,000
University of Saskatchewan - College of Law (from Saskatchewan Ministry of Justice)	<u>-</u>	<u>10,000</u>
	<u><u>\$ 12,400</u></u>	<u><u>\$ 28,000</u></u>

**6. INVESTMENTS**

Investments consist of term deposits at the Synergy Credit Union. These amounts bear interest at varying rates between 2.95% and 5.35%. Short term investments mature on or before December 10, 2025 and long term investments mature on December 10, 2026.

**7. TANGIBLE CAPITAL ASSETS**

	<u><b>Cost</b></u>	<u><b>Accumulated Amortization</b></u>	<u><b>Net 2025</b></u>	<u><b>Net 2024</b></u>
Computer equipment	\$ 77,465	\$ 48,404	\$ 29,061	\$ 52,838
Leasehold improvements	28,903	19,831	9,072	14,217
Office equipment	<u>26,235</u>	<u>15,386</u>	<u>10,849</u>	<u>9,192</u>
	<u><u>\$ 132,603</u></u>	<u><u>\$ 83,621</u></u>	<u><u>\$ 48,982</u></u>	<u><u>\$ 76,247</u></u>

**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
CLASSIC**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**8. DEFERRED REVENUE**

The deferred revenue represents funding that was unspent prior to the end of the year.

	<u>2025</u>	<u>2024</u>
Community Initiative Fund (Walk-In Advocacy Clinic)	\$ 16,500	\$ 16,500
Government of Canada - Community Services Recovery Fund	25,576	46,500
Law Foundation of Saskatchewan Legacy Grant - Developing Law Training Materials	32,425	-
Law Foundation of Saskatchewan Legacy Grant - Measuring Individual and Systemic Impact of CLASSIC's Services	77,300	-
Law Foundation of Saskatchewan Legacy Grant - Technology and Office Upgrades	54,519	-
Saskatoon Community Foundation and the Robert Steane gift	45,514	45,515
Sisters of St. Joseph of Chambery	35,000	-
University of Saskatchewan - College of Law (from Saskatchewan Ministry of Justice)	-	63,640
University of Saskatchewan - College of Law	75,000	-
	<u>\$ 361,834</u>	<u>\$ 172,155</u>

**9. INTERNALLY RESTRICTED NET ASSETS**

The purpose of the Contingency and Organizational Development Fund is to enable the organization to meet its obligations in the case of shortfall, emergencies, equipment replacement, or windup of the organization as approved by the board.

**10.ECONOMIC DEPENDENCE**

The organization is dependant on grant funding to provide its programs and to cover administrative expenses. The majority of the funding comes from single-year contracts. This lack of certainty in funding makes it difficult to plan for the future. In the current fiscal year, the Law Foundation of Saskatchewan has provided funding of \$675,000. This constitutes 43% of the organization's total revenue. This funding is approved annually.

**11.REAL ESTATE CONTRACTUAL OBLIGATIONS**

The organization leases its premises in Saskatoon. The current lease agreement ends April 30, 2026. The base rent payments due in the next two years are as follows:

2026	\$ 65,867
2027	5,489

**COMMUNITY LEGAL ASSISTANCE SERVICES FOR SASKATOON INNER CITY INC. O/A  
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**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**12. FINANCIAL RISK MANAGEMENT**

Management has established policies and procedures to manage risk relating to financial instruments, with the objective of minimizing any adverse effects on financial performance. The organization measures and monitors risk throughout the year. A brief description of management's assessment of these risks is as follows:

*Credit risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the organization.

Financial instruments potentially exposed to credit risk include cash and cash equivalents, term deposits, and grants receivable. Management considers its exposure to credit risk over cash and cash equivalents to be remote as the company holds its cash and cash equivalents deposits with a major Canadian bank. Credit risk relating to the term deposits is also considered remote as it is a fixed income security issued by a major Canadian financial institution. Grants receivable are not concentrated significantly; therefore their carrying amount represents the maximum credit risk exposure.

*Liquidity risk*

Liquidity risk is defined as the risk that the organization may not be able to settle or meet its obligations as they come due.

In actively addressing liquidity risk, the organization applies appropriate measures to ensure it will have sufficient working capital available to meet its obligations.

*Changes in risk*

There are no significant changes to financial risk from the prior year.