

AMADEUSZ
Financial Statements
December 31, 2024

	Contents
Independent Auditors' Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenue and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12

Independent Auditors' Report

To the Members of Amadeusz:

Opinion

We have audited the accompanying financial statements of Amadeusz, which comprise the statement of financial position as at December 31, 2024, and the statement of revenues and expenditures, statement of changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Amadeusz as at December 31, 2024, 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 Amadeusz 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.

Responsibility 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 these financial statements, management is responsible for assessing Amadeusz's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Amadeusz or to cease operations, or has no realistic alternative to do so. Those charged with governance are responsible for overseeing Amadeusz's financial reporting process.

Auditor's Responsibility 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.
- 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 Amadeusz'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 Amadeusz'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 Amadeusz 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.

Markham, Ontario
March 28, 2025

LG PARTNERS LLP
Chartered Professional Accountants and
Licensed Public Accountants



AMADEUSZ
Statement of Financial Position

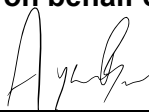
As at December 31	2024	2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	785,472	486,767
Accounts receivable (Note 3)	27,847	8,725
Prepaid expenses	5,083	4,981
	818,402	500,473
Property, plant and equipment (Note 4)	6,361	-
	824,763	500,473

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued liabilities (Note 5)	33,585	39,384
Deferred contributions (Note 6)	603,759	315,391
	637,344	354,775
Net assets		
General fund - unrestricted	-	-
Reserve fund - internally restricted	187,419	145,698
	187,419	145,698
	824,763	500,473

See accompanying notes

Approved on behalf of the board:

_____
Director

_____
Director

AMADEUSZ**Statement of Changes in Net Assets**

For the year ended December 31	2024	2023
	\$	\$
 General Fund		
Operating Fund surplus, beginning of year	-	-
Excess of revenue over expenditures	41,721	4,948
Transfer to reserve fund	<u>(41,721)</u>	<u>(4,948)</u>
General fund surplus, end of year	<u>-</u>	<u>-</u>
 Reserve Fund		
Reserve fund surplus, beginning of year	145,698	140,750
Transfer from general fund	<u>41,721</u>	<u>4,948</u>
Reserve fund surplus, end of year	<u>187,419</u>	<u>145,698</u>
General and reserve fund surplus	<u>187,419</u>	<u>145,698</u>

See accompanying notes

AMADEUSZ**Statement of Revenue and Expenditures**

For the year ended December 31	2024	2023
	\$	\$
Revenue		
Municipal	277,917	297,203
Provincial	2,171	18,432
United Way	110,478	139,180
Foundations	379,636	272,371
Corporations and banks	123,268	102,124
Donation and fundraising	8,899	6,623
Other agencies	24,334	-
Interest income	9,601	-
Membership fees	-	20
	936,304	835,953
Expenditures		
Salaries and benefits	575,008	553,865
Program related expenses	221,563	195,232
Professional fees	49,444	36,243
Office and general	22,765	25,413
Rent	14,344	12,700
Insurance	5,882	5,579
Telephone	2,618	1,781
Bank charges	968	66
Advertising and promotion	401	126
Amortization of property, plant and equipment	1,590	-
	894,583	831,005
Excess of revenue over expenditures	41,721	4,948

See accompanying notes

AMADEUSZ

Statement of Cash Flows

For the year ended December 31	2024	2023
	\$	\$
Cash Flow from (used in) Operating Activities		
Excess of revenue over expenditures	41,721	4,948
Adjustment for items not affecting current cash flow:		
Amortization of property, plants and equipment	1,590	-
	43,311	4,948
Changes in working capital balances related to operations:		
Accounts receivable	(19,122)	(814)
Prepaid expenses	(102)	(1,749)
Accounts payable and accrued liabilities	(5,799)	6,857
Deferred contributions	288,368	125,495
	263,345	129,789
Investment activities		
Expenditures on property, plant and equipment	(7,951)	-
Increase in cash during the year	298,705	134,737
Cash and cash equivalents, beginning of year	486,767	352,030
Cash and cash equivalents, end of year	785,472	486,767

See accompanying notes

AMADEUSZ

Notes to Financial Statements

For the year ended December 31, 2024

1. Nature of Operations

Amadeusz (the "Organization") is a not-for-profit organization in Ontario, providing support to young people who are incarcerated to create positive change in their lives through access to education, community support, mentorship, and care.

The Organization was incorporated without share capital on May 8, 2017 under the Canada Not-for-Profit Corporations Act. Prior to 2019, the Organization was reported in a trusteeship organization Albion Neighbourhood Services.

The Organization was granted registered charity status under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income tax and is able to issue donation receipts for income tax purposes.

2. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as contained in Part III of the Chartered Professional Accountants Canada ("CPAC") Handbook. To the extent Part III of the CPAC Handbook does not address certain matters applicable to the Organization; it will use accounting standards for private enterprises contained in Part II of the CPAC Handbook.

Fund Accounting

The accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose:

(i) Reserve Fund - Internally Restricted

As of December 31, 2024, the Board of Directors of the Organization has designated net assets of \$187,419 to begin the process of building a contingency reserve of three to six months of operating costs for any potential future declines in funding due to unforeseen circumstances. Allocations towards this fund are comprised of revenues incurred from membership fees, donations, unused administration fees and government wage subsidies.

(ii) General Fund

The purpose of this fund is to account for the regular operations of the Organization.

AMADEUSZ

Notes to Financial Statements

For the year ended December 31, 2024

2. Significant Accounting Policies (continued)

Revenue Recognition

The Organization follows the deferral method of accounting for contributions, which include grants for various programs. 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. Unrestricted donations are recognized as revenue when received since pledges are not legally enforceable claims. Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Revenue from administration services are recognized when services are rendered. Interest income is recognized on an accrual basis when it is earned through the bank.

Cash and Cash Equivalents

The Organization considers all highly liquid investments to be cash equivalents. Cash equivalents are stated at cost plus accrued interest, which approximates fair value.

Property, Plant and Equipment

The Organization follows the limited application of section 4431, "Tangible Capital Assets Held by Not-for-Profit Organizations," of the CPAC Handbook, in paragraph 4431.38 as the average of annual revenues recognized in the financial statements for the current and preceding year is more than \$500,000. Property, plant and equipment are recorded at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Office equipment	20% declining balance
------------------	-----------------------

Contributed Services

Volunteers contribute extensive time and effort to assist the Organization in carrying out its activities. In addition, some of the community groups are provided with meeting rooms from local community facilities at no charge. Because of the difficulty in determining fair value, contributed materials and services are not recognized in the financial statements.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for non-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 date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management reviews these estimates periodically, which include accruals and as adjustments become necessary they are reported in the period in which they become known. Actual results may vary from the current estimates.

AMADEUSZ

Notes to Financial Statements

For the year ended December 31, 2024

2. Significant Accounting Policies (continued)

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at cost or amortized cost include cash and amounts receivable. Financial liabilities measured at cost or amortized cost includes accounts payable and accrued liabilities.

Government Grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all necessary conditions to obtain the grants.

3. Accounts Receivable

	2024	2023
Accounts receivable	\$ 20,749	\$ 485
HST receivable	7,098	8,240
	<u>\$ 27,847</u>	<u>\$ 8,725</u>

4. Property, Plant and Equipment

	Cost	Accumulated Amortization	Net Book Value 2024	2023
Office equipment	\$ 7,951	\$ 1,590	\$ 6,361	-

5. Accounts Payable and Accrued Liabilities

	2024	2023
Trade payables and accrued liabilities	\$ 15,498	\$ 30,293
Government remittances	18,087	9,091
	<u>\$ 33,585</u>	<u>\$ 39,384</u>

AMADEUSZ

Notes to Financial Statements

For the year ended December 31, 2024

6. Deferred Contributions

Deferred contributions consists of externally restricted contributions that have not yet been spent. Amortization of the deferred contributions is recorded on the same basis as eligible expenses are incurred. The contributing foundations have the right to withdraw or withhold funds at their discretion.

The continuity of deferred contributions is as follows:

	2024	2023
Balance, beginning of the year	\$ 315,391	\$ 189,896
Funds received during the year	1,215,071	961,429
Recognized to income during the year	(926,703)	(835,934)
Balance, end of the year	\$ 603,759	\$ 315,391

	2024	2023
Northpine	\$ 381,966	\$ -
CRPT	70,666	-
Kimel	68,250	76,164
Maytree	-	44,122
Kerr	-	33,453
Adapt - UWT	-	26,840
Stabilization	18,951	25,545
Maxwell	16,736	20,350
Catapult	14,433	22,856
Scotiarise	13,542	17,129
Warner	8,673	8,673
UWT	6,361	-
Prosper	3,004	3,727
CIBC	1,177	20,202
BOF	-	12,181
Scale - YAF	-	2,337
Telus	-	1,812
Total	\$ 603,759	\$ 315,391

AMADEUSZ

Notes to Financial Statements

For the year ended December 31, 2024

7. Lease Commitment

The Organization's current lease expired on December 31, 2024.

A renewal lease agreement has been signed for the period subsequent to yearend expiring December 31, 2026.

Future minimum annual lease payments for the premises are as follows:

2025	\$	16,950
2026		<u>16,950</u>
	\$	<u><u>33,900</u></u>

8. Related Party Transactions

Transactions between the Organization and the board members are considered to be related party transactions. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. There were no related party transactions during the year.

9. Financial Instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date, December 31, 2024.

Credit Risk

Credit risk is the risk of a loss if counterparty to a financial instrument fails to meet its contractual obligations. The Organization is exposed to credit risk from its cash balance. To manage this risk, the Organization maintains its account with credit worthy financial institutions.

Interest Rate Risk

Interest rate risk is the risk that the value or future cash flows 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 Organization manages exposure through its normal operating and financing activities. The Organization is not exposed to interest rate risk as it does not have any interest bearing financial instruments.

AMADEUSZ**Notes to Financial Statements**

For the year ended December 31, 2024

9. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with the settlement of its financial liabilities. The Organization manages liquidity risk by maintaining sufficient cash on hand to settle obligations as they arise. The Organization is not subject to any significant liquidity risks arising from its financial instruments.
