

Financial Statements of

INITIATIVES FOR JUST COMMUNITIES INC.

March 31, 2022

Independent Auditor's Report

To the Board Members of
Initiatives for Just Communities Inc.

Opinion

We have audited the accompanying financial statements of Initiatives for Just Communities Inc., which comprise the statement of financial position as at March 31, 2022, and the summary statement of operations and statements of changes in fund balances and cash flows for the year then ended and the notes to the financial statements.

In our opinion the financial statements present fairly, in all material respects, the financial position of Initiatives for Just Communities Inc. as at March 31, 2022, 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 ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Company 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 GAAS 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 GAAS, 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 of the Company'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 Company'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 Company 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.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

June 23, 2022
Winnipeg, Manitoba

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INITIATIVES FOR JUST COMMUNITIES INC.

Summary Statement of Operations

Year Ended March 31, 2022

	2022		2021
	Budget (Note 11)	Actual	Actual
REVENUE			
Provincial Funding			
Department of Families			
El'dad Ranch	\$ 4,428,626	\$ 5,106,046	\$ 4,539,660
Touchstone - FASD	615,517	649,636	660,865
Department of Education and Training			
Touchstone - Vision and Voices	30,000	30,000	-
Federal Funding			
CoSA	85,500	64,638	93,329
Open Circle	-	16,915	6,518
Public Trustee	-	-	360
Donations and fundraising	20,092	24,760	38,115
Resource Generation	40,423	48,346	52,457
MCC Manitoba contributions (Note 8)	125,000	120,000	170,000
Recognition of deferred revenue	-	16,717	-
Other revenue	89,949	38,269	56,343
	5,435,107	6,115,327	5,617,647
EXPENDITURES			
Program expenses			
Salaries and benefits	3,528,679	3,630,759	3,894,158
Other program expenses	1,260,186	1,499,514	929,685
Administration	583,418	708,410	547,395
Facilities and technology	13,800	38,103	25,552
Fundraising	-	-	(1,560)
	5,386,083	5,876,786	5,395,230
EXCESS REVENUE OVER			
EXPENDITURES - OPERATING FUND	49,024	238,541	222,417
CAPITAL FUND			
Recognition of deferred contributions	-	4,816	4,816
Gain on disposal of capital assets	-	-	12,974
Amortization	(39,673)	(81,262)	(47,427)
DEFICIENCY OF REVENUE OVER			
EXPENDITURES - CAPITAL FUND	(39,673)	(76,446)	(29,637)
EXCESS OF REVENUE			
OVER EXPENDITURES	\$ 9,351	\$ 162,095	\$ 192,780

INITIATIVES FOR JUST COMMUNITIES INC.**Statement of Changes in Fund Balances****Year Ended March 31, 2022**

	2022			
	Operating Fund (Unrestricted)	Operating Fund (Restricted) (Note 7)	Total Operating Fund	Capital Fund
Fund balance, beginning of year	\$ 168,794	\$ 721,133	\$ 889,927	\$ 417,642
Excess Revenue (Expenditures)				
Operating Fund - operations	10,466	228,075	238,541	-
Capital Fund	-	-	-	(76,446)
Interfund transfers (Note 7)				
Capital	-	(72,522)	(72,522)	72,522
MCC Contributions	(71,000)	71,000	-	-
Fund Balance, end of year	\$ 108,260	\$ 947,686	\$ 1,055,946	\$ 413,718

	2021			
	Operating Fund (Unrestricted)	Operating Fund (Restricted) (Note 7)	Total Operating Fund	Capital Fund
Fund balance, beginning of year	\$ 157,271	\$ 598,018	\$ 755,289	\$ 359,500
Excess Revenue (Expenditures)				
Operating Fund - operations	90,137	132,280	222,417	-
Capital Fund	-	-	-	(29,637)
Interfund transfers (Note 7)				
Capital	-	(87,779)	(87,779)	87,779
MCC Contributions	(78,614)	78,614	-	-
Fund Balance, end of year	\$ 168,794	\$ 721,133	\$ 889,927	\$ 417,642