



INITIATIVES FOR JUST COMMUNITIES INC.**Statement of Financial Position****March 31, 2022**

	2022	2021
ASSETS		
OPERATING FUND		
CURRENT ASSETS		
Cash	\$ 803,620	\$ 402,779
Accounts receivable	393,491	789,783
Inventory	66,455	77,657
Prepaid expenses	48,610	52,162
	1,312,176	1,322,381
CAPITAL FUND		
Capital assets (Note 3)	851,245	879,042
	\$ 2,163,421	\$ 2,201,423
LIABILITIES AND FUND BALANCES		
OPERATING FUND		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 166,033	\$ 287,688
Government remittances payable	17,178	60,441
Accrued vacation payable	51,719	51,726
Deferred revenue	21,300	32,599
	256,230	432,454
OPERATING FUND BALANCE (Note 7)	1,055,946	889,927
	1,312,176	1,322,381
CAPITAL FUND		
CURRENT LIABILITIES		
Deferred contributions (Note 5)	45,316	50,132
Mortgage payable (Note 6)	392,211	411,268
	437,527	461,400
CAPITAL FUND BALANCE	413,718	417,642
	851,245	879,042
TOTAL FUND BALANCE	\$ 2,163,421	\$ 2,201,423

APPROVED BY THE BOARD

 Director

 Director

INITIATIVES FOR JUST COMMUNITIES INC.**Statement of Cash Flows****Year Ended March 31, 2022**

	2022		2021
CASH FLOWS FROM OPERATIONS			
Excess revenue (expenditures):			
Operating fund - operations	238,541	\$	222,417
Capital fund	(76,446)		(29,637)
Items not affecting cash:			
Amortization	81,262		47,427
Gain on disposal of capital assets	-		(12,974)
Recognition of deferred contributions and revenue	(21,533)		(4,816)
	221,824		222,417
Changes in non-cash working capital balances:			
Accounts receivable	396,292		(414,527)
Inventory	11,202		(2,785)
Prepaid expenses	3,552		(2,129)
Accounts payable and accrued liabilities	(121,655)		192,996
Government remittances payable	(43,263)		14,793
Accrued vacation payable	(7)		7,365
Deferred revenue	5,419		21,255
	473,364		39,385
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of capital assets	-		19,422
Purchase of capital assets	(53,466)		(129,346)
	(53,466)		(109,924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term debt	(19,057)		(18,355)
Receipt of deferred contributions	-		40,500
	(19,057)		22,145
NET INCREASE (DECREASE) IN CASH POSITION	400,841		(48,394)
CASH POSITION, BEGINNING OF YEAR	402,779		451,173
CASH POSITION, END OF YEAR	\$ 803,620	\$	402,779

INITIATIVES FOR JUST COMMUNITIES INC.
Notes to the Financial Statements
March 31, 2022

1. PURPOSE OF THE ORGANIZATION

Initiatives for Just Communities Inc. (the "Organization") was established as a separate program of the Mennonite Central Committee Manitoba Inc. effective April 1, 2011. Prior to this date Open Circle, FASD and Circles of Support and Accountability (CoSA) were departments within Mennonite Central Committee Manitoba Inc. The El'Dad Ranch was also previously a separate program of Mennonite Central Committee Manitoba Inc. and is now also part of Initiatives for Just Communities Inc. El'Dad Ranch is a residential and vocational facility located near Steinbach, Manitoba which focuses on providing care and support for men and women with intellectual disabilities, some of whom have been in conflict with the law.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

a) Fund Accounting

The Organization accounts for its operations using the following funds:

- Operating – accounts for unrestricted assets and liabilities that are used to support ongoing operations and to aid in ongoing projects approved by the Board of Directors and management.
- Capital – accounts for assets, liabilities, revenues and expenditures related to capital assets.

b) Revenue Recognition

The Organization follows the deferral method of accounting for contributions which includes funding from both government and non-government sources.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenditure is recognized. Contributions restricted for purchases of capital assets are deferred and amortized into revenue at the same rate as the corresponding capital asset.

Revenue relating to sales is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

INITIATIVES FOR JUST COMMUNITIES INC.
Notes to the Financial Statements
March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded using the declining balance method at the following rates:

Buildings	5%
Furniture	10%
Equipment	20%
Vehicles	30%

Amortization on computer equipment is recorded on a straight-line basis over four years. Leasehold improvements are amortized over the term of the underlying lease.

d) Inventories

Inventories of unprocessed and corded wood are valued at the lower of cost and net realizable value.

e) Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

f) Income Tax

The Organization was established as a not-for-profit organization and is registered as a charity for purposes of the Income Tax Act (Canada), and as such is not subject to income tax on its net revenue.

g) 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 at the date of the financial statements, and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from management's best estimates. These financial statements include significant estimates relating to the estimated useful life of capital assets.