

**1JUSTCITY INC.**  
**Financial Statements**  
**Year Ended December 31, 2020**

**1JUSTCITY INC.**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

---

|   | Page  |
|---|-------|
| INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT | 1     |
| FINANCIAL STATEMENTS                                |       |
| Statement of Financial Position                     | 2     |
| Statement of Revenues and Expenditures              | 3     |
| Statement of Changes in Net Assets                  | 4     |
| Statement of Cash Flow                              | 5     |
| Notes to Financial Statements                       | 6 - 8 |

---

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

---

To the Members of 1JustCity Inc.

We have reviewed the accompanying financial statements of 1JustCity Inc. (the organization) that comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility 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 (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.

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of 1JustCity Inc. as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

 Lazer Grant LLP

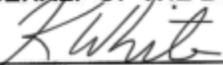
Winnipeg, MB  
May 16, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

**1JUSTCITY INC.**  
**Statement of Financial Position**  
**December 31, 2020**

|   | <b>2020</b>         | <b>2019</b><br><i>(Restated)</i> |
|---|---------------------|----------------------------------|
| <b>ASSETS</b>                                     |                     |                                  |
| <b>CURRENT</b>                                    |                     |                                  |
| Cash  | \$ 985,989          | \$ 362,443                       |
| Accounts receivable                               | 16,200              | 901                              |
| Prepaid expenses                                  | 2,008               | 2,008                            |
|   | <b>1,004,197</b>    | 365,352                          |
| INTERNALLY RESTRICTED INVESTMENTS <i>(Note 4)</i> | 101,467             | 50,000                           |
| INTERNALLY RESTRICTED FUNDS <i>(Note 4)</i>       | 50,000              | 33,000                           |
|   | <b>\$ 1,155,664</b> | \$ 448,352                       |
| <b>LIABILITIES AND NET ASSETS</b>                 |                     |                                  |
| <b>CURRENT</b>                                    |                     |                                  |
| Accounts payable and accrued liabilities          | \$ 28,500           | \$ 53,500                        |
| Deferred grants <i>(Note 5)</i>                   | 184,024             | 83,000                           |
| Deferred donations <i>(Note 6)</i>                | 160,575             | -                                |
|   | <b>373,099</b>      | 136,500                          |
| <b>NET ASSETS</b>                                 |                     |                                  |
| Unrestricted                                      | 631,098             | 228,852                          |
| Disability fund <i>(Note 4)</i>                   | 50,000              | 33,000                           |
| Contingency fund <i>(Note 4)</i>                  | 101,467             | 50,000                           |
|   | <b>782,565</b>      | 311,852                          |
|   | <b>\$ 1,155,664</b> | \$ 448,352                       |

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

## Statement of Revenues and Expenditures

Year Ended December 31, 2020

|   | 2020              | 2019<br><i>(Restated)</i> |
|---|-------------------|---------------------------|
| <b>REVENUES</b>   |                   |                           |
| Donations   | \$ 1,117,576      | \$ 242,311                |
| Grants <i>(Note 7)</i>                                  | 928,586           | 718,465                   |
| Fundraising   | 31,901            | 27,638                    |
| Training fees   | 733               | -                         |
|   | <b>2,078,796</b>  | <b>988,414</b>            |
| <b>EXPENSES</b>   |                   |                           |
| Advertising and promotion                               | 15,866            | 12,269                    |
| Capital campaign expenses                               | -                 | 311,258                   |
| Charitable grants                                       | 502,318           | 244,201                   |
| Insurance   | 3,734             | 2,008                     |
| Interest and bank charges                               | 8,680             | 2,168                     |
| Office  | 21,436            | 10,526                    |
| Professional fees                                       | 15,923            | 14,534                    |
| Program costs   | 723,367           | 56,250                    |
| Rent  | 14,256            | 6,395                     |
| Repairs and maintenance                                 | 560               | 100                       |
| Training  | 9,784             | 3,223                     |
| Vehicle   | 619               | 474                       |
| Wages and employee benefits                             | 293,157           | 227,352                   |
|   | <b>1,609,700</b>  | <b>890,758</b>            |
| <b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b> | <b>469,096</b>    | <b>97,656</b>             |
| <b>OTHER INCOME</b>                                     |                   |                           |
| Interest income   | 1,617             | -                         |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>                 | <b>\$ 470,713</b> | <b>\$ 97,656</b>          |

## Statement of Changes in Net Assets

Year Ended December 31, 2020

|   | Unrestricted | Disability<br>Fund | Contingency<br>Fund | 2020       | 2019<br>(Restated) |
|---|--------------|--------------------|---------------------|------------|--------------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b>   |              |                    |                     |            |                    |
| As previously reported                  | \$ 281,852   | \$ 33,000          | \$ 50,000           | \$ 364,852 | \$ 214,196         |
| Prior period adjustments<br>(Note 3)    | (53,000)     | -                  | -                   | (53,000)   | -                  |
| <b>NET ASSETS - As Restated</b>         |              |                    |                     |            |                    |
|   | 228,852      | 33,000             | 50,000              | 311,852    | 214,196            |
| <b>EXCESS OF REVENUES OVER EXPENSES</b> | 469,246      | -                  | 1,467               | 470,713    | 97,656             |
| Allocation of Contingency funds         | (50,000)     | -                  | 50,000              | -          | -                  |
| Allocations of Disability funds         | (17,000)     | 17,000             | -                   | -          | -                  |
|   | -            | -                  | -                   | -          | -                  |
| <b>NET ASSETS - END OF YEAR</b>         |              |                    |                     |            |                    |
|   | \$ 631,098   | \$ 50,000          | \$ 101,467          | \$ 782,565 | \$ 311,852         |

**1JUSTCITY INC.**  
**Statement of Cash Flow**  
**Year Ended December 31, 2020**

|  | 2020              | 2019<br><i>(Restated)</i> |
|--|-------------------|---------------------------|
| <b>OPERATING ACTIVITIES</b>              |                   |                           |
| Excess of revenues over expenses         | \$ 470,713        | \$ 97,656                 |
| Changes in non-cash working capital      | <b>221,300</b>    | 62,291                    |
| Cash flow from operating activities      | <b>692,013</b>    | 159,947                   |
| <b>INVESTING ACTIVITIES</b>              |                   |                           |
| Designation of disability fund           | (17,000)          | (33,000)                  |
| Increase in contingency fund investments | (1,467)           | -                         |
| Purchase of long term investment         | <b>(50,000)</b>   | (50,000)                  |
| Cash flow used by investing activities   | <b>(68,467)</b>   | (83,000)                  |
| <b>INCREASE IN CASH</b>                  | <b>623,546</b>    | 76,947                    |
| Cash - beginning of year                 | <b>362,443</b>    | 285,496                   |
| <b>CASH - END OF YEAR</b>                | <b>\$ 985,989</b> | \$ 362,443                |

**Notes to Financial Statements**  
**Year Ended December 31, 2020**

---

1. DESCRIPTION OF OPERATIONS

1JustCity Inc. (the "organization") is a not-for-profit organization incorporated provincially under the Corporations Act of Manitoba. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The organization operates as a partnership between 2 member charities with similar goals of working to build a sense of community in vulnerable neighborhoods in Winnipeg; providing love and support to people in need.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Net assets

1. Internally restricted net assets are funds which have been designated for a specific purpose by the organization.
2. Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

1JustCity Inc. follows the deferral method of accounting for contributions.

Grant contributions are recognized as revenue in the year in which the related expenses are incurred.

Donation and fundraising contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

Donated services

A large number of members donate significant amounts of their time to the organization. No amount has been reflected in the financial statements for donated services since an objective basis is not available to measure the value of such services.

**Notes to Financial Statements**  
**Year Ended December 31, 2020**

---

## 3. PRIOR PERIOD ADJUSTMENT

As a result of additional information acquired during the 2020 year end, it has become apparent that deferred revenues were understated by \$53,000 and grant revenues were overstated by \$53,000 at December 31, 2019. Accordingly, the comparative figures have been adjusted and the retained earnings at the beginning of 2020 reflects a retroactive decrease of \$53,000 (2019 - \$53,000).

## 4. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has established the following internally restricted funds:

The Disability fund of \$50,000 (2019 - \$33,000) was established to help top up maternity leaves, cover sabbaticals and other sick leave costs. The funds have been designated for this purpose only.

The Contingency fund of \$101,467 (2019 - \$50,000) was established to be used for emergency funding, special programs or purchase of needed equipment. The funds have been designated for this purpose only. The term deposit expires on November 20, 2021 however, the funds will be reinvested and are still restricted for long term purposes.

## 5. DEFERRED GRANTS

During the year, the organization received amounts pertaining to programs and operational costs for the 2021 fiscal year. These include:

|  | 2020              | 2019<br><i>(Restated)</i> |
|--|-------------------|---------------------------|
| Just a Warm Sleep Overnight Warming Centre Project<br>(January 1, 2021 - March 31, 2021) | \$ 110,252        | \$ 30,000                 |
| Indigenous Cultural Programming  | 53,000            | 53,000                    |
| Telus - Salary and grant matching  | 15,000            | -                         |
| United Church of Canada  | 5,772             | -                         |
|  | <b>\$ 184,024</b> | <b>\$ 83,000</b>          |

## 6. DEFERRED DONATIONS

During the year the organization received a donation of \$650,000 from Celebrating Our Differences Foundation that was designated towards the meals program. The funds were not fully utilized in the 2020 fiscal year and will be used for meal program costs in the 2021 fiscal year.

## Notes to Financial Statements

Year Ended December 31, 2020

## 7. GRANTS

|                                    | <b>2020</b>       | 2019              |
|------------------------------------|-------------------|-------------------|
| H.W. Siebens Charitable Foundation | \$ 304,331        | \$ 54,504         |
| End Homelessness grant             | 221,344           | -                 |
| Winnipeg Foundation                | 154,484           | 51,000            |
| United Church                      | 115,478           | 128,615           |
| Community Food Service             | 50,000            | -                 |
| Flow grants to Oak Table           | 25,000            | 40,000            |
| Wellington West Foundation         | 25,000            | -                 |
| Winnipeg Presbytery Church         | 12,500            | -                 |
| United Way                         | 4,868             | -                 |
| Winnipeg Regional Health Authority | 4,000             | -                 |
| Jewish Foundation of Manitoba      | 3,000             | 9,583             |
| Harvest Manitoba                   | 2,444             | -                 |
| Spence Neighborhood Association    | 2,250             | -                 |
| Human Rights Internet              | 2,000             | -                 |
| Georgina Foundation Grant          | 1,000             | -                 |
| West Broadway Community Services   | 887               | 16,000            |
| Small grants                       | -                 | 7,221             |
| Indigenous Programmer grant        | -                 | 46,492            |
| Thomas Sill Foundation             | -                 | 10,000            |
| Anglican Foundation of Canada      | -                 | 15,000            |
| Municipal Relation grant           | -                 | 20,000            |
| Capital Campaign                   | -                 | 312,346           |
| Government of Canada               | -                 | 7,704             |
|                                    | <b>\$ 928,586</b> | <b>\$ 718,465</b> |

## 8. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The organization has taken measures to ensure the safety of the employees and the program users. There was increased staffing to address the loss of volunteer hours. Food is being purchased instead of being prepared which is at a higher cost. Some programs costs have also been increased to help serve the community.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.