

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The John Howard Society of Manitoba, Inc.:

Opinion

We have audited the accompanying financial statements of The John Howard Society of Manitoba, Inc. (The Society), which comprise the statement of financial position as at March 31, 2022 and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society 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.

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 the Society 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.

Other Matter

Our examination did not extend to the budget which has been provided as additional information and therefore we do not express an opinion concerning the budget.

Responsibilities 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 the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 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 of the Society'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 Society'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 Society 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.

Scarrow & Donald LLP

Chartered Professional Accountants
June 15, 2022
Winnipeg, Canada

SCARROW & DONALD, CHARTERED PROFESSIONAL ACCOUNTANTS, LLP

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ANNUAL REPORT 2021-2022

THE JOHN HOWARD SOCIETY OF MANITOBA, INC.

STATEMENT OF FINANCIAL POSITION

	March 31	
	2022	2021
ASSETS		
Current assets:		
Cash (Note 4)	\$ 254,968	\$ 211,155
Accounts receivable	170,025	221,541
GST recoverable	5,519	4,511
Prepaid expenses	17,120	15,323
	447,632	452,530
Capital assets (Note 3)	166,098	216,223
	\$ 613,730	\$ 668,753
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 133,433	\$ 172,942
Deferred revenue	35,033	114,879
Commercial loan payable (Note 5)	217,035	299,386
	385,501	587,207
Deferred contributions related to capital assets (Note 6)	13,780	21,090
	399,281	608,297
NET ASSETS		
Net assets	214,449	60,456
	\$ 613,730	\$ 668,753

APPROVED BY THE BOARD:

Director *

Director *

*Signatures intentionally hidden.

THE JOHN HOWARD SOCIETY OF MANITOBA, INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

	Year ended March 31		
	Budget (unaudited)	2022	2021
Revenues:			
Administrative and other revenue (Note 9)	\$ 69,000	\$ 73,838	\$ 92,942
Amortization of deferred contributions related to capital assets (Note 6)	21,845	3,310	21,845
Bail Navigator Pilot Project (Schedule A)	73,000	73,000	-
Community Residential Facility (Schedule D)	662,050	709,052	664,113
Donations and memberships	5,000	7,578	7,630
Healing Program for Indigenous Men (Schedule C)	1,000	1,000	50,996
Health Canada - SUAP (Schedule E)	161,323	161,323	93,858
Province of Manitoba-			
Department of Justice	62,100	67,100	77,284
Department of Advanced Education and Training	76,350	67,145	72,250
Ogjiita Pimatiswin Kinamatwin (Schedule B)	241,988	253,944	305,610
Oshki Giizhig	-	-	43,110
Other grants	3,786	4,280	-
Rent	60,867	60,867	60,831
Fundraising	5,000	5,771	7,681
The John Howard Society of Canada	120,160	127,765	125,798
The Winnipeg Foundation	35,419	27,221	118,968
United Way	181,859	252,858	236,405
Total revenue	1,780,747	1,896,052	1,979,321
Expenses:			
Amortization of capital assets	46,125	46,125	46,125
Bail Facilitation Pilot Project (Schedule A)	73,000	73,653	-
Building	106,000	74,481	91,065
Community Residential Facility (Schedule D)	649,606	638,183	626,573
General	38,700	22,013	26,760
Healing Program for Indigenous Men (Schedule C)	1,000	1,000	43,396
Health Canada - SUAP (Schedule E)	161,323	161,323	93,858
Interest on commercial loan	14,000	12,629	15,605
Membership services	1,793	2,394	2,411
Office	10,820	14,401	8,877
Ogjiita Pimatiswin Kinamatwin (Schedule B)	241,988	273,627	281,292
Oshki Giizhig	-	-	43,110
Program - other	31,500	68,968	115,155
Salaries and benefits	378,234	353,262	387,255
Total expenses	1,754,089	1,742,059	1,781,482
Difference between revenues and expenses	\$ 26,658	153,993	197,839
Net assets, beginning of year		60,456	(137,383)
Net assets, end of year		\$ 214,449	\$ 60,456