

**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, 2023 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, 2023, 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 26, 2023  
Winnipeg, Canada

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SCARROW & DONALD, CHARTERED PROFESSIONAL ACCOUNTANTS, LLP  
100 – Five Donald Street • Winnipeg, Manitoba • R3L 2T4 • Business: (204) 982-9800 • Fax: (204) 474-2886 • [www.scarrowdonald.mb.ca](http://www.scarrowdonald.mb.ca)  
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THE JOHN HOWARD SOCIETY OF MANITOBA, INC.

STATEMENT OF FINANCIAL POSITION

		March 31	
		2023	2022
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash (Note 3)	\$	241,516	\$ 254,968
Accounts receivable		308,574	170,025
GST recoverable		7,295	5,519
Prepaid expenses		18,696	17,120
		<u>576,081</u>	<u>447,632</u>
<b>Capital assets (Note 4)</b>		<u>116,009</u>	<u>166,098</u>
	<b>\$</b>	<b><u>692,090</u></b>	<b>\$ <u>613,730</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$	145,591	\$ 133,433
Deferred revenue		26,960	35,033
Commercial loan payable (Note 5)		180,629	217,035
		<u>353,180</u>	<u>385,501</u>
<b>Deferred contributions related to capital assets (Note 6)</b>		<u>6,470</u>	<u>13,780</u>
		<u>359,650</u>	<u>399,281</u>
<b>NET ASSETS</b>			
<b>Net assets</b>		<u>332,440</u>	<u>214,449</u>
	<b>\$</b>	<b><u>692,090</u></b>	<b>\$ <u>613,730</u></b>

APPROVED BY THE BOARD:

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 \*  
 Zilla Jung, Chair  
 Director

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 Ken Friesen, Past  
 Director Chair

\*Signatures intentionally hidden.

THE JOHN HOWARD SOCIETY OF MANITOBA, INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

	Year ended March 31		
	Budget (unaudited)	2023	2022
<b>Revenues:</b>			
Administrative and other revenue	\$ 67,968	\$ 68,089	\$ 73,838
Amortization of deferred contributions related to capital assets (Note 6)	3,310	3,310	3,310
Bail Navigator Pilot Project (Schedule A)	73,000	73,000	73,000
Community Residential Facility (Schedule B)	672,050	738,965	709,052
Donations and memberships	6,000	21,162	7,578
Healing Program for Indigenous Men	-	-	1,000
PSC - Record suspension program (Schedule C)	94,540	58,012	-
Health Canada - SUAP (Schedule D)	176,836	158,744	161,323
Province of Manitoba-			
Department of Justice	69,000	69,000	67,100
Department of Advanced Education and Training	77,465	77,465	67,145
Ogijiita Pimatiswin Kinamatwin (Schedule E)	184,985	186,054	253,944
Other grants	5,000	12,500	4,280
Rent	60,867	61,675	60,867
Fundraising	8,000	21,712	5,771
The John Howard Society of Canada	121,100	115,257	127,765
The Winnipeg Foundation	41,686	37,136	27,221
United Way	263,503	273,859	252,858
Total revenue	1,925,310	1,975,940	1,896,052
<b>Expenses:</b>			
Amortization of capital assets	46,125	46,089	46,125
Bail Navigator Pilot Project (Schedule A)	73,000	73,728	73,653
Building	107,671	93,999	74,481
Community Residential Facility (Schedule B)	698,060	693,396	638,183
General	27,497	42,433	22,013
Healing Program for Indigenous Men	-	-	1,000
PSC - Record Suspension Program (Schedule C)	94,540	58,012	-
Health Canada - SUAP (Schedule D)	176,836	158,744	161,323
Interest on commercial loan	10,500	10,305	12,629
Membership services	2,394	2,599	2,394
Office	13,155	16,040	14,401
Ogijiita Pimatiswin Kinamatwin (Schedule E)	184,985	178,786	273,627
Program - other	68,968	73,240	68,968
Salaries and benefits	374,860	410,578	353,262
Total expenses	1,878,591	1,857,949	1,742,059
<b>Difference between revenues and expenses</b>	\$ 46,719	117,991	153,993
<b>Net assets, beginning of year</b>		214,449	60,456
<b>Net assets, end of year</b>		\$ 332,440	\$ 214,449