

John Howard Society of British Columbia

Financial Statements

For the Year Ended March 31, 2021



Baker Tilly Victoria Ltd
Chartered Professional
Accountants
T: 250.386.0500
F: 250.386.6151
bakertilly.ca

Downtown:
645 Fort St
Suite 540
Victoria, BC
V8W 1G2

Westshore:
967 Langford Pkwy
Suite 218
Victoria, BC
V9B 0A5

Sidney:
9764 Fifth St
Unit 7
Sidney, BC
V8L 2X2

INDEPENDENT AUDITORS' REPORT

To the Members of John Howard Society of British Columbia

Disclaimer of Opinion

We were engaged to audit the financial statements of The John Howard Society of British Columbia which comprise the statement of financial position as at March 31, 2021 and the statements of revenue and expenditures, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Society. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

We were unable to obtain sufficient appropriate audit evidence on which to base an opinion and concluded that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.

We were unable to gain access to the completed revenue and expenditure contracts with the Ministry of Advanced Education, Provincial Health Services Authority and The John Howard Society Pacific Region (formerly John Howard Society Lower Mainland). As a result, we were unable to determine whether any adjustments were necessary in respect of the Society's revenue and expenditures and related accounts and the elements making up the statement of revenues and expenditures, statement of changes in net assets and statement of cash flows. We were unable to satisfy ourselves by alternative means concerning the revenue contracts for the period April 1, 2020 to March 31, 2021.



Baker Tilly Victoria Ltd
Chartered Professional
Accountants
T: 250.386.0500
F: 250.386.6151
bakertilly.ca

Downtown:
645 Fort St
Suite 540
Victoria, BC
V8W 1G2

Westshore:
967 Langford Pkwy
Suite 218
Victoria, BC
V9B 0A5

Sidney:
9764 Fifth St
Unit 7
Sidney, BC
V8L 2X2

INDEPENDENT AUDITORS' REPORT (continued)

We were unable to gain access to the goods and services tax accounts to verify the filing requirements and any balances owing or receivable. The previous management did not arrange access to the account. As of the date of our report, current management was still in the process of obtaining access. We were unable to confirm or verify by alternative means the goods and services tax balance included in the statement of financial position. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded liabilities and accounts receivable, and the elements making up the statement of revenues and expenditures, statement of changes in net assets and statement of cash flows.

These items have the potential to both be material and pervasive to the financial statements. For this reason, we cannot issue an unmodified, clean, opinion on the financial statements of John Howard Society of British Columbia for the year ended March 31, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.



Baker Tilly Victoria Ltd
Chartered Professional
Accountants
T: 250.386.0500
F: 250.386.6151
bakertilly.ca

Downtown:
645 Fort St
Suite 540
Victoria, BC
V8W 1G2

Westshore:
967 Langford Pkwy
Suite 218
Victoria, BC
V9B 0A5

Sidney:
9764 Fifth St
Unit 7
Sidney, BC
V8L 2X2

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statement

Our responsibility is to conduct an audit of the Society's financial statements in accordance with Canadian generally accepted auditing standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 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.

Baker Tilly Victoria Ltd.

CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria, B.C.

December 17, 2021

John Howard Society of British Columbia

Statement of Financial Position

As at March 31, 2021

	2021	2020
	\$	\$
Assets		
Current Assets -		
Cash	842,285	649,769
Restricted Cash (note 4)	615	22,189
Accounts Receivable	61,444	238,089
GST Receivable	7,611	9,302
Prepaid Expenses	1,835	386
	913,790	919,735
Property, Plant and Equipment (note 3)	4,815	6,879
	918,605	926,614
Liabilities		
Current Liabilities -		
Accounts Payable and Accrued Liabilities	635,260	502,473
Deferred Revenue (note 5)	79,638	289,606
Ed Griffin Educational Bursary Fund (note 4)	419	396
	715,317	792,475
Member's Surplus (Deficiency)		
Surplus / (Deficiency) Fund	203,288	134,139
	918,605	926,614

SIGNED ON BEHALF OF THE BOARD:

Director

John Howard Society of British Columbia

Statement of Changes in Net Assets

For the Year Ended March 31, 2021

	2021	2020
	\$	\$
Retained Earnings (Deficit) - Beginning of Year	134,139	(32,995)
Excess of revenues over expenditures	69,149	167,134
Retained Earnings - End of Year	203,288	134,139

John Howard Society of British Columbia

Statement of Revenues and Expenditures

For the Year Ended March 31, 2021

	2021	2020
	\$	\$
Revenues		
Ministry of Advanced Education	1,220,048	1,831,986
Provincial Health Services Authority	371,170	468,436
Regional affiliation fees	-	54,932
Members' contributions CAMS	62,634	54,752
The John Howard Society of Canada Grant	51,742	51,742
Interest	6,761	15,407
Other Funding	4,860	1,617
	1,717,215	2,478,872
Expenditures		
Administrative support	105,000	37,000
Advertising and Promotion	-	2,319
Amortization of Tangible Assets	2,064	3,105
Bad Debt Expense	550	-
CAM Maintenance Fees	62,634	54,750
Insurance	1,696	2,116
Interest and Bank Charges	264	456
Management services and office	31,542	247,400
Office and miscellaneous	5,844	13,418
Professional Fees	32,304	35,663
Programs (schedule 1)	1,406,168	1,891,754
Travel Expenses	-	23,391
	1,648,066	2,311,372
Operating Income	69,149	167,500
Other Income -		
Gain (Loss) on disposal of property, plant and equipment	-	(366)
Excess of revenues over expenditures	69,149	167,134

John Howard Society of British Columbia

Statement of Cash Flows

For the Year Ended March 31, 2021

	2021	2020
	\$	\$
Cash Provided from (Used for):		
Operating Activities		
Excess (deficiency) of revenues over expenditures	69,149	167,134
Item not affecting cash:		
Amortization	2,064	3,105
Loss on disposal of property and equipment	-	366
	71,213	170,605
Changes in non-cash working capital:		
Accounts Receivable	176,645	(25,862)
GST Receivable	1,691	491
Prepaid Expenses	(1,449)	1,073
Accounts Payable and Accrued Liabilities	132,787	212,721
Deferred Revenue	(209,968)	236,151
Ed Griffin Educational Bursary Fund	23	(1,610)
Cash flow used by operating activities	170,942	593,569
Investing Activities		
(Increase)/Decrease in restricted cash	21,574	(20,183)
Cash flow used by investing activities	21,574	(20,183)
Net Increase in Cash flow	192,516	573,386
Cash - Beginning of Year	649,769	76,383
Cash - End of Year	842,285	649,769

John Howard Society of British Columbia

Notes to Financial Statements

For the Year Ended March 31, 2021

1 Purpose of Organization

The John Howard Society of British Columbia ("the Society") was incorporated in 1932 under the Societies Act of British Columbia and is a registered charity under the Income Tax Act. As a registered charity, the Society is not subject to income taxes. The purpose of the Society is to offer services and to provide funding to other societies involved in the criminal justice process.

2 Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organisations and include the following significant accounting policies:

Property, Plant and Equipment, and Amortization

Property and Equipment are carried at cost less accumulated amortization. Amortization is calculated annually as follows:

Computer equipment	30% declining balance
--------------------	-----------------------

Revenue Recognition

The Society follows the deferral method of accounting for revenue. Restricted contributions are recorded as revenue in the year in which the related expenses are incurred. 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. Interest income is recognized as it is earned.

Contributed Services and Materials

A number of volunteers contribute a significant amount of their time and services to the Society each year. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements. The society records the fair value of contributed materials at the time of receipt, where such fair value is determinable, and the materials would otherwise have been purchased. The Society did not receive any such contributed materials.

John Howard Society of British Columbia

Notes to Financial Statements

For the Year Ended March 31, 2021

2 Significant Accounting Policies (continued)

Financial Instruments

Measurement of financial instruments

The Society measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognised in excess of revenues over expenditures when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition of the instrument.

The Society subsequently measures all of its financial assets and financial liabilities at amortized cost

Impairment

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognised as an impairment loss in excess of revenues over expenditures. Previously recognised impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognised in excess of revenues over expenditures.

Use of Estimates

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period.

3 Property, Plant and Equipment

	Cost \$	Accumulated amortization \$	2021 Net \$	2020 Net \$
Computer equipment	11,561	6,746	4,815	6,879

John Howard Society of British Columbia

Notes to Financial Statements

For the Year Ended March 31, 2021

4 Restricted cash

	ED Griffin Educational Bursary Fund	BC Lottery Corporation - Gaming	2021 \$	2020 \$
Balance, Opening	395	21,794	22,189	2,006
Donation or grant received	-	-	-	21,750
Grants awarded		(21,750)	(21,750)	(1,683)
Interest Income	24	152	176	208
Bank Charges			-	(92)
	419	196	615	22,189

During fiscal 2011, the Society and the Ed Griffin family established an educational bursary fund, which is designated for paying bursaries to individuals who have been incarcerated in the Canadian correctional system and are seeking a post-secondary education. The use of these funds is restricted for the purpose of paying bursaries to assist qualified applicants with the expenses of higher education.

5 Deferred Revenue

	Balance, 2020 \$	Contributions Received \$	Recognized in Revenue \$	Balance, 2021 \$
BC Lottery Corporation - Gaming	21,750	289	21,750	289
Canada Helps	101	-	-	101
J.D. Hobden Scholarship Fund	55,528	23,720	-	79,248
Ministry of Advanced Education-SoVA	12,694	370,851	383,545	-
Ministry of Advanced Education-YATP	192,033	60,633	252,666	-
Homelessness Community Action Grant	7,500	-	7,500	-
	289,606	455,493	665,461	79,638

John Howard Society of British Columbia

Notes to Financial Statements

For the Year Ended March 31, 2021

6 Financial Instruments

Items that meet the definition of a financial instrument includes cash, restricted cash, receivables and payables.

It is management's opinion that the Society is not exposed to significant currency risk, interest rate risk or other price risk arising from these financial instruments. The following is a summary of the significant financial instrument risks:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to liquidity risk arising primarily from its payables and accruals.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk in connection with its receivables. The Society assesses receivables and provides for any amounts that are assessed as not collectibles.

7 Impact of Covid-19 Pandemic

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many organizations. This outbreak could adversely impact the organization's operations in the March 31, 2022 fiscal year. It is not possible for the organization to predict the duration or magnitude of the adverse results of the outbreak and its effects on the organization's operations or results of operations at this time.

8 Subsequent Events

The John Howard Society Pacific Region (formerly John Howard Society Lower Mainland) surrendered their affiliation status with John Howard Society British Columbia (JHSBC) effective September 17, 2020. Subsequently, JHSBC terminated the affiliation agreement with John Howard Society Pacific effective on June 24, 2021.

The John Howard Society Pacific provided notice that terminated the Management Services Agreement with JHSBC effective July 27, 2021. John Howard Society Pacific is no longer legally considered an affiliate of JHSBC. The John Howard Society Pacific became Connective effective November 1, 2021.

John Howard Society of British Columbia

Schedule 1

For the Year Ended March 31, 2021

	2021	2020
	\$	\$
Programs		
Regional Client Support (ACES)	-	1,012,035
Regional Client Support (YATP)	522,459	395,040
Regional Client Support(SoVA)	551,112	65,352
Peer Mentorship Contract Exp	119,352	127,065
Forensic Outreach Contract Exp	213,245	292,262
	1,406,168	1,891,754