Consolidated Financial Statements of

JUSTICE INSTITUTE OF BRITISH COLUMBIA

And Independent Auditors' Report thereon

Year ended March 31, 2021

JUSTICE INSTITUTE of BRITISH COLUMBIA

STATEMENT OF MANAGEMENT RESPONSIBILITY

The consolidated financial statements have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. The integrity and objectivity of these consolidated financial statements are management's responsibility. Management is also

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INDEPENDENT AUDITORS' REPORT

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

Auditors' 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 auditors' 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 the 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.

JUSTICE INSTITUTE OF BRITISH COLUMBIA

Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020	
Financial Assets			
Cash	$ 15,186,857	$ 13,500,310	Tm [(C)-2.9 (on

JUSTICE INSTITUTE OF BRITISH COLUMBIA

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2021, with comparative information for 2020

	Budget	2021	2020
	(Note 2(b))		
Revenue:			
Province of British Columbia annual grant	$ 14,850,873	$ 15,135,581	$ 15,050,501
Province of British Columbia contract services	7,208,491	7,388,382	8,549,199
Tuition and student fees	16,673,714	14,224,714	14,245,317
Sales of goods and services	870,004	464,025	1,354,059
Donations, non-government grants and contracts	11,462,984	7,135,978	12,135,023
Investment income	275,004	107,917	344,343
Amortization of deferred capital			

JUSTICE INSTITUTE OF BRITISH COLUMBIA
Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		

1. Operations :

The Justice Institute of British Columbia (the “Institute”) is a post-secondary educational institution established in 1978 by the Province of Br

2. Significant accounting policies (continued):

(f) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when a site is not in productive use and an environmental standard exists, contamination exceeds the environmental standard, the Institute is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Donated assets are recorded at fair value at the date of donation. In unusual circumstances where fair value cannot be reasonably determined, the tangible capital asset would be recognized at nominal value.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives shown below:

Asset	Rate
Site improvements	10 years
Buildings	20 to 40 years
Furniture, equipment and vehicles (including computer equipment)	3 to 10 years
Personal computer equipment and peripherals	3 years
Computer software	10 years
Leasehold improvements	Lesser of lease term and useful life

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Institute’s ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value.

2. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(ii) Leased tangible capital assets:

Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charTw 7.831 -eeeseses ie char arhat

JUSTICE INSTITUTE OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

2. Significant accounting policies (continued):

   (i) Use of estimates:

   The preparation of the consolidated financial statements prepared in accordance with the basis of accounting described in note 2(a) requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods

4. Employee future benefits (continued):

(a) Pension benefits (continued):

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the College Pension Plan as at August 31, 2018 indicated a $303 million surplus for basic pension benefits on a going concern basis. The next valuation for the College Pension Plan will be as at August 31, 2021 with results available in 2022.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018 indicated a $2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation for the Municipal Pension Plan will be December 31, 2021 with results available in 2022.

Employers participati

4. Employee future benefits

6. Tangible capital assets:

Cost	Balance, March 31, 2020	Additions	Disposals	Balance, March 31, 2021
Land	$ 10,416,476	$ -	$ -	$ 10,416,476
Site improvements	938,532	-	-	938,532
Buildings	43,933,690	-	-	43,933,690
Furniture, equipment and vehicles	6,978,247	912,746	(1,617,819)	6,273,174
Personal computer equipment and peripherals	1,096,035	326,685	(196,823)	1,225,897
Computer software	1,710,924	-	-	1,710,924
Leasehold improvements	933,780	-	-	933,780
Work-in-progress	397,295	298,782	-	696,077
	$ 66,404,979	$ 1,538,213	$ (1,814,642)	$ 66,128,550

Accumulated amortization	Balance, March 31, 2020	Amortization expense	Disposals	Balance, March 31, 2021
Site improvements	$ 672,405	$ 92,782	$ -	$ 765,187
Buildings	22,614,566	1,265,168	-	23,879.734
Furniture, equipment and vehicles	4,132,565	1,118,494	(1,617,819)	3,633,240
Personal computer equipment and peripherals	568,534	296,234	(196,823)	667,945
Computer software	684,019	195,158	-	879,177
Leasehold improvements	781,653	93,378	-	875,031
	$ 29,453,742	$ 3,061,214	$ (1,814,642)	$ 30,700,314

	Net book value March 31, 2020	Net book value March 31, 2021
Land	$ 10,416,476	$ 10,416,476
Site improvements	266,127	173,345
Buildings	21,319,124	20,053,956
Furniture, equipment and vehicles	2,845,682	2,639,934
Personal computer equipment and peripherals	527,501	557,952
Computer software	1,026,905	831,747
Leasehold improvements	152,127	58,749
Work-in-progress	397,295	696,077
	$ 36,951,237	$ 35,428,236

7. Credit facility :

The Institute has available a demand operating loan up to a maximum of $250,000 which bears interest at bank prime per annum, and a letter of credit facility up to a maximum of $50,000, for its ongoing operating requirements. No amounts are outstanding under these banking facilities as at March 31, 2021 (2020 – nil).

8. Related organization s:

   (a) The Justice Institute of B.C. Foundation:

   The purpose of the Justice Institute of B.C. Foundation (the "Foundation") is to improve the

9. Contractual obligations:

The nature of the Institute's activities can result in multiyear contracts and obligations whereby the Institute will be committed to make future payments. Future payments relating to significant contractual obligations for operations, including lease commitments for facilities and office equipment, that can be reasonably estimated are as follows:

2022	$ 443,851
2023	258,635
	$ 702,486

10. Contractual rights:

The Institute's contractual rights arise from contracts with the Province and other funders to deliver certain programs. The revenue from these agreements cannot be quantified because it is dependent on the program costs incurred and certain terms and conditions in the agreements.

11. Expenses by object:

The following is a summary of expenses by object:

	2021	2020
Business development and promotion	$ 683,775	$ 947,097
Contract instruction and program development	2,794,341	4,193,128
Facilities and equipment	3,725,428	4,062,746
Professional services	2,474,179	2,641,262
Salaries and employee benefits	32,664,490	33,639,130
Staff and faculty travel and meetings	146,942	1,084,119
Student travel and activities	973,444	862,892
Supplies - instructional	824,904	1,106,606
Supplies - office	964,304	821,366
Other	1,175,837	1,225,880
Amortization of tangible capital assets	3,061,214	3,243,892
	$ 49,488,858	$ 53,828,118

13. Financial risk management:

The Institute has exposure to the following risks from its use of financial instruments: credit risk, market risk, and liquidity risk. The Board of Governors ensures that the Institute has identified its major risks and ensures that management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss to the Institute if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Institute consisting of cash and accounts receivable. The Institute assesses these financial assets on a continuous basis for any amounts that are not collectible or realizable. trany fia i fiiirai4 (on)-11.4 (a oy)-8 ((anc)- ()-8 ( ).1)-11-2.1 (5) (not)-ommogabe(us)-8