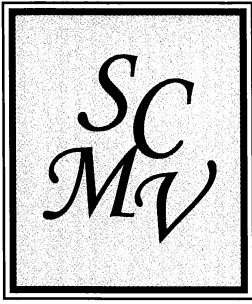


JOHN HOWARD SOCIETY OF DURHAM REGION

FINANCIAL STATEMENTS

MARCH 31, 2024



**Smith
Chappell
Marsh
Vilander LLP**

*H. Howard Smith, FCPA (Retired)
Richard A. Chappell, CPA, CA (Retired)
Deborah L. Marsh, CPA, CA
Vesa K. Vilander, CPA, CA*

INDEPENDENT AUDITOR'S REPORT

To the Members of
John Howard Society of Durham Region
Oshawa, Ontario

Qualified Opinion

We have audited the financial statements of John Howard Society of Durham Region (the Organization), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the John Howard Society of Durham Region as at March 31, 2024, 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 Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations, client fees and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years.

As explained in Note 2(k), these financial statements reflect amortization of one building at a rate equal to the annual principal reduction of the mortgage loans secured by the property. Transfers to the Replacement and Capital Reserve Fund are accounted for on the Statement of Operations, rather than as an interfund transfer in the Statement of Changes in Net Assets. These are departures from Canadian Accounting Standards for Not-for-Profit Organizations.

We conducted our audits 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 Organization in accordance with the ethical requirements that are relevant to our audits 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 qualified opinion.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Smith Chappell Mansel Vlamder LLP

**Oshawa, Ontario
June 25, 2024**

**Chartered Professional Accountants
Licensed Public Accountants**

JOHN HOWARD SOCIETY OF DURHAM REGION
STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31,

2024

2023

ASSETS

Current

Cash	\$ 2,365,528	\$ 2,290,202
Investments (Note 3)	44,729	43,336
Accounts receivable	368,712	380,688
Prepaid expenses	<u>43,418</u>	<u>39,822</u>

2,822,387 2,754,048

Other

Capital assets (Notes 2 and 4)	<u>870,965</u>	<u>915,982</u>
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\$ 3,693,352 \$ 3,670,030

LIABILITIES

Current

Accounts payable	\$ 128,957	\$ 155,053
Deferred revenue (Note 2 (b) and 9)	105,861	146,164
Mortgage principal due within one year (Note 6)	33,882	30,812
Due to Ministries	583,347	574,724
Due to The Regional Municipality of Durham (Note 7)	<u>70,376</u>	<u>70,376</u>

922,423 977,129

Other

Mortgages payable (Note 6)	-	33,882
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Deferred Contributions Related to Capital Assets (Note 10)

197,932 204,947

1,120,355 1,215,958

NET ASSETS

Replacement and Capital Reserve Fund (Note 11) **47,812** 43,337

Invested in Capital Assets (Note 2 (d) and 13) **639,151** 646,341

Internally Restricted Reserves (Note 2 (i)) **1,737,679** 1,611,965

Unrestricted Funds **148,355** 152,429

2,572,997 2,454,072

\$ 3,693,352 \$ 3,670,030

Approved On Behalf Of The Board:

_____ Director

_____ Director

**JOHN HOWARD SOCIETY OF DURHAM REGION
STATEMENT OF CHANGES IN NET ASSETS**

FOR THE YEAR ENDED MARCH 31,

2024

2023

	<u>Replacement and Capital Reserve Fund</u>	<u>Invested in Capital Assets</u>	<u>Internally Restricted Reserves</u>	<u>Unrestricted</u>		
Opening balance	\$ 43,337	\$ 646,341	\$ 1,611,965	152,429	2,454,072	\$ 2,040,632
Excess of revenue over expenses (expenses over revenue)						
- operations (Note 13)	-	(38,002)	-	152,452	114,450	410,533
- capital (Note 13)	-	30,812	-	(30,812)	-	-
Current year allocation and activities (Note 11)	4,475	-	-	-	4,475	2,907
Interfund transfer	-	-	125,714	(125,714)	-	-
Closing balance	\$ <u>47,812</u>	\$ <u>639,151</u>	\$ <u>1,737,679</u>	\$ <u>148,355</u>	\$ <u>2,572,997</u>	\$ <u>2,454,072</u>

**JOHN HOWARD SOCIETY OF DURHAM REGION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31,**

	2024	2023
Revenue		
United Way grants	\$ 190,000	\$ 200,000
Ministry subsidy	1,536,725	3,103,873
Other programs	41,695	60,611
Region of Durham	3,184,640	1,480,434
Employment and Social Development Canada	931,147	1,013,320
Bingo and fundraising	99,749	91,574
Other receipts	3,082	33,617
Donations	404,425	379,402
Interest	87,559	45,607
Children's Aid Society	52,020	52,559
Community Alternative to School Suspension funding	48,676	46,695
Residence fees	56,587	62,981
Amortization of deferred contributions (Note 10)	7,015	7,015
	<u>6,643,320</u>	<u>6,577,688</u>
Expenses		
Salaries and benefits	4,320,927	4,062,349
Training subsidies	375,409	282,409
Staff training	77,351	62,307
Travel	53,554	46,076
Program supplies	88,493	35,908
Occupancy (Note 8)	195,984	176,334
Mortgage interest	723	1,158
Insurance	63,472	49,034
Telephone	46,061	31,745
Office	291,325	292,564
Office equipment and maintenance	8,432	6,056
Administration	2,155	5,517
Meetings and promotion	1,276	8,843
Professional fees	61,108	107,492
Client assistance	245,201	291,132
Fundraising	6,480	6,240
Program costs	28,981	21,058
Miscellaneous	45,877	47,010
Marketing and promotion	39,223	20,988
Repairs and maintenance	95,001	38,487
Training supports	17,656	17,753
Replacement and capital reserve fund allocation	3,102	2,878
Amortization	45,017	44,582
	<u>6,112,808</u>	<u>5,657,920</u>
Earnings before amount Refundable	530,512	919,768
Amount Refundable to Funders	416,062	509,235
Excess of Revenue over Expenses	\$ 114,450	\$ 410,533

JOHN HOWARD SOCIETY OF DURHAM REGION**STATEMENT OF OPERATING SURPLUS****FOR THE YEAR ENDED MARCH 31,****2024****2023****Excess (Deficiency) of Revenue over Expenses**

Whitby and Oshawa Residences Program	\$ -	\$ (10)
On Point Program	-	-
Youth Diversion Service Program	-	-
Youth in Transition Program	-	10
Records Suspension	-	-
Community Justice Worker Program	-	(1)
Community Service Order	(49)	-
Literacy and Basic Skills Program	1	(430)
Project X	1	(1)
Access to Housing	-	-
Community Alternative to School Suspension	1,987	(1,309)
Clarington Youth Centre	1	-
Youth Job Connection	-	(545)
Bingo	117	16,105
Residence 2	(973)	(27)
Homelessness Partnering Strategy	-	-
Oshawa Employment Services	(159)	-
Whitby Employment Services	-	(26)
Skills Training For Employment	(21,745)	-
Harm Reduction Outreach Worker	(1,285)	(1)
Men's Diversion Program	1,393	(301)
Central Administration	<u>135,161</u>	<u>397,069</u>
Net Surplus	<u>\$ 114,450</u>	<u>\$ 410,533</u>

**JOHN HOWARD SOCIETY OF DURHAM REGION
WHITBY AND OSHAWA RESIDENCES PROGRAM**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Ministry subsidy	\$ 718,837	\$ 718,836
Housing charges	47,467	53,861
Other funding	52,020	52,559
Amortization of deferred contributions	<u>7,015</u>	<u>7,015</u>
	<u>825,339</u>	<u>832,271</u>

Expenses

Salaries and benefits	695,619	707,531
Staff travel	570	989
Staff training	3,805	2,012
Food costs	29,003	29,932
Personal needs	1,403	1,826
Administration costs (Note 2 (j))	56,127	55,895
Office and supplies	7,654	8,513
Utilities and taxes	6,157	6,757
Repairs and maintenance	2,823	2,769
Renovation and minor capital	3,757	1,540
Furnishings and equipment	3,046	2,732
Amortization	7,015	7,015
Telephone	<u>6,111</u>	<u>4,770</u>
	<u>823,090</u>	<u>832,281</u>

Earnings before amount refundable

2,249 (10)

Amount refundable to Ministry

2,249 -

Excess (Deficiency) of Revenue over Expenses

\$ - \$ (10)

**JOHN HOWARD SOCIETY OF DURHAM REGION
ON POINT PROGRAM**

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31,**

2024

2023

Revenue

Region of Durham

\$ 187,132

\$ 217,640

Expenses

Salaries and benefits

146,905

133,137

Staff training

3,180

6,033

Personal needs

5,703

2,677

Travel

1,366

2,449

Administration costs (Note 2(j))

18,713

21,000

Insurance

166

286

Telephone

861

762

Supplies

4,034

11,864

Occupancy

2,000

1,000

182,928

179,208

Earnings before amount refundable

4,204

38,432

Amount Refundable to Region

4,204

38,432

Excess (Deficiency) of Revenue over Expenses

\$ -

\$ -

**JOHN HOWARD SOCIETY OF DURHAM REGION
YOUTH DIVERSION SERVICES PROGRAM**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Ministry subsidy

\$ 115,296

\$ 115,296

Expenses

Salaries and benefits

96,212

96,124

Staff training

699

760

Travel

427

652

Administration costs (Note 2 (j))

10,697

10,697

Program supplies

89

470

Office supplies

1,927

1,836

Occupancy

4,000

3,000

Telephone

918

909

114,969

114,448

Earnings before amount refundable

327

848

Amount refundable to Ministry

327

848

Excess (Deficiency) of Revenues over Expenses

\$ -

\$ -

**JOHN HOWARD SOCIETY OF DURHAM REGION
YOUTH IN TRANSITION PROGRAM**

STATEMENT OF OPERATIONS

FOR THE PERIOD ENDED MARCH 31,

2024

2023

Revenue

Ministry subsidy

\$ 121,296

\$ 121,297

Expenses

Salaries and benefits

88,754

88,598

Staff training

567

1,073

Travel

509

800

Administration costs (Note 2 (j))

12,698

12,698

Telephone

1,396

1,046

Supplies

5,808

1,215

Occupancy

8,900

7,000

Client assistance

98

35

118,730

112,465

Earnings before amount Refundable

2,566

8,832

Amount Refundable to Region

2,566

8,822

Excess (Deficiency) of Revenue over Expenses

\$ -

\$ 10

**JOHN HOWARD SOCIETY OF DURHAM REGION
RECORDS SUSPENSION**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Ministry subsidy

\$ 112,944

\$ 63,320

Expenses

Salaries and benefits

75,000

44,675

Administration costs (Note 2 (j))

14,153

9,340

Staff development and training

771

-

Rent

12,000

7,000

Travel and parking

488

110

Office supplies

3,753

467

Professional fees

283

-

Telephone

592

72

Computer maintenance and support

-

635

Promotion

1,000

-

Client assistance

4,904

1,021

112,944

63,320

Excess (Deficiency) of Revenue over Expenses

\$ -

\$ -

**JOHN HOWARD SOCIETY OF DURHAM REGION
COMMUNITY JUSTICE WORKER PROGRAM**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Ministry subsidy

\$ 106,000

\$ 106,000

Expenses

Salaries and benefits

86,655

86,655

Staff travel

1,923

2,027

Staff training

515

1,449

Administration costs (Note 2 (j))

9,600

9,600

Office

2,194

2,724

Rent

1,200

1,200

Personal needs

110

123

Professional fees

1,000

1,000

Telephone

1,498

1,223

104,695

106,001

Earnings before amount refundable

1,305

(1)

Amount Refundable to Ministry

1,305

-

Excess (Deficiency) of Revenues over Expenses

\$ -

\$ (1)

**JOHN HOWARD SOCIETY OF DURHAM REGION
COMMUNITY SERVICE ORDER**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

John Howard Society of Kawartha Lakes & Haliburton

\$ 24,319

\$ -

Expenses

Salaries and benefits

14,317

-

Staff training

680

-

Staff travel

1,330

-

Administration costs (Note 2 (j))

1,100

-

Marketing and promotion

350

Insurance

100

Office

4,691

-

Rent

1,200

-

Professional fees

100

-

Telephone

500

24,368

-

Excess (Deficiency) of Revenues over Expenses

\$ (49)

\$ -

**JOHN HOWARD SOCIETY OF DURHAM REGION
LITERACY AND BASIC SKILLS PROGRAM**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Ministry subsidy

\$ 200,844

\$ 200,844

Expenses

Salaries and benefits

120,157

157,341

Administration costs (Note 2 (j))

29,226

21,371

Development and training

16,989

14,093

Rent

6,000

3,000

Travel and parking

30

-

Office supplies

26,524

5,238

Telephone

1,778

20

Fees and dues

75

125

200,779

201,188

Earnings before amount Refundable

65

(344)

Amount Refundable to Ministry

64

86

Excess (Deficiency) of Revenue over Expenses

\$ 1

\$ (430)

**JOHN HOWARD SOCIETY OF DURHAM REGION
PROJECT X**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Region of Durham

\$ 366,700

\$ 354,368

Expenses

Salaries and benefits

254,123

241,109

Program supplies

46,264

19,903

Client assistance

2,000

-

Administration costs (Note 2 (j))

36,500

34,470

Marketing and promotion

650

725

Staff training

1,982

4,110

Occupancy

-

600

Travel and parking

5,138

4,933

Professional fees

1,500

1,500

Office supplies

16,993

45,679

Telephone

1,549

1,340

366,699

354,369

Excess (Deficiency) of Revenue over Expenses

\$ 1

\$ (1)

**JOHN HOWARD SOCIETY OF DURHAM REGION
ACCESS TO HOUSING**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Region of Durham

\$ 787,600

\$ 735,100

Expenses

Salaries and benefits

561,576

526,141

Client assistance

49,700

65,627

Administration costs (Note 2 (j))

75,400

69,000

Staff training

6,020

1,650

Occupancy

12,000

12,000

Travel and parking

954

619

Office supplies

33,034

13,343

Telephone

5,176

4,148

743,860

692,528

Earnings before amount refundable

43,740

42,572

Amount Refundable to Region

43,740

42,572

Excess (Deficiency) of Revenue over Expenses

\$ -

\$ -

**JOHN HOWARD SOCIETY OF DURHAM REGION
COMMUNITY ALTERNATIVE TO SCHOOL SUSPENSION
STATEMENT OF OPERATIONS**

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Board of Education

\$ 48,676

\$ 46,695

Expenses

Salaries and benefits

39,120

39,121

Administration costs (Note 2 (j))

4,600

4,600

Staff training

196

245

Occupancy

2,000

2,000

Travel and parking

17

-

Office supplies

464

1,398

Telephone

292

7

Insurance

-

633

46,689

48,004

Excess (Deficiency) of Revenue over Expenses

\$ 1,987

\$ (1,309)

**JOHN HOWARD SOCIETY OF DURHAM REGION
CLARINGTON YOUTH CENTRE**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

United Way	\$ 10,000	\$ 10,000
Municipality of Clarington	351,796	302,132
Donations	<u>31,241</u>	<u>31,681</u>
	<u>393,037</u>	<u>343,813</u>

Expenses

Salaries and benefits	283,057	271,197
Program supplies	33,069	11,782
Client assistance	4,876	3,502
Administration costs (Note 2 (j))	34,370	33,500
Staff training	1,732	1,785
Occupancy	1,200	1,200
Travel and parking	786	125
Office supplies	7,694	5,909
Telephone	3,449	2,437
Insurance	1,403	2,180
Repairs and maintenance	13,241	1,242
Miscellaneous	<u>8,159</u>	<u>8,954</u>
	<u>393,036</u>	<u>343,813</u>

Excess (Deficiency) of Revenue over Expenses

\$ 1 \$ -

**JOHN HOWARD SOCIETY OF DURHAM REGION
YOUTH JOB CONNECTION**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

	2024	2023
Revenue		
Ministry subsidy	\$ 32,633	\$ 391,600
Region of Durham	<u>247,427</u>	<u>-</u>
	<u>280,060</u>	<u>391,600</u>
Expenses		
Salaries and benefits	90,989	114,903
Program supplies	3,369	887
Training subsidies	97,882	82,818
Administration costs (Note 2 (j))	20,251	27,000
Marketing and promotion	687	9,817
Staff training	5,458	1,366
Occupancy	900	1,200
Travel and parking	1,088	485
Office supplies	7,509	23,701
Telephone	<u>594</u>	<u>1,186</u>
	<u>228,727</u>	<u>263,363</u>
Earnings before amount refundable	51,333	128,237
Amount Refundable to Ministry	<u>51,333</u>	<u>128,782</u>
Excess (Deficiency) of Revenue over Expenses	<u>\$ -</u>	<u>\$ (545)</u>

**JOHN HOWARD SOCIETY OF DURHAM REGION
BINGO**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Bingo

\$ 53,978

\$ 51,390

Other

25

17

54,003

51,407

Expenses

Occupancy

53,886

35,302

Excess (Deficiency) of Revenue over Expenses

\$ 117

\$ 16,105

**JOHN HOWARD SOCIETY OF DURHAM REGION
RESIDENCE 2**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Region of Durham
Residents' fees

\$ 115,654

\$ 109,326

9,120

9,120

124,774

118,446

Expenses

Salaries and benefits
Administration costs (Note 2 (j))
Occupancy
Professional fees
Mortgage interest
Insurance
Amortization
Repairs and maintenance
Replacement and capital reserve fund allocation

39,547

36,661

13,800

13,800

11,310

10,991

3,000

3,000

723

1,158

10,308

9,525

30,812

30,377

13,145

10,083

3,102

2,878

125,747

118,473

Excess (Deficiency) of Revenue over Expenses

\$ (973)

\$ (27)

**JOHN HOWARD SOCIETY OF DURHAM REGION
HOMELESSNESS PARTNERING STRATEGY
STATEMENT OF OPERATIONS**

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Region of Durham

\$ -

\$ 64,000

Expenses

Salaries and benefits

-

43,115

Program supplies

-

190

Administration costs (Note 2 (j))

-

6,400

Occupancy

-

1,200

Office supplies

-

928

Telephone

-

449

-

52,282

Earnings before amount refundable

-

11,718

Amount Refundable to Region

-

11,718

Excess (Deficiency) of Revenue over Expenses

\$ -

\$ -

**JOHN HOWARD SOCIETY OF DURHAM REGION
OSHAWA EMPLOYMENT SERVICES**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

	2024	2023
Revenue		
Ministry subsidy	\$ 46,876	\$ 562,500
Region of Durham	<u>743,192</u>	<u>-</u>
	<u>790,068</u>	<u>562,500</u>
Expenses		
Salaries and benefits	344,110	336,652
Training subsidies	47,177	21,831
Administration costs (Note 2 (j))	92,430	69,375
Marketing and promotion	4,248	5,306
Staff training	12,148	18,701
Occupancy	16,250	15,000
Travel and parking	1,255	310
Office supplies	58,938	14,332
Office equipment and maintenance	1,343	699
Telephone	3,770	875
Training support	6,011	4,867
Miscellaneous	<u>1,250</u>	<u>1,250</u>
	<u>588,930</u>	<u>489,198</u>
Earnings before amount refundable	201,138	73,302
Amount Refundable to Ministry	<u>201,297</u>	<u>73,302</u>
Excess (Deficiency) of Revenue over Expenses	\$ <u>(159)</u>	\$ <u>-</u>

**JOHN HOWARD SOCIETY OF DURHAM REGION
WHITBY EMPLOYMENT SERVICES**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Ministry subsidy	\$ 65,624	\$ 787,500
Region of Durham	<u>736,935</u>	<u>-</u>
	<u>802,559</u>	<u>787,500</u>

Expenses

Salaries and benefits	371,863	391,737
Training subsidies	44,805	48,202
Administration costs (Note 2 (j))	95,344	97,125
Marketing and promotion	31,752	4,052
Staff training	11,624	2,922
Occupancy	113,383	105,444
Travel and parking	146	1,148
Office supplies	16,071	43,517
Office equipment and maintenance	286	103
Telephone	2,662	1,455
Training support	<u>5,646</u>	<u>6,972</u>
	<u>693,582</u>	<u>702,677</u>

Earnings before amount Refundable

108,977

84,823

Amount Refundable to Ministry

108,977

84,849

Excess (Deficiency) of Revenue over Expenses

\$ -

\$ (26)

**JOHN HOWARD SOCIETY OF DURHAM REGION
SKILLS TRAINING FOR EMPLOYMENT**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Ministry subsidy

\$ 818,203

\$ 950,000

Expenses

Salaries and benefits

364,163

366,500

Training subsidies

185,545

129,559

Client assistance

178,904

213,944

Administration costs (Note 2 (j))

35,287

32,552

Marketing and promotion

536

1,088

Staff training

4,347

2,316

Occupancy

16,417

16,504

Travel and parking

14,237

14,936

Office supplies

22,782

27,583

Office equipment and maintenance

-

300

Other programs

12,208

15,799

Telephone

5,147

8,345

Miscellaneous

375

750

839,948

830,176

Earnings before amount Refundable

(21,745)

119,824

Amount Refundable to Ministry

-

119,824

Excess (Deficiency) of Revenue over Expenses

\$ (21,745)

\$ -

**JOHN HOWARD SOCIETY OF DURHAM REGION
HARM REDUCTION OUTREACH WORKER**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Ministry of Health

\$ 105,000

\$ 100,000

Expenses

Salaries and benefits

81,241

72,470

Client assistance

2,207

3,511

Administration costs (Note 2 (j))

10,000

10,000

Staff training

920

2,004

Occupancy

6,000

6,000

Travel and parking

1,962

1,656

Office supplies

3,094

3,921

Telephone

861

439

106,285

100,001

Excess (Deficiency) of Revenue over Expenses

\$ (1,285)

\$ (1)

**JOHN HOWARD SOCIETY OF DURHAM REGION
MEN'S DIVERSION PROGRAM**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

Program revenue
Other funding

\$ 3,572

\$ 5,977

-

8,209

3,572

14,186

Expenses

Salaries and benefits
Client assistance
Occupancy
Office supplies

-

3,200

1,000

1,544

-

700

1,179

9,043

2,179

14,487

Excess (Deficiency) of Revenue over Expenses

\$ 1,393

\$ (301)

**JOHN HOWARD SOCIETY OF DURHAM REGION
CENTRAL ADMINISTRATION**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Revenue

United Way grants	\$ 180,000	\$ 190,000
Other programs	38,123	46,425
Bingo and fundraising	61,806	71,420
Donations	5,354	14,354
Other receipts	3,082	33,617
Interest	<u>87,535</u>	<u>45,590</u>
	<u>375,900</u>	<u>401,406</u>

Expenses

Salaries and benefits	567,519	305,482
Meetings and promotion	1,276	8,843
Staff training	11,719	7,703
Occupancy	11,247	17,840
Travel and parking	21,326	14,838
Professional fees	55,225	101,992
Office supplies	66,983	71,350
Office equipment and maintenance	-	99
Other programs	16,774	5,258
Telephone	8,906	5,291
Insurance	51,495	36,410
Amortization	7,190	7,190
Repairs and maintenance	65,792	24,341
Fundraising	6,480	6,240
Miscellaneous	7,014	5,998
Allocated salaries, benefits and administration	<u>(658,207)</u>	<u>(614,538)</u>

240,739

4,337

Excess (Deficiency) of Revenue over Expenses

\$ 135,161

\$ 397,069

JOHN HOWARD SOCIETY OF DURHAM REGION
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31,

2024

2023

Operating Activities

Excess of revenue over expenses	\$ 114,450	\$ 410,533
Charges to income not involving cash		
Amortization	45,017	44,582
Change in capital reserve allowance	4,475	2,907
Deferred contributions	(7,015)	(7,015)
Provided from working capital (Note 12)	<u>(49,396)</u>	<u>373,011</u>
	<u>107,531</u>	<u>824,018</u>

Financing Activities

Repayment of mortgage	<u>(30,812)</u>	<u>(30,377)</u>
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Investing Activities

Decrease (Increase) in investments	<u>(1,393)</u>	<u>(5,682)</u>
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Increase In Cash

75,326 787,959

Cash, beginning of period

2,290,202 1,502,243

Cash, end of period

\$ 2,365,528 \$ 2,290,202

JOHN HOWARD SOCIETY OF DURHAM REGION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

1. General Information

The John Howard Society of Durham Region (JHS) is a charitable organization in accordance with the Income Tax Act (Canada) and, as such, does not pay income taxes. The organization was incorporated in 1999 in Ontario as a corporation without share capital.

It is committed to providing and developing programs that reduce the social, economic and personal costs of crime. The Society is dedicated to helping youth and adults in conflict with the law and individuals at risk through service, education, reform and community programs.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

(a) Capital Assets

The policy of the Society is to capitalize purchases of major capital assets at their cost in the year of acquisition. Minor capital asset purchases are being expensed as approved by the board.

(b) Deferred Revenue

Deferred revenue is income received which is attributable to subsequent years. As the expenses are incurred, this income will be recognized in the Statement of Operations.

(c) Revenue Recognition

John Howard Society of Durham Region follows the deferral method of accounting for contributions. Restricted contributions are recognized 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.

United Way funding is recognized based on the fiscal year allocation and by United Way.

Various government funding is recognized based on the funding agreement.

Bingo revenue is recognized monthly based on pooling allocations.

Interest is recognized when it is earned.

Housing charges are due and recognized at the beginning of each month for that month.

Program revenue is recognized when programs are held.

(d) Invested in Capital Assets

This funds represents capital assets less amortization and net of mortgages payable and deferred contributions related to capital assets (Note 10). The method of recording amortization on each class is described in Note 2(f).

(e) Pledges

Pledges are recorded when amounts are received.

JOHN HOWARD SOCIETY OF DURHAM REGION
NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

2. Summary of Significant Accounting Policies (continued)

(f) Amortization

Amortization is recorded on the straight-line basis over the following period:

Building - main office	40 years with residual value of \$12,000
Building - administration	40 years with residual value of \$12,000
Building - residential - Whitby	40 years with residual value of \$12,000
Leasehold improvements	5 years
Other equipment	5 years

(g) Use of Estimates

The preparation of financial statements in accordance 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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results may differ from those estimates.

(h) Contributed Services

John Howard Society of Durham Region would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. The value is not recognized in these financial statements.

(i) Internally Restricted Reserves

The Board of Directors of John Howard Society of Durham Region has established internally restricted reserves. The purpose of the Operational Reserve Fund is to provide the organization with a reserve of cash for years when funding is not sufficient to cover operating costs. During the year, the Board approved a transfer of \$125,714 to the Operational Reserve Fund. The balance in this fund at March 31, 2024 is \$1,376,405. The purpose of the Capital Fund is to provide the organization with funds for repairs and replacements to existing facilities for years when general funding is not sufficient to cover these costs. The balance in this fund at March 31, 2024 is \$361,274. Funds can only be transferred to and from these reserves with the approval of the Board of Directors.

(j) Allocation of Expenses

The Society provides various programs on behalf of various funders. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The Society also incurs a number of general support expenses that are common to the administration of the Society and each of its programs.

The Society allocates certain of its general support expenses by identifying the appropriate basis of allocating each component. The Society allocates these expenses to the departments in accordance with the approved budgets.

JOHN HOWARD SOCIETY OF DURHAM REGION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

2. Summary of Significant Accounting Policies (continued)

(k) Basis of Accounting

As indicated in the Auditors' report, Basis for Qualified Opinion paragraph, there are departures from Canadian Accounting Standards for Not-for-Profit Organizations in these financial statements. These departures are as follows:

The residential land and building is amortized annually in an amount equal to the annual mortgage principal repayment. Current year's amortization of the land and building referred to was \$30,812 and the accumulated amortization was \$541,897. If the amortization policy used had been the same as the policy used for the other building owned by the Society, the current amortization would have been \$4,398 and the accumulated amortization would have been \$147,326.

Transfers to the Replacement and Capital Reserve Fund are accounted for on the Statements of Operations, rather than as an interfund transfer in the Statement of Changes in Net Assets.

(l) Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include the accounts payable, due to Ministries and Region of Durham and mortgages payable.

The organization measures investments at fair value.

Impairment

Financial assets measured at cost are reviewed annually to determine whether there are indicators of possible impairment. When there is an indication of impairment the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it 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 recognized in net income.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

JOHN HOWARD SOCIETY OF DURHAM REGION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

3. Investments

Investments are recorded at fair market value and are invested in 4695.1162 units (2023 - 4274.8234 units) of the SH Canadian Short-Term Bond Fund-A.

4. Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value 2024</u>	<u>2023</u>
Land - main office	\$ 176,000	\$ -	\$ 176,000	\$ 176,000
Land - residential program (Note 2(k))	387,872	353,984	33,888	64,700
Land - administration office	90,257	-	90,257	90,257
Land - residential program - Whitby	205,090	-	205,090	205,090
Building - main office	251,364	126,264	125,100	131,085
Building - residential program	187,912	187,912	-	-
Building - administration office	60,172	17,472	42,700	43,905
Building - residential program - Whitby	292,632	94,702	197,930	204,945
Leasehold improvements	155,352	155,352	-	-
Other equipment	69,687	69,687	-	-
	<u>\$ 1,876,338</u>	<u>\$ 1,005,373</u>	<u>\$ 870,965</u>	<u>\$ 915,982</u>

The land and building for the Residential Program - Whitby was purchased from funds provided by the Province of Ontario, who have a 100% interest in this property.

5. Line of Credit

The bank credit facility represents a line of credit to a maximum of \$5,000. The interest rate is prime plus 1.75%. There was \$nil outstanding at March 31, 2024 (\$nil outstanding at March 31, 2023).

JOHN HOWARD SOCIETY OF DURHAM REGION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

6. Mortgage Payable

2024 2023

The mortgage, secured by the property used in the residential program, bears interest at a rate of 1.43% per annum, is amortized over 9 years and 7 months and is repayable in blended monthly installments of \$2,628 through May, 2025.

	\$ 33,882	\$ 64,694
Less: Current portion	<u>33,882</u>	<u>30,812</u>
	<u>\$ -</u>	<u>\$ 33,882</u>

Minimum principal repayments are as follows:

2025	\$ 33,882
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7. Due to The Regional Municipality of Durham

The funding agreement with the The Regional Municipality of Durham requires that amounts be set aside annually as a reserve for both minor and major replacement costs. In prior years, additional funds were loaned from The Regional Municipality of Durham to enable necessary work. The loan is due on demand and is non-interest bearing.

8. Commitments

The Society pays rent for its Whitby office based on a lease agreement which expires in October 2025. Some of the space occupied by the Society is sublet to other organizations from which rent is collected. The approximate annual amounts under these lease agreements are as follows (excluding HST):

2025	\$ 132,367
2026	\$ 78,234

JOHN HOWARD SOCIETY OF DURHAM REGION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

9. Deferred Revenue

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 146,164	\$ 136,187
Add: Revenue received during the year	<u>17,170</u>	<u>114,661</u>
	163,334	250,848
Less: Amount amortized to revenue	<u>(57,473)</u>	<u>(104,684)</u>
Closing balance	<u>\$ 105,861</u>	<u>\$ 146,164</u>

10. Deferred Contributions Related to Capital Assets

Deferred contributions related to specific capital assets represent the unamortized amount of funds received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations on the same basis as the amortization expense related to these capital assets.

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 204,947	\$ 211,962
Less: Amount amortized to revenue	<u>(7,015)</u>	<u>(7,015)</u>
Closing balance	<u>\$ 197,932</u>	<u>\$ 204,947</u>

11. Replacement and Capital Reserve Fund

The capital reserve allowance represents funding received from the Region of Durham, which can be used for future approved capital expenditures. Reduction in this reserve occurs when allowable expenditures are made.

	<u>2024</u>	<u>2023</u>
Revenue		
Allocation for the year	\$ 3,102	\$ 2,878
Realized gain (loss) on investments	-	-
Investment income	1,065	903
Unrealized gain (loss) on investments	<u>308</u>	<u>(874)</u>
	4,475	2,907
Expenses		
	<u>-</u>	<u>-</u>
	<u>\$ 4,475</u>	<u>\$ 2,907</u>

JOHN HOWARD SOCIETY OF DURHAM REGION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

12. Cash Provided From (Used For) Working Capital

Cash otherwise available from operating activities is influenced by increases or decreases in the following items:

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 11,976	\$ (161,788)
Prepaid expenses	(3,596)	(2,163)
Due to funding agencies	8,623	491,181
Accounts payable	(26,096)	35,805
Deferred revenue	<u>(40,303)</u>	<u>9,976</u>
	<u>\$ (49,396)</u>	<u>\$ 373,011</u>

13. Invested in Capital Assets

(a) Invested in capital assets is calculated as follows:

	<u>2024</u>	<u>2023</u>
Net book value of capital assets	\$ 870,965	\$ 915,982
Less: Amount financed by mortgage	<u>(33,882)</u>	<u>(64,694)</u>
	837,083	851,288
Less: Amount financed by deferred contributions	<u>(197,932)</u>	<u>(204,947)</u>
Closing balance	<u>\$ 639,151</u>	<u>\$ 646,341</u>

(b) Change in net assets invested in capital assets is calculated as follows:

Excess of Revenues Over Expenses (Expenses Over Revenues)		
Amortization of deferred contributions	\$ 7,015	\$ 7,015
Amortization of capital assets	<u>(45,017)</u>	<u>(44,582)</u>
	<u>\$ (38,002)</u>	<u>\$ (37,567)</u>
Net Change in Invested in Capital Assets		
Additions to capital assets	\$ -	\$ -
Reduction/Increase of mortgage	<u>30,812</u>	<u>30,377</u>
	<u>\$ 30,812</u>	<u>\$ 30,377</u>

14. Pension Costs and Obligations

The Society participates in a multi-employer defined benefit pension plan of John Howard Society of Ontario, which covers certain eligible employees. The Society also sponsors a defined contribution pension plan for its employees. During the year, regular pension contributions of \$197,379 (\$197,404 - 2023) were expensed for both plans.

JOHN HOWARD SOCIETY OF DURHAM REGION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

15. Financial Instruments

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at March 31, 2024.

Liquidity risk

Liquidity risk is defined as the risk that the organization may not be able to meet or settle its obligations as they become due. The organization has taken steps to ensure that it will have sufficient working capital to meet its obligations.

Credit risk

Credit risk arises from the potential that counterparties including clients will fail to perform their obligations. The organization is subject to credit risk through its receivables. Account monitoring procedures are utilized to minimize risk of loss.

Interest rate risk

Interest rate risk arises because of the fluctuation in interest rates. The organization is subject to interest rate risk through their investments. The organization has formal policies and procedures that establish target asset mix. The organization is not subject to interest rate risk with the mortgage payable as the mortgage is guaranteed by the funding authority.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investments. The organization has formal policies and procedures that establish target asset mix.