

FINANCIAL STATEMENTS OF

**JOHN HOWARD SOCIETY OF
KAWARTHA LAKES & HALIBURTON**

March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
John Howard Society of Kawartha Lakes & Haliburton

Opinion

We have audited the financial statements of John Howard Society of Kawartha Lakes & Haliburton, which comprise the statement of financial position as at March 31, 2025, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2025, 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 organization 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.

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.

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INDEPENDENT AUDITOR'S REPORT, continued

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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Lindsay, Ontario
August 11, 2025

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
STATEMENT OF FINANCIAL POSITION
As at March 31, 2025

	2025	2024
	\$	\$
ASSETS		
Current assets		
Cash	647,273	558,090
Short term investment (note 3)	48,687	47,206
Accounts receivable	228,279	316,324
HST rebate receivable	48,684	39,555
Prepaid expenses and deposits	52,851	28,103
	1,025,774	989,278
Other assets		
Tangible capital assets (note 4)	2,020,469	1,967,628
	3,046,243	2,956,906
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	165,469	111,118
Government remittances payable	43,770	46,432
Rental deposits and deferred revenue	19,599	3,317
Deferred contributions - operating (note 5)	79,192	176,083
Current portion of long-term debt (note 6)	44,000	44,000
Current liabilities before callable debt	352,030	380,950
Callable portion of long-term debt (note 6)	1,008,334	1,052,333
	1,360,364	1,433,283
Long-term liabilities		
Deferred contributions - tangible capital assets (note 7)	929,251	926,113
	2,289,615	2,359,396
Net assets		
Unrestricted	431,907	324,825
Investment in tangible capital assets	256,207	204,171
Internally restricted (note 10)	68,514	68,514
	756,628	597,510
	3,046,243	2,956,906

Commitments (note 8)

Contingent liability (note 9)

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2025

	Unrestricted \$	Investment in tangible capital assets \$	Internally restricted (note 10) \$	Total 2025 \$	Total 2024 \$
Balance - beginning of year	324,825	204,171	68,514	597,510	552,840
Excess (deficiency) of revenues over expenses for the year	262,555	(103,437)	-	159,118	44,670
Investment in tangible capital assets	(100,954)	100,954	-	-	-
Contributions received towards the acquisition of tangible capital assets	67,430	(67,430)	-	-	-
Repayment of long term debt	(121,949)	121,949	-	-	-
Balance - end of year	431,907	256,207	68,514	756,628	597,510

The accompanying notes are an integral part of these financial statements

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
STATEMENT OF OPERATIONS
For the year ended March 31, 2025

	2025	2024
	\$	\$
Revenues		
Grants (note 11)	3,345,854	3,058,301
Rental	210,269	86,495
Program and client fees	22,895	26,277
Amortization of deferred contributions - tangible capital assets (note 7)	22,625	17,105
Miscellaneous	16,508	16,715
Donations and fundraising	3,446	2,574
Interest income	1,771	1,748
	3,623,368	3,209,215
Expenses		
Salaries, benefits and other services (note 12)	2,530,435	2,403,055
Program expenses	248,068	226,168
Rent	148,904	154,151
Interest on long term debt (note 6)	77,949	15,446
Client support services	70,661	51,137
Office and miscellaneous	65,558	68,596
Repairs and maintenance	58,762	15,183
Utilities	49,707	19,275
Amortization	48,113	34,774
Professional fees	45,606	57,511
Telephone	31,355	31,028
Staff development and recruitment	27,965	28,775
Insurance	27,522	19,694
Travel	16,846	19,472
Computer	8,412	6,844
Advertising and promotion	3,683	7,840
Bank charges and interest	2,436	3,309
Board expense and recruitment	2,268	2,287
	3,464,250	3,164,545
Excess of revenues over expenses for the year	159,118	44,670

The accompanying notes are an integral part of these financial statements

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
STATEMENT OF CASH FLOWS
For the year ended March 31, 2025

	2025	2024
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Excess of revenues over expenses for the year	159,118	44,670
Items not affecting cash		
Amortization of tangible capital assets	48,113	34,774
Amortization of deferred contributions - tangible capital assets	(22,625)	(17,105)
	184,606	62,339
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	88,045	(35,295)
Increase in HST rebate receivable	(9,129)	(8,755)
Decrease (increase) in prepaid expenses and deposits	(24,748)	13,653
Increase (decrease) in accounts payable and accrued liabilities	54,351	(63,701)
Decrease in government remittances payable	(2,662)	(19,836)
Increase in rental deposits and deferred revenue	16,282	3,317
Decrease in deferred contributions - operating	(96,891)	(703)
	209,854	(48,981)
Investing activity		
Purchase of tangible capital assets	(100,954)	(1,556,783)
Financing activities		
Contributions received - tangible capital assets	25,763	778,396
Repayment of long-term debt	(43,999)	(127,645)
Proceeds of long-term debt	-	1,100,000
	(18,236)	1,750,751
Increase in cash and cash equivalents	90,664	144,987
Cash and cash equivalents - beginning of year	605,296	460,309
Cash and cash equivalents - end of year	695,960	605,296
Cash and cash equivalents consist of:		
Cash	647,273	558,090
Short term investment	48,687	47,206
	695,960	605,296

The accompanying notes are an integral part of these financial statements

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

1. NATURE OF OPERATIONS

John Howard Society of Kawartha Lakes & Haliburton (the "Society") is a registered charity under the Income Tax Act and as such is able to issue income tax receipts. It is exempt from paying income taxes.

The purpose of the John Howard Society of Kawartha Lakes and Haliburton (the "Society") is to provide effective, just and humane responses to crime and its causes by:

- ♦ Providing for the effective integration into the community of those in conflict with the law, and provide, or encourage others to provide, services to those in contact with, or affected by the Criminal Justice System.
- ♦ Promoting changes in social policy, the law and the administration of justice which will lead to the more humane and effective treatment of individuals.
- ♦ Promoting citizen awareness of the problems of crime and its causes, acceptance of responsibility to respond to these problems, and involvement in the delivery and management of justice related programs.

The statement of operations represents the consolidated operations of all programs and administrative services.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Society 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of tangible capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets. Externally restricted contributions for the purchase of tangible capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

Rental income is recognized monthly over the term of occupancy.

Program and client fees are recognized at the time of service delivery.

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Management 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, the useful lives of tangible capital assets and related amortization expense, the collectibility of accounts receivable, and deferred revenues for operating and tangible capital assets. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(c) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Society subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, short-term investments, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

The Society does not have any financial instruments measured at fair value.

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial instruments, continued

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	40-50 years
Furniture and equipment	5 years
Computer equipment	3 years

(e) Cash equivalents

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash and cash equivalents. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition.

(f) Cloud computing arrangements

The Society applies the simplification approach to account for expenditures in cloud computing arrangements. The expenditures in the arrangements are expensed as incurred.

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) *Contributed materials and services*

Volunteers contribute their time to assist in the Society's activities. While these services benefit the Society considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements. Contributed materials, if any, are not recognized in these financial statements.

3. **SHORT TERM INVESTMENT**

	2025	2024
	\$	\$
TD GIC, maturing May 2025, interest of 2.88% paid at maturity	24,340	-
TD GIC, maturing May 2025, interest of 2.88% paid at maturity	24,347	-
TD GIC, maturing April 2024, interest of 4.00% paid at maturity	-	23,600
TD GIC, maturing April 2024, interest of 4.00% paid at maturity	-	23,606
	48,687	47,206

4. **TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
	\$	\$	\$	\$
Land	509,463	-	509,463	509,463
Buildings	1,887,321	391,364	1,495,957	1,435,909
Furniture and equipment	75,925	65,077	10,848	16,623
Computer equipment	68,969	64,768	4,201	5,633
	2,541,678	521,209	2,020,469	1,967,628

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

5. DEFERRED CONTRIBUTIONS - OPERATING

Deferred contributions - operating funding represents unspent resources externally restricted for funding of specific costs received in the current period that is related to the subsequent period. Changes in the deferred contributions balance is as follows:

	2025 \$	2024 \$
City of Kawartha Lakes - Hub	23,129	-
City of Kawartha Lakes - Reset	18,077	155,191
City of Kawartha Lakes - Towards a Healthy Future	5,750	5,750
City of Kawartha Lakes - Adult Transitional Housing	-	10,823
Ministry of the Solicitor General - Institutional Services CECC	2,999	2,999
Correctional Services of Canada - Restitution	2,731	-
Correctional Services of Canada - Phoenix House	442	-
PC Charity	3,620	-
Other	22,444	1,320
	79,192	176,083

6. LONG-TERM DEBT

	2025 \$	2024 \$
CIBC Mortgage, repayable in monthly principal payments of \$2,067 plus interest at the bank's prime rate + 1.0%, due on demand, secured by a general security agreement and a mortgage against the land and building at 26-28 Peel St, Lindsay, with a carrying value of \$682,756	593,134	617,933
CIBC Mortgage, repayable in monthly principal payments of \$1,600 plus interest at the bank's prime rate + 1.0%, due on demand, secured by a general security agreement and a mortgage against the land and building at 22-24 Peel St, Lindsay, with a carrying value of \$893,965	459,200	478,400
	1,052,334	1,096,333
Less principal payments due within one year	44,000	44,000
Less callable portion	1,008,334	1,052,333
Due beyond one year	-	-

Canadian accounting standards for not-for-profit organizations require that loans that the lender can require to be repaid on demand be classified as current liabilities. Management does not believe that the demand features of the callable debt will be exercised in the current period.

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

6. LONG-TERM DEBT, continued

Estimated principal repayments are as follows:

	\$
2026	44,000
2027	44,000
2028	44,000
2029	44,000
Subsequent years	876,334
	1,052,334

7. DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets represent contributed tangible capital assets and restricted contributions with which tangible capital assets were originally purchased. The changes in the deferred contributions balance for the year are as follows:

	2025 \$	2024 \$
Balance, beginning of year	926,113	165,596
Correctional Services Canada - Phoenix House	25,763	-
United Way Simcoe - Housing Enhancements and Capacity - Phoenix Residence	-	13,397
Ministry of Labour, Training, and Skills Development - Literacy	-	3,728
City of Kawartha Lakes - Integrated Care Hub (note 9)	-	765,000
Amounts amortized to revenue	(22,625)	(21,608)
	929,251	926,113

8. COMMITMENTS

The Society has various commercial leases for premises. The total commitments, under various operating leases, exclusive of occupancy costs is as follows:

	\$
2026	29,312
2027	6,652

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

9. CONTINGENT LIABILITY

Forgiveable mortgage - City of Kawartha Lakes

The Society has been approved for a forgiveable mortgage, from the City of Kawartha Lakes, of \$850,000 to be used towards the purchase and renovation of land and buildings located at 22-24 Peel St., Lindsay, ON. The mortgage is forgivable on the last day of the last month of a 20 year term ending February 2044, provided the Integrated Care Hub project is completed in accordance with the agreed timelines, no later than January 31, 2026, and that the Society complies with various other conditions included in the contribution agreement during the term. As at the date of the statement of financial position, the Society has received \$765,000 of the approved amount, with the remainder to be advanced at the completion of the project. As management expects to comply with the provisions of the agreement in order to qualify for the forgiveness of the debt, the full amount of the mortgage advances received to date have been accounted for as a contribution from the City of Kawartha Lakes, and included in deferred contributions - tangible capital assets, as at March 31, 2024. The contribution will be amortized to revenue on the same basis as the related tangible capital assets with which the funding is applied towards. The Society has provided a mortgage against the land and building (second to the bank's first mortgage on the property), which will remain in place until the debt is forgiven. In the event that the Society does not comply with the provisions of the contribution agreement, the debt will be repayable to the City of Kawartha Lakes.

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

10. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors have internally restricted net assets as follows:

	2025	2024
	\$	\$
Computer reserve	7,000	7,000
Employee education reserve	5,117	5,117
Haliburton donation reserve	15,175	15,175
Literacy Kawartha Lakes donation reserve	3,649	3,649
Supplemental Unemployment Benefits Plan	12,573	12,573
Program development reserve	5,000	5,000
Capital repair reserve	20,000	20,000
	68,514	68,514

Computer Reserve

To be used for the acquisition of computer equipment and software.

Employee Education Reserve

To be used for staff development

Haliburton Donation Reserve

To be used for expenses of Haliburton Highlands Learning Program not funded by government grants.

Literacy Kawartha Lakes Donation Reserve

To be used for expenses of the Literacy program not funded by government grants.

Supplemental Unemployment Benefits (SUB) Plan

To be used to provide supplementary income to employees who qualify under the SUB Plan.

Program Development Reserve

To be used to develop programs not funded by government grants.

Capital Repair Reserve

To be used for major repairs to Peel Street House..

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

11. GRANTS

The Society's major sources of funding consists of the following:

	2025 \$	2024 \$
Federal government	669,131	995,995
Provincial government	1,779,064	1,357,811
Municipal government	772,314	592,149
United Way	122,605	95,751
Other	2,740	16,595
	3,345,854	3,058,301

12. PENSION PLAN

The Society participates in a multi-employer defined contribution pension plan. During the year, the Society made no contributions into the plan due to an approved pension holiday (2024 - made contributions of \$42,817 towards the plan).

13. CREDIT FACILITY

The Society has an approved line of credit facility of \$50,000, bearing interest at the bank's prime lending rate + 1.5% per annum. There were no amounts outstanding on this facility as at March 31, 2025.

14. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, and by maintaining an adequate cash reserve and line of credit to repay creditors, and repaying long term debt interest and principal as they become due. All of the Society's long-term debt balances are due to one lender. In the opinion of management the liquidity risk exposure to the Society is low.

JOHN HOWARD SOCIETY OF KAWARTHA LAKES & HALIBURTON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

14. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES, continued

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Society is exposed to credit risk on its cash, short-term investments, and accounts receivable balances. The Society holds its cash and short-term investments on deposit with Canadian chartered banks. Accounts receivable consists primarily of contributions receivable from various levels of government. In the opinion of management the credit risk exposure to the Society is low.

(c) Interest rate risk

Interest rate risk is the risk that future cash flows or the fair value of a financial instrument will fluctuate based on changes in market interest rates. The Society is exposed to interest rate risk due to its variable interest rates on its long-term debt and credit facilities. The cash flows to service the debt, and related interest expenses will fluctuate based on changes in the market interest rates. The Society reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates. The Society does not use derivative instruments to reduce its exposure to interest rate risk.

It is management's opinion that the Society is not exposed to significant currency or other price risks.

15. SUBSEQUENT EVENTS

Amalgamation

Effective April 1, 2025, the Society was amalgamated with John Howard Society Peterborough to ensure both Societys were able to continue providing services to their community. The merged Societies will operate as John Howard Society of the Kawarthas.

Contractual obligation

Subsequent to year end, the amalgamated Society entered into a contract of approximately \$1,385,000 including HST for the renovation of one of the Society's buildings.