



Financial Statements

For the year ended March 31, 2019



John Howard Society of Ottawa
Financial Statements
For the year ended March 31, 2019

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Independent Auditor's Report

**To the Board of Directors of
John Howard Society of Ottawa**

Opinion

We have audited the accompanying financial statements of John Howard Society of Ottawa (the "Society"), which comprise the statement of financial position as at March 31, 2019, 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, the financial statements present fairly, in all material respects, the financial position of John Howard Society of Ottawa as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
July 19, 2019
Ottawa, Ontario

John Howard Society of Ottawa Statement of Financial Position

March 31 2019 2018

Assets

Current

Cash (Note 5)	\$ 217,374	\$ 17,209
Accounts receivable (Note 1)	1,721,369	1,901,107
Prepaid expenses	103,740	99,856
Current portion of loans receivable (Note 2)	22,778	74,216

	2,065,261	2,092,388
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Long-term portion of loans receivable (Note 2)	272,174	328,903
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Investments (Note 3)	1,838,928	1,194,311
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Tangible capital assets (Note 4)	22,367,913	21,831,877
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	\$ 26,544,276	\$ 25,447,479
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 6)	\$ 1,507,207	\$ 1,530,967
Deferred contributions - operations (Note 7)	225,779	431,248
Current portion of long-term debt (Note 8)	108,744	96,212

	1,841,730	2,058,427
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Long-term

Deferred contributions - tangible capital assets (Note 9)	13,091,096	12,533,414
Long-term debt (Note 8)	5,926,806	5,505,947

	19,017,902	18,039,361
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Net assets

Capital reserve	575,028	544,604
Contingency reserve	174,004	174,004
Acquisition reserve	475,703	475,703
Invested in tangible capital assets	3,241,267	3,696,304
Unrestricted	1,218,642	459,076

	5,684,644	5,349,691
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	\$ 26,544,276	\$ 25,447,479
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On behalf of the Board:

Director

Director

John Howard Society of Ottawa Statement of Operations

For the year ended March 31	2019	2018
Revenues		
Federal funding	\$ 3,396,566	\$ 3,061,879
Provincial funding	4,846,070	4,327,650
Municipal funding	2,485,222	1,856,717
United Way funding	149,349	262,463
Rental income	662,587	429,608
Fundraising, donations, memberships	15,984	14,728
Other contributions	529,520	236,070
Amortization of deferred contributions - tangible capital assets	714,200	560,689
	12,799,498	10,749,804
Expenses		
Salaries and employee benefits	7,741,292	6,417,093
Operating	3,363,898	3,171,689
Administration	137,469	29,260
Interest on long-term debt	194,583	71,757
Amortization of tangible capital assets	1,027,303	855,791
	12,464,545	10,545,590
Excess of revenue over expenses for the year	\$ 334,953	\$ 204,214

**John Howard Society of Ottawa
Statement of Changes in Net Assets**

For the year ended March 31

2019

2018

	Capital Reserve	Contingency Reserve	Acquisition Reserve	Invested in Tangible Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	\$ 544,604	\$ 174,004	\$ 475,703	\$ 3,696,304	\$ 459,076	\$ 5,349,691	\$ 5,145,477
Excess (deficiency) of revenue over expenses for the year	30,424	-	-	(313,102)	617,631	334,953	204,214
Investment in tangible capital assets	-	-	-	(141,935)	141,935	-	-
Net assets, end of year	\$ 575,028	\$ 174,004	\$ 475,703	\$ 3,241,267	\$ 1,218,642	\$ 5,684,644	\$ 5,349,691

John Howard Society of Ottawa Statement of Cash Flows

For the year ended March 31	2019	2018
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 334,953	\$ 204,214
Adjustments for		
Amortization of tangible capital assets	1,027,303	855,791
Amortization of deferred contributions of tangible capital assets	(714,201)	(560,689)
	648,055	499,316
Changes in non-cash working capital items		
Accounts receivables	179,738	(567,592)
Prepaid expenses	(3,884)	(11,687)
Accounts payable and accrued liabilities	(23,760)	129,843
Deferred revenue	(205,469)	229,248
	594,680	279,128
Investing activities		
Receipt of loans receivable	108,167	66,867
Net increase in investments	(644,617)	(47,105)
Purchase of tangible capital assets	(1,563,339)	(6,611,825)
	(2,099,789)	(6,592,063)
Financing activities		
Issuance of long-term debt	513,841	3,193,359
Repayment of long-term debt	(80,450)	(57,958)
Increase in deferred contributions - tangible capital assets	1,271,883	2,869,986
	1,705,274	6,005,387
Net increase (decrease) in cash for the year	200,165	(307,548)
Cash, beginning of year	17,209	324,757
Cash, end of year	\$ 217,374	\$ 17,209

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2019

Governing Statutes and Nature of Organization

The John Howard Society of Ottawa (the "Society"), formally incorporated in April 1995 without share capital, under the laws of Ontario, generally works through service, community education, advocacy and reform: (i) to assist those at conflict with the law, (ii) to study and promote study of causes of crime and prevention, and (iii) to develop and improve community understanding of offenders in becoming productive members of society. The Society is a registered charity under the Income Tax Act.

A member of the Board of Directors of the Society serves on the Board of John Howard Society of Ontario (JHS Ontario), which is comprised of representatives of all Ontario affiliates. A member of the JHS Ontario Board of Directors in turn serves on the Board of John Howard Society of Canada, which is comprised of representatives from every province and territory. All John Howard Society affiliates share common Core Values and Guiding Principles.

Basis of Presentation

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

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 amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the fiscal period in which they become known.

Significant estimates include assumptions used in establishing the amounts and collectibility of accounts and loans receivable; the useful lives and related amortization of tangible capital assets; and provisions for certain liabilities.

Financial Instruments

Financial instruments are financial assets or financial liabilities of the Society where, in general, the Society has the right to receive cash or another financial asset from another party or the Society has the obligation to pay another party cash or other financial assets.

Measurement of financial instruments

The Society initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions, if any.

John Howard Society of Ottawa Summary of Significant Accounting Policies

March 31, 2019

Financial Instruments
(continued)

Measurement of financial instruments (continued)

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

Financial assets measured at amortized cost include cash and cash equivalents and trade and other receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and long-term debt.

The Society has no financial assets or financial liabilities other than investments in fixed income securities and equity mutual funds that are measured at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. 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 operations.

Transaction costs

The Society recognizes its transaction costs in operations in the period incurred. However, the 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.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Tangible capital assets include buildings, office furniture and equipment and leasehold improvements.

When the Society receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date.

Amortization expense is charged to the operations using the following annual rates:

Office furniture and equipment	2	years straight-line basis
Buildings	20	years straight-line basis
Leasehold improvements	20	years straight-line basis

One-half of the above rates is used in the year of acquisition.

John Howard Society of Ottawa Summary of Significant Accounting Policies

March 31, 2019

Tangible Capital Assets (continued)	<p>Tangible capital assets under development are not amortized until development is complete and are put in use.</p> <p>When a tangible capital asset no longer has any long-term service potential to the Society, the write-down being the excess of its net carrying amount over any residual value is recognized as an expense in the Statement of Operations. A write-down is not reversed in subsequent years.</p>
Revenue Recognition	<p>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 or the fiscal year to which the contribution relates. 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.</p> <p>Rental income is recognized as earned and collectibility is reasonably assured.</p> <p>Interest and other investment income is unrestricted and is recognized in operations as it is earned in accordance with the Society's financial instruments significant accounting policy as previously described.</p>
Deferred Capital Contributions	<p>Contributions received for capital assets are deferred and amortized over the same term and on the same basis as the related capital assets. Deferred capital contributions represent the unamortized amount of donations, grants, and loans received for the purchase of capital assets.</p>
Programs	<p>Programs administered by the Society are principally funded by the Government of Canada and the Province of Ontario, with funding being subject to periodic audit, and with any adjustments being recorded in a year in which such audits are completed.</p>
Capital Reserve	<p>This internally restricted reserve has been established by the Society's board of directors for the major repairs or replacement required to its buildings.</p>
Contingency Reserve	<p>This internally restricted reserve has been established by the Society to cover estimated potential costs of certain program discontinuance.</p>
Acquisition Reserve	<p>This internally restricted reserve has been established by the Society to accommodate new residential developments, or other such initiatives as the Society might consider appropriate.</p>
Invested in Tangible Capital Assets	<p>Amounts invested in tangible capital assets are amounts internally restricted by the Society to equal the net book value of the Society's capital assets less amounts funded by long-term debt and deferred contributions towards tangible capital assets.</p>

John Howard Society of Ottawa Summary of Significant Accounting Policies

March 31, 2019

Allocation of Expenses	The Society incurs certain expenses applicable to more than one program. These expenses are allocated across the programs they relate to as a function of program revenues.
Contributed Services and Materials	Volunteers contribute a significant number of hours per year to assist the Society in carrying out its purpose. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements. Contributed materials, if any, are not recognized in these financial statements.
Cash and Bank Indebtedness	The Society's cash and bank indebtedness represent balances held with financial institutions that fluctuate frequently from being positive to overdrawn.
Pension Plan	This Society provides a defined contribution pension plan through the John Howard Society of Ontario.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2019

1. Accounts Receivable

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 1,394,366	\$ 1,245,485
Accrued interest	29	8,109
Repair reserve	39,857	26,650
HST receivable	<u>287,117</u>	<u>620,863</u>
	<u>\$ 1,721,369</u>	<u>\$ 1,901,107</u>

As at March 31, 2019, amounts owing from one funder represented 28% of the balance (2018 - 20%)

2. Related Party Transactions

The John Howard Society of Ottawa paid the John Howard Society of Ontario a total of \$1,064,969 (2018 - \$839,566) for their administration of the employee benefit package, network support, and other expenditures.

The employee benefit package consists of a defined contribution plan, and, a multi-employer pension plan accounted for as a defined contribution plan. The Society recognizes as expenses for current services the amount of its required contribution in a given year. Contributions made to the pension plans in the current year were \$418,944 (2018 - \$394,145).

During 2013, an amount of \$200,000 was loaned to the John Howard Society of Toronto at 2.5% interest per annum, repayable in monthly instalments of \$3,549 including interest. The loan was granted for the purpose of acquiring a property and is secured by way of a second mortgage on said property. This loan was repaid in full in the current year.

During 2016, an amount of \$400,000 was loaned to the John Howard Society of Ontario at 4.0% interest per annum, repayable in monthly instalments of \$2,952 including interest. The loan was granted for the purpose of acquiring a property and is secured by way of a second mortgage on said property.

The Society periodically advances amounts to Rideau Social Enterprises (RSE), a charitable entity under significant influence of the Society. Such advances are interest free and unsecured, with an outstanding balance of \$22,778 (\$70,666 in 2018) as at March 31, 2019.

RSE assists in the delivery of certain client services which includes cleaning, recycling, repairs and maintenance in the amount of \$101,716 (2018 - \$101,447) for the year. The Society uses RSE for its placement programs and RSE was eligible for \$27,834 (2018 - \$54,066) in placement incentives for the year.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2019

2. Related Party Transactions (continued)

Wages and benefits in the amount of \$22,703 were reimbursed to RSE for amounts paid towards the termination of employees that were seconded by the Society during the year.

These transactions are measured at the exchange amount, which are the amounts established and accepted by the parties.

3. Investments

Investments consist of a term deposit of \$1,000,000 (2018 - \$174,004) that bears interest at a rate of 2.10% (2018 - from 0.50% to 1.75%) maturing February 2020 (2018 - December 2018 to February 2019) and an investment savings account with a year end balance in the account of \$263,900 (2018 - \$475,703), bearing interest at a rate of 0.90% (2018 - 0.90%)

Also included in investments is a capital contribution of \$575,028 (2018 - \$544,604) to the Community Foundation of Ottawa, a registered charity that pools amounts received into a permanent, income earning endowment fund. The investment, managed by the Foundation, has an estimated yield of 6.50% per annum, and shall be held for at least 5 years to March 2020.

4. Tangible Capital Assets

	Cost	Accumulated Amortization	2019	2018
Land	\$ 3,374,569	\$ -	\$ 3,374,569	\$ 3,374,569
Buildings	24,503,946	5,635,140	18,868,806	18,249,062
Leasehold improvements	581,806	472,946	108,860	133,888
Office furniture and equipment	502,658	486,980	15,678	74,358
	\$ 28,962,979	\$ 6,595,066	\$ 22,367,913	\$ 21,831,877

Buildings include construction in-progress of \$31,460 (2018 - \$8,318,109) for which no amortization has been recorded as the asset is not yet in use. The amounts represent costs incurred to date towards the construction project as described in Note 11.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2019

5. Bank Indebtedness

The Society has arranged a commercial line of credit with an authorized amount of \$1,000,000, of which \$nil was utilized as at March 31, 2019 (2018 - \$46,571). The line of credit bears interest at prime rate plus 1.5% and is secured by a general assignment of the Society's accounts receivable.

6. Accounts Payable and Accrued Liabilities

	2019	2018
Accounts payable and accrued liabilities	\$ 1,131,242	\$ 1,150,797
Salaries payable	375,965	380,170
	\$ 1,507,207	\$ 1,530,967

Included in accounts payable and accrued liabilities are invoices payable amounting to \$42,635 (2018 - \$85,746) due to related parties.

7. Deferred Contributions - Operations

Deferred revenues is comprised of restricted project funding to be spent in the next fiscal year. During the year, the Society recognized \$283,375 of deferred program funding carried forward from the previous year, and deferred \$77,906 of additional program funding to be spent in future years.

8. Long-Term Debt

	2019	2018
Mortgage payable on land and building, secured by the Summerville property and assignment of rents with a net book value of \$2,011,271 - 3.60%, maturing December 2028, payable in monthly instalments of \$1,075, principal and interest	\$ 105,687	\$ 114,582
Mortgage payable on land and building, secured by the Gardner property and assignment of rents with a net book value of \$5,513,870 - 3.03%, maturing December 2025, payable in monthly instalments of \$3,964, principal and interest	1,057,673	1,073,141
Total	1,163,360	1,187,723

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2019

8. Long-Term Debt (continued)

Continuation from previous page	1,163,360	1,187,723
Mortgage payable on land and building, secured by the Russell Road property and assignment of rents with a net book value of \$1,306,711 - 3.00%, maturing December 2041, payable in monthly instalments of \$5,981, principal and interest	1,187,889	1,221,077
Mortgage payable on land and building, secured by the Carruthers property and assignment of rents with a net book value of \$8,589,013 - fixed interest rate at 3.25% per annum, matures December 2027, payable in monthly instalments of \$13,764, principal and interest	3,684,301	3,193,359
	6,035,550	5,602,159
Less: Current portion of long-term debt	108,744	96,212
	\$ 5,926,806	\$ 5,505,947

Long-term debt principal repayments balances over the next five years, and thereafter, are as follows:

2020	\$ 108,744
2021	112,219
2022	115,807
2023	186,248
2024	113,233
Thereafter	<u>5,399,299</u>
	\$ 6,035,550

9. Deferred Contributions - Tangible Capital Assets

Deferred contributions related to tangible capital assets include the unamortized balance of capital asset contributions received. These deferred contributions comprise:

	<u>2019</u>	<u>2018</u>
Capital assets		
Buildings - opening balance	\$ 12,336,920	\$ 10,112,715
Additions	1,271,884	2,759,714
Amortization	(687,238)	(535,509)
Buildings - ending balance	<u>12,921,566</u>	<u>12,336,920</u>

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2019

9. Deferred Contributions - Tangible Capital Assets (continued)

Continuation from previous page	12,921,566	12,336,920
Leasehold improvements - opening balance	196,494	111,402
Additions	-	110,272
Amortization	(26,964)	(25,180)
Leasehold improvements - ending balance	169,530	196,494
	\$ 13,091,096	\$ 12,533,414

Certain contributions related to buildings contain restrictions in respect of long-term future program delivery.

10. Pension Plan

The Society participates in a multiemployer defined contribution pension plan. During the year, the Society's employer contributions to the pension plan totalled \$418,944 (2018 - \$394,145).

11. Commitments

Premises

The Society is committed, under long-term lease contracts for the rental of premises in the aggregate amount of \$463,079. Minimum lease payments for the next four years approximate:

2020	\$ 142,486
2021	142,486
2022	142,486
2023	<u>35,621</u>
Total minimum lease payments	\$ 463,079

Supportive housing construction

During the year, the Society entered into a contribution agreement for the development of supportive housing units. Under the terms of the agreement, it is expected that the Society will be required to contribute net assets of \$1,600,000 toward the total eligible costs of the project.

Other operating agreements

In connection with its operations, the Society regularly enters into agreements for the purchase of various supplies and services including the rental of equipment. Certain of these agreements extend beyond the end of the 2019 fiscal year. In the opinion of management, these agreements are in the normal course of Society's operations, are not abnormal in amount or nature and do not include a high degree of speculative risk.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2019

12. Internal Restrictions - Invested in Capital Assets

	<u>2019</u>	<u>2018</u>
Capital assets	\$ 22,367,913	\$ 21,831,877
Less amounts financed by:		
Long-term debt	(6,035,550)	(5,602,159)
Deferred contribution - tangible capital assets	<u>(13,091,096)</u>	<u>(12,533,414)</u>
Balance, end of year	<u>\$ 3,241,267</u>	<u>\$ 3,696,304</u>

13. Contingencies

Letter of guarantee

To comply with requirements in funding the Gardener project, the Society has secured a standby letter of guarantee in an amount of up to \$45,999 (2018 - \$45,999), which if drawn upon, must be repaid to the issuing bank. As at March 31, 2019, this standby letter of guarantee has not been drawn upon.

Pay equity contingency

The Society received notice of a potential liability relating to pay equity in the workforce. Management believes there is minimal exposure, if any, for liability for past and current consideration. The adjustment for any realized costs relating to this liability will be recognized in the year it becomes due.

Other indemnification agreements

In the normal course of operations, the Society signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Society to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

14. Financial Instruments

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the company's risk exposure and concentrations as at March 31, 2019.

The Society does not use derivative financial instruments to reduce its interest rate risk exposure.

John Howard Society of Ottawa

Notes to Financial Statements

March 31, 2019

14. **Financial Instruments** (continued)

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society manages liquidity risk by maintaining a sufficient reserve of cash and cash equivalents. The Society establishes budgets and cash estimate to ensure it has funds necessary to fulfil its obligations. The Society is exposed to liquidity risk related to its accounts payable and accrued liabilities and long term debt.

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's main credit risk relate to its contributions receivable, trade accounts receivable and loans receivable since failure of any of these parties to fulfill their obligations could result in significant financial losses for the Society. The Society is exposed to concentration of credit risk as disclosed in Note 1.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate instruments subject the Society to a fair value risk, whereas floating rate instruments subject the Society to a cash flow risk. Investments and long-term debt bear interest at fixed and floating rates and the Society, is therefore, exposed to the risk of changes in fair value and cash flows resulting from interest rate fluctuations.

Changes in risk

There have been no significant changes in the Society's risk exposure from the 2018 fiscal year.

15. **Comparative Amounts and Financial Disclosures**

The comparative amounts and financial statement disclosures of the previous year have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year net assets.

**John Howard Society of Ottawa
Supplementary Information**

For the year ended March 31

2019

2018

	Administration	Youth Justice Services	Adult Housing	Adult Justice Services	Employment and Training	Inter-Program Revenue/ Expenses	Total	Total
Revenues								
Federal funding	\$ -	\$ 100,647	\$ 3,280,579	\$ 15,340	\$ -	\$ -	\$ 3,396,566	\$ 3,061,879
Provincial funding	-	834,098	1,020,035	953,833	2,038,104	-	4,846,070	4,327,650
Municipal funding	-	975,215	1,034,539	475,468	-	-	2,485,222	1,856,717
United Way of Ottawa	-	75,664	-	73,685	-	-	149,349	262,463
Rental income	16,500	188,480	494,307	-	10,000	(46,700)	662,587	429,608
Fundraising, donations and memberships	-	1,048	500	14,436	-	-	15,984	14,728
Other contributions	52,808	93,539	78,166	75,779	229,228	-	529,520	236,070
Amortization of deferred contributions - tangible capital assets	-	232,355	470,818	-	11,027	-	714,200	560,689
Administration	1,088,927	-	-	-	-	(1,088,927)	-	-
	1,158,235	2,501,046	6,378,944	1,608,541	2,288,359	(1,135,627)	12,799,498	10,749,804
Expenses								
Salaries and employee benefits	524,997	1,451,699	3,378,556	1,190,811	1,195,229	-	7,741,292	6,417,093
Operating	350,889	482,878	1,522,061	176,915	877,855	(46,700)	3,363,898	3,171,689
Administration	216,804	177,842	407,493	243,079	181,178	(1,088,927)	137,469	29,260
Interest on long-term debt	-	3,968	190,615	-	-	-	194,583	71,757
Amortization of tangible capital assets	455	256,346	755,620	650	14,232	-	1,027,303	855,791
	1,093,145	2,372,733	6,254,345	1,611,455	2,268,494	(1,135,627)	12,464,545	10,545,590
Excess (deficiency) of revenues over expenses	\$ 65,090	\$ 128,313	\$ 124,599	\$ (2,914)	\$ 19,865	\$ -	\$ 334,953	\$ 204,214

**John Howard Society of Ottawa
Youth Justice Services - Supplementary Information**

For the year ended March 31

2019 2018

	Non-Residential Attendance Centre	Young Women's Residence	Young Men's Residence	Life Skills Contract	Time 4 Change	YHBCM	Making the Shift	Choices and Youth Diversion	On Point GPIP	Youth Buildings	Project ReSet	Total	Total
Revenues													
Federal funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,647	\$ 100,647	\$ -
Provincial funding	382,262	-	227,000	121,223	-	-	-	-	99,113	4,500	-	834,098	869,916
Municipal funding	-	355,444	143,344	-	277,049	102,759	-	-	-	96,619	-	975,215	882,930
United Way of Ottawa	-	45,398	30,266	-	-	-	-	-	-	-	-	75,664	81,717
Rental income	-	49,453	118,827	-	-	-	-	-	-	20,200	-	188,480	137,080
Fundraising, donations and memberships	-	1,048	-	-	-	-	-	-	-	-	-	1,048	-
Other contributions	96	-	-	-	-	-	72,618	20,825	-	-	-	93,539	70,032
Amortizations of deferred contributions - tangible capital assets	-	125,518	106,837	-	-	-	-	-	-	-	-	232,355	232,355
	382,358	576,861	626,274	121,223	277,049	102,759	72,618	20,825	99,113	121,319	100,647	2,501,046	2,274,030
Expenses													
Salaries and employee benefits	281,918	286,899	312,977	121,223	212,148	66,649	57,525	20,065	58,632	-	33,663	1,451,699	1,383,635
Operating	73,443	101,559	166,592	-	37,260	25,083	8,491	760	28,383	-	41,307	482,878	409,137
Administration	28,104	29,655	41,438	-	27,641	6,627	6,602	-	12,098	-	25,677	177,842	116,671
Interest on long-term debt	-	3,968	-	-	-	-	-	-	-	-	-	3,968	3,456
Amortization of tangible capital assets	14,250	126,072	116,024	-	-	-	-	-	-	-	-	256,346	255,488
	397,715	548,153	637,031	121,223	277,049	98,359	72,618	20,825	99,113	-	100,647	2,372,733	2,168,387
Excess (deficiency) of revenues over expenses	\$ (15,357)	\$ 28,708	\$ (10,757)	\$ -	\$ -	\$ 4,400	\$ -	\$ -	\$ -	\$ 121,319	\$ -	\$ 128,313	\$ 105,643

John Howard Society of Ottawa Adult Housing - Supplementary Information

For the year ended March 31

2019 2018

	Kirkpatrick House	St. Anne Street Location	Bank Street Location	TRHP	Reporting Centre	Gardener Street Location	Inuit CRF	Bail Residence	Carruthers Operations	Justice Transition Home	Total	Total
Revenues												
Federal funding	\$ 825,025	\$ 1,385,087	\$ 531,882	\$ -	\$ 64,881	\$ 6,378	\$ 467,026	\$ -	\$ 300	\$ -	\$ 3,280,579	\$ 3,036,815
Provincial funding	-	-	-	160,000	-	-	-	295,448	-	564,587	1,020,035	482,139
Municipal funding	-	-	-	-	-	532,535	-	-	502,004	-	1,034,539	595,398
Rental income	-	-	-	63,026	-	199,792	-	42,993	187,671	825	494,307	282,528
Fundraising, donations and memberships	-	-	-	-	-	500	-	-	-	-	500	500
Other contributions	-	29,700	-	83	-	21,415	-	-	26,968	-	78,166	21,585
Amortization of deferred contributions - tangible capital assets	-	55,655	15,936	-	-	247,500	-	-	103,243	48,484	470,818	328,334
	825,025	1,470,442	547,818	223,109	64,881	1,008,120	467,026	338,441	820,186	613,896	6,378,944	4,747,299
Expenses												
Salaries and employee benefits	476,173	600,053	313,098	108,076	65,296	398,106	423,470	234,447	379,394	380,443	3,378,556	2,546,035
Operating	171,399	347,131	131,724	69,775	3,768	301,625	94,438	47,758	228,192	126,251	1,522,061	1,321,157
Administration	66,792	99,228	49,042	19,240	4,274	39,972	-	30,156	39,563	59,226	407,493	267,370
Interest on long-term debt	-	-	-	-	-	32,100	27,578	15,716	115,221	-	190,615	68,301
Amortization of tangible capital assets	4,897	101,026	15,072	9,308	-	313,581	35,172	30,257	198,331	47,976	755,620	594,105
	719,261	1,147,438	508,936	206,399	73,338	1,085,384	580,658	358,334	960,701	613,896	6,254,345	4,796,968
Excess (deficiency) of revenues over expenses	\$ 105,764	\$ 323,004	\$ 38,882	\$ 16,710	\$ (8,457)	\$ (77,264)	\$ (113,632)	\$ (19,893)	\$ (140,515)	-	\$ 124,599	\$ (49,669)

**John Howard Society of Ottawa
Adult Justice Services - Supplementary Information**

For the year ended March 31

2019 2018

	Community Justice	Post Incar- ceration House Supports	Crisis and Re- integration Services	Supports in Social Housing	Bail Rooming House Project	Verification and Supervision	Justice HBCM	Mental Health Bail	Pembroke Bail	Rural Bail	Justice Housing Peer Support	JHS Canada - CBSA	Total	Total
Revenues														
Federal funding	\$ -	\$ -	\$ 15,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,340	\$ 25,064
Provincial funding	25,500	-	57,200	-	-	615,631	-	72,096	71,387	112,019	-	-	953,833	954,320
Municipal funding	-	130,968	-	129,422	82,859	-	107,219	-	-	-	25,000	-	475,468	373,389
United Way of Ottawa	-	-	73,685	-	-	-	-	-	-	-	-	-	73,685	81,653
Fundraising, donations and memberships	-	-	14,436	-	-	-	-	-	-	-	-	-	14,436	14,228
Other contributions (repayments)	-	138	-	(191)	-	-	-	-	-	-	-	75,832	75,779	1,425
	25,500	131,106	160,661	129,231	82,859	615,631	107,219	72,096	71,387	112,019	25,000	75,832	1,608,541	1,450,079
Expenses														
Salaries and employee benefits	20,456	90,224	129,991	89,038	68,847	494,514	62,835	59,224	45,879	81,758	17,875	30,170	1,190,811	1,097,777
Operating	1,531	13,611	12,549	20,798	8,057	37,496	34,227	1,334	13,911	17,832	4,958	10,611	176,915	181,043
Administration	3,700	27,271	18,546	24,528	13,958	83,028	15,725	11,538	11,597	12,429	3,259	17,500	243,079	178,115
Amortization of tangible capital assets	-	-	57	-	-	593	-	-	-	-	-	-	650	1,628
	25,687	131,106	161,143	134,364	90,862	615,631	112,787	72,096	71,387	112,019	26,092	58,281	1,611,455	1,458,563
Excess (deficiency) of revenues over expenses	\$ (187)	\$ -	\$ (482)	\$ (5,133)	\$ (8,003)	\$ -	\$ (5,568)	\$ -	\$ -	\$ -	\$ (1,092)	\$ 17,551	\$ (2,914)	\$ (8,484)

John Howard Society of Ottawa
Employment and Training - Supplementary Information

For the year ended March 31

2019

2018

	Canada Ontario Job Grant	Employment Ontario	Youth Job Link	Pre- -Employment Training	Total	Total
Revenues						
Provincial funding	\$ 397,205	\$ 1,297,123	\$ 52,754	\$ 291,022	\$ 2,038,104	\$ 2,021,275
Municipal funding	-	-	-	-	-	7,000
United Way of Ottawa	-	-	-	-	-	99,047
Rental income	-	10,000	-	-	10,000	10,000
Other contributions	-	13,160	-	216,068	229,228	55,746
Amortization of deferred contributions - tangible capital assets	-	11,027	-	-	11,027	-
	397,205	1,331,310	52,754	507,090	2,288,359	2,193,068
Expenses						
Salaries and employee benefits	49,680	720,404	34,834	390,311	1,195,229	1,098,103
Operating	339,555	466,885	13,343	58,072	877,855	974,266
Administration	7,970	109,886	4,615	58,707	181,178	114,051
Amortization of tangible capital assets	-	14,232	-	-	14,232	3,205
	397,205	1,311,407	52,792	507,090	2,268,494	2,189,625
Excess (deficiency) of revenues over expenses	\$ -	\$ 19,903	\$ (38)	\$ -	\$ 19,865	\$ 3,443