



Financial Statements

For the year ended March 31, 2021

John Howard Society of Ottawa
Financial Statements
For the year ended March 31, 2021

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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, 2021, 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, 2021, 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.

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
September 29, 2021
Ottawa, Ontario

John Howard Society of Ottawa Statement of Financial Position

March 31 2021 2020

Assets

Current

Cash	\$ -	\$ 92,000
Accounts receivable (Note 1)	1,912,006	1,588,932
Prepaid expenses	158,735	184,361
Current portion of loan receivable (Note 2)	35,424	58,202
Investments (Note 3)	1,614,525	-

3,720,690 1,923,495

Long-term portion of loan receivable (Note 2) 161,044 175,681

Investments (Note 3) 385,329 4,009,255

Tangible capital assets (Note 4) 27,834,867 21,525,672

\$ 32,101,930 \$ 27,634,103

Liabilities and Net Assets

Current

Bank indebtedness	\$ 251,277	\$ -
Accounts payable and accrued liabilities (Note 5)	1,035,288	1,376,208
Deferred contributions - operations (Note 6)	244,501	217,326
Current portion of long-term debt (Note 7)	115,807	112,219

1,646,873 1,705,753

Long-term

Deferred contributions - tangible capital assets (Note 8)	11,654,804	12,520,810
Long-term debt (Note 7)	5,704,956	5,818,583

17,359,760 18,339,393

Net assets

Capital reserve	641,886	562,312
Contingency reserve	174,004	174,004
Acquisition reserve	2,312,485	2,312,485
Invested in tangible capital assets (Note 11)	10,359,300	3,074,060
Unrestricted	(392,378)	1,466,096

13,095,297 7,588,957

\$ 32,101,930 \$ 27,634,103

On behalf of the Board:

Director

Director

John Howard Society of Ottawa Statement of Operations

For the year ended March 31	2021	2020
Revenues		
Federal funding	\$ 4,129,234	\$ 3,928,262
Provincial funding	5,305,414	5,519,524
Municipal funding	2,854,941	2,611,278
United Way funding	118,357	128,983
Rental income	710,287	720,627
Fundraising, donations, memberships	28,490	33,141
Other contributions	1,205,316	516,840
Amortization of deferred contributions - tangible capital assets	866,006	856,686
	15,218,045	14,315,341
Expenses		
Salaries and employee benefits	9,869,348	9,550,581
Operating	3,388,466	3,140,165
Administration	152,017	132,060
Interest on long-term debt	192,043	197,332
Amortization of tangible capital assets	1,219,146	1,227,672
	14,821,020	14,247,810
Excess of revenue over expenses before gain on sale of property	397,025	67,531
Gain on sale of property	-	1,836,782
Excess of revenue over expenses for the year	\$ 397,025	\$ 1,904,313

John Howard Society of Ottawa
Statement of Changes in Net Assets

For the year ended March 31

2021

2020

	Capital Reserve	Contingency Reserve	Acquisition Reserve	Invested in Tangible Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	\$ 562,312	\$ 174,004	\$ 2,312,485	\$ 3,074,060	\$ 1,466,096	\$ 7,588,957	\$ 5,684,644
Capital contributions (Note 11)	-	-	-	5,109,315	-	5,109,315	-
Excess (deficiency) of revenue over expenses for the year	79,574	-	-	(353,140)	670,591	397,025	1,904,313
Investment in tangible capital assets	-	-	-	2,529,065	(2,529,065)	-	-
Net assets, end of year	\$ 641,886	\$ 174,004	\$ 2,312,485	\$ 10,359,300	\$ (392,378)	\$ 13,095,297	\$ 7,588,957

John Howard Society of Ottawa Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 397,025	\$ 1,904,313
Adjustments for		
Amortization of tangible capital assets	1,219,146	1,227,672
Amortization of deferred contributions of tangible capital assets	(866,006)	(856,686)
Gain on sale of property	-	(1,836,782)
	750,165	438,517
Changes in non-cash working capital items		
Accounts receivables	(323,074)	132,437
Prepaid expenses	25,626	(80,621)
Accounts payable and accrued liabilities	(340,920)	(130,999)
Deferred revenue	27,175	(8,453)
	138,972	350,881
Investing activities		
Receipt of loan receivable	37,415	61,069
Net redemption (purchase) of investments	2,009,401	(2,170,327)
Purchase of tangible capital assets	(2,419,026)	(543,431)
Proceeds on sale of property	-	1,994,782
	(372,210)	(657,907)
Financing activities		
Issuance of long-term debt	-	-
Repayment of long-term debt	(110,039)	(104,748)
Increase in deferred contributions - tangible capital assets	-	286,400
	(110,039)	181,652
Net decrease in cash for the year	(343,277)	(125,374)
Cash, beginning of year	92,000	217,374
Cash (bank indebtedness), end of year	\$ (251,277)	\$ 92,000

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2021

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.

Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, the Society or others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Society's operations, financial results and condition in future periods are also subject to significant uncertainty.

Further, assumptions and estimates are subject to greater variability than normal in the current environment which could significantly affect the estimates and assumptions made by management as they relate to

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2021

Uncertainty due to COVID-19 (continued)

potential impact of the COVID-19 on various financial accounts and note disclosures and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on estimates and assumptions extends but is not limited to the Society's valuation of the long-term assets (including the assessment for impairment and impairment reversal). Actual results may differ materially from these estimates.

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.

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.

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2021

Tangible Capital Assets	<p>Tangible capital assets are recorded at cost. Tangible capital assets include buildings, office furniture and equipment and leasehold improvements.</p> <p>When the Society receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date.</p> <p>Amortization expense is charged to the operations using the following annual rates:</p> <table><tr><td>Office furniture and equipment</td><td>2</td><td>years straight-line basis</td></tr><tr><td>Buildings</td><td>20</td><td>years straight-line basis</td></tr><tr><td>Leasehold improvements</td><td>20</td><td>years straight-line basis</td></tr></table> <p>One-half of the above rates is used in the year of acquisition.</p> <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 fair value is recognized as an expense in the Statement of Operations. A write-down is not reversed in subsequent years.</p>	Office furniture and equipment	2	years straight-line basis	Buildings	20	years straight-line basis	Leasehold improvements	20	years straight-line basis
Office furniture and equipment	2	years straight-line basis								
Buildings	20	years straight-line basis								
Leasehold improvements	20	years straight-line basis								
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, unless those assets are not amortized, in which the contributions are recognized as a direct increase to the Society's net 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>									

John Howard Society of Ottawa Summary of Significant Accounting Policies

March 31, 2021

Capital Reserve	This internally restricted reserve has been established by the Society's board of directors for the major repairs or replacement required to its buildings.
Contingency Reserve	This internally restricted reserve has been established by the Society to cover estimated potential costs of certain program discontinuance.
Acquisition Reserve	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.
Invested in Tangible Capital Assets	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.
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, 2021

1. Accounts Receivable

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 1,562,323	\$ 1,296,181
Accrued interest	29	29
Repair reserve	114,943	77,220
HST receivable	234,711	215,502
	<u>\$ 1,912,006</u>	<u>\$ 1,588,932</u>

As at March 31, 2021, amounts owing from one funder represented 39% of the balance (2020 - 27%).

2. Related Party Transactions

The John Howard Society of Ottawa paid the John Howard Society of Ontario a total of \$1,344,464 (2020 - \$1,185,616) 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 \$595,821 (2020 - \$523,844).

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.

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

3. Investments

Investments are measured at amortized cost and consist of a term deposit of \$972,640 (2020 - \$972,640) that bears interest at a rate of 0.40% (2020 - 1.40%) maturing February 2022 (2020 - February 2021) and an investment savings account with a year-end balance in the account of \$385,329 (2020 - \$2,474,303), bearing interest at 0.25% (2020 - 1.20%), both deposited at a Canadian financial institution.

Also included in investments is a capital contribution of \$641,886 (2020 - \$562,312) 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. Subsequent to year end, the Society withdrew the funds from the Foundation.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2021

4. Tangible Capital Assets

	Cost	Accumulated Amortization	2021	2020
Land	\$ 8,470,630	\$ -	\$ 8,470,630	\$ 3,216,569
Buildings	26,770,934	7,487,093	19,283,841	18,214,418
Leasehold improvements	581,806	501,410	80,396	94,628
Office furniture and equipment	502,658	502,658	-	57
	\$ 36,326,028	\$ 8,491,161	\$ 27,834,867	\$ 21,525,672

Buildings include construction in progress of \$2,541,614 (2020 - \$274,645) 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 10.

5. Accounts Payable and Accrued Liabilities

	2021	2020
Accounts payable and accrued liabilities	\$ 680,316	\$ 777,679
Government remittances payable	-	260,000
Salaries payable	354,972	338,529
	\$ 1,035,288	\$ 1,376,208

Included in accounts payable and accrued liabilities are invoices payable amounting to \$nil (2020 - \$105,774) due to related parties.

6. 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 \$217,326 (2020 - \$227,220) of deferred program funding carried forward from the previous year, and deferred \$244,501 (2020 - \$218,767) of additional program funding to be spent in future years.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2021

7. Long-Term Debt

	2021	2020
Mortgage payable on land and building, secured by the Summerville property and assignment of rents with a net book value of \$1,759,127 - fixed interest rate at 3.60% per annum, matures December 2028, payable in monthly instalments of \$1,075, principal and interest	\$ 86,910	\$ 96,467
Mortgage payable on land and building, secured by the Gardner property and assignment of rents with a net book value of \$4,941,988 - fixed interest rate at 3.03% per annum, matures December 2025, payable in monthly instalments of \$3,964, principal and interest	1,025,307	1,041,734
Mortgage payable on land and building, secured by the Russell Road property and assignment of rents with a net book value of \$1,255,460 - fixed interest rate at 3.00% per annum, matures December 2041, payable in monthly instalments of \$5,981, principal and interest	1,117,835	1,153,490
Mortgage payable on land and building, secured by the Carruthers property and assignment of rents with a net book value of \$7,778,041 - fixed interest rate at 3.25% per annum, matures December 2027, payable in monthly instalments of \$13,764, principal and interest	3,590,711	3,639,111
	5,820,763	5,930,802
Less: Current portion of long-term debt	115,807	112,219
	\$ 5,704,956	\$ 5,818,583

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

2022	\$ 115,807
2023	186,248
2024	113,233
2025	116,243
2026	115,083
Thereafter	5,174,149
	\$ 5,820,763

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2021

8. 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:

	2021	2020
Buildings - opening balance	\$ 12,369,001	\$ 12,921,566
Additions	-	286,400
Amortization	(848,284)	(838,965)
Buildings - ending balance	11,520,717	12,369,001
Leasehold improvements - opening balance	151,809	169,530
Amortization	(17,722)	(17,721)
Leasehold improvements - ending balance	134,087	151,809
	\$ 11,654,804	\$ 12,520,810

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

9. 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 \$446,865 (2020 - \$394,475).

10. Commitments and Contingencies

Premises

The Society is committed, under long-term lease contracts for the rental of premises. Minimum lease payments, net of input tax credit recoverable, for the next five years, and thereafter, approximate the following:

2022	\$	151,788
2023		151,788
2024		151,788
2025		151,788
2026		151,788
Thereafter		254,824
Total minimum lease payments	\$	1,013,764

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2021

10. Commitments and Contingencies (continued)

Supportive housing construction

During the 2019 fiscal 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.

Construction contracts

The society has retained PBC Development & Construction Management Group Inc. to perform construction management services in connection with supportive housing initiatives and the construction of a new administrative office. The total budgeted amounts committed under these contracts are \$31,685,342. As at year end, the Society has incurred total costs of \$5,643,202 towards these projects.

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 2021 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.

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.

11. Internal Restrictions - Invested in Capital Assets

	<u>2021</u>	<u>2020</u>
Capital assets	\$ 27,834,867	\$ 21,525,672
Less amounts financed by:		
Long-term debt	(5,820,763)	(5,930,802)
Deferred contribution - tangible capital assets	<u>(11,654,804)</u>	<u>(12,520,810)</u>
Balance, end of year	<u>\$ 10,359,300</u>	<u>\$ 3,074,060</u>

During the year, the Society received \$5,109,315 in non-depreciable property contributions from the City of Ottawa. These contributions have been recognized as a direct increase in net assets invested in capital assets.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2021

12. 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, 2021.

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

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.

Changes in risk

There have been no significant changes in the Society's risk exposure from the 2020 fiscal year.

13. Government COVID Funding

During the year, the Company recognized \$647,852 of funding under certain relief programs established by the Government of Canada. The subsidy programs are meant to assist organizations that were impacted as a result of the impact of the COVID-19 pandemic. The Society recognized this funding as other contribution income.

**John Howard Society of Ottawa
Supplementary Information**

For the year ended March 31

2021

2020

	Administration	Clinical	Youth Justice Services	Adult Housing	Adult Justice Services	Employment and Training	Inter-Program Revenue/ Expenses	Total	Total
Revenues									
Federal funding	\$ -	\$ -	\$ 577,674	\$ 3,536,890	\$ 14,670	\$ -	\$ -	\$ 4,129,234	\$ 3,928,262
Provincial funding	-	-	2,267,327	455,448	967,247	1,615,392	-	5,305,414	5,519,524
Municipal funding	-	-	1,024,353	1,097,010	733,578	-	-	2,854,941	2,611,278
United Way of Ottawa	-	-	55,646	-	12,055	50,656	-	118,357	128,983
Rental income	-	-	215,358	484,929	-	10,000	-	710,287	720,627
Fundraising, donations and memberships	1,344	-	6,322	-	20,824	-	-	28,490	33,141
Other contributions	420,676	-	130,788	374,617	97,857	181,378	-	1,205,316	516,840
Administration	1,228,119	311,184	-	-	-	-	(1,539,303)	-	-
	1,650,139	311,184	4,277,468	5,948,894	1,846,231	1,857,426	(1,539,303)	14,352,039	13,458,655
Expenses									
Salaries and employee benefits	701,458	269,321	3,066,504	3,558,100	1,477,441	1,107,708	(311,184)	9,869,348	9,550,581
Operating	613,555	20,111	700,555	1,238,422	177,781	638,042	-	3,388,466	3,140,165
Administration	101,769	-	431,158	469,008	239,157	139,044	(1,228,119)	152,017	132,060
Interest on long-term debt	-	-	3,307	188,736	-	-	-	192,043	197,332
	1,416,782	289,432	4,201,524	5,454,266	1,894,379	1,884,794	(1,539,303)	13,601,874	13,020,138
Excess (deficiency) of revenues over expenses before gain on sale of property	233,357	21,752	75,944	494,628	(48,148)	(27,368)	-	750,165	438,517
Gain on sale of property	-	-	-	-	-	-	-	-	(1,836,782)
Excess (deficiency) of revenue over expenses before capital grants and depreciation	233,357	21,752	75,944	494,628	(48,148)	(27,368)	-	750,165	2,275,299
Amortization of deferred contributions - tangible capital assets	-	-	338,644	516,335	-	11,027	-	866,006	856,686
Amortization of tangible capital assets	-	-	(363,060)	(841,854)	-	(14,232)	-	(1,219,146)	(1,227,672)
	-	-	(24,416)	(325,519)	-	(3,205)	-	(353,140)	(370,986)
Excess (deficiency) of revenue over expenses	\$ 233,357	\$ 21,752	\$ 51,528	\$ 169,109	\$ (48,148)	\$ (30,573)	\$ -	\$ 397,025	\$ 1,904,313

John Howard Society of Ottawa
Youth Justice Services - Supplementary Information

For the year ended March 31

2021 2020

	Non-Residential Attendance Centre	Young Women's Residence	Young Men's Residence	Time 4 Change	Making the Shift	Choices and Youth Diversion	On Point GPIP	Youth Buildings	Project ReSet	Critical Intervention	Justice Transition Home	Total	Total
Revenues													
Federal funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,023	\$ 250,651	\$ -	\$ 577,674	\$ 416,569
Provincial funding	382,171	-	349,322	-	-	-	101,929	-	-	-	1,433,905	2,267,327	2,321,832
Municipal funding	-	427,042	34,012	260,563	-	-	-	302,736	-	-	-	1,024,353	1,005,991
United Way of Ottawa	-	32,815	22,831	-	-	-	-	-	-	-	-	55,646	57,076
Rental income	-	41,883	79,108	-	-	-	-	54,393	-	-	39,974	215,358	241,036
Fundraising, donations and memberships	-	4,072	250	-	-	2,000	-	-	-	-	-	6,322	14,981
Other contributions	-	25,210	28,496	-	72,483	4,447	-	-	-	-	152	130,788	97,264
	382,171	531,022	514,019	260,563	72,483	6,447	101,929	357,129	327,023	250,651	1,474,031	4,277,468	4,154,749
Expenses													
Salaries and employee benefits	274,996	414,288	345,704	212,139	64,223	3,247	79,647	177,744	186,157	148,375	1,159,984	3,066,504	3,055,506
Operating	55,888	95,164	106,171	25,964	3,059	3,200	14,079	46,257	103,833	73,089	173,851	700,555	713,354
Administration	54,026	44,916	62,143	22,460	5,201	-	8,203	24,504	38,795	29,187	141,723	431,158	397,669
Interest on long-term debt	-	3,307	-	-	-	-	-	-	-	-	-	3,307	3,643
	384,910	557,675	514,018	260,563	72,483	6,447	101,929	248,505	328,785	250,651	1,475,558	4,201,524	4,170,172
Excess (deficiency) of revenues over expenses before capital grants and depreciation	(2,739)	(26,653)	1	-	-	-	-	108,624	(1,762)	-	(1,527)	75,944	(15,423)
Amortizations of deferred contributions - tangible capital assets	-	125,518	106,837	-	-	-	-	-	-	-	106,289	338,644	329,324
Amortization of tangible capital assets	(14,250)	(126,072)	(112,201)	-	-	-	-	-	-	-	(110,537)	(363,060)	(357,380)
	(14,250)	(554)	(5,364)	-	-	-	-	-	-	-	(4,248)	(24,416)	(28,056)
Excess (deficiency) of revenues over expenses	\$ (16,989)	\$ (27,207)	\$ (5,363)	\$ -	\$ -	\$ -	\$ -	\$ 108,624	\$ (1,762)	\$ -	\$ (5,775)	\$ 51,528	\$ (43,479)

John Howard Society of Ottawa Adult Housing - Supplementary Information

For the year ended March 31

2021 2020

	Kirkpatrick House	Ste. Anne Residence	Tom Lamothe Residence	TRHP	Reporting Centre	Rita Thompson Residence	Ikaarvik	Bail Residence	Carruthers	Total	Total
Revenues											
Federal funding	\$ 787,471	\$ 1,318,168	\$ 601,982	\$ -	\$ 40,979	\$ -	\$ 788,290	\$ -	\$ -	\$ 3,536,890	\$ 3,496,371
Provincial funding	-	-	-	160,000	-	-	-	295,448	-	455,448	455,448
Municipal funding	-	-	-	-	-	552,014	-	-	544,996	1,097,010	1,078,105
Rental income	-	-	-	63,461	-	180,671	-	26,406	214,391	484,929	515,389
Fundraising, donations and memberships	-	-	-	-	-	-	-	-	-	-	875
Other contributions	32,988	94,455	18,652	10,843	2,820	88,255	20,980	12,058	93,566	374,617	121,128
	820,459	1,412,623	620,634	234,304	43,799	820,940	809,270	333,912	852,953	5,948,894	5,667,316
Expenses											
Salaries and employee benefits	593,158	739,913	366,183	146,753	66,519	470,537	447,634	271,332	456,071	3,558,100	3,361,394
Operating	142,541	226,891	115,491	25,003	2,633	355,316	113,136	29,104	228,307	1,238,422	1,251,142
Administration	85,301	129,758	47,149	32,109	5,807	40,300	57,720	31,301	39,563	469,008	452,773
Interest on long-term debt	-	-	-	-	-	31,142	26,004	14,824	116,766	188,736	193,689
	821,000	1,096,562	528,823	203,865	74,959	897,295	644,494	346,561	840,707	5,454,266	5,258,998
Excess (deficiency) of revenues over expenses before capital grants and depreciation	(541)	316,061	91,811	30,439	(31,160)	(76,355)	164,776	(12,649)	12,246	494,628	408,318
Amortization of deferred contributions - tangible capital assets	-	55,655	6,694	-	-	247,500	-	-	206,486	516,335	516,335
Amortization of tangible capital assets	-	(93,415)	-	(8,849)	-	(299,963)	(25,626)	(18,337)	(395,664)	(841,854)	(856,060)
	-	(37,760)	6,694	(8,849)	-	(52,463)	(25,626)	(18,337)	(189,178)	(325,519)	(339,725)
Excess (deficiency) of revenues over expenses	\$ (541)	\$ 278,301	\$ 98,505	\$ 21,590	\$ (31,160)	\$ (128,818)	\$ 139,150	\$ (30,986)	\$ (176,932)	\$ 169,109	\$ 68,593

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

For the year ended March 31

2021 2020

	Community Justice	Post Incar- ceration House Supports	Crisis and Re- integration Services	Supports in Social Housing	Rooming House Project	Bail Verifica- tion and Super- vision	Justice HBCM	Mental Health Bail	Pembroke Bail	Rural Bail	JHS Canada - CBSA	Total	Total
Revenues													
Federal funding	\$ -	\$ -	\$ 14,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,670	\$ 15,322
Provincial funding	26,000	-	57,059	-	-	619,224	-	72,600	78,807	113,557	-	967,247	969,546
Municipal funding	-	126,273	-	133,372	85,275	-	388,658	-	-	-	-	733,578	502,268
United Way of Ottawa	-	-	12,055	-	-	-	-	-	-	-	-	12,055	17,427
Fundraising, donations and memberships	-	-	20,324	-	-	-	500	-	-	-	-	20,824	17,285
Other contributions (repayments)	-	-	-	-	1,466	-	6,391	-	-	-	90,000	97,857	90,000
	26,000	126,273	104,108	133,372	86,741	619,224	395,549	72,600	78,807	113,557	90,000	1,846,231	1,611,848
Expenses													
Salaries and employee benefits	21,208	94,297	88,241	91,095	77,584	505,267	326,407	61,089	54,740	97,122	60,391	1,477,441	1,281,920
Operating	2,360	12,515	2,297	18,109	8,737	31,598	62,762	3,172	15,800	13,952	6,479	177,781	150,792
Administration	3,500	19,461	5,171	24,168	12,178	82,359	47,376	8,339	8,267	11,156	17,182	239,157	217,020
	27,068	126,273	95,709	133,372	98,499	619,224	436,545	72,600	78,807	122,230	84,052	1,894,379	1,649,732
Excess (deficiency) of revenues over expenses	\$ (1,068)	\$ -	\$ 8,399	\$ -	\$ (11,758)	\$ -	\$ (40,996)	\$ -	\$ -	\$ (8,673)	\$ 5,948	\$ (48,148)	\$ (37,884)

John Howard Society of Ottawa Employment and Training - Supplementary Information

For the year ended March 31

2021

2020

	Canada Ontario Job Grant	Employment Ontario	Corrections Literacy	Supportive Employment & Training	Total	Total
Revenues						
Provincial funding	\$ 218,824	\$ 1,062,746	\$ 333,822	\$ -	\$ 1,615,392	\$ 1,772,698
Municipal funding	-	-	-	-	-	24,914
United Way of Ottawa	-	-	-	50,656	50,656	54,480
Rental income	-	10,000	-	-	10,000	10,000
Other contributions	-	30,000	-	151,378	181,378	150,116
	218,824	1,102,746	333,822	202,034	1,857,426	2,012,208
Expenses						
Salaries and employee benefits	48,757	636,701	277,243	145,007	1,107,708	1,259,255
Operating	196,427	376,696	19,429	45,490	638,042	695,637
Administration	4,884	85,473	37,150	11,537	139,044	156,970
	250,068	1,098,870	333,822	202,034	1,884,794	2,111,862
Excess (deficiency) of revenues over expenses before capital grants and depreciation	(31,244)	3,876	-	-	(27,368)	(99,654)
Amortization of deferred contributions - tangible capital assets	-	11,027	-	-	11,027	11,027
Amortization of tangible capital assets	-	(14,232)	-	-	(14,232)	(14,232)
	-	(3,205)	-	-	(3,205)	(3,205)
Excess (deficiency) of revenues over expenses	\$ (31,244)	\$ 671	\$ -	\$ -	\$ (30,573)	\$ (102,859)