



Financial Statements

For the year ended March 31, 2023



John Howard Society of Ottawa
Financial Statements
For the year ended March 31, 2023

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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, 2023, 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, 2023, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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
October 23, 2023
Ottawa, Ontario

John Howard Society of Ottawa Statement of Financial Position

March 31

2023

2022

Assets

Current

Cash (Note 1)	\$ 3,752,346	\$ 2,056,232
Accounts receivable (Note 2)	3,152,343	1,892,791
Prepaid expenses	165,849	126,138
Current portion of loan receivable (Note 3)	35,424	35,424
Investments (Note 4)	1,676,218	972,640

	8,782,180	5,083,225
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Long-term portion of loan receivable (Note 3)

	51,137	104,391
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Investments (Note 4)

	-	685,329
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Tangible capital assets (Note 5)

	49,839,353	37,955,495
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	\$ 58,672,670	\$ 43,828,440
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 6)	3,859,351	2,833,560
Deferred contributions - operations (Note 7)	202,177	404,615
Current portion of long-term debt (Note 8)	10,273,098	2,242,607

	14,334,626	5,480,782
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Long-term

Long-term debt (Note 8)	6,954,054	7,061,479
Deferred contributions - tangible capital assets (Note 9)	23,420,294	17,824,131

	30,374,348	24,885,610
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Net assets

Capital reserve	707,018	707,018
Contingency reserve	174,004	174,004
Acquisition reserve	2,312,485	2,312,485
Invested in tangible capital assets (Note 12)	9,191,907	10,827,278
Unrestricted	1,578,282	(558,737)

	13,963,696	13,462,048
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	\$ 58,672,670	\$ 43,828,440
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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	2023	2022
Revenues		
Federal funding	\$ 4,391,988	\$ 4,346,151
Provincial funding	5,888,825	5,551,059
Municipal funding	4,043,817	3,153,345
United Way funding	153,611	202,831
Rental income	704,414	686,631
Fundraising, donations, memberships	6,391	30,682
Other contributions	515,180	846,781
Amortization of deferred contributions - tangible capital assets	979,962	866,006
	16,684,188	15,683,486
Expenses		
Salaries and employee benefits	10,541,547	10,095,604
Operating	4,000,813	3,940,292
Administration	113,071	52,185
Interest on long-term debt	190,691	188,307
Amortization of tangible capital assets	1,336,418	1,219,089
	16,182,540	15,495,477
Excess of revenue over expenses for the year	\$ 501,648	\$ 188,009

John Howard Society of Ottawa
Statement of Changes in Net Assets

For the year ended March 31

2023

2022

	Capital Reserve	Contingency Reserve	Acquisition Reserve	Invested in Tangible Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	\$ 707,018	\$ 174,004	\$ 2,312,485	\$ 10,827,278	\$ (558,737)	\$ 13,462,048	\$ 13,095,297
Capital contributions (Note 12)	-	-	-	-	-	-	178,742
Excess (deficiency) of revenue over expenses for the year	-	-	-	(356,456)	858,104	501,648	188,009
Investment in tangible capital assets	-	-	-	(1,278,915)	1,278,915	-	-
Net assets, end of year	\$ 707,018	\$ 174,004	\$ 2,312,485	\$ 9,191,907	\$ 1,578,282	\$ 13,963,696	\$ 13,462,048

John Howard Society of Ottawa Statement of Cash Flows

For the year ended March 31	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 501,648	\$ 188,009
Adjustments for		
Amortization of tangible capital assets	1,336,418	1,219,089
Amortization of deferred contributions of tangible capital assets	(979,962)	(866,006)
	858,104	541,092
Changes in non-cash working capital items		
Accounts receivable	(1,259,552)	19,215
Prepaid expenses	(39,711)	32,597
Accounts payable and accrued liabilities	1,025,791	1,798,272
Deferred revenue	(202,438)	160,114
	382,194	2,551,290
Investing activities		
Receipt of loan receivable	53,254	56,653
Net redemption of investments	(18,249)	341,886
Purchase of tangible capital assets	(6,644,151)	(4,125,643)
	(6,609,146)	(3,727,104)
Financing activities		
Issuance of long-term debt	8,038,612	3,597,098
Repayment of long-term debt	(115,546)	(113,775)
	7,923,066	3,483,323
Net increase in cash for the year	1,696,114	2,307,509
Cash (bank indebtedness), beginning of year	2,056,232	(251,277)
Cash, end of year	\$ 3,752,346	\$ 2,056,232

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2023

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 arm's length financial instruments

The Society initially measures its arm's length financial instruments at fair value.

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2023

Financial Instruments (continued)

Measurement of arm's length financial instruments (continued)

The Society subsequently measures all its arm's length financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Arm's length financial assets and financial liabilities measured at amortized cost include cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities, and long-term debt.

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

Measurement of related party financial instruments

The Society initially measures its related party financial assets at fair value, cost or the exchange amount and its related party financial liabilities at cost of the exchange amount.

The Society subsequently measures related party financial assets quoted in an active market at fair value. All other related party financial assets and financial liabilities are subsequently measured at cost or the exchange amount.

When the related party financial instrument has repayment terms, cost is determined using the undiscounted cash flows of the instrument, excluding interest and dividend payments, less any impairment losses previously recognized. If the related party financial instrument does not have repayment terms, cost is determined using the exchange amount. The exchange amount is the amount of consideration paid or received as established and agreed to by the related parties.

Financial instruments are financial assets or financial liabilities of the Related party financial assets and financial liabilities measured at the exchange amount are amounts due to, and from, related parties.

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.

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2023

**Financial Instruments
(continued)**

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.

Tangible capital assets under development are not amortized until development is complete and are put in use.

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.

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 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.

Rental income is recognized as earned and collectibility is reasonably assured.

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.

**Deferred Capital
Contributions**

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

John Howard Society of Ottawa Summary of Significant Accounting Policies

March 31, 2023

Deferred Capital Contributions (continued)	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.
Programs	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.
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, 2023

1. Cash

The Society's cash is held at a Canadian financial institution and earns nominal interest. The Society has available an undrawn operating line of credit in the amount of \$500,000 at an interest rate of prime plus 1.50%. This line of credit is secured by a first charge on a property situated on Lebreton St as well as the assignment of rent and insurance proceeds related to the same property.

2. Accounts Receivable

	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ 1,744,056	\$ 1,346,604
Accrued interest	29	29
Repair reserve	189,606	153,748
HST receivable	<u>1,218,652</u>	<u>392,410</u>
	<u>\$ 3,152,343</u>	<u>\$ 1,892,791</u>

3. Related Party Transactions

The John Howard Society of Ottawa paid the John Howard Society of Ontario a total of \$1,430,927 (2022 - \$1,435,465) 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 \$645,224 (2022 - \$644,303).

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.

4. Investments

Investments consist of an investment savings account with a year-end balance in the account of \$1,676,218 (2022 - \$685,329), bearing interest at 3.00% (2022 - 0.00%). The March 31, 2022 investments also included a term deposit of \$972,640 that bears interest at a rate of 0.50% which matured in February 2023.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2023

5. Tangible Capital Assets

	Cost	Accumulated Amortization	2023	2022
Land	\$ 8,649,373	\$ -	\$ 8,649,373	\$ 8,649,373
Buildings	51,148,808	10,540,634	40,608,174	29,239,958
Leasehold improvements	581,806	-	581,806	66,164
Office furniture and equipment	502,658	502,658	-	-
	\$ 60,882,645	\$ 11,043,292	\$ 49,839,353	\$ 37,955,495

Buildings include construction in progress of \$8,686,453 (2022 - \$13,702,586) 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.

6. Accounts Payable and Accrued Liabilities

	2023	2022
Accounts payable and accrued liabilities	\$ 3,540,591	\$ 2,526,843
Salaries payable	318,760	306,717
	\$ 3,859,351	\$ 2,833,560

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 \$404,615 (2022 - \$244,501) of deferred program funding carried forward from the previous year, and deferred \$202,177 (2022 - \$404,615) of additional program funding to be spent in future years.

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2023

8. Long-Term Debt

	2023	2022
Mortgage payable on land and building, secured by the Summerville property and assignment of rents with a net book value of \$2,899,133 - fixed interest rate at 3.60% per annum, matures December 2028, payable in monthly instalments of \$1,075, principal and interest	\$ 66,901	\$ 77,008
Mortgage payable on land and building, secured by the Gardner property and assignment of rents with a net book value of \$6,586,154 - fixed interest rate at 3.03% per annum, matures December 2025, payable in monthly instalments of \$3,964, principal and interest	990,935	1,008,379
Mortgage payable on land and building, secured by the Russell Road property and assignment of rents with a net book value of \$1,370,776 - fixed interest rate at 3.00% per annum, matures December 2041, payable in monthly instalments of \$5,981, principal and interest	1,044,510	1,080,879
Mortgage payable on land and building, secured by the Carruthers property and assignment of rents with a net book value of \$8,768,470 - fixed interest rate at 3.25% per annum, matures December 2027, payable in monthly instalments of \$13,764, principal and interest	3,489,097	3,540,722
Mortgage payable on land and building, secured by a pari-pasu charge on the Carling Road property and assignment of rents with a net book value of \$20,270,534 - fixed interest rate at 1.41% per annum, with monthly payments of interest only until the property reaches stabilization, matures September 2031	1,474,000	1,474,000
Construction loan facilities on land and building, secured by a pari-pasu charge on the Carling Road property and assignment of rents with a net book value of \$20,270,534 - variable interest rate at RBC Prime rate, with monthly payments of interest only, matures February 2023 and is then expected to be converted into a mortgage	10,161,710	2,123,098
	17,227,152	9,304,086
Less: Current portion of long-term debt	10,273,098	2,242,607
	\$ 6,954,054	\$ 7,061,479

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2023

8. Long-Term Debt (continued)

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

2024	\$ 10,273,098
2025	116,344
2026	121,361
2027	126,575
2028	131,982
Thereafter	<u>6,457,792</u>
	<u>\$ 17,227,152</u>

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>2023</u>	<u>2022</u>
Buildings - opening balance	\$ 17,707,766	\$ 11,520,717
Additions	6,576,125	7,035,333
Amortization	<u>(962,241)</u>	<u>(848,284)</u>
Buildings - ending balance	<u>23,321,650</u>	17,707,766
Leasehold improvements - opening balance	116,365	134,087
Amortization	<u>(17,721)</u>	<u>(17,722)</u>
Leasehold improvements - ending balance	<u>98,644</u>	116,365
	<u>\$ 23,420,294</u>	<u>\$ 17,824,131</u>

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

10. Pension Plan

The Society participates in a multi-employer defined contribution pension plan. During the year, the Society's employer contributions to the pension plan totalled \$483,917 (2022 - \$483,234).

John Howard Society of Ottawa

Notes to Financial Statements

March 31, 2023

11. 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, amount to an annual amount of \$154,227. The lease expires on March 31, 2028.

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 \$17,897,526 (2022 - \$33,554,201). As at year end, the Society has incurred total costs of \$11,966,784 (2022 - \$16,982,917) 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 2023 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.

12. Internal Restrictions - Invested in Capital Assets

	<u>2023</u>	<u>2022</u>
Capital assets	\$ 49,839,353	\$ 37,955,495
Less amounts financed by:		
Long-term debt	(17,227,152)	(9,304,086)
Deferred contribution - tangible capital assets	<u>(23,420,294)</u>	<u>(17,824,131)</u>
Balance, end of year	<u>\$ 9,191,907</u>	<u>\$ 10,827,278</u>

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2023

12. Internal Restrictions - Invested in Capital Assets (continued)

During the year, the Society received \$nil (2022 - \$178,742) 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.

13. Financial Instruments

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations as at March 31, 2023. 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 2.

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 2022 fiscal year.

**John Howard Society of Ottawa
Supplementary Information**

For the year ended March 31

2023

2022

	Administration	Clinical	Youth Justice Services	Adult Housing	Adult Justice Services	Employment and Training	Inter-Program Revenue/ Expenses	Total	Total
Revenues									
Federal funding	\$ -	\$ -	\$ 541,812	\$ 3,842,599	\$ 7,577	\$ -	\$ -	\$ 4,391,988	\$ 4,346,151
Provincial funding	-	-	2,596,791	459,872	1,110,100	1,722,062	-	5,888,825	5,551,059
Municipal funding	-	-	1,372,011	1,945,496	726,310	-	-	4,043,817	3,153,345
United Way of Ottawa	-	-	61,981	-	48,055	43,575	-	153,611	202,831
Rental income	-	-	162,304	529,510	-	12,600	-	704,414	686,631
Fundraising, donations and memberships	-	-	3,200	404	1,711	1,076	-	6,391	30,682
Other contributions	62,028	-	103,562	118,200	90,000	141,390	-	515,180	846,781
Administration	1,400,389	354,000	-	-	-	-	(1,754,389)	-	-
	1,462,417	354,000	4,841,661	6,896,081	1,983,753	1,920,703	(1,754,389)	15,704,226	14,817,480
Expenses									
Salaries and employee benefits	972,832	262,852	3,166,652	3,907,047	1,509,744	1,076,420	(354,000)	10,541,547	10,095,604
Operating	132,512	43,171	1,040,827	1,811,563	278,785	693,955	-	4,000,813	3,940,292
Administration	124,467	17,000	414,539	573,085	234,041	150,328	(1,400,389)	113,071	52,185
Interest on long-term debt	(35)	-	2,980	187,746	-	-	-	190,691	188,307
	1,229,776	323,023	4,624,998	6,479,441	2,022,570	1,920,703	(1,754,389)	14,846,122	14,276,388
Excess (deficiency) of revenue over expenses before tangible assets	232,641	30,977	216,663	416,640	(38,817)	-	-	858,104	541,092
Amortization of deferred contributions - tangible capital assets	-	-	338,644	630,291	-	11,027	-	979,962	866,006
Amortization of tangible capital assets	(45,583)	-	(363,060)	(913,543)	-	(14,232)	-	(1,336,418)	(1,219,089)
	(45,583)	-	(24,416)	(283,252)	-	(3,205)	-	(356,456)	(353,083)
Excess (deficiency) of revenue over expenses	\$ 187,058	\$ 30,977	\$ 192,247	\$ 133,388	\$ (38,817)	\$ (3,205)	\$ -	\$ 501,648	\$ 188,009

John Howard Society of Ottawa
Youth Justice Services - Supplementary Information

For the year ended March 31

2023 2022

	Gaming Project	Lisgar Residence	Non-Residential Attendance Centre	Young Women's Residence	Young Men's Residence	Time 4 Change	Choices and Youth Diversion	On Point GPIP	Youth Buildings	Project ReSet	Critical Intervention	Justice Transition Home	Total	Total
Revenues														
Federal funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	288,119	253,693	\$ -	\$ 541,812	\$ 613,895
Provincial funding	47,056	-	382,662	-	390,486	-	-	161,356	-	-	-	1,615,231	2,596,791	2,436,570
Municipal funding	-	194,154	-	456,235	84,252	288,820	-	-	348,550	-	-	-	1,372,011	978,365
United Way of Ottawa	-	-	-	32,116	29,865	-	-	-	-	-	-	-	61,981	67,925
Rental income	-	-	-	41,042	58,863	-	-	-	44,994	-	-	17,405	162,304	165,504
Fundraising, donations and memberships	-	-	-	3,200	-	-	-	-	-	-	-	-	3,200	4,266
Other contributions	15,670	75,704	-	-	-	-	10,000	-	-	-	-	2,188	103,562	23,349
	62,726	269,858	382,662	532,593	563,466	288,820	10,000	161,356	393,544	288,119	253,693	1,634,824	4,841,661	4,289,874
Expenses														
Salaries and employee benefits	16,944	85,245	279,918	343,226	392,412	216,659	10,000	122,282	118,468	187,052	163,513	1,230,933	3,166,652	2,988,582
Operating	53,653	183,859	53,640	125,066	139,245	49,701	-	22,928	18,673	62,411	61,160	270,491	1,040,827	766,656
Administration	-	-	49,104	40,929	31,809	22,460	-	16,146	53,015	38,656	29,020	133,400	414,539	450,153
Interest on long-term debt	-	-	-	2,980	-	-	-	-	-	-	-	-	2,980	2,961
	70,597	269,104	382,662	512,201	563,466	288,820	10,000	161,356	190,156	288,119	253,693	1,634,824	4,624,998	4,208,352
Excess (deficiency) of revenues over expenses before tangible assets	(7,871)	754	-	20,392	-	-	-	-	203,388	-	-	-	216,663	81,522
Amortizations of deferred contributions - tangible capital assets	-	-	-	125,518	106,837	-	-	-	-	-	-	106,289	338,644	338,644
Amortization of tangible capital assets	-	-	(14,250)	(126,072)	(112,201)	-	-	-	-	-	-	(110,537)	(363,060)	(363,060)
	-	-	(14,250)	(554)	(5,364)	-	-	-	-	-	-	(4,248)	(24,416)	(24,416)
Excess (deficiency) of revenues over expenses	\$ (7,871)	\$ 754	\$ (14,250)	\$ 19,838	\$ (5,364)	\$ -	\$ -	\$ -	\$ 203,388	\$ -	\$ -	\$ (4,248)	\$ 192,247	\$ 57,106

John Howard Society of Ottawa Adult Housing - Supplementary Information

For the year ended March 31

2023 2022

	Kirkpatrick House	Ste. Anne Residence	Tom Lamothe Residence	TRHP	Reporting Centre	Rita Thompson Residence	Ikaarvik	Bail Residence	Carruthers	Carling Residence	Total	Total
Revenues												
Federal funding	\$ 927,648	\$ 1,510,123	\$ 602,875	\$ -	\$ 76,361	\$ -	\$ 725,592	\$ -	\$ -	\$ -	\$ 3,842,599	\$ 3,725,449
Provincial funding	-	-	-	160,000	-	-	-	299,872	-	-	459,872	455,446
Municipal funding	-	-	-	-	-	668,199	-	-	678,460	598,837	1,945,496	1,117,613
United Way of Ottawa	-	-	-	-	-	-	-	-	-	-	-	2,000
Rental income	-	-	-	65,700	-	160,889	-	32,990	220,934	48,997	529,510	511,127
Fundraising, donations and memberships	-	-	-	-	-	-	-	229	-	175	404	239
Other contributions	23	62,077	-	2,013	7	18,450	40	-	30,600	4,990	118,200	138,753
	927,671	1,572,200	602,875	227,713	76,368	847,538	725,632	333,091	929,994	652,999	6,896,081	5,950,627
Expenses												
Salaries and employee benefits	570,630	749,576	377,423	144,647	64,647	477,044	435,369	277,152	467,391	343,168	3,907,047	3,508,646
Operating	173,809	342,399	166,407	36,769	6,299	392,294	146,037	33,968	265,705	247,876	1,811,563	1,534,895
Administration	92,541	131,505	49,339	31,911	6,220	53,475	59,593	32,030	75,624	40,847	573,085	519,947
Interest on long-term debt	-	-	-	-	-	30,123	28,079	16,001	113,543	-	187,746	185,346
	836,980	1,223,480	593,169	213,327	77,166	952,936	669,078	359,151	922,263	631,891	6,479,441	5,748,834
Excess (deficiency) of revenues over expenses before capital grants and depreciation	90,691	348,720	9,706	14,386	(798)	(105,398)	56,554	(26,060)	7,731	21,108	416,640	201,793
Amortization of deferred contributions - tangible capital assets	-	55,655	6,694	-	-	247,500	-	-	206,486	113,956	630,291	516,335
Amortization of tangible capital assets	-	(93,415)	-	(8,849)	-	(303,335)	(25,626)	(18,337)	(395,607)	(68,374)	(913,543)	(841,854)
	-	(37,760)	6,694	(8,849)	-	(55,835)	(25,626)	(18,337)	(189,121)	45,582	(283,252)	(325,519)
Excess (deficiency) of revenues over expenses	\$ 90,691	\$ 310,960	\$ 16,400	\$ 5,537	\$ (798)	\$ (161,233)	\$ 30,928	\$ (44,397)	\$ (181,390)	\$ 66,690	\$ 133,388	\$ (123,726)

John Howard Society of Ottawa Adult Justice Services - Supplementary Information

For the year ended March 31

2023 2022

	OCDC In-reach	Community Justice	Housing Links	Crisis and Re- integration Services	Supports in Social Housing	Rooming House	Bail Verifica- tion and Super- vision	Justice HCBM	Mental Health Bail	Pembroke Bail	Rural Bail	CBSA Bail	Record Suspension	Community Justice Worker Program	Total	Total
Revenues																
Federal funding	\$ -	\$ -	\$ -	\$ 7,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,577	\$ 6,807
Provincial funding	57,200	26,000	-	-	-	-	618,432	-	72,700	81,700	122,720	-	118,408	12,940	1,110,100	978,751
Municipal funding	-	-	142,330	-	129,880	80,105	-	373,995	-	-	-	-	-	-	726,310	771,348
United Way of Ottawa	-	-	-	48,055	-	-	-	-	-	-	-	-	-	-	48,055	28,906
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising, donations and memberships	-	-	-	1,661	50	-	-	-	-	-	-	-	-	-	1,711	26,177
Other contributions (repayments)	-	-	-	-	-	-	-	-	-	-	-	90,000	-	-	90,000	90,861
	57,200	26,000	142,330	57,293	129,930	80,105	618,432	373,995	72,700	81,700	122,720	90,000	118,408	12,940	1,983,753	1,902,850
Expenses																
Salaries and employee benefits	51,288	20,857	111,740	40,817	100,027	75,578	539,618	218,780	65,253	62,679	98,818	43,029	68,320	12,940	1,509,744	1,388,502
Operating	1,079	3,062	11,914	7,403	15,698	5,458	28,628	147,383	500	11,852	12,989	12,462	20,357	-	278,785	265,446
Administration	5,139	3,559	18,676	8,237	21,265	12,546	52,278	34,084	7,986	7,427	11,155	18,308	33,381	-	234,041	224,154
	57,506	27,478	142,330	56,457	136,990	93,582	620,524	400,247	73,739	81,958	122,962	73,799	122,058	12,940	1,887,572	1,878,102
Excess (deficiency) of revenues over expenses	\$ (306)	\$ (1,478)	\$ -	\$ 836	\$ (7,060)	\$ (13,477)	\$ (2,092)	\$ (26,252)	\$ (1,039)	\$ (258)	\$ (242)	\$ 16,201	\$ (3,650)	\$ -	\$ (38,817)	\$ 24,748

John Howard Society of Ottawa Employment and Training - Supplementary Information

For the year ended March 31

2023

2022

	Canada Ontario Job Grant	Employment Ontario	Corrections Literacy	Supportive Employment & Training	Total	Total
Revenues						
Provincial funding	\$ 214,533	\$ 1,123,484	\$ 384,045	\$ -	\$ 1,722,062	\$ 1,680,292
Municipal funding	-	-	-	-	-	-
United Way of Ottawa	-	-	-	43,575	43,575	104,000
Rental income	-	12,600	-	-	12,600	10,000
Fundraising, donations and memberships	-	-	-	1,076	1,076	-
Other contributions	-	-	-	141,390	141,390	139,225
	214,533	1,136,084	384,045	186,041	1,920,703	1,933,517
Expenses						
Salaries and employee benefits	31,360	640,507	259,706	144,847	1,076,420	1,179,800
Operating	179,795	406,712	88,355	19,093	693,955	637,462
Administration	3,378	88,865	35,984	22,101	150,328	154,152
	214,533	1,136,084	384,045	186,041	1,920,703	1,971,414
Excess (deficiency) of revenues over expenses before capital grants and depreciation	-	-	-	-	-	(37,897)
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	\$ -	\$ (3,205)	\$ -	\$ -	\$ (3,205)	\$ (41,102)