



Financial Statements

For the year ended March 31, 2025

John Howard Society of Ottawa
Financial Statements
For the year ended March 31, 2025

Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7
Notes to Financial Statements	11
Supplementary Information	18

Baker Tilly Ottawa LLP
Chartered Professional Accountants
400-301 Moodie Drive
Ottawa, ON
Canada K2H 9C4

T: +1 613.820.8010
F: +1 613.820.0465

ottawa@bakertilly.ca
www.bakertilly.ca

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, 2025, 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, 2025, 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
September 29, 2025
Ottawa, Ontario

John Howard Society of Ottawa

Statement of Financial Position

March 31 **2025** 2024

Assets

Current

Cash (Note 1)	\$ 1,262,286	\$ 1,230,127
Accounts receivable (Note 2)	2,641,689	2,437,764
Prepaid expenses	274,595	212,936
Current portion of loan receivable (Note 3)	-	15,637
Short-term investments (Note 4)	1,577,375	-
	5,755,945	3,896,464

Long-term investments (Note 4) **1,616,884** 2,011,134

Tangible capital assets (Note 5) **60,493,575** 61,826,670

\$ 67,866,404 **\$ 67,734,268**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 6)	\$ 1,313,231	\$ 1,494,876
Deferred contributions - operations (Note 7)	891,387	592,832
Current portion of long-term debt (Note 8)	2,258,671	345,915
Due to related parties	42,150	-
	4,505,439	2,433,623

Long-term

Long-term debt (Note 8)	14,320,816	16,632,541
Deferred contributions - tangible capital assets (Note 9)	32,425,444	32,752,764
	46,746,260	49,385,305

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)	11,488,644	12,095,450
Unrestricted	1,932,554	626,383
	16,614,705	15,915,340

\$ 67,866,404 **\$ 67,734,268**

On behalf of the Board:

Director

Director

John Howard Society of Ottawa

Statement of Operations

For the year ended March 31	2025	2024
Revenues		
Federal funding	\$ 5,648,754	\$ 5,339,516
Provincial funding	6,318,134	6,220,074
Municipal funding	5,507,471	5,245,023
United Way funding	152,812	190,425
Rental income	1,420,364	1,082,974
Fundraising, donations, memberships	48,970	16,161
Other contributions	911,403	662,013
Amortization of deferred contributions - tangible capital assets	1,271,018	774,058
	21,278,926	19,530,244
Expenses		
Salaries and employee benefits	13,583,882	11,779,920
Operating	4,899,689	4,893,344
Administration	94,036	252,899
Interest on long-term debt	685,528	691,237
Amortization of tangible capital assets	1,487,707	1,176,020
	20,750,842	18,793,420
Excess of revenue over expenses before other income	528,084	736,824
Other income		
Gain on sale of property (Note 5)	171,281	-
Excess of revenue over expenses for the year	\$ 699,365	\$ 736,824

John Howard Society of Ottawa

Statement of Changes in Net Assets

For the year ended March 31

2025

2024

	Capital Reserve	Contingency Reserve	Acquisition Reserve	Invested in Tangible Capital Assets	Unrestricted	Total	Total
Net assets , beginning of year as previously stated	\$ 707,018	\$ 174,004	\$ 2,312,485	\$ 10,334,276	\$ 495,317	\$ 14,023,100	\$ 13,963,696
Prior period corrections (Note 14)	-	-	-	25,000	131,066	131,066	119,066
Change in accounting estimate (Note 14)	-	-	-	1,736,174	-	1,736,174	1,095,754
Net assets , beginning of year as restated	707,018	174,004	2,312,485	12,095,450	626,383	15,915,340	15,178,516
Excess (deficiency) of revenue over expenses for the year	-	-	-	(268,464)	967,829	699,365	736,824
Investment in tangible capital assets	-	-	-	(338,342)	338,342	-	-
Net assets , end of year	\$ 707,018	\$ 174,004	\$ 2,312,485	\$ 11,488,644	\$ 1,932,554	\$ 16,614,705	\$ 15,915,340

John Howard Society of Ottawa

Statement of Cash Flows

For the year ended March 31	2025	2024
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 699,365	\$ 736,824
Adjustments for		
Amortization of tangible capital assets	1,487,707	1,176,020
Amortization of deferred contributions of tangible capital assets	(1,271,018)	(774,058)
Gain on sale of property	(171,281)	-
	<u>744,773</u>	<u>1,138,786</u>
Changes in non-cash working capital items		
Accounts receivable	(203,925)	703,433
Prepaid expenses	(61,659)	(47,087)
Accounts payable and accrued liabilities	(181,645)	(2,244,376)
Deferred revenue	298,555	401,213
Related parties	42,150	-
	<u>638,249</u>	<u>(48,031)</u>
Investing activities		
Receipt of of loans receivable	15,637	70,924
Net redemption of investments	(1,183,125)	(334,916)
Purchase of tangible capital assets	(314,331)	(8,199,585)
Proceeds on sale of property	331,000	-
	<u>(1,150,819)</u>	<u>(8,463,577)</u>
Financing activities		
Issuance of long-term debt	-	11,241,780
Repayment of long-term debt	(398,969)	(11,490,476)
Increase in deferred contributions - tangible capital assets	943,698	6,238,085
	<u>544,729</u>	<u>5,989,389</u>
Net increase (decrease) in cash for the year	32,159	(2,522,219)
Cash, beginning of year	1,230,127	3,752,346
Cash, end of year	\$ 1,262,286	\$ 1,230,127

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2025

**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.

Accounting Change

During the year, the Society voluntarily changed its accounting estimate for the useful lives of both buildings recorded as tangible capital assets and deferred contributions - tangible capital assets with the underlying nature of buildings. This change in accounting estimate had the useful life of buildings extended from 20 years to 40 years, and was applied retrospectively. The Society voluntarily made this change to improve the accuracy of the useful life estimate for buildings, and in their judgement results in more reliable and relevant information.

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.

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2025

Financial Instruments (continued)

Measurement of arm's length financial instruments

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

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, 2025

**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	40 years straight-line basis
Leasehold improvements	lease term straight-line basis

Amortization in the year of acquisition is calculated at one-half of the above rates except for Buildings.

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 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.

John Howard Society of Ottawa

Summary of Significant Accounting Policies

March 31, 2025

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, 2025

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

	2025	2024
Accounts receivable	\$ 1,793,815	\$ 1,682,947
Accrued interest	70,818	65,633
Repair reserve	248,059	224,870
HST receivable	216,472	155,803
EHT receivable	312,525	308,511
	\$ 2,641,689	\$ 2,437,764

3. Related Party Transactions

The John Howard Society of Ottawa paid the John Howard Society of Ontario a total of \$2,026,765 (2024 - \$1,498,956) 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 \$637,290 (2024 - \$669,894).

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. During the year, this loan was fully repaid.

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

4. Investments

Investments consist of term deposits totaling \$3,194,259 (2024 - \$2,011,134), bearing interest 5.15% (2024 - 3.35% to 5.15%) and maturing between May 2025 (2024 - May 2025 and September 2029).

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2025

5. Tangible Capital Assets

	Cost	Accumulated Amortization	2025	2024
Land	\$ 8,649,373	\$ -	\$ 8,649,373	\$ 8,649,373
Buildings	59,377,278	7,566,158	51,811,120	53,139,598
Leasehold improvements	581,806	548,724	33,082	37,699
Office furniture and equipment	502,658	502,658	-	-
	\$ 69,111,115	\$ 8,617,540	\$ 60,493,575	\$ 61,826,670

During the year, the Society made changes to their accounting estimate related to the useful life of buildings. The impact of this change on the tangible capital assets comparative figures is outlined in Note 14.

During the year, the Society sold its building located at 282-284 Montreal Road for net proceeds of \$331,000, which at the time had a net book value of \$159,719, generating a gain on the sale of property of \$171,281.

6. Accounts Payable and Accrued Liabilities

	2025	2024
Accounts payable and accrued liabilities	\$ 628,493	\$ 1,123,327
Salaries payable	684,738	371,549
	\$ 1,313,231	\$ 1,494,876

Accounts payable and accrued liabilities include surplus repayable of \$nil (2024 - \$116,585).

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 \$592,832 (2024 - \$202,177) of deferred program funding carried forward from the previous year, and deferred \$891,387 (2024 - \$592,832) of additional program funding to be spent in future years.

John Howard Society of Ottawa

Notes to Financial Statements

March 31, 2025

8. Long-term Debt

	2025	2024
Mortgage payable on land and building, secured by the Summerville property and assignment of rents with a net book value of \$2,080,925 - fixed interest rate at 3.60% per annum, matures December 2028, payable in monthly instalments of \$1,075, principal and interest, repaid in full during the year	\$ -	\$ 56,841
Mortgage payable on land and building, secured by the Gardner property and assignment of rents with a net book value of \$5,164,145 - fixed interest rate at 3.03% per annum, matures December 2025, payable in monthly instalments of \$3,964, principal and interest	954,432	972,958
Mortgage payable on land and building, secured by the Russell Road property and assignment of rents with a net book value of \$1,261,867 - fixed interest rate at 4.93% per annum, matures December 2025, payable in monthly instalments of \$7,167, principal and interest	979,047	1,013,263
Mortgage payable on land and building, secured by the Carruthers property and assignment of rents with a net book value of \$7,482,747 - fixed interest rate at 3.25% per annum, matures December 2027, payable in monthly instalments of \$13,764, principal and interest	3,378,681	3,433,809
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 \$20,774,333 - fixed interest rate at 1.41% per annum, with monthly payments of interest only until the property reaches stabilization, matures September 2031	1,469,314	1,474,000
Mortgage payable on land and building, secured by the Carling property and assignment of rents with a net book value of \$20,774,333 - fixed interest rate at 4.75% per annum, matures March 2034, payable in monthly instalments of \$40,134, principal and interest	5,976,365	6,171,854
Mortgage payable on land and building, secured by the Carling property and assignment of rents with a net book value of \$20,774,333 - fixed interest rate at 4.75% per annum, matures March 2034, payable in monthly instalments of \$17,893, principal and interest	\$ 3,821,648	\$ 3,855,731
	16,579,487	16,978,456
Less: Current portion of long-term debt	2,258,671	345,915
	\$ 14,320,816	\$ 16,632,541

John Howard Society of Ottawa Notes to Financial Statements

March 31, 2025

8. Long-term Debt (continued)

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

2026	\$ 2,258,671
2027	394,532
2028	441,081
2029	429,231
2030	448,239
Thereafter	<u>12,607,733</u>
	<u>\$ 16,579,487</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 of the following:

	<u>2025</u>	<u>2024</u>
Buildings - opening balance	\$ 32,671,841	\$ 23,321,650
Additions	943,698	6,238,085
Amortization	(1,253,297)	(756,337)
Change in account estimate adjustment (Note 14)	-	3,868,443
	<u>32,362,242</u>	<u>32,671,841</u>
Buildings - ending balance		
Leasehold improvements - opening balance	80,923	98,644
Amortization	(17,721)	(17,721)
	<u>63,202</u>	<u>80,923</u>
Leasehold improvements - ending balance		
	<u>\$ 32,425,444</u>	<u>\$ 32,752,764</u>

Certain deferred contributions listed above as buildings contain restrictions on long-term future program delivery and certain cover payments related to mortgages payable which finance an underlying building.

During the year, the Society changes to their accounting estimate related to the useful life of buildings. The impact of this change on the deferred contributions - tangible capital assets comparative figures is outlined in Note 14.

John Howard Society of Ottawa

Notes to Financial Statements

March 31, 2025

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 \$810,636 (2024 - \$502,379).

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 supportive housing initiatives and the construction of a new administrative office. As at year end, the Society has an estimated remaining costs of \$64,549 (2024 - \$854,476) towards these projects. During the prior year, the underlying building was sufficiently completed for operational use by the Society and amortization has since been recorded.

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 2025 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.

John Howard Society of Ottawa

Notes to Financial Statements

March 31, 2025

12. Internal Restrictions - Invested in Capital Assets

	<u>2025</u>	<u>2024</u>
Capital assets	\$ 60,493,575	\$ 61,826,670
Less amounts financed by:		
Long-term debt	(16,579,487)	(16,978,456)
Deferred contribution - tangible capital assets	<u>(32,425,444)</u>	<u>(32,777,764)</u>
Balance, end of year	<u>\$ 11,488,644</u>	<u>\$ 12,070,450</u>

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, 2025. 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.

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 Society is 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 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 2024 fiscal year.

John Howard Society of Ottawa

Notes to Financial Statements

March 31, 2025

14. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do affect prior year earnings and net assets.

During the year, the Society made a change in accounting estimates, extending the useful life estimate for buildings included within tangible capital assets and deferred contributions - tangible capital assets from 20 years to 40 years, resulting in retrospective adjustments.

During the year, the Society adjusted prior period balances in order to clear out longstanding Statement of Financial Position balances that were neither rights to nor obligations of the Society.

The Society has made the following changes to figures previously reported as at March 31, 2024 and the year ended March 31, 2024:

	As previously Reported	Change in Accounting Estimates	Prior period Adjustments	As Restated
Statement of Financial Position				
Cash	\$ 1,229,053	\$ -	\$ 1,074	\$ 1,230,127
Accounts receivable	2,438,429	-	(665)	2,437,764
Tangible capital assets	55,590,352	6,236,318	-	61,826,670
Accounts payable and accrued liabilities	1,614,975	-	(120,099)	1,494,876
Deferred contribution - operations	603,390	-	(10,558)	592,832
Deferred contribution - tangible capital assets	28,277,620	4,500,144	(25,000)	32,752,764
Statement of operations				
United Way funding	178,425	-	12,000	190,425
Amortization of deferred contributions - tangible capital assets	1,380,759	(631,701)	25,000	774,058
Amortization of tangible capital assets	2,448,141	(1,272,121)	-	1,176,020

John Howard Society of Ottawa

Supplementary Information

For the year ended March 31

2025

2024

	Administration	Main Building	Setting the Standard	Clinical	Youth Justice Services	Adult Housing	Adult Justice Services	Employment and Training	Inter-Program Revenue/ Expenses	Total	Total
Revenues											
Federal funding	\$ -	\$ -	\$ -	\$ -	\$ 644,402	\$ 4,695,038	\$ 279,680	\$ 29,634	\$ -	\$ 5,648,754	\$ 5,339,516
Provincial funding	-	-	-	-	2,592,231	596,874	1,346,658	1,782,371	-	6,318,134	6,220,074
Municipal funding	-	-	-	-	2,276,918	2,331,387	899,166	-	-	5,507,471	5,245,023
United Way of Ottawa	-	-	-	-	60,000	-	48,000	44,812	-	152,812	190,425
Rental income	-	347,396	-	-	350,781	719,735	-	2,452	-	1,420,364	1,082,974
Fundraising, donations and memberships	19,540	5,000	-	-	4,072	-	20,358	-	-	48,970	16,161
Other contributions	100,568	-	47,641	-	92,651	278,772	185,568	206,203	-	911,403	662,013
Administration	1,706,528	-	-	381,660	-	-	-	-	(2,088,188)	-	-
	1,826,636	352,396	47,641	381,660	6,021,055	8,621,806	2,779,430	2,065,472	(2,088,188)	20,007,908	18,756,186
Expenses											
Salaries and employee benefits	1,159,565	-	41,315	279,891	4,132,456	4,809,255	2,040,355	1,502,705	(381,660)	13,583,882	11,779,920
Operating	370,610	241,312	4,401	36,187	1,297,988	2,116,743	445,006	387,442	-	4,899,689	4,893,344
Administration	93,018	-	2,322	-	532,041	743,529	254,329	175,325	(1,706,528)	94,036	252,899
Interest on long-term debt	-	425,025	-	-	2,466	258,037	-	-	-	685,528	691,237
	1,623,193	666,337	48,038	316,078	5,964,951	7,927,564	2,739,690	2,065,472	(2,088,188)	19,263,135	17,617,400
	203,443	(313,941)	(397)	65,582	56,104	694,242	39,740	-	-	744,773	1,138,786
Gain on sale of property	-	-	-	-	171,281	-	-	-	-	171,281	-
Excess (deficiency) of revenue over expenses before tangible assets	203,443	(313,941)	(397)	65,582	227,385	694,242	39,740	-	-	916,054	1,138,786
Amortization of deferred contributions - tangible capital assets	-	-	-	-	544,744	715,247	-	11,027	-	1,271,018	774,058
Amortization of tangible capital assets	-	-	-	-	(566,153)	(916,937)	-	(4,617)	-	(1,487,707)	(1,176,020)
	-	-	-	-	(21,409)	(201,690)	-	6,410	-	216,689	(401,962)
Excess (deficiency) of revenue over expenses	\$ 203,443	\$ (313,941)	\$ (397)	\$ 65,582	\$ 205,976	\$ 492,552	\$ 39,740	\$ 6,410	\$ -	\$ 699,365	\$ 736,824

John Howard Society of Ottawa

Youth Justice Services - Supplementary Information

For the year ended March 31

2025 2024

	Lisgar Residence	Non- Residential Attendance Centre	Young Women's Residence	Young Men's Residence	Time 4 Change	Choices and Youth Diversion	On Point GIIP	Youth Buildings	Project ReSet	Montreal Partnership Program	Justice Critical Intervention	Transition Home	Total	Total
Revenues														
Federal funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 537,117	\$ -	\$ 107,285	\$ -	\$ 644,402	\$ 700,536
Provincial funding	-	390,512	-	379,563	-	-	127,689	5,077	-	-	-	1,689,390	2,592,231	2,468,462
Municipal funding	902,085	-	689,587	114,928	334,109	9,736	-	226,473	-	-	-	-	2,276,918	1,862,300
United Way of Ottawa	-	-	30,000	30,000	-	-	-	-	-	-	-	-	60,000	60,000
Rental income	168,567	-	47,524	84,352	-	-	-	-	-	-	-	50,338	350,781	178,836
Fundraising, donations and memberships	-	-	2,072	-	-	2,000	-	-	-	-	-	-	4,072	2,000
Other contributions	10,890	-	50,000	-	-	-	-	-	2,536	25,744	-	3,481	92,651	28,907
	1,081,542	390,512	819,183	608,843	334,109	11,736	127,689	231,550	539,653	25,744	107,285	1,743,209	6,021,055	5,301,041
Expenses														
Salaries and employee benefits	770,522	291,413	476,619	422,874	219,598	7,481	97,668	5,466	336,923	21,885	65,538	1,416,469	4,132,456	3,379,336
Operating	260,455	66,226	234,477	151,037	85,875	4,255	19,930	50,273	132,510	3,859	33,122	255,969	1,297,988	1,214,788
Administration	112,632	32,873	50,190	34,932	28,636	-	10,091	61,428	70,220	-	8,625	122,414	532,041	484,381
Interest on long-term debt	-	-	2,466	-	-	-	-	-	-	-	-	-	2,466	3,698
	1,143,609	390,512	763,752	608,843	334,109	11,736	127,689	117,167	539,653	25,744	107,285	1,794,852	5,964,951	5,082,203
	(62,067)	-	55,431	-	-	-	-	114,383	-	-	-	(51,643)	56,104	218,838
Gain on sale of property	-	-	-	-	-	-	-	171,281	-	-	-	-	171,281	-
Excess (deficiency) of revenues over expenses before tangible assets	(62,067)	-	55,431	-	-	-	-	285,664	-	-	-	(51,643)	227,385	218,838
Amortizations of deferred contributions - tangible capital assets	375,731	-	62,451	53,418	-	-	-	-	-	-	-	53,144	544,744	261,633
Amortization of tangible capital assets	(389,784)	(1,781)	(63,036)	(56,101)	-	-	-	-	-	-	-	(55,451)	(566,153)	(246,118)
	(14,053)	(1,781)	(585)	(2,683)	-	-	-	-	-	-	-	(2,307)	(21,409)	15,515
Excess (deficiency) of revenues over expenses	\$ (76,120)	\$ (1,781)	\$ 54,846	\$ (2,683)	\$ -	\$ -	\$ -	\$ 285,664	\$ -	\$ -	\$ -	\$ (53,950)	\$ 205,976	\$ 234,353

John Howard Society of Ottawa

Adult Housing - Supplementary Information

For the year ended March 31

2025 2024

	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	\$ 1,154,700	\$ 1,741,562	\$ 726,429	\$ -	\$ 70,061	\$ -	\$ 1,002,286	\$ -	\$ -	\$ -	\$ 4,695,038	\$ 4,357,274
Provincial funding	-	-	-	208,000	-	-	-	388,874	-	-	596,874	551,448
Municipal funding	-	-	-	-	-	753,669	-	-	714,477	863,241	2,331,387	2,586,404
United Way of Ottawa	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	62,847	-	187,983	-	29,460	200,280	239,165	719,735	708,048
Fundraising, donations and memberships	-	-	-	-	-	-	-	-	-	-	-	150
Other contributions	-	62,050	-	31,454	-	28,136	-	100,002	33,533	23,597	278,772	203,320
	1,154,700	1,803,612	726,429	302,301	70,061	969,788	1,002,286	518,336	948,290	1,126,003	8,621,806	8,406,644
Expenses												
Salaries and employee benefits	602,943	800,923	439,661	158,585	61,583	547,148	512,058	340,693	578,816	766,845	4,809,255	4,462,123
Operating	257,405	313,500	133,796	104,481	3,842	418,254	190,663	82,306	364,128	248,368	2,116,743	1,848,469
Administration	102,312	147,758	55,719	36,411	7,092	91,909	74,076	45,517	76,168	106,567	743,529	701,195
Interest on long-term debt	-	-	-	-	-	29,042	36,192	20,358	110,040	62,405	258,037	546,481
	962,660	1,262,181	629,176	299,477	72,517	1,086,353	812,989	488,874	1,129,152	1,184,185	7,927,564	7,558,268
Excess (deficiency) of revenues over expenses before capital grants and before capital grants and depreciation	192,040	541,431	97,253	2,824	(2,456)	(116,565)	189,297	29,462	(180,862)	(58,182)	694,242	848,376
Amortization of deferred contributions - tangible capital assets	-	27,828	-	3,347	-	123,750	-	-	103,243	457,079	715,247	501,398
Amortization of tangible capital assets	-	(46,707)	-	(4,424)	-	(149,981)	(12,813)	(9,168)	(197,804)	(496,040)	(916,937)	(915,669)
	-	(18,879)	-	(1,077)	-	(26,231)	(12,813)	(9,168)	(94,561)	(38,961)	(201,690)	(414,271)
Excess (deficiency) of revenues over expenses	\$ 192,040	\$ 522,552	\$ 97,253	\$ 1,747	\$ (2,456)	\$ (142,796)	\$ 176,484	\$ 20,294	\$ (275,423)	\$ (97,143)	\$ 492,552	\$ 434,105

John Howard Society of Ottawa

Adult Justice Services - Supplementary Information

For the year ended March 31

2025 2024

	OCDC In-reach	Community Justice	Housing Links	Crisis and Re- integration Services	Rooming House	Bail Verification and Supervision	Justice HCBM	Mental Health Bail	Pembroke Bail	Rural Bail	CBSA Bail	Record Suspension	Total	Total
Revenues														
Federal funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,680	\$ 279,680	\$ 281,706
Provincial funding	66,032	26,000	-	-	-	913,502	-	136,705	81,700	122,719	-	-	1,346,658	1,088,420
Municipal funding	-	-	145,982	-	92,305	-	660,879	-	-	-	-	-	899,166	796,319
United Way of Ottawa	-	-	-	48,000	-	-	-	-	-	-	-	-	48,000	48,000
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising, donations and memberships	-	-	-	20,358	-	-	-	-	-	-	-	-	20,358	1,500
Other contributions	-	-	-	27,498	-	-	-	63,371	-	-	94,699	-	185,568	90,955
	66,032	26,000	145,982	95,856	92,305	913,502	660,879	200,076	81,700	122,719	94,699	279,680	2,779,430	2,306,900
Expenses														
Salaries and employee benefits	57,117	21,708	116,572	31,370	76,960	707,462	427,093	184,953	69,255	110,769	66,725	170,371	2,040,355	1,695,056
Operating	3,478	3,068	17,523	12,735	10,176	116,899	187,539	5,193	5,403	2,163	8,000	72,829	445,006	305,680
Administration	6,003	2,359	13,271	5,273	8,391	95,071	48,289	12,427	7,427	11,156	8,182	36,480	254,329	284,452
	66,598	27,135	147,366	49,378	95,527	919,432	662,921	202,573	82,085	124,088	82,907	279,680	2,739,690	2,285,188
Excess (deficiency) of revenue over expenses	\$ (566)	\$ (1,135)	\$ (1,384)	\$ 46,478	\$ (3,222)	\$ (5,930)	\$ (2,042)	\$ (2,497)	\$ (385)	\$ (1,369)	\$ 11,792	\$ -	\$ 39,740	\$ 21,712

John Howard Society of Ottawa

Employment and Training - Supplementary Information

For the year ended March 31

2025

2024

	Employment Ontario	Corrections Literacy	Supportive Employment & Training	Total	Total
Revenues					
Federal funding	\$ -	\$ -	\$ 29,634	\$ 29,634	\$ -
Provincial funding	1,349,549	432,822	-	1,782,371	2,111,744
Municipal funding	-	-	-	-	-
United Way of Ottawa	-	-	44,812	44,812	82,425
Rental income	2,452	-	-	2,452	7,500
Fundraising, donations and memberships	-	-	-	-	4,750
Other contributions	17,504	-	188,699	206,203	165,220
	1,369,505	432,822	263,145	2,065,472	2,371,639
Expenses					
Salaries and employee benefits	929,773	376,554	196,378	1,502,705	1,329,867
Operating	323,664	22,693	41,085	387,442	867,700
Administration	116,068	33,575	25,682	175,325	196,814
	1,369,505	432,822	263,145	2,065,472	2,394,381
Excess (deficiency) of revenues over expenses before capital grants and depreciation	-	-	-	-	(22,742)
Amortization of deferred contributions - tangible capital assets	11,027	-	-	11,027	11,027
Amortization of tangible capital assets	(4,617)	-	-	(4,617)	(14,232)
	6,410	-	-	6,410	(3,205)
Excess (deficiency) of revenues over expenses	\$ 6,410	\$ -	\$ -	\$ 6,410	\$ (25,947)