



JOHN HOWARD SOCIETY OF ONTARIO

FINANCIAL STATEMENTS

DECEMBER 31, 2018

JOHN HOWARD SOCIETY OF ONTARIO

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INDEPENDENT AUDITOR'S REPORT

To the Members of John Howard Society of Ontario

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of John Howard Society of Ontario, which comprise the statement of financial position, 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 and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of John Howard Society of Ontario as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, John Howard Society of Ontario derives revenues from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue from fundraising. Our audit opinion was modified accordingly because of the possible effects of this scope limitation.

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

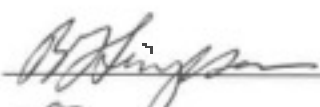

March 30, 2019

Sloan Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

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**JOHN HOWARD SOCIETY OF ONTARIO
STATEMENT OF FINANCIAL POSITION**

As at December 31	2018	2017
ASSETS		
Current		
Cash	\$ 257,455	\$ 102,493
Short-term investments (note 4)	179,005	187,895
Accounts receivable	252,757	234,826
HST receivable	12,096	17,878
Prepaid expenses and other current assets	14,003	8,234
Due from affiliates (note 2)	320,502	358,000
	1,035,818	909,326
Capital assets (note 3)	2,271,345	2,332,940
	\$ 3,307,163	\$ 3,242,266
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 97,626	\$ 104,713
Current portion of long-term debt (note 7)	396,422	453,336
Deferred revenue	199,576	30,487
Affiliate benefit deposits held	233,493	233,493
	927,117	822,029
Due to affiliates (note 2)	286,594	342,788
Long-term debt (note 7)	399,854	377,306
Deferred Capital Contributions (note 8)	191,633	164,250
Deferred contributions (note 9)	14,486	16,186
	1,819,684	1,722,859
NET ASSETS		
Unrestricted	415,637	449,147
Invested in capital assets (note 10)	996,842	995,260
Internally restricted (note 11)	75,000	75,000
	1,487,479	1,519,407
Approved by:	\$ 3,307,163	\$ 3,242,266
Director: 		
Director: 		

See accompanying notes to the financial statements

**JOHN HOWARD SOCIETY OF ONTARIO
STATEMENT OF OPERATIONS**

Year ended December 31	2018	2017
REVENUE		
Affiliate contributions	\$ 544,345	\$ 487,023
Miscellaneous (note 12)	578,210	463,920
John Howard Society of Canada - National Grant	716,852	121,849
Fundraising	71,389	111,196
Investment	14,922	12,010
Cost recovery (note 13)	14,473	15,656
Conference registration fees	-	130,915
Amortization of deferred capital contribution	11,047	9,125
	<u>1,351,238</u>	<u>1,351,694</u>
EXPENSES		
Salaries and benefits	769,507	795,004
Travel and meeting (note 13)	171,445	89,039
Purchased services	53,244	45,418
Fundraising	52,003	56,256
Affiliate direct services	47,307	47,307
Interest on long-term debt	46,129	50,035
Office and postage	43,002	51,131
Professional fees	37,154	26,790
Building occupancy	23,225	21,620
Skills development	9,298	14,509
JHSO conference	-	119,837
Insurance	6,925	7,587
	<u>1,259,239</u>	<u>1,324,533</u>
REVENUE OVER EXPENSES BEFORE THE UNDERNOTED	91,999	27,161
Unrealized gain on investment	(12,763)	7,327
Amortization of capital assets (note 3)	(117,164)	(105,630)
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (31,928)	\$ (71,142)

**JOHN HOWARD SOCIETY OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS**

Year ended December 31, 2018

	Internally restricted				Total
	Unrestricted	Invested in capital assets (note 10)	Capital Reserve (note 11)	Operating Reserve (note 11)	
Net assets, beginning of the year	\$ 449,147	\$ 995,260	\$ 50,000	\$ 25,000	\$1,519,407
Excess of revenue over expenses (expenses over revenue)	68,189	(100,117)	-	-	(31,928)
Internally financed					
investment in capital assets	(11,139)	11,139	-	-	-
Payment of debt related to investment in capital assets	(90,560)	90,560	-	-	-
Net assets, end of the year	\$ 415,637	\$ 996,842	\$ 50,000	\$ 25,000	\$1,487,479

Year ended December 31, 2017

	Internally restricted				Total
	Unrestricted	Invested in capital assets (note 10)	Capital Reserve (note 11)	Operating Reserve (note 11)	
Net assets, beginning of the year	\$ 554,357	\$ 961,192	\$ 50,000	\$ 25,000	\$1,590,549
Excess of revenue over expenses (expenses over revenue)	25,363	(96,505)	-	-	(71,142)
Internally financed					
investment in capital assets	(40,456)	40,456	-	-	-
Payment of debt related to investment in capital assets	(90,117)	90,117	-	-	-
Net assets, end of the year	\$ 449,147	\$ 995,260	\$ 50,000	\$ 25,000	\$1,519,407

JOHN HOWARD SOCIETY OF ONTARIO
STATEMENT OF CASH FLOWS

Year ending December 31	2018	2017
CASH PROVIDED BY (USED IN) THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of expenses over revenue	\$ (31,928)	\$ (71,142)
Items not affecting cash:		
Amortization of capital assets (note 3)	111,164	105,630
Amortization of deferred capital contributions	(11,047)	(9,125)
Unrealized loss (gain) on investments	12,763	(7,327)
Changes in deferred contributions (note 9)	(2,000)	(1,000)
Changes in non-cash working capital:		
Accounts receivable	(17,931)	(86,057)
HST receivable	5,782	53,453
Prepaid expenses and other current assets	(5,769)	12,202
Accounts payable and accrued liabilities	(7,087)	11,512
Deferred revenue	169,089	27,687
Deferred capital contributions	38,430	-
	<u>261,466</u>	<u>35,833</u>
INVESTING		
Net change in short-term investments	(3,873)	(2,235)
Due from affiliates	(18,696)	(57,212)
Purchase of capital assets (note 3)	(49,569)	(40,456)
	<u>(72,138)</u>	<u>(99,903)</u>
FINANCING		
Repayment of long-term debt	(34,365)	(32,515)
	<u>154,962</u>	<u>(96,975)</u>
NET INCREASE (DECREASE) IN CASH	154,962	(96,975)
CASH, beginning of the year	<u>102,493</u>	<u>199,468</u>
CASH, end of the year	<u>\$ 257,455</u>	<u>\$ 102,493</u>

JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

PURPOSE AND NATURE OF THE ORGANIZATION

The John Howard Society of Ontario (the "JHSO") and its 19 affiliates provide direct services to individuals, families, and groups at all stages in the youth and criminal justice system from prevention education in public schools to post-institutional counselling for persons released from prison.

The JHSO is also involved in reform of the justice system through justice policy analysis and submission of briefs to various levels of government. As well, the Society provides community education conferences and presentations on critical issues in the justice system.

The JHSO, through its Centre of Research, Policy and Program Development, engages in research and program development initiatives to reflect and further the JHSO's mission.

The mandate of the JHSO is effective, just, and humane responses to crime and its causes.

The JHSO is a registered charity and therefore exempt from income taxes under the Income Tax Act (Canada), provided certain disbursement quotas are met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policy selection

The organization believes that the deferral method is preferable for them as it presents information in a manner that is more easily understood by most users of the financial statements. The deferral method results in less volatility in revenue and resultant surpluses and deficits by closely synchronizing the recognition of revenue and related expenses. This is also the method favoured by other organizations within the Society's sector, thereby making the financial statements more comparable overall.

Basis of Presentation

These financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below. These financial statements include only the assets, liabilities, revenue, and expenses relating to the organization which operated as John Howard Society of Ontario Provincial Office. They do not include the revenue, expenses, assets, or liabilities of the individual branches/affiliates of the JHSO.

**JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At December 31, 2018, the JHSO had 19 incorporated affiliates: Belleville, Durham, Hamilton-Burlington and area, Kawartha Lakes-Haliburton, Kingston, London, Niagara, Ottawa, Peel-Halton-Dufferin, Peterborough, Simcoe-Lambton, Sault Ste. Marie, Simcoe-Muskoka, Sudbury, Thunder Bay, Toronto, Waterloo-Wellington, Windsor-Essex, and York Region. Separate financial statements are prepared for each of the affiliates.

Capital Assets

Capital assets acquired and constructed by the JHSO are recorded at cost. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	<u>Rate</u>	<u>Method</u>
Building	20 years	Straight-line
Computer equipment	3 years	Straight-line
Furniture and equipment	5 years	Straight-line

Revenue Recognition

The JHSO follows the deferral method of accounting for contributions, which includes donations and government grants. 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. Contributions externally restricted are recognized as revenue in the year in which the related expenses are recognized. Externally restricted contributions for amortizable capital assets are deferred and amortized over the lives of the related capital assets.

Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The JHSO has elected to carry its bonds, mutual funds, and fixed income securities at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

**JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial carrying value.

Contributed services and materials

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services and materials are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

**JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. DUE FROM (TO) AFFILIATES

Included in the balance of due from affiliates are advances made to JHS Simcoe/Muskoka, JHS Belleville, and JHS Toronto, as well as an amount owing to JHS Ottawa.

The advance of \$8,000 to JHS Belleville does not have fixed repayment terms. This balance is included in the current portion of the due from affiliates balance.

The advance of \$312,502 to JHS Toronto has an initial term of five years at 3% interest per annum and is renewable for a further term of five years at an interest rate to be agreed upon. The advance is due on demand and therefore this balance is included in the current portion of the due from affiliates balance.

The advances to JHS Belleville are unsecured and non-interest bearing. The advances to JHS Toronto are secured by a mortgage on 1669 Eglinton Avenue West.

The advance of \$400,000 from JHS Ottawa had an initial term of 5 years at 4% interest per annum. During 2018, principal payments of \$56,194 (2017-\$57,212) were made on this advance.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 Net Book Value	2017 Net Book Value
Land	\$ 578,000	\$ -	\$ 578,000	\$ 578,000
Building	1,965,769	289,832	1,675,937	1,736,085
Computer equipment	31,069	19,612	11,457	11,756
Furniture and equipment	12,596	6,645	5,951	7,099
	\$ 2,587,434	\$ 316,089	\$ 2,271,345	\$ 2,332,940

**JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. CAPITAL ASSETS (CONTINUED)

The change in net book value of capital assets is due to the following:

	2018	2017
Balance, beginning of year	\$ 2,332,940	\$ 2,398,114
Purchase of capital assets internally financed (note 10)	11,139	40,456
Purchase of capital assets funded by deferred capital contributions (note 8)	38,430	-
Less amortization of capital assets (note 10)	(111,164)	(105,630)
Balance, end of year	\$ 2,271,345	\$ 2,332,940

4. SHORT-TERM INVESTMENTS

The JHSO invests in high interest savings accounts, equity instruments, and mutual funds. Short-term investments are comprised of the following:

	2018	2017
Equities	\$ 179,005	\$ 187,895

The JHSO holds securities which are subject to market risk, and interest rate risk. These risks will also impact future cash flow streams, including dividends, gains and losses, and interest income.

The value of equities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within specific governments and corporations which issue the securities.

The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

The JHSO does not enter into any derivative instrument arrangements for hedging or speculative purposes.

5. BANK OVERDRAFT

The JHSO has a line of credit with the Royal Bank of Canada, due on demand, with a limit of \$250,000 bearing interest at bank prime plus 1.25% per annum and is secured by a general security agreement. As at December 31, 2018, the JHSO has drawn \$nil (2017 - \$nil) of the total line of credit available.

**JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at December 31, 2018, there are no government remittances payable outstanding (2017 - \$nil).

7. LONG-TERM DEBT

	2018	2017
Royal Bank of Canada term loan, payable in monthly blended principal and interest payments of \$3,291 bearing interest at 4.88% per annum. Loan matures December 11, 2023 and is secured by a general security agreement and a mortgage on 342 Queen Street East. The credit facility agreement also requires the JHSO to comply with certain financial covenants.	\$ 419,315	\$ 438,473
Royal Bank of Canada term loan, payable in monthly blended principal and interest payments of \$2,451 bearing interest at 3.71% per annum. Loan matures June 2, 2019 and is secured by a general security agreement and a mortgage on 342 Queen Street East. The credit facility agreement also requires the JHSO to comply with certain financial covenants.	376,961	392,169
Total long-term debt	796,276	830,642
Less: Current portion	396,422	453,336
Long-term portion	\$ 399,854	\$ 377,306

Future minimum annual principal payments are as follows:

2019	\$ 396,422
2020	20,432
2021	21,452
2022	22,522
2023	335,448
	\$ 796,276

**JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represents the unamortized and unspent amounts of grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations over the useful lives of the capital assets. The changes in the deferred capital contributions balance for the year are as follows:

	2018	2017
Balance, beginning of year	\$ 164,250	\$ 173,375
Contributions received	38,430	-
Amortization of deferred capital contributions	(11,047)	(9,125)
	\$ 191,633	\$ 164,250

The balance of deferred capital contributions consists of the following:

	2018	2017
Unamortized deferred capital contributions used to purchase capital assets (note 10)	\$ 191,633	\$ 164,250

9. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and donations.

	2018	2017
Balance, beginning of year	\$ 16,486	\$ 16,486
Scholarships	(2,000)	-
	\$ 14,486	\$ 16,486

The balance of deferred contributions consists of the following:

	2018	2017
MacFarlane Scholarship	\$ 14,486	\$ 16,486

Earnings generated from the MacFarlane Scholarship funds are used to provide the first year's tuition for a student undertaking any Master of Social Work program.

**JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

10. INVESTED IN CAPITAL ASSETS

Investment in capital assets, which represents the unamortized value of capital assets funded using internal unrestricted resources, net of outstanding debt, is calculated as follows:

	<u>2018</u>	<u>2017</u>
Capital assets, net (note 3)	\$ 2,271,345	\$ 2,332,940
Less due to affiliates (note 2)	(286,594)	(342,788)
Less long-term debt (note 7)	(796,276)	(830,642)
Less unamortized deferred capital contributions used to purchase capital assets (note 8)	(191,633)	(164,250)
	<u>\$ 996,842</u>	<u>\$ 995,260</u>

The net change in net assets invested in capital assets is calculated as follows:

	<u>2018</u>	<u>2017</u>
Purchase of capital assets internally financed (note 3)	\$ 11,139	\$ 40,456
Repayment of long-term debt principal	90,560	90,117
	<u>101,699</u>	<u>130,573</u>
Less amortization of capital assets (note 3)	(111,164)	(105,630)
Amortization of deferred capital contributions	11,047	9,125
	<u>\$ 1,582</u>	<u>\$ 34,068</u>

**JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

11. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are funds set aside that reflect the application of the Board of Directors policy as follows:

	2018	2017
Capital Reserve	\$ 50,000	\$ 50,000
Operating Reserve	25,000	25,000
	\$ 75,000	\$ 75,000

The capital reserve represents funds internally restricted to be used for the purpose of paying for the major repairs and replacements of the building.

The operating reserve represents funds internally restricted to be maintained as a fiscally prudent operating reserve to provide funds for continuity of operations and operational contingencies.

The Board of Directors has determined that the Benefaction Fund and L.W. Skey Fund have fulfilled their purpose and are no longer necessary. The funds have been transferred to unrestricted net assets.

The Trillium Stabilization Fund was designated for major capital expenditures. A building was purchased with the funds and it has fulfilled its purpose.

Expenditures from these internally restricted net assets require Board approval.

12. MISCELLANEOUS

	2018	2017
Pension plan administration cost recovery	\$ 159,511	\$ 187,426
Research	329,730	216,165
Ontario Ministry of Housing	51,922	-
Property tax rebate	-	27,623
Other	37,047	32,706
	\$ 578,210	\$ 463,920

13. TRAVEL AND MEETINGS EXPENSES

Included in travel and meetings expenses are 514,473 (2017 - 515,656) worth of costs for accommodation, travel, and food which have been recovered from the affiliates and pension committee.

JOHN HOWARD SOCIETY OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

14. PENSION PLAN

The JHSO has one pension plan with defined benefit plan and defined contribution plan components. The majority of the employees are in the defined contribution plan, which is funded directly by the affiliate offices for their qualifying employees. The employees are required to contribute to the defined contribution component of the pension plan. The defined benefit plan is funded by the affiliate and branch offices for their qualifying employees through the JHSO. The JHSO follows defined contribution accounting for its portion of both plan components. The employer portion of pension contribution for the year was \$38,940 (2017 - \$43,398).

15. BREAK-OPEN TICKET LOTTERIES

The JHSO was licensed by the Alcohol and Gaming Commission of the Province of Ontario, license numbers 4029 and 8153 to engage in break-open ticket lotteries during the year. The following is a summary of the financial details related to the lotteries:

	BN 1	BN 14	BN 26	Total
Number of boxes undistributed as at January 1, 2018	11	3	-	14
Number of boxes ordered	33	5	-	38
Number of boxes available for sale	44	8	-	52
Number of boxes distributed	32	6	-	38
Number of undistributed boxes at year end	12	2	-	14
Number of boxes available for sale in the year	44	8	-	52
Disbursed proceeds to the charity	\$ 24,657	\$ -	\$ -	\$ 24,657
Expenses other than license fees	9,311	7,694	-	17,005
License fees	3,577	2,395	-	5,972
Cash as at December 31, 2018	55,823	-	-	55,823
Gross proceeds	53,760	44,520	-	98,280

16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial instruments approximate their carrying values unless otherwise noted.