John Howard Society of York Region
Financial Statements
For the Year Ended March 31, 2026

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Independent Auditor's Report

To the Board of Directors of John Howard Society of York Region

Qualified Opinion

We have audited the accompanying financial statements of John Howard Society of York Region ("the Organization"), which comprise the statement of financial position as at March 31, 2026, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of John Howard Society of York Region as at March 31, 2026, and its results of operations and 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 charitable organizations, the Organization derives revenue from fundraising and donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1, 2025 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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 opinion.

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

Management is responsible for the preparation and fair presentation of the 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
July 13, 2026

John Howard Society of York Region
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash	$ 1,233,138	$ 285,502
Short term investments (Note 2)	-	617,064
Accounts receivable	468,313	309,511
Prepaid expenses	19,981	13,382
	1,721,432	1,225,459
Tangible capital assets (Note 3)	2,078,261	2,152,027
	$ 3,799,693	$ 3,377,486
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	$ 616,876	$ 464,602
Deferred grants (Note 5)	384,040	76,337
Current portion of mortgage payable (Note 4)	31,763	30,200
	1,032,679	571,139
Mortgage payable (Note 4)	1,405,373	1,437,351
	2,438,052	2,008,490
Net Assets		
Invested in capital assets (Note 7)	641,125	-
Internally restricted (Note 6)	527,476	1,015,143
Unrestricted	193,040	353,853
	1,361,641	1,368,996
	$ 3,799,693	$ 3,377,486

On behalf of the Board:

_______________ Director

Gaurav Bansal _______________ Director

The accompanying notes are an integral part of these financial statements.

John Howard Society of York Region
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On behalf of the Board:

____________________ Director   ____________________ Director

The accompanying notes are an integral part of these financial statements.

John Howard Society of York Region
Statement of Changes in Net Assets

Year ended March 31	Invested in Capital Assets	Internally Restricted	Unrestricted	2026 Total	2025 Total
Balance, beginning of the year	$ -	$ 1,015,143	$ 353,853	$ 1,368,996	$ 1,220,539
Excess (deficiency) of revenue over expenses	(86,809)	-	79,454	(7,355)	148,457
Purchase of land and building less debt acquired	684,476	(487,667)	(196,809)	-	-
Payment of debt related to investment in capital assets	30,415	-	(30,415)	-	-
Purchase of capital assets internally financed	13,043	-	(13,043)	-	-
Balance, end of the year	$ 641,125	$ 527,476	$ 193,040	$ 1,361,641	$ 1,368,996

The accompanying notes are an integral part of these financial statements.

John Howard Society of York Region
Statement of Operations

Year ended March 31	2026	2025
Revenue		
Ministry of the Attorney General	**$ 964,158**	$ 870,767
The Regional Municipality of York	**632,140**	530,775
United Way Greater Toronto	**426,372**	443,584
Health Canada	**309,234**	21,692
The Minister of Justice and Attorney General of Canada	**214,910**	136,252
Department of Women and Gender Equality Canada	**125,000**	344,419
Law Foundation of Ontario	**100,000**	-
Miscellaneous	**88,908**	172,483
Ontario General Solicitor	**78,002**	156,004
Ontario Lottery Gaming Corporation	**68,200**	93,992
Donations	**65,122**	79,856
Ontario Trillium Foundation	**60,618**	182,916
	3,132,664	3,032,740
Expenses		
Amortization of tangible capital assets	**86,809**	11,919
Office and general	**131,640**	38,745
Program expenses	**319,679**	249,255
Purchased services	**172,041**	126,274
Rent and occupancy	**-**	96,388
Salaries and benefits	**2,401,089**	2,297,864
Staff development, training and travel	**11,800**	39,537
Telephone and internet	**16,961**	24,301
	3,140,019	2,884,283
Excess (deficiency) of revenue over expenses	**$ (7,355)**	$ 148,457

The accompanying notes are an integral part of these financial statements.

John Howard Society of York Region
Statement of Cash Flows

Year ended March 31	2026	2025
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	**$ (7,355)**	$ 148,457
Amortization of tangible capital assets	**86,809**	11,919
	79,454	160,376
Changes in non-cash working capital:		
Accounts receivable	**(158,802)**	(100,710)
Prepaid expenses	**(6,599)**	12,420
Accounts payable and accrued liabilities	**152,274**	16,955
Deferred grants	**307,703**	(79,993)
	374,030	9,048
Cash flows from investing activities		
Purchase of tangible capital assets	**(13,043)**	(2,163,946)
Decrease in short-term investments	**617,064**	467,833
Proceeds from mortgage payable	**-**	1,470,000
Repayment of mortgage payable	**(30,415)**	(2,449)
	573,606	(228,562)
Net increase (decrease) in cash	**947,636**	(219,514)
Cash, beginning of the year	**285,502**	505,016
Cash, end of the year	**$ 1,233,138**	$ 285,502

The accompanying notes are an integral part of these financial statements.

1. Significant Accounting Policies

Nature and Purpose of Organization

The John Howard Society of York Region (the "Organization") was incorporated as a non-profit organization under the laws of the Province of Ontario in 2010 for the purpose of supporting new beginnings by providing services for the effective integration into the community of those in conflict with the law.

The Organization is registered as a charitable organization under the Income Tax Act (Canada), and, as such, is exempt from income taxes.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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 received for capital items are deferred and recognized as revenue over the estimated useful life of the assets.

Restricted net investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted net investment income is recognized as revenue when earned.

Revenue from fees and other contracts are recognized when the services are provided and collection is reasonably assured.

1. Significant Accounting Policies (continued)

Tangible Capital Assets

Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Contributed tangible capital assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	**Rate**
Furniture and fixtures	Straight-line	5 years
Building	Straight-line	20 years

When a tangible capital asset no longer contributes to an Organization's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

1. Significant Accounting Policies (continued)

Internally Restricted Net Assets

The internally restricted net assets represents various reserves internally restricted by the board of directors for the following purposes:

Emergency operational reserve represents funds held in consideration of an unforeseeable event which results in additional expenses or loss of revenues.

General operating reserve represents funds which may be used in the event of unforeseen expenses.

Computer and network system reserve represents funds held for hardware and software upgrades related to the computer infrastructure.

Legal reserve represents funds held to cover costs of potential legal claims or defense arising from human resources, general, corporate or board legal claims.

Board of directors reserve represents funds held to cover the deductible amount of any insurance claim.

Building and facilities reserve represents funds held for the purpose of future building funds, for either new construction, purchase, renovation or operational costs.

Contributed Services

This Organization, in common with many not-for-profit organizations, makes extensive use of volunteers and donated materials in conducting its activities. Donated materials are recorded at the fair market value if it can be reasonably determined and a receipt has been issued, but no attempt has been made to quantify the value of volunteer services in these financial statements.

1. Significant Accounting Policies (continued)

Financial Instruments

Financial instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and capitalized and amortized over the expected life of the instrument using the straight line method for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

The Organization's financial instruments comprise of cash and short-term investments which are recorded at fair value and accounts receivable, and accounts payable and accrued liabilities which are recorded at amortized cost.

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 revenues and expenses during the year. The principal estimates used in the preparation of these financial statements include allowance for doubtful accounts, useful life of tangible capital assets, and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Short Term Investments

The carrying amounts of short term investments are comprised of the following:

	2026	2025
Guaranteed Investment Certificate, interest rate at 2.95%, matured December, 2025	**$ -**	$ 98,713
Guaranteed Investment Certificate, interest rate at 3.00%, matured December, 2025	**-**	494,562
Guaranteed Investment Certificate, interest rate at 5.00%, matured May, 2025	**-**	20,000
Accrued interest	**-**	3,789
	$ -	$ 617,064

3. Tangible Capital Assets

	2026		2025	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 470,801**	**$ -**	$ 470,801	$ -
Furniture and fixtures	**7,543**	**1,612**	7,543	103
Building	**1,689,396**	**96,191**	1,685,602	11,816
Office equipment	**9,249**	**925**	-	-
	$ 2,176,989	**$ 98,728**	$ 2,163,946	$ 11,919
		$ 2,078,261		$ 2,152,027

4. Mortgage Payable

	2026	2025
Mortgage payable, fixed rate of 5.056%, secured by land and building with a carrying value of $2,064,006 (2025 - $2,144,587) repayable in blended principal and interest payments of $8,642, maturing in February, 2030	**$ 1,437,136**	$ 1,467,551
Less: current portion	**31,763**	30,200
	$ 1,405,373	$ 1,437,351

Interest expense of $73,291 (2025 - $6,194) is included in office and general.

Principal repayments on long-term debt over the next four years are as follows:

2027	$ 31,763
2028	33,407
2029	35,136
2030	1,336,830
	$ 1,437,136

5. Deferred Grants

Deferred grants is comprised of unspent operating grants. The availability of these funds in future periods is ultimately dependent upon various funding bodies, and as a result amounts included in deferred grants may become repayable to the funder.

The changes in the deferred grants reported for the year are as follows:

	2026				
	Partner Assault Response Program	**Ontario Trillium Foundation**	**Law Foundation of Ontario**	**The Regional Municipality of York**	**Other**
Opening balance	**$ 40,183**	**$ 16,618**	**$ -**	**$ 15,522**	**4,014**
Contributions received during the year	**211,695**	**168,900**	**250,000**	**654,748**	**2,123,286**
Contributions recognized into revenue during the year	**(251,878)**	**(60,618)**	**(100,000)**	**(632,140)**	**(2,056,290)**
	$ -	**$ 124,900**	**$ 150,000**	**$ 38,130**	**71,010**
Ending balance				**$**	**384,040**

	2025			
	Partner Assault Response Program	Ontario Trillium Foundation	The Regional Municipality of York	Other
Opening balance	$ 45,689	$ 113,634	$ (46,743)	$ 43,750
Contributions received during the year	192,087	85,900	593,040	475,126
Contributions recognized into revenue during the year	(197,593)	(182,916)	(530,775)	(514,862)
	$ 40,183	$ 16,618	$ 15,522	$ 4,014
Ending balance				$ 76,337

6. Internal Restrictions on Net Assets

The Organization's board of directors internally restricted net assets to be held in consideration of an unforeseeable event, which results in additional expenses or loss of revenue for which funds are not otherwise available.

Internally restricted net assets consists of the following:

	2026	2025
Emergency operational reserve	**$ 387,476**	$ 387,476
General operating reserve	**75,000**	75,000
Computer and network system reserve	**35,000**	35,000
Legal reserve	**25,000**	25,000
Board of directors reserve	**5,000**	5,000
Building and facilities reserve	**-**	487,667
Total internally restricted net assets	**$ 527,476**	$ 1,015,143

During the year, the Organization's board of directors restricted $Nil (2025 - $Nil) of net assets to be held in consideration of an unforeseeable event. The amount is added to the internally restricted balance in the year of restriction.

Subsequent to year-end, the Board approved the use of the Building and Facilities Reserve for the purchase of land and building. Accordingly, the net assets presentation has been adjusted to reflect this approval as at March 31, 2026.

7. Invested in Capital Assets

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

	2026
Capital assets, net (Note 3)	$ 2,078,261
Less: long-term debt (Note 4)	(1,437,136)
	$ 641,125

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

	2026
Purchase of land and building less long-term debt acquired on acquisition	$ 684,476
Purchase of capital assets internally financed (Note 3)	13,043
Repayment of long-term debt principal	30,415
Less: amortization of capital assets (Note 3)	(86,809)
	$ 641,125

8. Financial Instruments

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 Organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Organization's receivables are from government sources and the Organization works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

The Organization is also exposed to credit risk as all of its cash is held at a major financial institution and are in excess of the amount insured by agencies of the federal government.

The Organization's exposure to credit risk has increased from the prior year as a result of an increase in accounts receivable balances.

8. Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Organization is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities and mortgage payable.

The Organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Organization maintains a portion of its invested assets in liquid securities.

The Organization's exposure to liquidity risk has increased from the prior year as a result of higher accounts payable and accrued liabilities balances.

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. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk.

The Organization is exposed to changes in interest rates related to its investments in marketable securities. The Organization's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return. The Organization mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

There have not been any changes in the risk from the prior year.

9. Economic Dependence

In 2026, the Organization received approximately 31% or $964,158 (2025 - 28% or $870,767) of its funding from the Ministry of the Attorney General. Annual funding is based on the approved budget.

10. Comparative Information

Certain comparative amounts presented in these financial statement have been reclassified to conform to the current year's presentation.

John Howard Society of York Region
Schedule for the Partner Assault Response Program

For the year ended March 31	2026	2025
Revenue		
Partner Assault Response (PAR) Program received in the current year	**$ 492,437**	$ 492,620
Partner Assault Response (PAR) Program received in the prior year and recognized as revenue in the current year	**40,183**	45,689
Client fees received	**211,695**	192,087
	744,315	730,396
Expenses		
Salaries and benefits	**641,864**	605,541
Rent and utilities	**53,337**	36,601
Telecommunications	**2,352**	2,602
Office supplies, equipment and accessories	**6,000**	2,177
Staff, governing body, and volunteer expenses	**5,000**	877
Client expenses	**5,000**	8,000
Administration costs	**30,612**	34,165
Professional memberships	**150**	250
	744,315	690,213
Excess of revenue over expenses	**-**	40,183
Less: revenue deferred to 2025-2026 - Approved by Ministry	**-**	40,183
Remaining surplus	**$ -**	$ -

John Howard Society of York Region
Schedule for the Direct Accountability Program

For the year ended March 31	2026	2025
Revenue		
Direct Accountability Program (DAP)	**$ 214,633**	$ 181,000
Translation Income PAR Program	**-**	5,084
	214,633	186,084
Expenses		
Audit	**1,500**	1,500
Insurance	**1,500**	1,500
Office supplies	**5,732**	2,589
Salaries and benefits	**195,514**	171,549
Other operating expenses	**10,387**	8,946
	214,633	186,084
Remaining surplus	**$ -**	$ -

John Howard Society of York Region
Schedule for the Women and Gender Equality Program

For the year ended March 31		2026		2025
Revenue				
Women and Gender Equality Program (WAGE)	$	**125,000**	$	344,419
Expenses				
Travel		**1,000**		1,446
Salaries and benefits		**83,806**		246,372
Honoraria and professional fees		**12,500**		29,500
Materials and supplies		**694**		3,101
Publicity and promotion		**-**		1,000
Other		**2,000**		4,000
Administrative expenditures		**25,000**		59,000
		125,000		344,419
Remaining surplus	$	**-**	$	-

John Howard Society of York Region
The Minister of Justice and Attorney General of Canada

For the year ended March 31	2026	2025
Revenue		
The Minister of Justice and Attorney General of Canada	**$ 214,910**	$ 136,252
Expenses		
Salaries and benefits	**145,797**	92,823
Evaluation	**13,223**	13,223
Travel	**1,506**	500
Office equipment, furniture and supplies	**4,339**	988
Program delivery	**14,311**	5,000
Professional fees	**2,980**	2,980
Training	**1,318**	300
Administrative fee	**31,436**	20,438
	214,910	136,252
Remaining surplus	**$ -**	$ -