

THE JOHN HOWARD SOCIETY OF CANADA
FINANCIAL STATEMENTS
AS AT MARCH 31, 2025

THE JOHN HOWARD SOCIETY OF CANADA
TABLE OF CONTENTS
AS AT MARCH 31, 2025

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenue and Expenditures and Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11
Schedule A - Statement of Operating Fund Revenue and Expenditures	12

INDEPENDENT AUDITOR'S REPORT

To the Members of
The John Howard Society of Canada

Qualified Opinion

We have audited the financial statements of The John Howard Society of Canada (the Corporation), which comprise the statement of financial position as at March 31, 2025, and the statement of revenue and expenditures and fund balances 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 the Corporation 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 Qualified Opinion

In common with many charitable organizations, the Corporation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we were not able to determine whether, as at and for the years ended March 31, 2025 and March 31, 2024, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

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 Corporation 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 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 these financial statements, management is responsible for assessing the Corporation'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 Corporation, or to cease operations, or has no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

Auditor's Responsibilities for the Audit of the Financial Statements

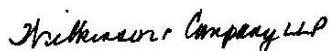
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Corporation'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 Corporation'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 Corporation 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.

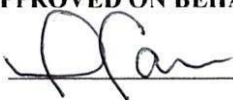
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KINGSTON, Canada
September 29, 2025


Chartered Professional Accountants
Licensed Public Accountants

WILKINSON & COMPANY LLP - CHARTERED PROFESSIONAL ACCOUNTANTS

THE JOHN HOWARD SOCIETY OF CANADA
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

	Operating Fund \$	Senator Hastings Fund \$	Total \$	2024 Total \$
ASSETS				
CURRENT				
Cash	271,231	1,020	272,251	605,372
Short-term investments - Note 3	283,280	148,406	431,686	877,728
Accounts receivable	1,786,973		1,786,973	1,417,598
Prepaid expenses	32,949		32,949	5,449
	2,374,433	149,426	2,523,859	2,906,147
LONG-TERM				
Long-term Investments - Note 4	329,083	172,402	501,485	
Tangible Capital Assets - Note 5	6,888		6,888	11,480
	2,710,404	321,828	3,032,232	2,917,627
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	604,915		604,915	851,434
Government remittances payable	8,258		8,258	7,709
Deferred revenue - Note 6	296,318		296,318	250,571
	909,491		909,491	1,109,714
FUND BALANCES				
Internally restricted		321,828	321,828	307,825
Investment in capital assets	335,971		335,971	11,480
Unrestricted	1,464,942		1,464,942	1,488,608
	1,800,913	321,828	2,122,741	1,807,913
APPROVED ON BEHALF OF THE BOARD				
 D. Cameron Director				
_____ Director				
	2,710,404	321,828	3,032,232	2,917,627

The accompanying notes form an integral part of these financial statements

THE JOHN HOWARD SOCIETY OF CANADA
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2025

	2025		2024
	Operating Fund (Schedule A) \$	Senator Hastings Fund \$	Total \$
REVENUE			
Donations	224,119		173,664
Grant - Ministry of Public Safety:			
- Provincial allocations	332,295		339,795
- Administration	107,500		100,000
- Travel pool	70,000		70,000
- Projects	356,852		392,683
Grant - Law Foundation of Ontario - Public Interest Articling Fellow	17,000		
Interest	27,822	14,003	39,027
Contract - Canada Border Services Agency	3,650,361		3,028,159
	4,785,949	14,003	4,799,952
EXPENDITURES			
Bank charges and interest	951		2,132
Dues and subscriptions	3,217		2,182
Miscellaneous	151		2,568
Grants to provincial societies - Note 7	332,295		339,795
Insurance	7,900		6,866
Mail campaign	67,878		30,587
Contract - Canada Border Services Agency	3,446,234		2,899,928
Occupancy	12,761		11,907
Office supplies and expenses	18,225		15,596
Project costs	51,774		145,542
Professional fees	55,819		14,314
Publications			64
Salaries and employee benefits	390,039		439,753
Staff development	354		
Telephone	6,238		6,404
Travel - general	4,665		5,650
- pool, board and AGM	82,031		80,810
	4,480,532		4,480,532
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR BEFORE AMORTIZATION	305,417	14,003	139,230
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	4,592		4,592
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	300,825	14,003	134,638
FUND BALANCES - BEGINNING OF YEAR	1,500,088	307,825	1,673,275
FUND BALANCES - END OF YEAR	1,800,913	321,828	1,807,913

The accompanying notes form an integral part of these financial statements

**THE JOHN HOWARD SOCIETY OF CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025**

	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for year	314,828	134,638
Adjustment for amortization of tangible capital assets which does not affect cash	4,592	4,592
	319,420	139,230
Net change in non-cash working capital balances related to operations - Note 8	(597,098)	(36,287)
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(277,678)	102,943
INVESTING AND FINANCING ACTIVITIES		
Purchase of short-term investments	(436,932)	(647,216)
Proceeds on maturity of short-term investments	381,489	608,430
CASH FLOWS USED IN FINANCING ACTIVITIES	(55,443)	(38,786)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR	(333,121)	64,157
CASH AND EQUIVALENTS - BEGINNING OF YEAR	605,372	541,215
CASH AND EQUIVALENTS - END OF YEAR	272,251	605,372
REPRESENTED BY:		
Cash - Operating Fund	271,231	604,375
Cash - Senator Hastings Fund	1,020	997
Cash - Total	272,251	605,372

The accompanying notes form an integral part of these financial statements

**THE JOHN HOWARD SOCIETY OF CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

1. NATURE OF OPERATIONS

The John Howard Society of Canada is incorporated in Canada as a not-for-profit corporation without share capital under the Canada Not-for-profit Corporations Act and is registered with the Government of Canada as a charitable organization. The Corporation is an organization of provincial and territorial societies comprised of, and governed by, people whose goal is to understand and respond to problems of crime and the criminal justice system.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the organization considered to be particularly significant:

(a) Basis of accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Accounting Estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivable, and the estimated useful life of tangible capital assets. Actual results could differ from those estimates.

(c) Donated Services

The work of the Corporation is dependent on the voluntary service of many individuals. Since these services are not normally purchased by the Corporation and because of the difficulty of determining their fair market value, donated services are not recognized in these financial statements.

(d) Fund Accounting

The accompanying financial statements include the activities of the Corporation for which the Board of Directors is legally accountable. In order to properly reflect its activities, the Corporation maintains its accounts in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds in accordance with activities or objective specified.

The Operating Fund accounts for revenue and expenditures related to program delivery and administrative activities.

The Senator Hastings Fund was established by the Board of Directors as a contingency fund for any unexpected expenses or revenue shortfall in any given year.

THE JOHN HOWARD SOCIETY OF CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. ACCOUNTING POLICIES (Cont'd)

(e) Tangible Capital Assets

Tangible capital assets are stated at cost. Gains and losses on the sale of tangible capital assets are charged to operations in the year of disposal. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:

Asset	Basis	Rate
Computer equipment	Straight-line	3 years
Computer software	Straight-line	2 years
Building	Straight-line	25 years
Furniture and equipment	Straight-line	5 years

(f) Financial Instruments

(i) Measurement of Financial Instruments

The Corporation initially measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the impairment amount previously recognized.

**THE JOHN HOWARD SOCIETY OF CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

2. ACCOUNTING POLICIES (Cont'd)

(g) Revenue Recognition

Funding from government grants and other grants is recognized as revenue in the year in which the related expenditure or service is incurred. Any undisbursed government grants at year end are deferred to the subsequent year, unless it is unrestricted in its use, in which case it is recognized when received.

Contract revenue is recognized when the related services have been provided.

Unrestricted donation and bequest revenue is recognized when received.

(h) Cash and Equivalents

Cash and equivalents consist of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

3. SHORT-TERM INVESTMENTS

Short-term investments consist of guaranteed investment certificates, bearing interest at rates ranging from 4.84% to 5.32% and have varying maturity dates ranging from July 14, 2025 to February 6, 2026, but may be liquidated in the short-term.

4. LONG-TERM INVESTMENTS

Long-term investments consist of non-cashable guaranteed investment certificates, bearing interest at rates ranging from 3.35% to 4.71% and have varying maturity dates ranging from July 25, 2026 to December 18, 2028.

**THE JOHN HOWARD SOCIETY OF CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

5. TANGIBLE CAPITAL ASSETS

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Computer equipment	7,104	7,104	7,104	7,104
Computer software	5,222	5,222	5,222	5,222
Building	114,795	107,907	114,795	103,315
Furniture and equipment	1,029	1,029	1,029	1,029
	128,150	121,262	128,150	116,670
Cost less accumulated amortization	\$ 6,888		\$ 11,480	

6. DEFERRED REVENUE

The details of revenue received, prior to year end, that relate to activities and expenditures to be incurred in subsequent fiscal years, are as follows:

	2025	2024
	\$	\$
Funds withheld and deferred to advance the 5 Point Plan	13,502	18,502
Law Foundation of Ontario - Public Interest Articling Student	21,934	8,680
Law Foundation of Ontario - Solitary Confinement	75,000	
Grant allocations withheld and deferred for use by Society	24,459	61,965
Community Services Recovery Fund	62,150	62,151
Canada Border Services Agency - contract services	99,273	99,273
TOTAL	296,318	250,571

**THE JOHN HOWARD SOCIETY OF CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

7. GRANTS TO PROVINCIAL SOCIETIES

Details of the grants to provincial societies are as follows:

	2025	2024
	\$	\$
Alberta	35,539	35,539
British Columbia	51,742	51,742
Manitoba	21,100	21,100
New Brunswick	21,590	21,590
Newfoundland	16,538	16,538
Northwest Territories	7,500	15,000
Nova Scotia	19,213	19,213
Ontario	107,746	107,746
Prince Edward Island	15,017	15,017
Quebec	15,000	15,000
Saskatchewan	21,310	21,310
TOTAL	332,295	339,795

8. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in) non-cash working capital is compiled as follows:

	2025	2024
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	(369,375)	(810,845)
Prepaid expenses	(27,500)	60,000
	(396,875)	(750,845)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	(246,519)	664,378
Government remittances payable	549	(2,125)
Deferred revenue	45,747	52,305
	(200,223)	714,558
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(597,098)	(36,287)

**THE JOHN HOWARD SOCIETY OF CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

9. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Corporation has a comprehensive risk management framework to monitor, evaluate, and manage the principle risks assumed with financial instruments. The risks that arise from transacting financial instruments are as follows:

(a) Interest Rate Risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Corporation is exposed to interest rate risk through its short-term investment holdings as described in Note 3 to these financial statements.

As market interest rates fluctuate, the fair value of the instruments will fluctuate. Risk is mitigated as the instruments are short-term in nature and the Corporation has the ability and intention to hold to maturity.

(b) Liquidity Risk:

Liquidity risk is the risk that the Corporation will not be able to meet all cash outflow obligations as they come due. The Corporation's exposure to liquidity risk is dependent on the receipt of funds from its operations. The Corporation mitigates this risk by monitoring cash activities and expected outflows. Management is of the opinion that the Corporation will be able to meet all of its cash flow obligations as they come and are not subject to significant liquidity risk.

(c) Credit Risk:

Credit risk is the risk of financial loss to the corporation if a debtor fails to make payments of interest and principal when due.

The Corporation is exposed to credit risk in the event of non-performance by clients in connection with its accounts receivable. The Corporation does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound and, accordingly, does not anticipate significant loss for non-performance.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure for risks.

10. PENSION PLAN

The Corporation is a participant in a defined contribution pension plan. The Corporation contributes, on behalf of each eligible employee, an amount of 6% of earnings. During the year the Corporation expensed \$21,917 (2024 - \$21,155) of payments under these pension plan arrangements.

THE JOHN HOWARD SOCIETY OF CANADA
STATEMENT OF OPERATING FUND REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2025

	Total \$	General Administrative \$	Mail Campaign \$	Travel Pool \$	Canada Border Services Contract \$
REVENUE					
Donations	224,119	51,691	172,428		
Grant - Ministry of Public Safety:					
- Provincial allocations	332,295	332,295			
- Administration	107,500	107,500			
- Travel pool	70,000			70,000	
- Projects	356,852	356,852			
Grant - Law Foundation - Public Interest Articling Fellow	17,000	17,000			
Interest	27,822	27,822			
Contract - Canada Border Services Agency	3,650,361				3,650,361
	4,785,949	893,160	172,428	70,000	3,650,361
EXPENDITURES					
Amortization of property, plant and equipment	4,592	4,592			
Bank charges and interest	951	951			
Dues and subscriptions	3,217	3,217			
Miscellaneous	151	151			
Grants to provincial societies	332,295	332,295			
Insurance	7,900	7,900			
Mail campaign	67,878		67,878		
Contract - Canada Border Services Agency	3,446,234				3,446,234
Occupancy	12,761	12,761			
Office supplies and expenses	18,224	18,224			
Project costs	51,774	51,774			
Professional fees	55,819	55,819			
Salaries and employee benefits	390,039	390,039			
Staff development	354	354			
Telephone	6,238	6,238			
Travel - general	4,665	4,665			
- pool, board and AGM	82,031			82,031	
	4,485,123	888,980	67,878	82,031	3,446,234
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	300,826	4,180	104,550	(12,031)	204,127

The accompanying notes form an integral part of these financial statements