

CALGARY JOHN HOWARD SOCIETY

Financial Statements

March 31, 2025

CALGARY JOHN HOWARD SOCIETY
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For the Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Calgary John Howard Society:

Opinion

We have audited the financial statements of Calgary John Howard Society (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 a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Calgary John Howard Society as at March 31, 2025, and the results of its 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 ethical responsibilities in accordance with those 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 intends 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.

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Independent Auditor's Report to the Directors of Calgary John Howard Society *(continued)*

Auditor's Responsibilities for the Audit of 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 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.

BDO Canada LLP

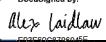
Chartered Professional Accountants

Calgary, Alberta
July 10, 2025

CALGARY JOHN HOWARD SOCIETY
Statement of Financial Position
As at March 31,

	2025	2024
Assets		
Current		
Cash	\$ 2,427,503	\$ 1,975,153
Short term investments (Note 3)	637,846	787,148
Accounts receivable	555,172	443,427
Goods and services tax recoverable	41,109	33,984
Prepaid expenses	155,706	79,740
Asset held for sale (Note 4)	-	741,796
	3,817,336	4,061,248
Property and equipment (Note 5)	11,341,670	11,547,902
Investments (Note 6)	254,036	123,437
	\$ 15,413,042	\$ 15,732,587
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 628,213	\$ 626,857
Source deductions payable	93,657	83,156
Current before callable debt	721,870	710,013
Callable debt (Note 7)	1,751,655	2,200,239
	2,473,525	2,910,252
Deferred contributions (Note 8)	6,850,969	7,469,226
	9,324,494	10,379,478
Contingent Liability (Note 13)		
Net Assets		
Invested in property and equipment	3,813,631	4,097,390
Unrestricted	2,274,917	1,255,719
	6,088,548	5,353,109
	\$ 15,413,042	\$ 15,732,587

Approved on behalf of the Board

DocuSigned by:

 Alex Laidlaw
 2025-03-30 14:47:47Z
 Director

Signed by:

 Robert Nichols
 2025-03-30 14:47:47Z
 Director

CALGARY JOHN HOWARD SOCIETY
Statement of Operations
For the Year Ended March 31,

	2025 (12 months)	2024 (15 months)
Revenue		
Calgary Homeless Foundation	\$ 2,564,692	\$ 4,110,069
Government of Canada	2,563,450	3,208,490
Other grants and revenue	1,165,992	1,116,063
Government of Alberta	1,037,497	1,008,940
City of Calgary (Note 9)	730,139	604,013
United Way	380,327	504,692
Recognition of deferred contributions related to property and equipment (Note 8)	664,231	514,419
CFAN FASD Service Network Program	336,931	279,369
Calgary Learns	252,393	322,759
Alberta Law Foundation	220,935	-
Donations	83,471	51,836
Casino	39,141	58,148
	10,039,199	11,778,798
Expenses		
Salaries, wages and benefits	6,506,583	7,648,096
Programming	1,428,954	1,538,182
Amortization	687,806	936,254
Premises	373,200	470,091
Professional fees	310,456	191,834
Travel and meetings	207,414	185,422
Office and administration	150,973	188,055
Interest	136,142	226,011
Insurance	98,988	115,098
Professional development	61,448	80,508
Subcontracted services	-	230,405
	9,961,964	11,809,956
Excess of revenue over expenses from operations	77,235	(31,158)
Other income		
Gain on disposal of property and equipment	658,204	-
Excess (deficiency) of revenue over expenses	\$ 735,439	\$ (31,158)

CALGARY JOHN HOWARD SOCIETY
Statement of Changes in Net Assets
For the Year Ended March 31,

	Invested in Property and Equipment	Unrestricted	2025 (12 months)	2024 (15 months)
Net assets - beginning of year	\$ 4,097,390	\$ 1,255,719	\$ 5,353,109	\$ 5,384,267
Excess (deficiency) of revenue over expenses	(23,575)	759,014	735,439	(31,158)
Net activities of property and equipment	(708,768)	708,768	-	-
Repayment of principal on callable debt	448,584	(448,584)	-	-
Net assets - end of year	\$ 3,813,631	\$ 2,274,917	\$ 6,088,548	\$ 5,353,109

CALGARY JOHN HOWARD SOCIETY

Statement of Cash Flows

Year Ended March 31,

	2025 (12 months)	2024 (15 months)
Operating activities		
Cash receipts from operations	\$ 9,394,594	\$ 12,381,141
Cash paid to suppliers and employees	(9,833,026)	(10,518,964)
Interest received	123,164	163,058
Interest paid	(136,152)	(226,011)
Cash flow from (used by) operating activities	<u>(451,420)</u>	<u>1,799,224</u>
Investing activities		
Purchase of property and equipment	(481,574)	(294,392)
Proceeds from sale of property and equipment	1,400,000	-
Purchase of investments	(750,000)	(875,000)
Proceeds from sale of investments	755,000	300,000
Cash flow from (used by) investing activities	<u>923,426</u>	<u>(869,392)</u>
Financing activities		
Contributions received for purchase of property and equipment	428,918	266,419
Repayment of callable debt	(448,574)	(229,610)
Cash flow from (used by) financing activities	<u>(19,656)</u>	<u>36,809</u>
Increase in cash flow	452,350	966,641
Cash - beginning of year	<u>1,975,153</u>	<u>1,008,512</u>
Cash - end of year	\$ 2,427,503	\$ 1,975,153

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2025

1. Purpose of the organization

The Calgary John Howard Society (the "Society") is a community based charitable organization dedicated to reducing the incidence of crime and increasing community safety through preventative and restorative justice practices. To accomplish these ends, the Society provides direct services to individuals at risk, advocacy for effective responses to crime and the individuals involved, and education for youth and adults in the community. The Society is incorporated under the Societies Act of the Province of Alberta and is a registered charity. Therefore, under section 149(1) of the Income Tax Act the Society is exempt from the payment of income tax.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

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. Restricted contributions received for property and equipment are deferred and amortized to revenue on the same basis as the related assets. 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.

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

Cash and cash equivalents

Cash includes cash on hand and balances in banks. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days. The Society currently has no cash equivalents.

Investments

Short term investments, which consist primarily of guaranteed investment certificates (GICs) with maturities as of the date of purchase beyond three months and less than twelve months, are carried at amortized cost.

Long term investments, which consist primarily of guaranteed investment certificates (GICs) with maturities as of the date of purchase beyond twelve months, are carried at amortized cost.

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CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2025

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates:

Buildings	5%
Equipment	30%
Furniture and textiles	20%
Leasehold improvements	Term of lease

Property and equipment acquired during the year but not placed into use are not amortized until they are available for use.

Contributed materials and services

Contributed materials are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Society's operations and would otherwise have been purchased. Volunteers contribute many hours per year to assist the Society in carrying out program activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Management 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, disclosure of contingencies 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. The significant items requiring management estimates include the estimated useful lives of property and equipment, accrued receivables, accrued liabilities and amortization of deferred contributions related to property and equipment.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost. The Society's financial instruments consist of cash and cash equivalents, short term and long term investments, accounts receivable and accounts payable and accrued liabilities and are tested for impairment at each reporting date.

Controlled Entity

Controlled not-for-profit organizations are not consolidated in the Society's financial statements. Instead, disclosure is provided. See note 12.

3. Short term investments

Short term investments are comprised of Guaranteed Investment Certificates ("GICs") with maturity dates of September 2025 to October 2025 (2024 - April 2024 to March 2025). These GICs carry an interest rate of 3.55% to 5.10% (2024 - 4.52% to 5.35%).

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2025

4. Asset for sale and disposition

In the prior year, the Society reclassified a building as an asset held for sale, with a carrying amount of \$741,796 as at March 31, 2024. Amortization ceased upon reclassification, and the asset was measured at the lower of carrying amount and fair value less costs to sell.

On October 1, 2024, the Society completed the sale of the building for proceeds of \$1,400,000, resulting in a gain of \$658,204, recognized in the Statement of Operations for the year ended March 31, 2025.

5. Property and equipment

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	\$ 2,189,066	\$ -	\$ 2,189,066	\$ 2,189,066
Buildings	13,861,369	4,770,058	9,091,311	9,337,016
Equipment	392,007	345,751	46,256	18,794
Furniture and textiles	87,309	72,272	15,037	3,026
Total property and equipment	<u>\$ 16,529,751</u>	<u>\$ 5,188,081</u>	<u>\$ 11,341,670</u>	<u>\$ 11,547,902</u>

6. Long term investments

Long term investments are comprised of a Guaranteed Investment Certificate ("GICs") with a maturity date of April 2026 (2024 - September 2025). This GIC carries an interest rate of 3.55% (2024 - 5.10%).

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2025

7. Callable debt

	2025	2024
Alberta Treasury Branches term loan to assist with the construction of the Builders Road building, at prime plus 0.75% (2022 - 1.00%) per annum.	\$ 1,751,655	\$ 1,808,029
Alberta Treasury Branches term loan to assist with the purchase of properties, at prime plus 0.75% (2024 - 0.75%) per annum. The principal was paid off on June 30, 2024. The loan was secured against the building noted in Note 5.	- <hr/>	392,210
	\$ 1,751,655	\$ 2,200,239

The Society held debt with Alberta Treasury Branches ("ATB") that was callable on demand. While ATB has not called the debt as of the year end, it retains the ability to do so. Due to these factors, the balance is included in current liabilities.

During the year, \$392,210 of the debt was repaid in connection with the sale of real property (Note 4). Accordingly, the liability has been settled and removed from the statement of financial position.

The remaining debt balance was renewed with ATB. The debt balance of \$1,751,655 (2024 - \$1,808,029) remains due on demand. The remaining terms of the debt balances are unchanged. The current scheduled debt repayment extends to April 30, 2039, with monthly payments of principal and interest of \$15,150 .

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2025

8. Deferred contributions

	2025	2024
Deferred contributions related to property and equipment		
Balance, beginning of year	\$ 5,992,069	\$ 6,240,068
Add: received during the year	428,919	266,420
Less: recognized as revenue during the year	<u>(644,604)</u>	<u>(514,419)</u>
Balance, end of year	<u>5,776,384</u>	<u>5,992,069</u>
Deferred contributions related to operations		
Balance, beginning of year	1,477,157	425,951
Add: received during the year	5,307,847	7,925,397
Less: recognized as revenue during the year	<u>(5,710,419)</u>	<u>(6,874,191)</u>
Balance, end of year	<u>1,074,585</u>	<u>1,477,157</u>
Total deferred contributions	<u>\$ 6,850,969</u>	<u>\$ 7,469,226</u>

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2025

9. City of Calgary grants

During the year, the Society recognized revenue for grants received from the City of Calgary for various purposes as follows:

	2025	2024
City of Calgary - New Ties	\$ 439,325	\$ 248,040
City of Calgary - Youth Occupational Therapist	96,100	119,755
City of Calgary - Kisisskstaki Ikamotaan	98,166	118,526
City of Calgary - Immigrant Youth Advocacy	<u>96,548</u>	<u>117,692</u>
	<hr/>	<hr/>
	\$ 730,139	\$ 604,013

New Ties

The City of Calgary provided total funding of \$430,000 for the 12 month year ended March 31, 2025 (2024 period end - \$322,500) for the New Ties program. At year-end a revenue balance of \$439,325 (2024 period end - \$248,040) was recognized as the funding was utilized against eligible expenses as incurred. In the current year \$65,135 was refunded to the City to repay surplus funding. At year-end there was no deferred balance (2024 period end - \$74,460).

Youth Occupational Therapist

The City of Calgary provided total funding of \$102,168 for the 12 month year ended March 31, 2025 (2024 period end - \$201,168) for the Youth Occupational Therapist program. At year-end a revenue balance of \$96,100 (2024 period end - \$119,755) was recognized as the funding was utilized against eligible expenses as incurred leaving a deferred balance of \$87,481 (2024 period end - \$81,413).

Kisisskstaki Ikamotaan

The City of Calgary provided total funding of \$98,166 for the 12 month year ended March 31, 2024 (2024 period end - \$118,526) for the Kisisskstaki Ikamotaan program. At year-end a revenue balance of \$98,166 (2024 period end - \$118,526) was recognized as the funding was fully utilized against eligible expenses as incurred.

Immigrant Youth Advocacy

The City of Calgary provided total funding of \$96,549 for the 12 month year ended March 31, 2025 (2024 period end - \$190,104) for the Immigrant Youth Advocacy program. At year-end a revenue balance of 96,548 (2024 period end - \$117,692) was recognized as the funding was utilized against eligible expenses as incurred leaving a deferred balance \$72,413 (2024 period end - \$72,412).

10. Line of credit

The Society has a line of credit available to a maximum of \$200,000 (2024 - \$200,000) bearing interest at prime plus 1.00% (2024 - 1.00%) per annum. The line of credit is secured by a general security agreement. At March 31, 2025, the Society has utilized \$Nil of the line of credit (2024 - \$Nil).

11. Financial instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2025.

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CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2025

11. Financial instruments (*continued*)

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society's financial assets that are exposed to credit risk consist primarily of accounts receivable. The Society is not subject to significant concentration of credit risk with respect to its funders, sponsors and customers.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, deferred contributions, loan payable and commitments.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through credit facilities.

Unless otherwise noted, it is management's opinion that the Society's not exposed to significant other price risks arising from these financial instruments.

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2025

12. Controlled not-for-profit organization

The Society controls SoJust Holdings as the members of SoJust Holdings are part of the Society's Board of Directors. The members of SoJust Holdings appoint the SoJust Holdings' Board. SoJust Holdings is a registered charity under the Income Tax Act. SoJust Holdings' purpose is to provide and maintain facilities for the Society's charitable programs and other registered charities.

	2025
<u>Statement of financial position</u>	
Total assets	\$ 131,074
Total liabilities	(48,943)
Total equity	<u>(82,131)</u>
	<u>\$ -</u>
<u>Statement of operations</u>	
Total revenue	\$ 360,000
Total expenses	<u>(277,576)</u>
	<u>\$ 82,424</u>
<u>Statement of cash flows</u>	
Cash flows from operating activity	<u>\$ 94,765</u>

The Society paid SoJust Holdings \$360,000 (2024 - \$Nil) for property renovations during the year. Of this amount, \$21,352 (2024 - \$Nil) is included with accounts payable and accrued liabilities.

All of these transactions were carried out in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration agreed upon by the parties and is determined based on the costs incurred.

13. Contingent liability

During the year, the Organization was subject to a lawsuit related to a fire that occurred at a property that was rented by a client. As at the date of the financial statements, the likelihood of the Organization needing to settle the lawsuit is not determinable and the amount of loss cannot be estimated. Due to this, no amounts related to this potential contingency have been recognized in the financial statements. Further, the Organization believes any loss arising from the lawsuit would be covered by insurance.

14. Comparative figures

During the previous year, the Society changed its fiscal year end from December 31 to March 31. The comparative figures presented are for a 15-month period ended March 31, 2024, whereas the current year reflects a 12-month period ended March 31, 2025. As such, amounts presented in the financial statements may not be directly comparable between periods.
