



## Financial Statements

John Howard Society of Okanagan &  
Kootenay

March 31, 2025

John Howard Society of Okanagan & Kootenay

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## Independent Auditor's Report

To the Board of Directors of  
John Howard Society of Okanagan & Kootenay

### Opinion

We have audited the financial statements of John Howard Society of Okanagan & Kootenay, which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the 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 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.

### Other matter

The financial statements of the Society for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 3, 2024.

### 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 Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

## Independent Auditor's Report (continued)

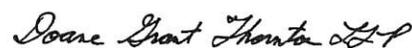
### Auditor's responsibilities for the audit of the financial statements

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 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.

Kelowna, Canada  
July 3, 2025



Chartered Professional Accountants

## John Howard Society of Okanagan & Kootenay Statement of Financial Position

March 31 2025 2024

**Assets**

Current

Cash and cash equivalents (Note 4)	\$	5,891,510	\$	3,231,706
Accounts receivable		245,315		1,150,216
Prepaid expenses		<u>141,041</u>		<u>135,519</u>
		6,277,866		4,517,441

Long-term

Property and equipment (Note 5)		<u>9,410,441</u>		<u>9,455,708</u>
		<u>\$ 15,688,307</u>		<u>\$ 13,973,149</u>

**Liabilities**

Current

Accounts payable and accrued liabilities (Note 6)	\$	1,401,243	\$	1,258,909
Current portion of long-term debt (Note 8)		914,048		3,359,478
Deferred revenue (Note 7)		<u>610,407</u>		<u>785,621</u>
		<u>2,925,698</u>		<u>5,404,008</u>

Long-term

Long-term debt (Note 8)		7,096,177		4,917,689
Deferred capital contributions (Note 9)		<u>473,775</u>		<u>542,224</u>
		<u>7,569,952</u>		<u>5,459,913</u>
		<u>10,495,650</u>		<u>10,863,921</u>

**Net Assets**

Investment in Property and Equipment		925,897		636,317
Cadington and New Gate Housing		(606,069)		(642,123)
Replacement Reserves (Note 10)		574,438		420,968
Properties Reserve Fund (Note 11)		127,500		25,000
Unrestricted Net Assets		4,064,391		2,669,066
CARF Reserve		6,500		-
Legal Reserve		<u>100,000</u>		<u>-</u>
		<u>5,192,657</u>		<u>3,109,228</u>
		<u>\$ 15,688,307</u>		<u>\$ 13,973,149</u>

On behalf of the Board



Member

Signed by:

*Ben Caron*  
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Member

**John Howard Society of Okanagan & Kootenay**  
**Statement of Operations**

Year Ended March 31

2025

2024

	Investment In Property and Equipment Fund	Cardington and New Gate Housing Fund	General Fund	Total	Total
<b>Revenues</b>					
Subsidies	\$ -	\$ 1,501,018	\$ 8,731,728	\$ 10,232,746	\$ 8,037,599
Contract income	-	-	6,024,581	\$ 6,024,581	5,695,524
Rental income	-	402,586	1,179,350	\$ 1,581,936	1,218,438
Grants	-	-	333,025	\$ 333,025	346,874
Other income	-	22,344	322,442	\$ 344,786	133,448
Interest income	-	12,968	212,844	\$ 225,812	49,798
Recognition of deferred capital contributions	67,906	-	-	\$ 67,906	103,975
	<u>67,906</u>	<u>1,938,916</u>	<u>16,803,969</u>	<u>18,810,791</u>	<u>15,585,656</u>
<b>Expenditures</b>					
Advertising and promotion	-	88	6,159	6,247	6,813
Bank charges and interest	-	908	6,462	7,370	8,731
Cleaning supplies	-	17,953	131,271	149,224	126,038
Insurance	-	68,831	77,890	146,721	128,132
Interest on long-term debt	-	252,385	35,058	287,443	272,712
Licences fees and dues	-	688	9,315	10,003	11,008
Meals	-	-	1,041,580	1,041,580	703,611
Office	-	113,376	319,302	432,678	328,939
Other housing	-	2,469	35,107	37,575	21,738
Other programs	-	13,879	877,617	891,496	935,382
Professional fees	-	11,956	72,008	83,964	43,909
Property taxes	-	38	11,065	11,102	25,550
Rent	-	-	218,676	218,676	234,641
Repairs and maintenance	-	174,141	380,144	554,285	675,417
Security	-	5,512	256,393	261,905	124,478
Telephone and utilities	-	56,143	200,546	256,689	237,914
Training and staff development	-	2,443	38,283	40,726	44,049
Travel and automotive	-	7,240	172,418	179,658	163,213
Utilities	-	120,201	338,136	458,337	373,810
Wages and Benefits	-	655,370	10,600,347	11,255,717	9,126,101
	<u>-</u>	<u>1,503,619</u>	<u>14,827,777</u>	<u>16,331,397</u>	<u>13,592,186</u>
Excess of revenues over expenditures before other income items	67,906	435,297	1,976,192	2,479,395	1,993,470
<b>Other Expenses</b>					
Amortization	395,965	-	-	395,965	379,014
Excess of revenues over expenditures	<u>\$ (328,059)</u>	<u>\$ 435,297</u>	<u>\$ 1,976,192</u>	<u>\$ 2,083,430</u>	<u>\$ 1,614,456</u>

See accompanying notes to the financial statements

## John Howard Society of Okanagan & Kootenay

### Statement of Changes in Net Assets

Year ended March 31

	Investment in Property and Equipment	Cadington and New Gate Housing	Replacement Reserves (Note 10)	Properties Reserve Fund (Note 11)	CARF Reserve	Legal Reserve	Unrestricted Net Assets	Total 2025	Total 2024
Balance, beginning of year	636,317	(642,123)	420,968	25,000	-	-	2,669,066	3,109,228	1,494,773
Excess (deficiency) of revenues over expenditures	(328,060)	435,297	-	-	-	-	1,976,192	2,083,429	1,614,455
Interfund Transfers	-	(61,200)	82,370	102,500	6,500	100,000	(230,170)	-	-
Purchase of Assets	350,697	-	-	-	-	-	(350,697)	-	-
Reduction of debt incurred to purchase assets	266,943	(266,943)	-	-	-	-	-	-	-
BC Housing Adjustment	-	(71,100)	71,100	-	-	-	-	-	-
Balance, end of year	<u>925,897</u>	<u>(606,069)</u>	<u>574,438</u>	<u>127,500</u>	<u>6,500</u>	<u>100,000</u>	<u>4,064,391</u>	<u>5,192,657</u>	<u>3,109,228</u>

See accompanying notes to the financial statements.

## John Howard Society of Okanagan & Kootenay

### Statement of Cash Flows

Year ended March 31	2025	2024
<b>Operating</b>		
Cash received from core operating grants	\$ 17,320,039	\$ 14,079,997
cash received from other revenue sources	1,926,179	1,424,227
Cash paid to employees and suppliers	(15,968,227)	(13,024,391)
Interest Paid	(294,810)	(281,443)
Interest Received	225,812	49,798
	<b>3,208,993</b>	<b>2,248,188</b>
<b>Investing</b>		
Purchase of property and equipment	(350,696)	(419,519)
Property and equipment paid for with deferred capital contributions	68,449	199,805
	<b>(282,247)</b>	<b>(219,714)</b>
<b>Financing</b>		
Repayment of long-term debt	(266,942)	(265,884)
Increase in cash	2,659,804	1,762,590
<b>Cash</b>		
Beginning of year	3,231,706	1,469,116
End of year	\$ 5,891,510	\$ 3,231,706

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# **John Howard Society of Okanagan & Kootenay**

## **Notes to the Financial Statements**

March 31, 2025

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### **1. Nature of operations**

John Howard Society of Okanagan & Kootenay is incorporated under the laws of the British Columbia Societies Act and is a registered charity under the Income Tax Act. The Society provides programs, services and ongoing support to people who live with substance use and/or mental health concerns, neuro-developmental disabilities, and/or who have been involved in the criminal justice system. The Society also provides shelter and affordable supportive housing for those in need.

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### **2. Basis of presentation**

These financial statements do not contain certain disclosures required by Canadian accounting standards for not-for-profit organizations.

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### **3. Significant accounting policies**

The Society applies the Canadian accounting standards for not-for-profit organizations.

#### **Cash and cash equivalents**

Cash equivalents consist of cash in the bank and short-term investments with an initial maturity of less than one year.

#### **Property and equipment**

Each class of property and equipment is carried at cost less, where applicable, any accumulated amortization and impairment losses.

Cost includes the purchase price and other acquisition costs such as brokers' commissions, installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges.

The amortization rates used for each class of property and equipment are:

Buildings	4% Declining balance
Equipment	20% Declining balance
Vehicles	30% Declining balance
Computer equipment	45% Declining balance

Amortization of leasehold improvements is recorded on a straight line basis over 5 years or over the term of the lease plus one renewal period. Amortization for buildings on leased land is recorded on a straight line basis over 60 years.

#### **Contributed materials and services**

Contributions received by the society of assets, supplies and services that would otherwise have been purchased are recorded at fair value at the date of contribution, where a fair value can be reasonably determined.

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# **John Howard Society of Okanagan & Kootenay**

## **Notes to the Financial Statements**

March 31, 2025

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### **3. Significant accounting policies (continued)**

#### **Revenue recognition**

The Society follows the restricted fund method of accounting for contributions. Contributions received from the British Columbia Housing Management Commission ("BC Housing") for the Cardington and New Gate housing operations are recorded in the Housing Fund, including those specified for replacement reserves. Contributions received for the acquisition of property and equipment are recognized as revenue in the investment in property and equipment on the same basis as the underlying amortization expense. All other contributions are recognized as revenue in the appropriate fund in the year in which the related disbursements are incurred. Interest income earned is recognized as revenue in the appropriate fund in the period in which the investment income is earned. Restricted contributions for which no corresponding restricted fund is presented are recognized in accordance with the deferral method where they are deferred and recognized in the period the related expenditures are incurred. Rental and other service related revenues are recognized in the appropriate fund as they are earned and collection is reasonably assured.

#### **Financial instruments**

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Society accounts for the following as financial instruments:

- Cash and cash equivalents
- Accounts receivable
- Accounts payable and accrued liabilities
- Deferred revenues
- Long-term debt
- Deferred capital contributions

#### **Financial instruments in arm's length transactions**

##### *Initial measurement*

The Society initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

##### *Subsequent measurement*

The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

##### *Impairment*

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

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## John Howard Society of Okanagan & Kootenay

### Notes to the Financial Statements

March 31, 2025

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#### 3. Significant accounting policies (continued)

##### Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

##### Replacement Reserves

The Cardington and New Gate replacement reserves have been established to fund future capital expenditures to the facility and equipment. Appropriations to and from reserve funds must be approved by BC Housing.

##### Internally Restricted Funds

The board of directors established internally restricted funds for legal and CARF expenses. The resolution was passed on May 22, 2025 and is effective for the year ending March 31, 2025.

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#### 4. Cash and cash equivalents

The societies cash holdings are as follows:

	2025	2024
Unrestricted Cash	\$ 5,349,743	\$ 2,722,400
Restricted Cash for Gaming - restorative justice	58,431	48,478
Cardington replacement reserve - externally restricted	193,232	184,531
New Gate replacement reserve - externally restricted	290,104	276,297
	\$ 5,891,510	\$ 3,231,706

Internally restricted funds are not maintained in separate accounts and are combined with unrestricted cash balances.

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## John Howard Society of Okanagan & Kootenay

### Notes to the Financial Statements

March 31, 2025

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#### 5. Property and equipment

			2025	2024
Cost	Accumulated Amortization		Net Book Value	Net Book Value
Land	\$ 548,970	\$ -	\$ 548,970	\$ 548,969
Buildings	11,094,572	3,061,236	<b>8,033,336</b>	8,144,909
Equipment	335,053	124,686	<b>210,367</b>	141,651
Vehicles	124,699	84,308	<b>40,391</b>	57,702
Leasehold improvements	260,912	119,418	<b>141,494</b>	68,220
Computer equipment	283,511	231,726	<b>51,785</b>	94,154
Cardington HVAC	499,554	115,456	<b>384,098</b>	400,103
	<b>\$ 13,147,271</b>	<b>\$ 3,736,830</b>	<b>\$ 9,410,441</b>	<b>\$ 9,455,708</b>
Buildings consists of:				
Buildings	\$ 604,953	\$ 324,801	\$ 280,152	\$ 291,824
Buildings on leased land	10,489,619	2,736,435	<b>7,753,184</b>	7,853,085
	<b>\$ 11,094,572</b>	<b>\$ 3,061,236</b>	<b>\$ 8,033,336</b>	<b>\$ 8,144,909</b>

Land includes leased land consisting of two parcels of land located at 1436 St. Paul Street and 189 Rutland Road North, both leased from the City of Kelowna since July 2006 and August 2010 respectively, for consideration of \$1 for a 60 year term from the commencement of each lease

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#### 6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is \$82,062 (2024 - \$69,026) in government remittances.

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## John Howard Society of Okanagan & Kootenay

### Notes to the Financial Statements

March 31, 2025

#### 7. Deferred revenue

Deferred revenue consists of contracts and grants received to pay for expenditures relating to programs provided by the Society. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made, and the obligations of the funding agreements are met.

	Balance, beginning of year	Received	Recognized	Balance, end of year
Province of BC - Gaming	\$ 41,606	\$ 58,431	\$ (41,606)	\$ 58,431
SPARC	12,430	-	(12,430)	-
STEP Place - Startup costs	9,285	-	(9,285)	-
STep Place -Okanagan Foundation	10,000	-	(10,000)	-
Ministry of Post Secondary Education and Future Skills	60,000	69,000	(60,000)	69,000
BC Housing	559,783	-	(181,378)	378,405
Rental Income	92,517	104,571	(92,517)	104,571
	<b>\$ 785,621</b>	<b>\$ 232,002</b>	<b>\$ (407,216)</b>	<b>\$ 610,407</b>

#### 8. Long-term debt

	2025	2024
RBC mortgage payable with interest at 5.30% per annum, monthly principal and interest payments of \$2,969 secured by specific land and building at 1043 Harvey Avenue, maturing November 23, 2025.	\$ 421,772	\$ 433,334
Scotia Bank mortgage payable with interest at 4.54% per annum, with monthly principal and interest payments of \$16,194, secured by specific land and buildings at the Cardington Apartments, Maturing May 1, 2034.	2,670,786	2,762,570
Peoples Trust mortgage payable with interest at 2.82% per annum, with monthly principal and interest payments of \$23,738, secured by specific land and buildings at the New Gate Apartments, maturing March 1, 2032.	4,675,523	4,827,224

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## John Howard Society of Okanagan & Kootenay

### Notes to the Financial Statements

March 31, 2025

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#### 8. Long-term debt (continued)

	2025	2024
RBC mortgage payable with interest at 3.36% per annum, with monthly principal and interest payments of \$1,686, secured by specific land and building at 2817 Springfield Road, maturing July 9, 2025.	242,144	254,039
	8,010,225	8,277,167
Less current portion	914,048	3,359,478
Due beyond one year	\$ 7,096,177	\$ 4,917,689
Estimated principal repayments are as follows:		
2026	\$ 914,048	
2027	259,686	
2028	268,361	
2029	278,139	
2030	287,881	
Subsequent years	6,002,110	
	\$ 8,010,225	

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#### 9. Deferred capital contributions

Deferred capital contributions consists of contributions received from BC Housing in the form of reimbursement of costs directly related to the installation of a new HVAC unit in the Cardington apartment building and other deferred capital contributions received from funders.

	2025	2024
Balance, beginning of year	\$ 542,224	\$ 446,394
Contributions	-	199,508
Revenue Recognized	542,224 (68,449)	645,902 (103,678)
Balance, end of year	\$ 473,775	\$ 542,224

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## John Howard Society of Okanagan & Kootenay

### Notes to the Financial Statements

March 31, 2025

#### 10. Replacement Reserves

Under the terms of the agreement with BC Housing, the replacement reserve accounts are externally restricted by BC Housing and are to be credited in the amount determined by the budget provision per annum plus interest earned. These funds, along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canadian Deposit Insurance Corporation or the Credit Union Deposit Insurance Corporation; in investments in accordance with the Society Act or Municipal Act, in investments guaranteed by a Canadian government, or in other investment instruments as agreed upon with BC Housing.

There are two replacement reserves, New Gate and Cardington. The annual amounts that are transferred to the New Gate and Cardington replacement reserves are \$35,280 and \$25,920 respectively. Approval from British Columbia Housing must be acquired in order to use these restricted funds for any purpose. In the current year, expenditures of \$nil (2024 - \$50,231) were approved by British Columbia Housing as qualifying approved expenditures to be spent out of the replacement reserve.

	Cardington Apartments	New Gate Apartments	2025	2024
Balance, beginning of the year	\$ 170,590	\$ 250,378	\$ 420,968	\$ 408,975
Annual transfer	25,920	35,280	61,200	61,200
Interest income	8,032	13,138	21,170	1,024
Approved expenditures	-	-	-	(50,231)
BC Housing Adjustment 2023	27,000	44,100	71,100	-
	<u>231,542</u>	<u>342,896</u>	<u>574,438</u>	<u>420,968</u>
Balance, end of year	\$ 231,542	\$ 342,896	\$ 574,438	\$ 420,968
Cash restricted for replacement reserves	\$ 193,232	\$ 290,103	\$ 483,335	\$ 460,828
Reserve Required	<u>(231,542)</u>	<u>(342,896)</u>	<u>(574,438)</u>	<u>(420,968)</u>
Over/(Under)funded replacement reserve	\$ (38,310)	\$ (52,793)	\$ (91,103)	\$ 39,860

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## John Howard Society of Okanagan & Kootenay

### Notes to the Financial Statements

March 31, 2025

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#### 11. Properties Reserve Fund

The Property Reserve Fund is an internally restricted fund maintained to cover future repair and maintenance or redevelopment costs related to the Society-owned properties.

The summary of transactions and balances of the fund are as follows

	2025	2024
Beginning of year	\$ 25,000	\$ -
1033 Harvey Ave	45,000	10,000
1043 Harvey Ave	29,500	5,000
Springfield Road	28,000	10,000
	\$ 127,500	\$ 25,000

Internally restricted funds are not maintained in separate accounts and are combined with unrestricted cash balances.

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#### 12. Subsidy assistance adjustments

BC Housing conducts an annual review of the financial statements and may adjust for any operation surplus or deficit of the prior year related to Cardington Apartments and New Gate Apartments. These adjustments occur and are accounted for as changes in the opening fund balances in the year the adjustment is communicated to the Society. In the current year, there was a subsidy repayment to (from) the Society of \$nil (2024 - \$99,044).

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#### 13. Commitments

##### Residential accommodation

The Society has a 60 year operating agreement with BC Housing to provide non-market residential accommodation at various residential locations for persons who are homeless, or at high risk of homelessness, due to various factors. The Society also has other operating agreements for properties such as Hearthstone, Stephen Village, and Samuel Place expiring between 2025 and 2027 with options to renew for 3-5 years. BC Housing agrees to provide subsidies to the Society for the difference between the tenant rent contribution and cost of operating the units, based on a budget approved by BC Housing for each location. The Society's main responsibilities are to manage and maintain the building, prepare an annual operating budget for approval by BC Housing, ensure sound financial management, enter into tenancy agreements with the tenants who meet the specifications contained in the agreement and provide specific support services where applicable.

##### Operating Agreements

The Society has various commitments for leases or rent at various locations. The annual payment for the following five years is estimated as follows:

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## John Howard Society of Okanagan & Kootenay

### Notes to the Financial Statements

March 31, 2025

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#### 13. Commitments (continued)

2026	\$	128,382
2027		58,518
2028		18,400
	\$	205,300

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#### 14. Contingencies

There is an ongoing legal claim pending against the Society. It is the opinion of management that final determination of these proceedings will not materially affect the financial position or the results of the Society. Accordingly, no provision has been made in the financial statements for such claims. The amount of loss, if any, arising from ongoing litigation will be recorded in the financial statements in the period in which the loss is realized.

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#### 15. Economic dependence

During the current year, the Society received subsidy payments for the Cardington Apartments, New Gate Apartments, and shelter and housing first projects totaling \$616,940 (2024 - \$615,108), \$655,770 (2024 - \$688,501), and \$8,960,035 (2024 - \$6,733,990) respectively, from the provincial government. The Society also receives government funding for several other short and long term programs.

Funding from BC Housing for the Cardington Apartments, New Gate Apartments, and shelter and housing first projects represent 3% (2024 - 4%), 3% (2024 - 4%), 48% (2024 - 43%) of the Society's total revenue for the year. During the year, the Society also received funding from Community Living BC in the amount of \$5,212,984 (2024 - \$4,877,410), representing 28% (2024 - 31%) of the Society's total revenue for the year.

The remainder of the funding received is from foundations and private sources. If these sources substantially curtail their funding, it would be of detriment to some programs which the Society operates. The Society is dependent on these funds to operate its other government funded housing projects in their present manner

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#### 16. BC Society Act disclosure

The Societies Act (British Columbia) requires certain information to be reported with regards to remuneration of employees, contractors and directors. Included in wages and benefits on the Statement of Operations are 13 employees (2024 - 12) with remuneration over \$75,000. The total salaries paid to these individuals for the year ended March 31, 2025 was \$1,180,589 (2024 - \$1,047,316). No honoraria were paid to members of the Board of Directors for the current year or the prior year.

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# **John Howard Society of Okanagan & Kootenay**

## **Notes to the Financial Statements**

March 31, 2025

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### **17. Financial instruments**

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposures and concentrations at March 31, 2025.

(a) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting the obligations associated with its financial liabilities. The Society is exposed to this risk mainly in respect of its long-term debt, and accounts payable. There has been no change to exposure to this risk in the current year.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

(i) 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 Society is exposed to interest rate risk on its fixed rate financial instruments. Given the current composition of long-term debt, fixed-rate instruments subject the Society to a fair value risk while short loan maturity terms subject it to cash flow risk from changing interest rates. There has been no change to exposure of this risk in the current year.

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### **18. Comparative figures**

Comparative figures have been adjusted to conform to changes in the current year presentation.

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