

**REVEREND NORM JOHNSTON YOUTH RESIDENCE
(LANARK, LEEDS AND GRENVILLE) INC.**

Financial Statements

Year ended March 31, 2025

**REVEREND NORM JOHNSTON YOUTH RESIDENCE
(LANARK, LEEDS AND GRENVILLE) INC.**

Year ended March 31, 2025

	Page
Independent Auditor's Report	1
Financial Statements	
Balance Sheet	3
Statement of Operations and Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6

Independent Auditor's Report

To the Members of
Reverend Norm Johnston Youth Residence (Lanark, Leeds and Grenville) Inc.
Brockville, Ontario

Qualified Opinion

We have audited the financial statements of Reverend Norm Johnston Youth Residence (Lanark, Leeds and Grenville) Inc. (the "Organization"), which comprise the balance sheet as at March 31, 2025, and the statement of operations and net assets, and statement of 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 Reverend Norm Johnston Youth Residence (Lanark, Leeds and Grenville) Inc. as at March 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

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

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 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 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.

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.

Prescott, Ontario
June 16, 2025

Allin & Associates

ALLIN & ASSOCIATES
PROFESSIONAL CORPORATION
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

**REVEREND NORM JOHNSTON YOUTH RESIDENCE
(LANARK, LEEDS AND GRENVILLE) INC.**

Balance Sheet

March 31, 2025, with comparative figures for March 31, 2024

	2025	2024
Assets		
Current assets:		
Cash (note 2)	\$ 432,182	\$ 290,457
Accounts receivable	42,637	29,591
HST recoverable	12,297	7,180
Prepaid expenses	14,951	13,368
	<u>\$ 502,067</u>	<u>\$ 340,596</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 63,280	\$ 50,801
Deferred revenue (note 3)	277,959	149,762
	<u>341,239</u>	<u>200,563</u>
Net assets	<u>160,828</u>	<u>140,033</u>
	<u>\$ 502,067</u>	<u>\$ 340,596</u>

Approved on behalf of the board:

Margaret Lamy

Director

[Signature]

Director

**REVEREND NORM JOHNSTON YOUTH RESIDENCE
(LANARK, LEEDS AND GRENVILLE) INC.**

Statement of Operations and Net Assets

Year ended March 31, 2025, with comparative figures for 2024

	2025	2024
Revenue:		
Provincial grants	\$ 444,145	\$ 366,645
Program revenue	307,433	249,844
Other grants	151,691	98,550
Donations	49,523	59,226
	<u>952,792</u>	<u>774,265</u>
Expense:		
Salaries and benefits	711,284	599,353
Transportation and communication	5,377	3,937
Travel	14,566	11,569
Services:		
Rent	57,947	57,324
Staff training	5,249	2,538
Advertising and promotion	1,360	-
Professional services	38,399	35,087
Information technology services	137	4,381
Insurance	15,929	11,508
Other services	-	3,874
Administration fees	19,453	8,129
Supplies and equipment:		
Information technology	17,223	11,435
Other	35,896	29,978
Other transactions:		
Other	9,177	3,011
	<u>931,997</u>	<u>782,124</u>
Excess (deficiency) of revenue over expenses	20,795	(7,859)
Net assets opening	140,033	147,892
Net assets ending	<u>\$ 160,828</u>	<u>\$ 140,033</u>

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

**REVEREND NORM JOHNSTON YOUTH RESIDENCE
(LANARK, LEEDS AND GRENVILLE) INC.**

Statement of Cash Flows

Year ended March 31, 2025, with comparative figures for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Cash receipts	\$ 1,062,826	\$ 747,769
Cash paid to suppliers and employees	(921,101)	(755,832)
Increase (decrease) in cash	141,725	(8,063)
Cash, beginning of the year	290,457	298,520
Cash, end of the year (note 2)	\$ 432,182	\$ 290,457

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

**REVEREND NORM JOHNSTON YOUTH RESIDENCE
(LANARK, LEEDS AND GRENVILLE) INC.**

Notes to Financial Statements

Year ended March 31, 2025

Purpose of the organization:

Reverend Norm Johnston Youth Residence (Lanark, Leeds and Grenville) Inc. (the "Organization") was incorporated without share capital under the laws of Ontario. Reverend Norm Johnston Youth Residence (Lanark, Leeds and Grenville) Inc. is registered as a charitable organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, Reverend Norm Johnston Youth Residence (Lanark, Leeds and Grenville) Inc. must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The organization supports clients to become productive, proactive community members and promotes and practices restorative justice and crime prevention programs along with the development, promotion and enhancement of community participation through partnering initiatives.

1. Significant accounting policies:

(a) Basis of presentation:

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

(b) Fund accounting and revenue recognition:

The Organization follows the deferred fund method of accounting for contributions for not-for-profit organizations. Under the deferred fund method 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.

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.

Donations and other revenue are recorded as received.

Restricted donations and grants are recognized as revenue when the related expense is incurred.

(c) Cash and cash equivalents:

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

(d) 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 reported amounts of revenues and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

**REVEREND NORM JOHNSTON YOUTH RESIDENCE
(LANARK, LEEDS AND GRENVILLE) INC.**

Notes to Financial Statements

Year ended March 31, 2025

1. Significant accounting policies (continued):

(e) Contributed services:

Volunteers contribute numerous hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(f) Government assistance:

Government assistance related to current expenses and revenue is included in the determination of excess of revenue over expenses for the period. The Organization has reported different types of contributions in the revenue section on the Statement of Operations.

(g) Expense recognition:

Expenses are recognized according to the accrual basis of accounting in that the expenses are recorded as incurred as result of receipt of goods and services and the creation of a legal obligation to pay.

2. Cash:

	2025	2024
Cash float	\$ 200	\$ 400
Operating account	431,982	290,057
Total cash	\$ 432,182	\$ 290,457

3. Deferred revenue:

	2025	2024
Connections Program	\$ 17,869	\$ 59,027
Stingers After School Program	28,609	32,067
Choices Program	84,557	45,071
Other	28,137	13,597
The Law Foundation of Ontario	118,787	-
	\$ 277,959	\$ 149,762

**REVEREND NORM JOHNSTON YOUTH RESIDENCE
(LANARK, LEEDS AND GRENVILLE) INC.**

Notes to Financial Statements
Year ended March 31, 2025

4. Financial risks and concentration of risk:

The Reverend Norm Johnston Youth Residence (Lanark, Leeds and Grenville) Inc. financial instruments consist of cash, receivables and payables. The significant financial risks to which the Reverend Norm Johnston Youth Residence (Lanark, Leeds and Grenville) Inc. is exposed relating to its financial instruments are credit risk and liquidity risk.

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

Credit risk associated with cash and investments is minimized substantially by ensuring that these assets are invested with major financial institutions that have been accorded investment grade ratings by primary rating agency.

(b) Liquidity risk:

Liquidity risk refers to the risk that the organization will not be able to meet its obligations as they come due.

The organization meets its liquidity requirements by monitoring its cash flows from operations. The organization expects that the cash flows from operating activities will be sufficient to meet these requirements.

6. Economic dependence:

The organization is dependent on the Ministry of Children, Community and Social Services and the Ministry of Attorney General for a significant portion of its revenue.

As the organization's main source of income is derived from these agreements, its ability to continue viable operations is dependent on the renewal of the agreements.