

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

Financial Statements

Year ended March 31, 2023

**REVEREND NORM JOHNSTON YOUTH RESIDENCE  
(LANARK, LEEDS AND GRENVILLE) INC.**  
Year ended March 31, 2023

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	Page
Independent Auditor's Report	1
Financial Statements	
Balance Sheet	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Schedule of Operations - Ministry of Children and Social Services	11
Schedule of Operations - Ministry of Attorney General	12



## **Independent Auditor's Report**

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

### **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, 2023, and the statement of operations and statement of changes in 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, 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, 2023 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 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 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.

### **Other Matters**

The financial statements of the Organization for the year ended March 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on September 22, 2022.

### **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.

**PROFESSIONAL CORPORATION**  
Chartered Professional Accountants

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## **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 19, 2023

*Durand and Associates*

DURAND AND 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, 2023, with comparative figures for March 31, 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash (note 2)	\$ 298,520	\$ 250,037
Accounts receivable	21,526	18,579
HST recoverable	9,383	8,149
Prepaid expenses	9,642	3,748
	<u>\$ 339,071</u>	<u>\$ 280,513</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 20,781	\$ 15,078
Due to Province	-	1,772
Deferred revenue (note 3)	170,396	163,286
	<u>191,177</u>	<u>180,136</u>
Net assets:		
Unrestricted	130,368	82,851
Internally restricted:		
Adult Diversion Program	8,326	8,326
Alternative Measures Program	9,200	9,200
	<u>147,894</u>	<u>100,377</u>
	<u>\$ 339,071</u>	<u>\$ 280,513</u>

Approved on behalf of the board:

Margaret Long <sup>Chair</sup> Director Cathy Kopp-Isle Director

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

Statement of Operations

Year ended March 31, 2023, with comparative figures for 2022

	2023	2022
Revenue:		
Provincial grants	\$ 366,645	\$ 366,645
Program revenue	324,219	132,388
Other grants	61,491	118,229
Federal wage subsidy	10,854	6,815
Canada emergency rent and wage subsidy	-	17,737
Donations	16,186	45,162
	<u>779,395</u>	<u>686,976</u>
Expense:		
Salaries and benefits	564,511	528,147
Transportation and communication	5,381	2,968
Travel	7,620	1,920
Services:		
Rent	54,068	45,427
Staff training	2,713	1,945
Advertising and promotion	1,481	829
Professional services	30,886	18,136
Information technology services	4,155	3,646
Insurance	7,343	8,105
Other services	1,235	2,304
Administration fees	7,287	7,064
Supplies and equipment:		
Information technology	1,678	8,130
Other	39,654	45,276
Other transactions:		
Other	3,866	3,863
	<u>731,878</u>	<u>677,760</u>
Excess of revenue over expenses	<u>\$ 47,517</u>	<u>\$ 9,216</u>

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

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

Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative figures for 2022

	<u>Internally restricted</u>			Unrestricted	2023 Total	2022 Total
	Adult Diversion Program	Alternative Measure Program				
Net assets - beginning of the year	\$ 8,326	\$ 9,200	\$ 82,851	\$ 100,377	\$ 91,161	
Excess of revenues over expenditures	-	-	47,517	47,517	9,216	
Net assets - end of the year	\$ 8,326	\$ 9,200	\$ 130,368	\$ 147,894	\$ 100,377	

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, 2023, with comparative figures for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Cash receipts	\$ 782,324	\$ 725,728
Cash paid to suppliers and employees	(733,841)	(684,965)
Increase in cash	48,483	40,763
Cash, beginning of the year	250,037	209,274
Cash, end of the year (note 2)	\$ 298,520	\$ 250,037

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, 2023

**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) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The organization has not elected to subsequently carry its financial instruments at fair value.

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

Notes to Financial Statements  
Year ended March 31, 2023

**1. Significant accounting policies (continued):**

(d) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) 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.

(f) 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.

(g) 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.

(h) Expense recognition:

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

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

Notes to Financial Statements

Year ended March 31, 2023

**2. Cash:**

	2023	2022
Cash float	\$ 400	\$ 400
Operating account	298,120	249,637
<b>Total cash</b>	<b>\$ 298,520</b>	<b>\$ 250,037</b>

**3. Deferred revenue:**

	2023	2022
Connections Program	\$ 90,404	\$ 73,099
Stingers After School Program	32,067	59,575
Choices Program	47,925	29,891
Other	-	721
	<b>\$ 170,396</b>	<b>\$ 163,286</b>

**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.

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

Notes to Financial Statements

Year ended March 31, 2023

**5. COVID-19:**

On March 11, 2020, the World Health Organization announced a pandemic of a disease called COVID-19. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact it will have on the financial results of the Organization in future periods.

In 2022, the Organization received government wage subsidies under the Canada Recovery Hiring Program, Canada Emergency Wage Subsidy and Temporary Wage Subsidy programs. They also received subsidy under the Canada Emergency Rent Subsidy program.

**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.

**7. Comparative figures:**

The 2022 comparative figures were audited by another public accountant. Certain comparative figures have been restated to comply with current year presentation.

**REVEREND NORM JOHNSTON YOUTH RESIDENCE  
(LANARK, LEEDS AND GRENVILLE) INC.**  
Schedule of Operations - Ministry of Children and Social Services  
Year ended March 31, 2023, with comparative figures for 2022

	Youth Mental Health	Alternative to Custody and Community Intervention	Central Administration	2023 Totals	2022 Totals
<b>Revenues:</b>					
Provincial grant	\$ 80,191	\$ 256,454	-	\$ 336,645	\$ 336,645
Other program revenue	-	-	8,773	8,773	4,384
	80,191	256,454	8,773	345,418	341,029
<b>Expenses:</b>					
Salaries	71,924	182,574	8,092	262,590	265,498
Transportation and communication:					
Travel	3,150	12,586	-	15,736	778
Communications	-	-	6,616	6,616	2,972
Services:					
Rent	3,284	23,747	6,417	33,448	25,607
Staff training	320	1,312	157	1,789	2,265
Advertising and promotion	-	-	-	-	829
Professional services	-	-	-	-	7,696
Information technology services	-	-	-	-	9,017
Insurance	-	-	-	-	5,909
Other services	100	2,182	20,352	22,634	3,863
Administration fees	-	-	-	-	4,150
Supplies and equipment:					
Information technology	-	-	-	-	8,132
Other	85	1,781	739	2,605	4,313
Other transactions:					
Central administration costs	7,957	25,643	(33,600)	-	-
	86,820	249,825	8,773	345,418	341,029
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (6,629)</b>	<b>\$ 6,629</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

Schedule of Operations - Ministry of Attorney General

Year ended March 31, 2023, with comparative figures for 2022

	2023	2022
<b>Revenues:</b>		
Provincial grant	\$ 30,000	\$ 30,000
<b>Expenses:</b>		
Salaries and benefits	20,964	21,487
Transportation and communication:		
Travel	36	-
Services:		
Rent	3,700	3,000
Staff training	419	247
Professional services	600	600
Insurance	-	700
Administration	2,900	2,914
Supplies and equipment:		
Other	1,381	1,052
	<u>30,000</u>	<u>30,000</u>
<b>Excess of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>

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