

**FINANCIAL STATEMENT FILE**

**JOHN HOWARD SOCIETY OF THUNDER BAY  
AND DISTRICT**

**FINANCIAL STATEMENTS**

**MARCH 31, 2010**

**BUSET  
SARVAS  
MOZZON**

**CHARTERED  
ACCOUNTANTS**

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JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT

March 31, 2010

Page

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**Auditors' Report**

1

**Financial Statements**

Statement of Financial Position

2

Statement of Operations and Changes in Net Assets

3

Statement of Cash Flows

5

Notes to the Financial Statements

7

**Schedules of Revenue and Expenditure**

Restricted Programs

12

Unrestricted Programs

13

**To the Board of Directors of  
John Howard Society of Thunder Bay and District**

We have audited the Statement of Financial Position of John Howard Society of Thunder Bay and District as at March 31, 2010 and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit entities, the Society derives revenue from fundraising and donations, 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 Society and we were not able to determine whether any adjustments might be necessary to fundraising or donation revenues, excess (deficiency) of revenue over expenditure, assets or net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the fundraising and donations revenue as noted in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of John Howard Society of Thunder Bay and District as at March 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Buset Sarvas Mozzon*

Chartered Accountants, Authorized to practise public accounting by  
The Institute of Chartered Accountants of Ontario  
Thunder Bay, Ontario  
May 17, 2010

Peter J. Buset, BA, MBA, CA  
Retired

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**JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT**

**STATEMENT OF FINANCIAL POSITION**

As at March 31	2010	2009
<b>ASSETS</b>		
<b>Current</b>		
Cash and bank (note 14)	\$ 224,271	\$ 75,126
Short term investments (note 3)	41,780	55,679
Accounts receivable (note 2)	32,145	6,204
Prepaid expenses	10,072	5,608
	<b>308,268</b>	<b>142,617</b>
<b>Property and Equipment (note 4)</b>	<b>531,755</b>	<b>164,840</b>
	<b>840,023</b>	<b>307,457</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Demand loan (note 5)	72,220	6,450
Accounts payable and accrued liabilities	284,362	68,401
Long term debt principal due within one year (note 7)	18,815	48,359
	<b>375,397</b>	<b>123,210</b>
<b>Long Term Debt (note 7)</b>	<b>70,622</b>	<b>56,602</b>
<b>NET ASSETS</b>		
Restricted	(3,150)	-
Unrestricted	(45,165)	67,766
Equity in property and equipment	442,318	59,879
	<b>394,004</b>	<b>127,645</b>
	<b>\$ 840,023</b>	<b>\$ 307,457</b>

Approved by on behalf of the Board:

\_\_\_\_\_  
President

\_\_\_\_\_  
Treasurer

The accompanying notes are an integral part of these financial statements

**BUSET  
SARVAS  
MOZZON**

CHARTERED  
ACCOUNTANTS

**JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

For the year ended March 31	Community Services Order - Youth (page 12)	Remote Aboriginal (page 12)	School Based Diversion (page 12)	Bail (page 12)	Homelessness Partnership Initiative (page 12)		Total Restricted
<b>REVENUE - schedules</b>	\$ 17,345	\$ 196,374	\$ 85,000	\$ 184,548	\$ 117,791	\$ 117,791	\$ 601,058
Gain on disposition of property	-	-	-	-	-	-	-
	17,345	196,374	85,000	184,548	117,791	117,791	601,058
<b>EXPENDITURES - schedules</b>	17,534	197,798	85,118	186,065	116,628	116,628	603,143
Amortization of property and equipment	-	-	-	-	-	-	-
Less: Property and equipment purchases included in program expenses	-	-	-	-	-	-	-
Loan payments included in program expenses	-	-	-	-	-	-	-
	17,534	197,798	85,118	186,065	116,628	116,628	603,143
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	(189)	(1,424)	(118)	(1,517)	1,163	1,163	(2,085)
Change in investment in property and equipment (note 13)	-	-	-	-	-	-	-
	(189)	(1,424)	(118)	(1,517)	1,163	1,163	(2,085)
<b>NET ASSETS - BEGINNING OF YEAR</b>	-	-	-	-	-	-	-
Program surplus recovered	-	(1,065)	-	-	-	-	(1,065)
Interprogram transfers (note 12)	-	-	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ (189)	\$ (2,489)	\$ (118)	\$ (1,517)	\$ 1,163	\$ 1,163	\$ (3,150)

The accompanying notes are an integral part of these financial statements

JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (continued...)

For the year ended March 31	UNRESTRICTED						COMBINED	
	Residential Services (page 13)	Central Administration (page 13)	Contingency/ Capital Program	Trillium Foundation	Fundraising (page 13)	Total Unrestricted	Equity in Property and Equipment	Total
<b>REVENUE - schedules</b>	\$ 369,497	\$ 170,978	\$ -	\$ -	\$ -	\$ 540,475	\$ -	\$ 1,141,533
Gain on disposition of property	405,427	-	-	-	-	405,427	-	405,427
	774,924	170,978	-	-	-	945,902	-	1,546,960
<b>EXPENDITURES - schedules</b>	1,103,135	197,798	-	-	2,473	1,303,406	-	1,906,549
Amortization of property and equipment	63,554	-	-	-	-	63,554	-	63,554
Less: Property and equipment purchases included	(575,042)	-	-	-	-	(575,042)	-	(575,042)
in program expenses	(115,524)	-	-	-	-	(115,524)	-	(115,524)
Loan payments included in program expenses	476,123	197,798	-	-	2,473	676,394	-	1,279,537
	298,801	(26,820)	-	-	(2,473)	269,508	-	267,424
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	(382,439)	(26,820)	-	-	(2,473)	(382,439)	382,439	-
Change in investment in property and equipment (note 13)	(83,638)	(26,820)	-	-	(2,473)	(112,931)	382,439	267,424
<b>NET ASSETS - BEGINNING OF YEAR</b>	1,531	-	64,456	(547)	2,326	67,766	59,879	127,645
Program surplus recovered	-	-	-	-	-	-	-	(1,065)
Interprogram transfers (note 12)	63,762	-	(64,456)	547	147	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ (18,345)	\$ (26,820)	\$ -	\$ -	\$ -	\$ (45,165)	\$ 442,318	\$ 394,004
								\$ 127,645

The accompanying notes are an integral part of these financial statements

## JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT

### STATEMENT OF CASH FLOWS

For the year ended March 31	2010	2009
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditure for the year	\$ 267,424	\$ 56,862
Changes in earnings not requiring an outlay of cash:		
Recovery of surplus	(1,065)	(1,043)
Gain on disposition of property	(405,427)	-
Amortization	63,554	53,886
	(75,515)	109,705
Changes in non-cash working capital items:		
Decrease (Increase) in accounts receivable	(25,941)	4,166
Decrease (Increase) in prepaid expenses	(4,464)	(339)
Increase (decrease) in accounts payable	215,961	4,140
Increase (decrease) in deferred revenue	-	(25,861)
<b>CASH PROVIDED (USED) BY OPERATIONS</b>	<b>110,042</b>	<b>91,811</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from demand loans	65,770	-
Repayment of demand loans	-	(5,700)
Repayment of long term debt	(115,524)	(44,712)
<b>CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>(49,754)</b>	<b>(50,412)</b>
<b>INVESTING ACTIVITIES</b>		
Disposal of short-term investments	13,899	-
Purchase of short-term investments	-	(15,679)
Proceeds on disposition of property	550,000	-
Purchase of property and equipment	(475,042)	(21,680)
<b>CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>\$ 88,857</b>	<b>\$ (37,359)</b>

The accompanying notes are an integral part of these financial statements

**BUSET  
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CHARTERED  
ACCOUNTANTS

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**JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT**
**STATEMENT OF CASH FLOWS (continued) . . .**


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For the year ended March 31	2010	2009
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 110,042</b>	<b>\$ 91,811</b>
<b>CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>(49,754)</b>	<b>(50,412)</b>
<b>CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>88,857</b>	<b>(37,359)</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>149,145</b>	<b>4,040</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>75,126</b>	<b>71,086</b>
<b>CASH END OF YEAR</b>	<b>\$ 224,271</b>	<b>\$ 75,126</b>

**SUPPLEMENTARY INFORMATION:**

<b>INTEREST PAID</b>	<b>\$ 5,493</b>	<b>\$ 8,088</b>
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During the year property and equipment was acquired at an aggregate cost of \$575,042 (2009 - \$21,680), of which \$100,000 (2009 - \$nil) was acquired by means of a bank mortgage and \$475,042 (2009 - \$21,680) was acquired with cash payments.

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**JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT**
**NOTES TO THE FINANCIAL STATEMENTS**
**March 31, 2010**


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**PURPOSE OF THE ORGANIZATION**

The John Howard Society of Thunder Bay and District (the "Society") is a not-for-profit non-taxable society registered as a charity under the Income Tax Act, incorporated under the laws of the Province of Ontario without share capital on February 20, 1997. The Society is a community based organization, which supports people who are at risk or involved in the criminal justice system through services, reform, education and advocacy. The organization operates within the District of Thunder Bay in Northwestern Ontario.

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Society are the representations of management in accordance with accounting principles generally accepted in Canada. The more significant of the accounting policies are summarized below.

**Basis of Allocation**

It is the Society's policy to allocate administrative salaries, benefits, rent and other expenditures to the various programs based on budgeted amounts in accordance with funding guidelines.

**Fund Accounting**

The Society maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into three separate funds.

The Unrestricted Fund accounts for the Society's operating activities as set out by internal budgets approved by MCSS/MCYS.

The Restricted Fund receives a majority of its funding from the Ministry of the Attorney General, Ministry of Community, Safety and Correctional Services, Ministry of Children and Youth Services and Service Canada. Expenditures must be approved by the Ministries.

The Equity in Property and Equipment Fund accounts for the Society's property and equipment expenditures.

**Revenue Recognition**

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if amount to be received can be reasonably estimated and collection reasonably assured.

Revenue from rents is recognized over time as services are provided to clients, the amount is measurable and collectability is reasonably assured.

**Property and Equipment**

Property and equipment are recorded at cost and contributed property and equipment is recorded at fair value at the date of the contribution. Property and equipment are being amortized over their estimated useful lives on a straight-line basis commencing in the year of addition. Amortization is provided for using the following useful life estimates:

Building	10 years
Furniture and equipment	5 years
Computer equipment	3 years

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)...

### Donated Items and Services

Donated items and services are generally not recorded unless the value can be reasonably estimated, is significant, and would, but for the donation, normally be purchased by the Society. Where donated items and services are recorded, fair value at the time of the donation is used as the basis of measurement.

### Cash and Cash Equivalents

The Society's policy is to disclose bank balances as cash and cash equivalents.

### Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 related reported amounts of revenues and expenses during the reporting period. Actual results could differ from those reported. Management believes that the estimates are reasonable.

### Financial Instruments

The following policies and assumptions were used to determine fair value of each class of financial assets and financial liabilities:

Cash and bank, short term investments, accounts receivable, demand loan, accounts payable and accrued liabilities and long-term debt:

These assets and liabilities are classified as held-for-trading and are measured at their carrying amount which is comparable to their fair value due to the approaching maturity of these financial instruments.

## 2. ACCOUNTS RECEIVABLE

	<u>2010</u>	<u>2009</u>
GST recoverable	\$ 9,034	\$ 4,964
Rent receivable	1,365	878
Service Canada	15,720	-
Accrued interest receivable	-	250
John Howard Society of Ontario	-	112
Correctional Services of Canada	6,026	-
	<u>\$ 32,145</u>	<u>\$ 6,204</u>

## 3. SHORT TERM INVESTMENTS

	<u>2010</u>	<u>2009</u>
Redeemable GIC with interest at 0.40% maturing Nov. 19, 2010	\$ 41,780	\$ -
Redeemable GIC with interest at 1.35% maturing Nov. 19, 2009	-	41,223
Redeemable GIC with interest at 1.20% maturing Nov. 19, 2009	-	14,456
	<u>\$ 41,780</u>	<u>\$ 55,679</u>

#### 4. PROPERTY AND EQUIPMENT

	2010		2009	
	Cost	Accumulated Amortization	Net	Net
Land	\$ 80,594	\$ -	\$ 80,594	\$ 80,000
Building	470,557	47,056	423,501	64,573
Furniture and equipment	45,881	31,242	14,639	17,016
Computer equipment	37,742	24,721	13,021	3,251
	<u>\$ 634,774</u>	<u>\$ 103,019</u>	<u>\$ 531,755</u>	<u>\$ 164,840</u>

#### 5. DEMAND LOAN

The loan is payable on demand to the Superior Credit Union. Interest is prime plus 1.00% (5.00% per annum as at March 31, 2010 (2009 - 5.00%)). The maximum credit available is \$75,000. The demand loan is secured by a collateral mortgage against the land and building located at 315 S. Syndicate Avenue, Thunder Bay, Ontario and by a general security agreement.

#### 6. COMMITMENTS

The Society has entered into a contract with G4S Security Services to provide security services for one year. The contract requires the Society to pay \$15.35 per hour to G4S. The contract will be completed as of March 31, 2011. Anticipated total hours under this contract total 4,300 for an expected cost of \$66,005.

#### 7. LONG TERM DEBT

	2010	2009
Superior Credit Union Mortgage		
Repayable in monthly payments of \$1,862 including interest at a fixed rate of 4.5% at March 31, 2010 maturing August 28, 2014. Secured by a mortgage against the land and building located at 315 S. Syndicate Avenue, Thunder Bay, Ontario and by a general security agreement.	\$ 89,437	\$ 104,961
Royal Bank of Canada Mortgage		
Repayable in monthly payments of \$4,400 including interest at an interest rate of prime plus 1.85% (4.35% per annum as at March 31, 2009), maturing July 14, 2011. Secured by a mortgage against the land and building located 132 N. Archibald Street, Thunder Bay, Ontario and by a general security agreement. Repaid in full during the year.	-	104,961
Less: current portion of long term debt	(18,815)	(48,359)
	<u>\$ 70,622</u>	<u>\$ 56,602</u>

Principal repayment of long term debt due over the next five fiscal years is approximately as follows:

Year ended March 31, 2011	\$ 18,815
2012	19,679
2013	20,583
2014	21,529
2015	8,831

#### 8. COMPARATIVE FIGURES

Certain comparative figures for the previous year have been restated and reclassified to conform to the current year's presentation.

## 9. PENSION PLAN

The Society has a defined contribution plan for which virtually all employees of the Society are eligible. Pension benefits are determined by the performance of the sponsor's and employee's contributions. Actuarial valuations are normally not required as the pension obligation equals the net assets available for benefits. Employer contributions during the year were approximately \$83,975 (2009 - \$77,772).

## 10. CONTINGENT LIABILITIES

The Society is contingently liable to its funding agencies for any expenditures that it may have made in contravention of the contract agreement with these agencies. The actual amount of any contingent liability is currently not determinable.

## 11. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash and bank, accounts receivable, short term investments, demand loan, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

## 12. INTERPROGRAM TRANSFERS

An amount of \$63,762 (2009 -\$ 7,430) was transferred between the various unrestricted programs in order to the Residential Services program deficit.

## 13. CHANGE IN INVESTMENT IN PROPERTY AND EQUIPMENT

The change in investment in property and equipment is calculated as follows:

	2010	2009
Purchase of property and equipment	\$ 575,042	\$ 21,680
Disposal of property and equipment	(144,573)	-
Principal repayment on bank loans	115,524	44,712
Proceeds from bank loans	(100,000)	-
Amortization expense	(63,554)	(53,886)
	<u>\$ 382,439</u>	<u>\$ 12,506</u>

## 14. CASH AND BANK

Cash and bank consist of the following:

	2010	2009
Cash and bank - unrestricted	\$ 21,298	\$ 75,126
Cash and bank - restricted	202,973	-
	<u>\$ 224,271</u>	<u>\$ 75,126</u>

Restricted cash is being held in trust by the Society's legal representative pending closing of the purchase of the building at 315 S. Syndicate Avenue. The purchase is waiting to be closed pending the settlement of various deficiencies in the building.

## 15. CAPITAL DISCLOSURES

The Society considers its capital to be the balance maintained in its restricted and unrestricted net assets. The primary objective of the Society is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Society with the objective of providing a reasonable rate of return minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Society is not subject to any externally imposed restrictions of its capital.

## 16. UPCOMING ACCOUNTING CHANGES

The Society is currently assessing the impact, if any, of the following future accounting standards effective for the annual financial statements relating to fiscal periods beginning on or after January 1, 2012.

In March 2010, the Accounting Standards Board (AcSB) issued an Exposure Draft entitled "Accounting Standards for Not-For-Profit Organizations (NPO)" and the Public Sector Accounting Board (PSAB) issued its own Exposure Draft entitled "Financial Reporting by Government Not-For-Profit Organizations (GNPO's)". The AcSB is proposing a choice between the accounting standards for private enterprises plus current NPO-specific standards (with minor modifications) and International Financial Reporting Standards (IFRS). Once the PSAB GNPO standards are finalized, they may also allow those as a choice. The PSAB has proposed that GNPO's follow Public Sector Accounting Standards with current NPO-specific standards added on (with minor modifications). The standards would be effective for year ends beginning on or after January 1, 2012. Until the Boards make a final decision, all NPOs will continue to follow the current Canadian Institute of Chartered Accountants Handbook Part V - Accounting.

**JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT**  
**SCHEDULE OF REVENUE AND EXPENDITURE - RESTRICTED PROGRAMS**

For the year ended March 31	Community Services Order - Youth	Remote Aboriginal	School Based Diversion	Bail	Homelessness Partnership Initiative	2009	
						Total	Total
<b>REVENUE</b>							
Ministry of Community, Safety and Correctional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,797
Ministry of Children and Youth Services	17,345	196,374	85,000	-	-	298,719	311,869
Ministry of the Attorney General	-	-	-	184,544	-	184,544	184,544
Service Canada	-	-	-	-	117,791	117,791	-
Miscellaneous revenue	-	-	-	4	-	4	13
<b>TOTAL REVENUE</b>	<b>17,345</b>	<b>196,374</b>	<b>85,000</b>	<b>184,548</b>	<b>117,791</b>	<b>601,058</b>	<b>538,223</b>
<b>EXPENDITURE</b>							
Administration expense	3,924	43,428	17,850	18,454	14,490	98,146	89,429
Advertising and promotion	-	226	8	266	474	974	2,337
Bank charges and interest	-	-	-	4	18	22	325
Contract services	-	258	1,640	-	-	1,898	-
Insurance	520	2,400	900	1,200	20	5,020	5,700
Licenses, dues and memberships	-	-	-	2,500	-	2,520	2,626
Meetings	-	-	118	57	-	175	5,265
Miscellaneous expenses	-	11	370	283	-	664	189
Office expenses	284	1,141	1,177	2,160	282	5,044	17,927
Professional development	386	754	1,218	3,490	1,613	7,461	4,073
Professional fees	98	1,492	2,672	2,070	-	6,332	3,741
Rent	1,138	10,700	-	13,000	-	24,838	30,440
Repairs and maintenance	-	54	-	2,817	-	2,871	3,355
Security	660	-	-	825	18,327	19,812	3,420
Supplies	7	2,930	610	2,675	2,873	9,095	14,310
Telephone	171	5,943	1,080	4,804	1,625	13,623	9,919
Travel	70	10,958	5,488	2,893	830	20,239	39,878
Utilities	-	-	-	-	-	-	-
Wages and benefits	10,276	117,503	51,987	128,567	76,076	384,409	311,676
<b>TOTAL EXPENDITURE</b>	<b>17,534</b>	<b>197,798</b>	<b>85,118</b>	<b>186,065</b>	<b>116,628</b>	<b>603,143</b>	<b>544,610</b>
Interprogram transfers	-	-	-	-	-	-	7,430
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	<b>\$ (189)</b>	<b>\$ (1,424)</b>	<b>\$ (118)</b>	<b>\$ (1,517)</b>	<b>\$ 1,163</b>	<b>\$ (2,085)</b>	<b>\$ 1,043</b>

The accompanying notes are an integral part of these financial statements

**JOHN HOWARD SOCIETY OF THUNDER BAY AND DISTRICT**  
**SCHEDULE OF REVENUE AND EXPENDITURE - UNRESTRICTED PROGRAMS**

For the year ended March 31	Residential Services	Central Administration	Fundraising - Bingo/Raffle	2010 Total	2009 Total
<b>REVENUE</b>					
United Way of Thunder Bay	\$ 85,000	\$ -	\$ -	\$ 85,000	\$ 80,000
Human Resources Development Canada	3,333	-	-	3,333	3,043
Ministry of Community, Safety and Correctional Services	70,982	-	-	70,982	13,200
Canada Mortgage and Housing Corporation	-	-	-	-	7,241
Correctional Services Canada	6,026	-	-	6,026	-
Rent revenue	181,108	24,798	-	205,906	206,228
Donations revenue	14,036	-	-	14,036	13,066
Grants revenue	5,000	-	-	5,000	10,000
Fundraising - bingo/raffle revenue	-	-	-	-	117
Fundraising campaign revenue	3,383	-	-	3,383	44,567
Miscellaneous revenue	649	201	-	850	10,199
Administration revenue	-	145,979	-	145,979	129,677
	369,497	170,978	-	540,475	517,338
Loan proceeds	100,000	-	-	100,000	-
Proceeds on sale - 132 N. Archibald St.	550,000	-	-	550,000	-
	1,019,497	170,978	-	1,190,475	517,338
<b>EXPENDITURE</b>					
Administration expense	47,834	-	-	47,834	40,248
Advertising and promotion	1,772	1,914	-	3,686	1,727
Annual meeting	165	299	-	464	487
Bank charges and interest	3,377	130	-	3,507	620
Capital purchases	531,893	2,391	-	534,284	10,045
Contract services	8,552	3,023	-	11,575	2,288
Fundraising expenses	-	-	-	-	-
Gala expenses	-	-	-	-	-
Insurance	9,148	-	-	9,148	3,574
Interest on long-term debt	5,493	-	-	5,493	8,088
Licenses, dues and memberships	377	230	-	607	840
Meetings	4,432	648	-	5,080	1,690
Miscellaneous expenses	415	-	-	415	423
Office expenses	2,585	490	-	3,075	6,055
Principal repayments of long-term debt	115,524	-	-	115,524	44,712
Professional development	936	1,001	-	1,937	1,502
Professional fees	51,937	-	-	51,937	14,674
Rent	4,160	-	-	4,160	-
Repairs and maintenance	53,534	455	-	53,989	11,055
Security	64,695	-	-	64,695	5,159
Supplies	9,409	9,186	1,408	20,003	10,909
Telephone	2,099	1,344	1,065	4,508	3,077
Travel	3,020	5,831	-	8,851	7,116
Utilities	37,913	-	-	37,913	47,826
Wages and benefits	143,865	170,856	-	314,721	244,480
<b>TOTAL EXPENDITURE</b>	<b>1,103,135</b>	<b>197,798</b>	<b>2,473</b>	<b>1,303,406</b>	<b>466,595</b>
Interprogram transfers	-	-	-	-	(7,430)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	<b>\$ (83,638)</b>	<b>\$ (26,820)</b>	<b>\$ (2,473)</b>	<b>\$ (112,931)</b>	<b>\$ 43,313</b>

The accompanying notes are an integral part of these financial statements

**BUSET  
SARVAS  
MOZZON**

CHARTERED  
ACCOUNTANTS