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# Financial statements of St. John Council for Ontario

December 31, 2024

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To the Members of St. John Council for Ontario:

### Opinion

We have audited the financial statements of St. John Council for Ontario (the "Council"), which comprise the statement of financial position as at December 31, 2024, 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 Council as at December 31, 2024, 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 Council 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council'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 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 Council'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 Council'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 Council 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Council as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Burlington, Ontario

April 24, 2025

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

**MNP**

**St. John Council for Ontario**  
**Statement of operations**  
Year ended December 31, 2024

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|  | Notes           | 2024<br>\$         | 2023<br>\$ |
|--|-----------------|--------------------|------------|
| <b>Revenue</b>   |                 |                    |            |
| Training programs  |                 | <b>13,738,219</b>  | 13,857,602 |
| Product sales  |                 | <b>1,826,282</b>   | 1,744,432  |
| Donations and fundraising  | 6               | <b>1,743,272</b>   | 1,387,628  |
| Government grants  |                 | <b>496,345</b>     | 470,462    |
| Nevada and bingo   |                 | <b>401,059</b>     | 469,537    |
| Rental and sundry  |                 | <b>1,060,111</b>   | 1,476,135  |
|  |                 | <b>19,265,288</b>  | 19,405,796 |
| <b>Expenses</b>  |                 |                    |            |
| Service delivery and administration                                | 5(b) and 11 (b) | <b>20,519,179</b>  | 19,232,092 |
| (Deficiency) excess of revenue over expenses before the following: |                 | <b>(1,253,891)</b> | 173,704    |
| Investment income  | 3(c) and 9      | <b>4,487,057</b>   | 1,941,744  |
| Net gain on sale of capital assets                                 |                 | <b>32,312</b>      | 31,159     |
| <b>Excess of revenue over expenses for the year</b>                |                 | <b>3,265,478</b>   | 2,146,607  |

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

**St. John Council for Ontario**  
**Statement of changes in net assets**  
Year ended December 31, 2024

|  | Notes | Internally<br>restricted<br>(Note 8)<br>\$ | Endowment<br>(Note 9)<br>\$ | Unrestricted<br>\$ | 2024<br>Total<br>\$ |
|--|-------|--|-----------------------------|--------------------|---------------------|
| <b>Net assets, beginning of year</b>                             |       | <b>5,258,454</b>                           | <b>18,212,942</b>           | <b>20,306,302</b>  | <b>43,777,698</b>   |
| Excess of revenue over expenses<br>for the year                  |       | —  | —                           | <b>3,265,478</b>   | <b>3,265,478</b>    |
| Investment income related to<br>externally restricted endowments | 9     | —  | <b>1,416,794</b>            | —                  | <b>1,416,794</b>    |
| Interfund transfers  | 9     | <b>1,466,791</b>                           | <b>244,869</b>              | <b>(1,711,660)</b> | —                   |
| <b>Net assets, end of year</b>                                   |       | <b>6,725,245</b>                           | <b>19,874,605</b>           | <b>21,860,120</b>  | <b>48,459,970</b>   |
|  |       | Internally<br>restricted<br>(Note 8)<br>\$ | Endowment<br>(Note 9)<br>\$ | Unrestricted<br>\$ | 2023<br>Total<br>\$ |
| <b>Net assets, beginning of year</b>                             |       | 5,481,148                                  | 18,339,250                  | 17,810,693         | 41,631,091          |
| Deficiency of revenue over expenses<br>for the year              |       | —  | —                           | 2,146,607          | 2,146,607           |
| Investment income related to<br>externally restricted endowments |       | —  | —                           | —                  | —                   |
| Interfund transfers  |       | (222,694)                                  | (126,308)                   | 349,002            | —                   |
| <b>Net assets, end of year</b>                                   |       | <b>5,258,454</b>                           | <b>18,212,942</b>           | <b>20,306,302</b>  | <b>43,777,698</b>   |

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

**St. John Council for Ontario**  
**Statement of financial position**  
As at December 31, 2024

|  | Notes           | 2024<br>\$        | 2023<br>\$ |
|--|-----------------|-------------------|------------|
| <b>Assets</b>                            |                 |                   |            |
| Current assets                           |                 |                   |            |
| Cash and cash equivalents                |                 | <b>2,926,836</b>  | 3,174,389  |
| Accounts receivable                      | 11(a)           | <b>1,183,814</b>  | 998,798    |
| Inventory                                |                 | <b>331,602</b>    | 418,862    |
| Prepaid expenses                         |                 | <b>243,006</b>    | 157,074    |
|  |                 | <b>4,685,258</b>  | 4,749,123  |
| Long-term                                |                 |                   |            |
| Investments                              | 3 (a) and 5 (a) | <b>43,122,539</b> | 38,054,335 |
| Capital assets, net                      | 4               | <b>6,361,082</b>  | 5,678,853  |
|  |                 | <b>49,483,621</b> | 43,733,188 |
|  |                 | <b>54,168,879</b> | 48,482,311 |
| <b>Liabilities</b>                       |                 |                   |            |
| Current liabilities                      |                 |                   |            |
| Bank indebtedness                        | 5               | <b>89,951</b>     | 107,598    |
| Accounts payable and accrued liabilities | 11(a)           | <b>1,036,528</b>  | 965,791    |
| Deferred revenue                         |                 | <b>1,170,512</b>  | 879,326    |
|  |                 | <b>2,296,991</b>  | 1,952,715  |
| Long-term                                |                 |                   |            |
| Deferred capital contributions           | 6               | <b>3,411,918</b>  | 2,751,898  |
|  |                 | <b>5,708,909</b>  | 4,704,613  |
| Contingencies and commitments            |                 |                   |            |
|  | 7               |                   |            |
| <b>Net assets</b>                        |                 |                   |            |
| Internally restricted                    | 8               | <b>6,725,245</b>  | 5,258,454  |
| Endowment                                | 9               | <b>19,874,605</b> | 18,212,942 |
| Unrestricted                             |                 | <b>21,860,120</b> | 20,306,302 |
|  |                 | <b>48,459,970</b> | 43,777,698 |
|  |                 | <b>54,168,879</b> | 48,482,311 |

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

On behalf of St. John Council for Ontario

  
\_\_\_\_\_, Chair

  
\_\_\_\_\_, Treasurer

**St. John Council for Ontario****Statement of cash flows**

Year ended December 31, 2024

|  | <b>2024</b>        | 2023        |
|--|--------------------|-------------|
|  | <b>\$</b>          | <b>\$</b>   |
| <b>Operating activities</b>                          |                    |             |
| Excess of revenue over expenses for the year         | <b>3,265,478</b>   | 2,146,607   |
| Items not affecting cash                             |                    |             |
| Amortization of tangible capital assets              | <b>862,990</b>     | 534,844     |
| Amortization of intangible capital assets            | <b>65,293</b>      | 88,191      |
| Net gain on sale of capital assets                   | <b>(32,312)</b>    | (31,159)    |
| Unrealized investment income                         | <b>(3,185,251)</b> | 380,020     |
| Amortization of deferred capital contributions       | <b>(518,390)</b>   | (195,978)   |
|  | <b>457,808</b>     | 2,922,525   |
| Changes in non-cash working capital                  |                    |             |
| Accounts receivable                                  | <b>(185,016)</b>   | 325,145     |
| Inventory  | <b>87,260</b>      | (114,747)   |
| Prepaid expenses                                     | <b>(85,932)</b>    | (40,865)    |
| Accounts payable and accrued liabilities             | <b>70,737</b>      | 27,300      |
| Deferred revenue                                     | <b>291,186</b>     | 220,887     |
|  | <b>636,043</b>     | 3,340,245   |
| <b>Investing activities</b>                          |                    |             |
| Additions to capital assets                          | <b>(1,619,062)</b> | (528,495)   |
| Proceeds on sale of capital assets                   | <b>40,862</b>      | 31,159      |
| Reinvestment of net realized investment income       | <b>(1,301,806)</b> | (2,321,764) |
| Withdrawals from (deposits to) investments, net      | <b>835,647</b>     | (643,192)   |
|  | <b>(2,044,359)</b> | (3,462,292) |
| <b>Financing activities</b>                          |                    |             |
| Contributions restricted for capital asset purchases | <b>1,178,410</b>   | 430,943     |
| Change in bank indebtedness                          | <b>(17,647)</b>    | (17,647)    |
|  | <b>1,160,763</b>   | 413,296     |
| Net (decrease) increase in cash and cash equivalents | <b>(247,553)</b>   | 291,249     |
| Cash and cash equivalents, beginning of year         | <b>3,174,389</b>   | 2,883,140   |
| <b>Cash and cash equivalents, end of year</b>        | <b>2,926,836</b>   | 3,174,389   |

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



## **1. Organization**

St. John Council for Ontario is a provincial body of The Priory of Canada of the Most Venerable Order of the Hospital of St. John of Jerusalem ("St. John Priory of Canada"). St. John Council for Ontario was incorporated on October 24, 1989 by Letters Patent issued under the Corporations Act (Ontario) and further updated with the Restated Articles of Incorporation on September 14, 2023.

St. John Council for Ontario provides first-aid and health-care training and public first-aid service through a number of branches and community services units throughout the province.

### *Income tax status*

St. John Council for Ontario is classified as a registered charity (Reg. #108022237-RR0001) under Section 149.1 of the Income Tax Act (Canada) (the "Act"). Accordingly, it is exempt from taxation and will continue to be exempt as long as it continues to comply with certain requirements of the Act.

## **2. Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### *Basis of presentation*

These financial statements present the financial position and results of operations of St. John Council for Ontario, which include the assets, liabilities and results of operations of the Provincial Head Office and its branches, as follows:

|                           |                                    |
|---------------------------|------------------------------------|
| Central-East              | Peterborough                       |
| Eastern Ontario           | Southwestern Ontario               |
| Grey-Bruce-Huron          | Stratford-Perth                    |
| Halton-Hamilton-Haldimand | Thunder Bay & Northwestern Ontario |
| Niagara Region            | Toronto                            |
| Northeastern Ontario      | Waterloo-Wellington                |
| Peel-Dufferin             | York-Simcoe-Muskoka                |

### *Revenue recognition*

St. John Council for Ontario follows the deferral method of accounting for contributions, which include government grants, bequests and other donations. Grants and bequests are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recognized when received since pledges are not legally enforceable claims. Unrestricted contributions are recorded as revenue when received or receivable. Externally restricted contributions are deferred when initially received and recognized as revenue in the year in which the related expenses are incurred, except for endowment contributions, which are recorded as direct increases in net assets. Capital donations of land or capital grants for the purchase of land are recorded as capital contributions for non-depreciable assets in unrestricted net assets at the time the grant or donation is received.

## **2. Summary of significant accounting policies (continued)**

### *Revenue recognition (continued)*

Training fees are recognized when classes have been completed. Sales and service revenue are recognized when the services are rendered, and the goods provided.

Investment income, which consists of interest, dividends, income distributions from pooled funds and realized and unrealized gains and losses, is recorded in the statement of operations, except to the extent it is externally restricted, in which case it is added to (deducted from) endowment net assets or other restricted balances on the statement of financial position.

Deferred revenue mostly arises when payment is received prior to the training courses being delivered.

### *Cash and cash equivalents*

Cash and cash equivalents consist of cash on deposit and short-term investments with a short maturity of approximately three months or less from the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

### *Inventory*

Inventory is stated at the lower of cost and net realizable value. Cost is based on the first-in, first-out method.

### *Capital assets*

Purchased capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

|                        |                   |
|------------------------|-------------------|
| Tangible               |                   |
| Buildings              | 33-50 years       |
| Vehicles               | 5-10 years        |
| Equipment              | 3-10 years        |
| Leasehold improvements | Term of the lease |
| Intangible             |                   |
| Licensed software      | 7 years           |

### *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value when St. John Council for Ontario becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments. St. John Council for Ontario has elected to use the fair value option to measure investments.

St. John Council for Ontario's financial instruments and their respective measurement base are as follows:

| <u>Asset/liability</u>                   | <u>Measurement</u> |
|--|--------------------|
| Cash and cash equivalents                | Amortized cost     |
| Accounts receivable                      | Amortized cost     |
| Bank indebtedness                        | Amortized cost     |
| Accounts payable and accrued liabilities | Amortized cost     |
| Investments                              | Fair value         |

## **2. Summary of significant accounting policies (continued)**

### *Financial instruments (continued)*

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the statement of operations.

### *Related party financial instruments*

St. John Council for Ontario initially measures financial instruments in a related party transaction ("related party financial instrument") at cost and subsequently, are measured at cost or amortized cost in accordance with Accounting Standards for Private Enterprises ("ASPE") Handbook Section 3856, related party financial instruments. Transaction costs directly attributable to related party transactions are immediately recognized in the statement of operations.

### *Contributed materials and services*

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

### *Post-employment benefits*

St. John Council for Ontario is part of a multi-employer defined benefit pension plan which is accounted for using defined contribution accounting. Defined contribution plan accounting is applied for a multi-employer defined benefit pension plan, whereby contributions are expensed on an accrual basis since St. John Council of Ontario has insufficient information to apply defined benefit accounting.

### *Foreign currency translation*

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect on the date of the related transaction. Monetary assets and liabilities are translated into Canadian dollars at exchange rates as at the date of the statement of financial position. Exchange gains and losses are included in income, except to the extent that they relate to investments, in which case they are accounted for consistently with investment income.

### *Impairment of long-lived assets*

The St. John Council for Ontario writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the St. John Council for Ontario's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the St. John Council for Ontario determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

### *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 reporting period. The principal estimates used in the preparation of these financial statements are amortization expense and amortization of deferred capital contributions. Actual results could differ from management's best estimates, as additional information becomes available in the future.

## 2. Summary of significant accounting policies (continued)

### *Adoption of new accounting standard – Accounting for cloud computing arrangements*

Effective January 1, 2024, St. John Council for Ontario adopted ASPE's new guideline AcG-20 *Customer's Accounting for Cloud Computing Arrangements* (the "guideline"). Applying the new guideline results in the recognition, measurement, and disclosure of cloud computing arrangements, including the allocation of the arrangement consideration to significant separable elements of cloud computing arrangements.

Based on the available policy choices, St. John Council for Ontario has not adopted the simplification approach. The transitional guidance allows for the guideline to be applied (a) retrospectively in accordance with Section 1506 – *Accounting Changes* or (b) retrospectively only to expenditures on implementation activities incurred in a cloud computing arrangement on or after the beginning of the earliest period presented in these financial statements. St. John Council for Ontario has elected to follow the latter (b) and as a result no material adjustments were required to adopt the new guideline.

## 3. Investments

(a) Investments consist of the following:

|                   | <b>2024</b>       | 2023       |
|-------------------|-------------------|------------|
|                   | <b>\$</b>         | <b>\$</b>  |
| Short-term        | <b>9,436,746</b>  | 10,633,998 |
| Canadian equities | <b>33,685,793</b> | 27,420,337 |
|                   | <b>43,122,539</b> | 38,054,335 |

Short term investments include treasury bills and guaranteed investment certificates ("GICs") with initial maturities of less than a year and cash of \$50,247 (\$66,037 in 2023) held in the investment accounts.

(b) As at December 31, 2024, short term investments of \$9,386,499 (\$10,567,961 in 2023) have a weighted average term of under one year (under one year in 2023) and a weighted average return of 3.2% (5.5% in 2023).

(c) Investment income recorded in the statement of operations is calculated as follows:

|  | <b>2024</b>        | 2023        |
|--|--------------------|-------------|
|  | <b>\$</b>          | <b>\$</b>   |
| Investment income  |                    |             |
| Dividends and interest   | <b>1,818,275</b>   | 2,351,669   |
| Capital gain (loss) – realized   | <b>40,892</b>      | (14,232)    |
| Capital gain (loss) – unrealized   | <b>4,191,234</b>   | (267,810)   |
| Total investment income  | <b>6,050,401</b>   | 2,069,627   |
| Less: Management fees  | <b>(146,550)</b>   | (127,883)   |
| Net investment income (loss)   | <b>5,903,851</b>   | (1,941,744) |
| Less: Investment gain on investments held<br>for Endowment net assets not available<br>for spending (Note 9) | <b>(1,416,794)</b> | -           |
| Net investment income  | <b>4,487,057</b>   | 1,941,744   |

#### 4. Capital assets

(a) Capital assets consist of the following:

|                        | <b>Cost</b>       | <b>Accumulated amortization</b> | <b>2024<br/>Net book value</b> | <b>2023<br/>Net book value</b> |
|------------------------|-------------------|---------------------------------|--------------------------------|--------------------------------|
|                        | \$                | \$                              | \$                             | \$                             |
| Tangible               |                   |                                 |                                |                                |
| Land                   | 930,026           | —                               | 930,026                        | 930,026                        |
| Buildings              | 5,684,057         | 3,797,582                       | 1,886,475                      | 1,953,435                      |
| Vehicles               | 2,473,580         | 1,855,811                       | 617,769                        | 485,498                        |
| Equipment              | 5,504,795         | 2,868,278                       | 2,636,517                      | 1,969,468                      |
| Leasehold improvements | 1,836,160         | 1,661,595                       | 174,565                        | 159,403                        |
| Intangible             |                   |                                 |                                |                                |
| Licensed software      | 525,124           | 409,394                         | 115,730                        | 181,023                        |
|                        | <b>16,953,742</b> | <b>10,592,660</b>               | <b>6,361,082</b>               | <b>5,678,853</b>               |

(b) The land and buildings are recorded at historical cost, which does not reflect current market value.

#### 5. Bank indebtedness

(a) St. John Council for Ontario maintains (i) an unsecured operating line of credit of \$1,000,000, that is charged interest at the bank's prime rate, which is 5.45% at December 31, 2024 (6.7% in 2023); (ii) a demand credit facility not to exceed \$1,000,000 for the purchase and renovation of facilities with interest charged at the bank's prime rate plus 0.25%, which is 5.70% at December 31, 2024 (6.95% in 2023); and (iii) a demand non-revolving credit facility of \$200,000 for leasehold improvements with interest charged at the bank prime rate plus 0.25%, which is 5.70% at December 31, 2024 (6.95% in 2023). Investments with a fair value of approximately \$60,000 (\$60,000 in 2023) are pledged for security for the demand credit facility and the demand non-revolving credit facilities based on the bank indebtedness balance outstanding as of December 31, 2024.

As at December 31, 2024, there were drawings of \$nil (\$nil in 2023) on the operating line of credit, \$89,951 (\$107,598 in 2023) on the facility for the purchase and renovation of facilities, \$nil (\$nil in 2023) on the facility for leasehold improvements, and \$nil (\$nil in 2023) on the demand non-revolving credit facility for the purchase of software.

(b) Interest of \$15,795 (\$11,280 in 2023) is included in expenses reported in the statement of operations.

## 6. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of donations received for the purchase of capital assets. The amortization of contributions is recorded as revenue in the statement of operations.

|  | <b>2024</b>      | 2023      |
|--|------------------|-----------|
|  | <b>\$</b>        | \$        |
| Balance, beginning of year   | <b>2,751,898</b> | 2,516,933 |
| Amortization of deferred capital contributions included in donations and fundraising revenue | <b>(518,390)</b> | (195,978) |
| Contributions of Humanitarian Workforce Project restricted for capital asset purchases       | <b>1,028,942</b> | 94,035    |
| Contributions restricted for capital asset purchases   | <b>149,468</b>   | 336,908   |
| Balance, end of year   | <b>3,411,918</b> | 2,751,898 |

## 7. Contingencies and commitments

- (a) St. John Council for Ontario is named as a defendant in legal actions that management is contesting. Subsequent to December 31, 2024 the matter was settled with no material adverse payment required by St. John Council for Ontario.
- (b) St. John Council for Ontario leases certain premises and equipment under operating leases. The aggregate minimum annual commitments under operating leases in future years are as follows:

|            | \$               |
|------------|------------------|
| 2025       | 1,222,087        |
| 2026       | 1,070,527        |
| 2027       | 863,060          |
| 2028       | 713,163          |
| 2029       | 660,280          |
| Thereafter | <u>2,077,409</u> |
|            | <u>6,606,526</u> |

In addition to minimum rentals, leases for certain premises require the payment of various operating costs.

## 8. Internally restricted net assets

Internally restricted net assets consist of the following funds that have been designated as restricted by St. John Council for Ontario for various purposes and which may be used as directed by the Board of Directors (the "Board") of St. John Council for Ontario:

|                        | <b>2024</b>      | 2023      |
|------------------------|------------------|-----------|
|                        | <b>\$</b>        | \$        |
| Provincial Head Office | <b>6,725,245</b> | 5,258,454 |

Each year, the Board determines what amount, if any, should be transferred to/from internally restricted net assets. In 2024, a net amount of \$1,466,791 was transferred to internally restricted net assets from unrestricted net assets (\$222,694 in 2023 transferred from internally restricted net assets to unrestricted net assets).

## 9. Endowment net assets

Endowment net assets comprise the resources that are required by the donor or the Board to be maintained by St. John Council for Ontario on a permanent basis. The Board has a policy to transfer certain donations to endowment net assets when there is no current intention of making the original donation available for spending.

Endowment net assets consist of the following:

|                       | <b>2024</b>       | 2023       |
|-----------------------|-------------------|------------|
|                       | <b>\$</b>         | \$         |
| Externally restricted | <b>17,484,717</b> | 16,063,417 |
| Internally restricted | <b>2,389,888</b>  | 2,149,525  |
|                       | <b>19,874,605</b> | 18,212,942 |

St. John Council for Ontario has a policy with the objective of protecting the purchasing power of the endowments by requiring the reinvestment of income which has not been made available for spending. The policy is based on an anticipated long-term real rate of return on investments of 4.5%. In any particular year, should net investment income be insufficient to fund the amount to be made available for spending or the investment return is negative, the amount is funded by a transfer from unrestricted net assets.

In 2024, \$1,416,794 (\$nil in 2023) was earned on externally restricted endowments, and \$718,988 (\$726,086 in 2023) was made available for spending in accordance with the Board policy and recorded as investment income in the statement of operations. Of the amount available for spending, \$718,988 (\$726,086 in 2023) was spent during the year. All unspent amounts are transferred from unrestricted to externally restricted endowment net assets. Each year, the Board determines what amount, if any, should be transferred to internally restricted endowment net assets. In 2024, an amount of \$1,016,703 relating to investment income (\$649,328 in 2023) on internally and externally restricted endowments was transferred to unrestricted from internally and externally restricted endowment net assets. An amount of \$52,846 (\$49,550 in 2023) in connection with these internally restricted endowments was made available for spending and transferred from internally restricted endowment net assets to unrestricted.

Each year, the Board determines what amount, if any, should be transferred from/to endowment net assets. In 2024, an amount of \$244,869 was transferred to endowment net assets from unrestricted net assets (\$126,308 in 2023 was transferred from endowment net assets to unrestricted net assets).

## 10. Pension costs and obligations

The Priory sponsors and administers The Pension Plan for Employees of the Priory of Canada of the Most Venerable Order of the Hospital of St. John of Jerusalem (the "Plan"). The Plan contains a contributory defined benefit provision (the "DB Plan") and a defined contribution provision (the "DC Plan") and was previously offered to all eligible employees of the Priory and Provincial and Territorial Councils of St. John Ambulance. The Plan is registered under the Pension Benefits Act of Ontario.

## **10. Pension costs and obligations (continued)**

On April 13, 2020, the Priory and the Provincial and Territorial Councils of St. John Ambulance (the "Employers") signed a Memorandum of Agreement (the "MOA") with the Sponsors Committee and Board of Trustees of the Colleges of Applied Arts and Technology Pension Plan (the "CAAT Pension Plan"). The MOA was subsequently amended on December 14, 2020. The amended MOA sets out the agreement among the parties for the participation by the Employers in the CAAT Pension Plan, and for the transfer of defined benefit assets and liabilities from the Plan to the CAAT Pension Plan. On March 23, 2021 the prescribed regulatory period for member voting on the proposed transfer ended. As the required member voting thresholds for approval of the transfer were exceeded, all employees of the Employers joined the CAAT Pension Plan effective April 1, 2021. As a result, contributions to the Plan ceased on this date.

On October 3, 2023, the pension regulator issued a consent letter authorizing the transfer of the DB assets from the Plan to the CAAT Pension Plan. That transfer was completed on November 15, 2023 when \$14,935,962 was transferred to the CAAT Pension Plan. The Plan retained \$100,000 which has been utilized for accrued expenses. The final report on the asset transfer was filed with the pension regulator in February 2024.

In early 2024, the effective wind up date of the Plan, which consists of the remaining DC Plan, was established as April 30, 2024. Notice was provided to plan members and a wind up report was approved by the pension regulator in August 2024. Management expects that the remaining process to wind up the DC Plan will be fully completed in 2025.

Included in salaries and benefits during the year are pension contributions to the CAAT Pension Plan totaling \$203,090 (\$246,508 in 2023).

## **11. Related party transactions**

Transactions listed below are between St. John Council for Ontario and St. John Priory of Canada which are separately incorporated not-for-profit, charitable organizations.

- (a) As at December 31, 2024, there is an amount payable to St. John Priory of Canada of \$23,254 (\$28,425 in 2023) included in accounts payable and accrued liabilities and an amount receivable from St. John Priory of Canada of \$71,299 (\$41,447 in 2023) included in accounts receivable.
- (b) During the year, St. John Council for Ontario expensed the following charges from St. John Priory of Canada: \$1,479,149 (\$1,283,619 in 2023) in assessments.
- (c) During the year, St. John Council for Ontario received an in-kind donation of multiple capital assets from St. John Priory of Canada worth \$1,028,942 (\$94,035 in 2023) for the purposes of the Humanitarian Workforce Project. Donation was fully recognized as a deferred capital contribution at fair market value at the date of contribution. Deferred capital contribution will be amortized into the statement of operations on a straight-line basis over the estimated useful lives of the assets contributed.

## **12. Financial instruments**

St. John Council for Ontario is exposed to various financial risks through transactions in financial instruments.

### *Credit risk*

St. John Council for Ontario is exposed to credit risk with respect to its accounts receivable. Management does not believe they are exposed to any material credit risks. As at December 31, 2024 there is \$nil (\$480 in 2023) allowance for doubtful accounts.



**12. Financial instruments (continued)**

*Interest rate risk*

St. John Council for Ontario is exposed to interest rate risk with respect to its operating line of credit since the interest rate is linked to the bank's prime rate which changes from time to time.

*Other price risk*

St. John Council for Ontario is exposed to other price risk through changes in market prices (other than changes arising from interest rate) in connection with its investments in equity securities.

**13. Subsequent events**

Subsequent to year end, the United States government announced new tariffs on imported goods. The Canadian government then announced retaliatory tariffs and other measures. St. John Council for Ontario imports certain supplies from the United States, and it is uncertain the impact that the potential tariffs will have on their clients and resulting revenue. While the extent of the impact cannot be quantified at this time, these measures may have an adverse effect on the St. John Council for Ontario's operations. Management is developing contingency plans based on possible scenarios based on information available at this time.

**14. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.