

**ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)**

FINANCIAL STATEMENTS
for the year ended March 31, 2009

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LYLE TILLEY DAVIDSON

Chartered Accountants



AUDITOR'S REPORT

To the Members of Alice Housing (W. Williams Non-Profit Housing Association)

We have audited the balance sheet of **Alice Housing (W. Williams Non-Profit Housing Association)** as at March 31, 2009 and the statements of revenue and expenditures, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as noted 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 non-profit organizations, not all sources of revenue, by their nature, are susceptible to complete verification by audit procedures. Accordingly, our examination of revenue was restricted to accounting for the amounts recorded in the books of the association and we were not able to determine whether any adjustments might be necessary to revenue, excess of expenditures over revenue for the year, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to revenue as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2009 and the results of its operations and changes in its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "Lyle Tilley Davidson".

CHARTERED ACCOUNTANTS

Halifax, Nova Scotia

June 1, 2009

ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)
BALANCE SHEET
as at March 31, 2009

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash - unrestricted	\$ 52,432	\$ 9,862
Accounts receivable	7,088	11,103
Prepaid expenses	379	1,007
Short-term investments (notes 3 and 8)	-	154,120
	59,899	176,092
Replacement reserve	1,834	834
Capital reserve	6,319	719
Security deposits	4,000	3,200
Community Mobilization Grant	7	7
Operating reserve (notes 3 and 8)	131,192	-
	143,352	4,760
CAPITAL ASSETS (note 4)	475,476	513,602
	\$ 678,727	\$ 694,454
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,107	\$ 18,925
Deferred revenue - grants	53,916	-
Deferred revenue	715	7,740
Security deposits	3,037	2,803
Current portion of long-term debt (note 5)	22,086	20,864
	96,861	50,332
LONG-TERM DEBT (note 5)	106,832	128,957
LONG-TERM DEFERRED GOVERNMENT GRANT	382,120	398,036
	585,813	577,325
NET ASSETS		
NET ASSETS FOR REPLACEMENT RESERVE	1,834	834
NET ASSETS FOR CAPITAL RESERVE	6,319	719
UNRESTRICTED NET ASSETS (DEFICIENCY)	(10,869)	149,831
NET ASSETS FOR OPERATING RESERVE	131,192	-
NET ASSETS INVESTED IN CAPITAL ASSETS	(35,562)	(34,255)
	92,914	117,129
	\$ 678,727	\$ 694,454

COMMITMENTS (note 6)
Signed on behalf of the Board

 Director

 Director

ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)
STATEMENT OF REVENUE AND EXPENDITURES
for the year ended March 31, 2009

	2009	2008
REVENUE (schedule A)	\$ 101,114	\$ 105,687
EXPENDITURES (schedule A)	101,220	86,681
	(106)	19,006
OTHER INCOME (LOSS)		
Province of Nova Scotia	44,860	38,366
United Way	47,428	38,628
Donations and fundraising (net of related expenses)	211,381	118,689
Community Mobilization Program	-	2,533
Investments (note 8)	(33,686)	(5,800)
	269,983	192,416
INCOME BEFORE ADMINISTRATIVE AND OTHER EXPENDITURES	269,877	211,422
ADMINISTRATIVE AND OTHER EXPENDITURES		
Administration	26,086	26,714
Professional fees	5,905	5,749
Program	6,914	4,505
Promotional	1,690	3,940
Repairs and maintenance	2,267	1,987
Salaries and benefits	234,599	222,125
Telephone	6,112	5,363
Travel	4,951	4,380
Utilities	5,568	6,611
	294,092	281,374
EXCESS OF EXPENDITURES OVER REVENUE FOR THE YEAR	\$ (24,215)	\$ (69,952)

ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)
STATEMENT OF CHANGES IN NET ASSETS
for the year ended March 31, 2009

	Unrestricted Net Assets	Operating Reserve Net Assets	Replacement Reserve Net Assets	Capital Reserve Net Assets	Net Assets Invested in Capital Assets	Total 2009	Total 2008
Balance - beginning of year	\$ 149,831	\$ -	\$ 834	\$ 719	\$ (34,255)	\$ 117,130	\$ 187,005
Excess of expenditures over revenue	(24,215)	-	-	-	-	(24,215)	(69,952)
Amortization of capital assets	23,293	-	-	-	(23,293)	-	-
Interest income	-	-	-	-	-	-	77
Capital asset additions	(1,085)	-	-	-	1,085	-	-
Repayment of mortgages	(20,901)	-	-	-	20,901	-	-
Interfund appropriations	-	-	-	-	-	-	-
Cash transfer to operation reserve	(1,000)	-	1,000	-	-	-	-
Transfer from unrestricted net assets to capital reserve	(5,600)	-	-	5,600	-	-	-
Transfer from unrestricted net assets to operational reserve	(131,192)	131,192	-	-	-	-	-
Balance - end of year	\$ (10,869)	\$ 131,192	\$ 1,834	\$ 6,319	\$ (35,562)	\$ 92,915	\$ 117,130

ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)
STATEMENT OF CASH FLOW
for the year ended March 31, 2009

	2009	2008
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue) for the year	\$ (24,215)	\$ (69,952)
Items not affecting cash -		
Amortization - property & equipment	39,212	39,254
Gain on disposal of investments	(178)	-
Unrealized loss on investments	34,841	8,171
Amortization - long-term deferred government grant	(15,919)	(16,519)
	<u>33,741</u>	<u>(39,046)</u>
Changes in non-cash working capital:		
Accounts receivable	4,015	25,447
Change in restricted cash	(7,401)	9,805
Prepaid expenses	628	(60)
Deferred revenue - grants	53,916	-
Deferred revenue - auction	(7,025)	(3,369)
Accounts payable and accrued liabilities	(1,817)	(780)
Security deposits	234	(906)
	<u>76,291</u>	<u>(8,909)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	<u>(20,901)</u>	<u>(19,842)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(1,085)	-
Proceeds from sale of investments	126,215	-
Purchase of short-term investments	<u>(137,950)</u>	<u>(12,291)</u>
	<u>(12,820)</u>	<u>(12,291)</u>
RESERVE ACTIVITIES		
Unrestricted net assets	(28,586)	(18,529)
Replacement reserve	1,000	(1,000)
Capital reserve	5,600	(235)
Net assets invested in capital assets	<u>21,986</u>	<u>19,842</u>
	<u>-</u>	<u>78</u>
INCREASE (DECREASE) IN UNRESTRICTED CASH FOR THE YEAR	42,570	(40,964)
UNRESTRICTED CASH - BEGINNING OF YEAR	<u>9,862</u>	<u>50,826</u>
UNRESTRICTED CASH - END OF YEAR	<u>\$ 52,432</u>	<u>\$ 9,862</u>

ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)
NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2009

1. STATUS OF ORGANIZATION AND NATURE OF ACTIVITIES

Alice Housing (W. William Non-Profit Housing Association) was incorporated in November of 1982 to provide appropriate and affordable temporary second stage housing accommodations for women and children leaving abuse.

2. ACCOUNTING POLICIES

Financial instruments

The Association's financial instruments are classified as follows:

Held for trading:

Cash
Short-term investments

Loans and receivables:

Accounts receivable

Other liabilities:

Accounts payable and accrued liabilities

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The most significant accounting estimates in these financial statements include allowance for doubtful accounts, the estimated useful lives of capital assets, and deferred revenue.

Revenue recognition

Alice Housing follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Capital assets

(a) Units A and B and Duplexes 1 and 2

Property, buildings and equipment are stated at cost. Amortization on the property and buildings is provided at an amount equal to the principal retirement on long-term debt. Amortization on equipment is at an annual rate of 20% starting in 2004.

ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)
NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2009

2. ACCOUNTING POLICIES (continued)

Capital assets (continued)

(b) Unit C, D and Drop-in Centre/Office

Property, building and equipment are stated at cost. Amortization on the property and building is at an annual rate of 4%. Equipment is amortized at an annual rate of 20%.

Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

(c) Office furniture and equipment

Office furniture and equipment is expensed in the year it is purchased.

Long-term deferred government grant

The long-term deferred government grants are recorded at the cost of the Unit C, D, and Drop-in Centre / Office, building and equipment, which were fully funded by an HRDC grant. Amortization is recorded at an amount equal to amortization of the related capital assets.

Contributed services and materials

Volunteers contribute many hours per year to assist the association in carrying out its activities. As well, the association accepts various household items, clothes and food as donations that the women are able to take. Due to the difficulty in determining their fair value, contributed services and materials are not recognized in the financial statements.

3. RESERVE DESCRIPTIONS

Replacement Reserve

The replacement reserve is an annual allocation of funds to be used to cover repairs and capital cost replacements for Unit A and Unit B. This reserve is required under the terms of a financing agreement with Canada Mortgage and Housing Corporation, the Minister of Housing of the Province of Nova Scotia and the Halifax Regional Municipality. Subsequent to year end, the Board decided to contribute \$506 annually to Unit A until the reserve accumulates to the sum of \$5,060 and \$965 annually to Unit B until the reserve accumulates to the sum of \$9,650.

Capital Reserve

The capital reserve (previously named the renovation/emergency reserve) is an annual allocation of funds to be used to cover repairs and capital cost replacements for Unit C, Unit D, Duplex's 1 & 2 and the office / drop-in centre. In March 2004, the Board decided at its discretion to maintain this at 10% to 15% of the value of the properties determined by the property tax assessments when operating cash flow allows. As of March 31, 2009, the balance should be between \$75,000 and \$112,000. As of March 31, 2009, the balance is \$6,319 (2008 - \$719).

ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)
NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2009

3. RESERVE DESCRIPTIONS (continued)

Operating Reserve

The operations reserve was established in March 2004 and is to be used to cover any emergencies in the operations of Alice Housing such as a loss of core funding. The Board has decided to transfer the short-term investments to the operating reserve. As at March 31, 2009, the balance is \$131,192 .

4. CAPITAL ASSETS

	<u>2009</u>		<u>2008</u>	
	Cost	Accumulated amortization	Net	Net
Unit A	\$ 181,678	\$ 124,908	\$ 56,770	\$ 68,539
Unit B	98,613	75,637	22,976	27,372
Unit D	225,668	38,451	187,217	195,178
Duplex 1	37,853	32,545	5,308	8,466
Duplex 2	35,450	27,850	7,600	10,292
Office / Drop-in Centre	235,000	39,395	195,605	203,755
	<u>\$ 814,262</u>	<u>\$ 338,786</u>	<u>\$ 475,476</u>	<u>\$ 513,602</u>

The units and duplexes are held for rental purposes.

5. LONG-TERM DEBT

	<u>2009</u>	<u>2008</u>
4.45% mortgage payable, repayable in blended monthly installments of \$1,241, renewable in June 2011, secured by land and building to which it relates with a net book value of \$56,770.	\$ 76,501	\$ 87,754
4.45% mortgage payable, repayable in blended monthly installments of \$504, renewable in June 2011, secured by land and building to which it relates with a net book value of \$22,976.	31,082	35,654
7.25% mortgage payable, repayable in blended monthly installments of \$299, renewable in October 2009, secured by land and building to which it relates with a net book value of \$5,308.	10,611	13,332
4.75% mortgage payable, repayable in blended monthly installments of \$264, renewable in December 2012, secured by land and building to which it relates with a net book value of \$7,600.	10,724	13,081
	<u>128,918</u>	<u>149,821</u>
Less: current portion	22,086	20,864
	<u>\$ 106,832</u>	<u>\$ 128,957</u>

ALICE HOUSING
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NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2009

5. LONG TERM DEBT (continued)

The aggregate amount of principal payments required in each of the next five years to meet retirement provisions, assuming renewal of the mortgages on identical terms, is as follows:

Year ending March 31, 2010	\$ 22,086
2011	23,198
2012	24,370
2013	22,432
2014	19,721

6. COMMITMENTS

The aggregate annual payments under equipment leases expiring in 2010:

Year ending March 31, 2010	\$ 1,318
2011	360

7. GOVERNMENT ASSISTANCE

Alice Housing receives shelter enhancement funding to cover the cost of the repairs on the rental properties. This funding is recorded in the year it is received and is offset against repairs expense. There was no funding during the year. (2008 - \$82,522).

8. INVESTMENTS

(a) Income (loss)

	<u>2009</u>	<u>2008</u>
Interest	\$ 977	\$ 2,371
Realized gain on sale	178	-
Unrealized loss	(34,841)	(8,171)
	<u>\$ (33,686)</u>	<u>\$ (5,800)</u>

(b) Holdings at market value

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 231	\$ 366
Fixed income	23,990	11,925
Mutual funds	106,971	141,829
	<u>\$ 131,192</u>	<u>\$ 154,120</u>

Schedule A

ALICE HOUSING
(W. WILLIAMS NON-PROFIT HOUSING ASSOCIATION)
SCHEDULE OF EARNINGS FROM OPERATIONS
for the year ended March 31, 2009

	Unit A	Unit B	Unit D	Duplex 1 & 2	2009	2008
REVENUE						
Rentals	\$ 30,539	\$ 18,520	\$ 15,085	\$ 27,573	\$ 91,717	\$ 96,325
CMHC rent subsidy	5,098	3,111	-	-	8,209	8,209
Washers and dryers	602	283	-	303	1,188	1,153
	36,239	21,914	15,085	27,876	101,114	105,687
EXPENDITURES						
Amortization	11,769	5,481	192	5,851	23,293	22,734
Bad debts	-	-	-	-	-	475
Heat	7,095	6,610	5,005	9,247	27,957	25,274
Insurance	1,988	1,029	596	1,045	4,658	4,356
Miscellaneous	(85)	123	(9)	204	233	658
Mortgage interest	3,604	1,464	-	1,570	6,638	7,739
Power	1,373	1,061	733	54	3,221	3,549
Property taxes	880	837	850	958	3,525	3,616
Repairs, net of shelter enhancement grants	11,413	4,870	2,559	6,039	24,881	13,309
Security	443	468	614	567	2,092	468
Water	970	1,041	450	2,261	4,722	4,503
	39,450	22,984	10,990	27,796	101,220	86,681
EXCESS REVENUE OVER EXPENDITURES						
(EXPENDITURES OVER REVENUE)	\$ (3,211)	\$ (1,070)	\$ 4,095	\$ 80	\$ (106)	\$ 19,006