ALICE HOUSE

(Second Stage Housing Association of Dartmouth)

Financial Statements

Year Ended March 31, 2026

ALICE HOUSE

(Second Stage Housing Association of Dartmouth)

Index to Financial Statements

Year Ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Alice House Second Stage Housing Association of Dartmouth

Qualified Opinion

We have audited the financial statements of Alice House, Second Stage Housing Association of Dartmouth, (the "Association"), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenditures, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from donations, fundraising and rental activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and rental revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets and net assets as at March 31, 2026 and 2025. and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation of scope.

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 Association in accordance with 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 qualified audit 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 ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Association'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 Association’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 Association’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 Association 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.

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.

Lyle Tilley Davidson

Halifax, Nova Scotia
June 17, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

ALICE HOUSE

(Second Stage Housing Association of Dartmouth)

Statement of Financial Position

March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	$ 451,969	$ 227,179
HST rebate receivable	28,056	50,686
Prepaid expenses	22,202	1,960
Due from operating reserve *(Note 5)*	-	250,000
	502,227	529,825
CASH & INVESTMENTS - RESTRICTED		
Capital reserve *(Note 4)*	378,101	371,246
Operating reserve *(Notes 4, 6)*	857,645	816,264
Security deposits	5,924	5,750
Due from unrestricted *(Note 5)*	100,000	100,000
	1,843,897	1,823,085
CAPITAL ASSETS *(Note 8)*	662,411	663,000
INVESTMENT FUND *(Notes 6, 7)*	33,473	34,567
COPYRIGHT & TRADEMARK *(Note 9)*	4,926	4,926
	$ 2,544,707	$ 2,525,578
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	$ 62,743	$ 101,815
Security deposits	6,038	5,267
Deferred revenue *(Note 10)*	95,331	238,048
Due to unrestricted *(Note 5)*	-	250,000
Due to capital reserve *(Note 5)*	100,000	100,000
	264,112	695,130
DEFERRED CAPITAL CONTRIBUTIONS *(Note 11)*	204,530	214,321
	468,642	909,451
NET ASSETS		
Unrestricted	282,438	129,939
Capital Reserve *(Note 4)*	478,101	471,246
Operating Reserve *(Note 4)*	857,645	566,264
Investment in Capital Assets	457,881	448,678
	2,076,065	1,616,127
	$ 2,544,707	$ 2,525,578

LEASE COMMITMENTS *(Note 13)*

ON BEHALF OF THE BOARD

_______________________ Director

_______________________ Director

ALICE HOUSE

(Second Stage Housing Association of Dartmouth)

Statement of Revenues and Expenditures

Year Ended March 31, 2026

	2026	2025
REVENUE *(Schedule 1)*	**$ 131,317**	$ 140,979
EXPENDITURES *(Schedule 1)*	**175,121**	159,977
	(43,804)	(18,998)
OTHER REVENUE		
Government grants	**715,317**	655,832
Donations and fundraising	**774,461**	584,853
Investment income *(Note 6)*	**47,575**	64,642
United Way	**30,000**	30,000
	1,567,353	1,335,327
OTHER EXPENDITURES		
Administration	**42,153**	41,293
Fundraising expenses	**6,582**	13,283
Professional fees *(Note 12)*	**53,997**	137,245
Program	**34,418**	74,807
Public relations	**15,570**	12,494
Rental	**19,568**	19,742
Repairs and maintenance	**14,552**	18,771
Salaries and wages	**846,979**	732,585
Telephone and technology	**23,437**	30,776
Utilities	**6,355**	9,317
	1,063,611	1,090,313
EXCESS OF REVENUE OVER OTHER EXPENDITURES	**$ 459,938**	$ 226,016

ALICE HOUSE

(Second Stage Housing Association of Dartmouth)

Statement of Changes in Net Assets

Year Ended March 31, 2026

	Unrestricted	Capital Reserve	Operating Reserve	Investment in Capital Assets	**2026**	2025
NET ASSETS - BEGINNING OF YEAR	$ 129,939	$ 471,246	$ 566,264	$ 448,678	**$ 1,616,127**	$ 1,390,111
Excess of revenue over other expenditures	453,083	6,855	-	-	**459,938**	226,016
Purchase of capital assets	(30,382)	-	-	30,382	**-**	-
Amortization	30,971	-	-	(30,971)	**-**	-
Amortization of deferred government grants	(9,792)	-	-	9,792	**-**	-
Changes in investments	(41,381)	-	41,381	-	**-**	-
Transfers	(250,000)	-	250,000	-	**-**	-
NET ASSETS - END OF YEAR	$ 282,438	$ 478,101	$ 857,645	$ 457,881	**$ 2,076,065**	$ 1,616,127

ALICE HOUSE

(Second Stage Housing Association of Dartmouth)

Statement of Unrestricted Cash Flows

Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenue over other expenditures	$ 459,938	$ 226,016
Items not affecting cash:		
Amortization of capital assets	30,971	28,087
Amortization of deferred capital contributions	(9,792)	(9,643)
Unrealized gain on investments	(14,538)	(36,005)
Reinvested income	(640)	(1,117)
Foreign exchange gain	1,064	(1,927)
	467,003	205,411
Changes in non-cash working capital:		
HST rebate receivable	22,630	(36,841)
Due from operating reserve	250,000	-
Accounts payable and accrued liabilities	(39,072)	77,400
Deferred revenue	(142,717)	161,131
Security deposits - net	771	(1,553)
Prepaid expenses	(20,242)	(432)
Due to unrestricted	(250,000)	-
	(178,630)	199,705
Cash flow from operating activities	288,373	405,116
INVESTING ACTIVITIES		
Purchase of capital assets	(30,382)	(89,726)
Increase in investments - net	(32,107)	(421,527)
Increase in investment fund	(1,094)	(4,529)
Cash flow used by investing activities	(63,583)	(515,782)
FINANCING ACTIVITY		
Deferred capital contributions	-	59,658
INCREASE (DECREASE) IN CASH FLOW	224,790	(51,008)
Cash - beginning of year	227,179	278,187
CASH - END OF YEAR	$ 451,969	$ 227,179

1. PURPOSE OF THE ASSOCIATION

Alice House (the "Association") is a not-for-profit organization incorporated provincially under the Societies Act of Nova Scotia. As a registered charity the Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Association operates to provide second stage housing and support counselling for women and children leaving domestic abuse.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash

Cash includes cash held in Canadian financial institutions, net of any outstanding transactions.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Buildings	4%
Furniture and equipment	20%
Computer equipment	30%

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.

Impairment of long-lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The most significant accounting estimates in these financial statements include the estimated useful lives of capital assets and accrued liabilities.

Government assistance

The Association 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 included in grants revenue.

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.

Revenue recognition

Alice House follows the deferral method of accounting for contributions.

Restricted contributions and government assistance are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets that will be amortized are recognized as revenue at the same rate of amortization as the related capital assets. 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

3. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Association's financial instruments consist of cash, accounts receivable, operating reserve investments, investment fund and accounts payable. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2026.

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3. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from tenants. Accounts receivable is minimal which reduces credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to other price risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investment in quoted shares.

4. RESERVE FUNDS

Capital Reserve (Formerly Replacement Reserve)

The Capital Reserve was established in March 2020 and is to be used to ensure the growth and expansion of the Association is supported. The objectives of the reserve are to enable the Association to renovate or maintain current Alice House properties and to purchase or lease third stage housing opportunities, expand second stage housing stock or acquire additional program or administration space to meet growth demands. The reserve is composed of available unrestricted net assets that the board has designated for the Capital Reserve. The target amount to be attained and maintained for the Capital Reserve balance is $500,000. As at March 31, 2026 the balance is $478,101 (2025 - $471,246).

Operating Reserve

The Operating Reserve was established in March 2009 and is to be used to ensure the long-term financial stability of the Association and position it to respond to varying economic conditions and changes affecting financial position and the ability of the Association to continuously carry out its mission. The target amount to be attained and maintained for the Operating Reserve is approximately 50% of annual operating expenses, or about 6 months of expenses on average. The Executive Director may access up to $45,000 of the reserve fund for purposes as outlined in the objectives of the Operating Reserve policy. As at March 31, 2026 the balance is $857,645 (2025 - $566,264).

5. DUE TO/FROM RESERVES

Amounts due to/from reserves represent cash transfers to be made based on approved motions by the board of directors for allocations to the appropriate reserves.

6. INVESTMENTS

	2026	2025
Income (loss)		
Interest income	$ 30,930	$ 27,650
Other investment income	4,265	3,589
Increase (decrease) in endowment fund value	(1,094)	(4,529)
Unrealized gain	14,538	36,005
Foreign exchange gain (loss)	(1,064)	1,927
	$ 47,575	$ 64,642

	2026	2025
Holdings at market value		
Operating reserve		
Cash and short-term investments	$ 1,105	$ 3,804
Mutual funds	31,959	31,238
Equities and fixed income	824,581	781,222
	857,645	816,264
Investment fund	33,473	34,567
	$ 891,118	$ 850,831

	2026	2025
Change in investment value		
Operating reserve		
Beginning value	$ 816,264	$ 507,177
Purchases	-	250,000
Interest income	23,642	17,566
Other investment income	4,265	3,589
Unrealized gain on investments	14,538	36,005
Foreign exchange gain (loss)	(1,064)	1,927
	$ 857,645	$ 816,264

7. INVESTMENT FUND (ALICE HOUSING FUND)

In 2011, Alice House entered into an agreement with The Community Foundations of Nova Scotia ("Foundation") to establish the The Alice House Fund (the "Fund") with an initial gift of $25,000. Per their agreement, the Foundation will provide administrative, fund development, and grant making expertise and promotion of The Alice House Fund.

The Fund is invested by the Foundation and any investment income or donations received shall be disbursed on an annual basis to Alice House. At Alice House's discretion, the income may be paid to Alice Housing or reinvested in the Fund.

The Fund will be held permanently by the Foundation until the agreement is amended, or Alice House ceases to exist. In the event Alice House ceases to exist, the contribution will remain with the Foundation to support other charities or charitable causes as determined by Alice House. Should the Foundation cease to exist, Alice House would receive their proportionate share of the market value of the investments in the Foundation represented by the Fund.

8. CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Unit A	$ 462,163	$ 223,051	**$ 239,112**	$ 249,075
Unit B	144,433	94,839	**49,594**	51,661
Duplex 1	59,438	35,993	**23,445**	24,400
Duplex 2	42,783	32,496	**10,287**	10,737
Unit E 1	157,235	59,642	**97,593**	100,409
Unit E 2	156,224	59,168	**97,056**	99,850
Drop-in centre/office	237,250	137,938	**99,312**	103,450
Computer equipment	17,539	8,521	**9,018**	1,280
Furniture and equipment	125,662	88,668	**36,994**	22,138
	$ 1,402,727	$ 740,316	**$ 662,411**	$ 663,000

9. COPYRIGHT AND TRADEMARK

The Association obtained the copyright and trademark of their Healing the Bruises Program. This is an internally developed children's program used to assist youth in their rehabilitation and recovery from abusive relationships. It is the intention of the Association to lend or licence the use of this program to other similar organizations.

10. DEFERRED REVENUE

	2026	2025
Deferred rent revenue	**$ 5,831**	$ 3,483
Deferred grants	**89,500**	234,565
	$ 95,331	$ 238,048

11. DEFERRED CAPITAL CONTRIBUTIONS

The Association has received three government grants to cover the office building and equipment capital cost, and improvements at rental properties. The Human Resources Development Canada grant was received in the 2005 year end, the Housing Nova Scotia forgivable loan was received in the 2018 year end, and the Halifax Regional Municipality grant was received in the 2023 year end. The Efficiency Nova Scotia amount represents rebates received on the installation of heat pumps during the year. These contributions are recognized into income at the same rate that related assets are amortized each year.

	2026	2025
Human Resources Development Canada grant	**$ 89,564**	$ 94,988
Housing Nova Scotia's Shelter Improvement Program	**38,942**	41,359
Halifax Regional Municipality	**18,729**	19,509
Efficiency Nova Scotia	**57,295**	58,465
	$ 204,530	$ 214,321

12. PROFESSIONAL FEES

	2026	2025
Audit	**$ 9,186**	$ 8,686
Board governance	**-**	23,338
Bookkeeping	**2,031**	5,671
HR consulting	**31,231**	48,147
Legal	**528**	6,731
Property advisory services	**11,021**	1,898
Strategic plan	**-**	42,774
	$ 53,997	$ 137,245

13. LEASE COMMITMENTS

The Association has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at March 31, 2026, are as follows:

2027	$ 19,628
2028	18,362
	$ 37,990

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

ALICE HOUSE

(Second Stage Housing Association of Dartmouth)

Schedule of Earnings from Operations **(Schedule 1)**

Year Ended March 31, 2026

	Unit E	Unit A	Unit B	Duplex 1 & 2	**Total 2026**	Total 2025
REVENUE						
Rental revenue	$ 17,119	$ 51,515	$ 26,595	$ 35,847	**$ 131,076**	$ 140,921
Washers and dryers	-	-	100	141	**241**	58
	17,119	51,515	26,695	35,988	**131,317**	140,979
EXPENDITURES						
Amortization	6,025	10,738	2,963	1,454	**21,180**	18,444
Heat	-	10,478	3,619	8,497	**22,594**	15,156
Insurance	2,179	3,770	2,722	3,823	**12,494**	12,282
Power	6,162	4,597	690	781	**12,230**	10,047
Professional fees	-	-	-	-	**-**	9,487
Property taxes	403	220	222	443	**1,288**	1,231
Repairs	4,120	61,562	13,413	10,253	**89,348**	76,796
Security	1,521	2,062	1,353	2,919	**7,855**	8,458
Water	1,158	2,743	1,384	2,847	**8,132**	8,076
	21,568	96,170	26,366	31,017	**175,121**	159,977
EARNINGS (LOSS) FROM OPERATIONS	$ (4,449)	$ (44,655)	$ 329	$ 4,971	**$ (43,804)**	$ (18,998)