

HARVEST HOUSE ATLANTIC INC.

Financial Statements
For the year ended
March 31, 2025

(Unaudited)

HARVEST HOUSE ATLANTIC INC.
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For the year ended March 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Harvest House Atlantic Inc.

We have reviewed the accompanying financial statements of Harvest House Atlantic Inc. that comprise the unaudited statement of financial position as at March 31, 2025 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

The entity did not record opening inventory for the period under review. As a result, we were unable to determine the effect of this matter on cost of goods sold, gross profit, and net income.

In addition, the entity derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, we were unable to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and related disclosures.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT,

continued

Qualified Conclusion

Based on our review, except for the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Harvest House Atlantic Inc. for the year ended March 31, 2024 were reviewed by another practitioner who expressed a qualified conclusion on those financial statements on December 19, 2024 for the completeness of revenue as described in the Basis for Qualified Conclusion paragraph.

Greene CPA

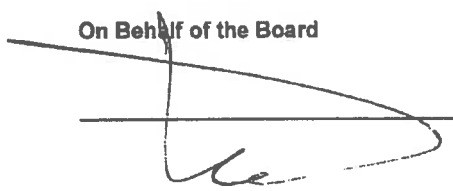
CHARTERED PROFESSIONAL ACCOUNTANTS


Moncton, NB

November 3, 2025

HARVEST HOUSE ATLANTIC INC.
Unaudited Statement of Financial Position

As at March 31,	2025	2024
ASSETS		
Current assets		
Cash (note 3)	\$ 350,389	\$ 316,073
Restricted cash	-	330,155
Accounts receivable	53,371	145,009
Inventory	88,368	-
Prepaid expenses	14,875	14,264
	507,003	805,501
Capital assets (note 4)	2,396,021	2,490,174
	\$ 2,903,024	\$ 3,295,675
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	\$ 294,446	\$ 261,660
Deferred revenue (note 5)	163,968	330,155
Current portion of long-term debt	76,379	181,135
	534,793	772,950
Long-term debt (note 6)	620,586	698,154
	1,155,379	1,471,104
NET ASSETS		
BALANCE	1,747,645	1,824,571
	\$ 2,903,024	\$ 3,295,675

On Behalf of the Board

 Director


 Director

See accompanying notes



HARVEST HOUSE ATLANTIC INC.
Unaudited Statement of Changes in Net Assets

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For the year ended March 31,	2025	2024
BALANCE, BEGINNING OF YEAR	\$ 1,824,571	\$ 1,798,487
(Deficiency) excess of revenues over expenditures for the year	(76,926)	26,084
BALANCE, END OF YEAR	\$ 1,747,645	\$ 1,824,571

See accompanying notes

HARVEST HOUSE ATLANTIC INC.
Unaudited Statement of Operations

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For the year ended March 31,	2025	2024
REVENUES		
Donations and fundraising	\$ 1,052,151	\$ 1,513,741
Food donations - in-kind	758,611	657,547
Government funding	2,919,775	1,992,556
Rental and program fees	183,454	264,362
Rising Tide	191,100	78,000
Loan forgiveness	26,046	46,516
Other	18,200	8,144
	5,149,337	4,560,866
EXPENDITURES		
Administration	47,084	95,443
Advertising and promotion	25,651	2,351
Amortization	103,364	122,241
Consulting fees	129,511	36,628
Fundraising expenses	17,022	61,785
Groceries - in-kind	692,028	657,547
Insurance	42,492	45,270
Interest and bank charges	11,304	9,559
Interest on long-term debt	23,833	30,994
Legal and accounting fees	22,491	37,914
Programs and events	91,869	138,475
Rent	16,125	26,658
Repairs and maintenance	156,282	143,040
Supplies	63,673	71,450
Telephone	46,177	36,080
Utilities	130,615	100,107
Vehicle and travel	51,163	34,836
Wages and benefits	3,760,130	2,884,404
	5,430,814	4,534,782
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(281,477)	26,084
OTHER INCOME		
Gain on sale of capital assets	204,551	-
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ (76,926)	\$ 26,084

See accompanying notes

HARVEST HOUSE ATLANTIC INC.
Unaudited Statement of Cash Flows

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For the year ended March 31,	2025	2024
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures for the year	\$ (76,926)	\$ 26,084
Adjustments for		
Amortization	103,364	122,241
Loan forgiveness	(26,046)	(46,516)
Gain on sale of capital assets	(204,551)	-
	(204,159)	101,809
Change in non-cash working capital items		
Accounts receivable	91,638	(81,410)
Inventory	(88,368)	-
Prepaid expenses	(611)	(14,264)
Accounts payable and accrued charges	32,786	170,978
Deferred revenue	(166,187)	185,505
	(334,901)	362,618
FINANCING ACTIVITY		
Repayment of long-term debt	(156,278)	(113,132)
INVESTING ACTIVITIES		
Proceeds on disposal of capital assets	399,561	-
Purchase of capital assets	(204,221)	(11,082)
	195,340	(11,082)
(DECREASE) INCREASE IN CASH	(295,839)	238,404
CASH, BEGINNING OF YEAR	646,228	407,824
CASH, END OF YEAR	\$ 350,389	\$ 646,228
CASH CONSISTS OF:		
Cash	\$ 350,389	\$ 316,073
Restricted cash	-	330,155
	\$ 350,389	\$ 646,228

See accompanying notes

For the year ended March 31, 2025

1. NATURE OF BUSINESS

Harvest House Atlantic Inc. is a not-for-profit organization based in Moncton, NB and is incorporated under the laws of the Province of New Brunswick. The organization exists to meet the needs of people who are lost, lonely, addicted and hurting. Services provided by Harvest House Atlantic Inc. include an emergency homeless shelter, Step-up Housing program, and an addiction recovery center. The organization is a registered charity under the Income Tax Act and as such is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO); accordingly, these financial statements have been prepared in accordance with Canadian generally accepted accounting principles. They include the following significant accounting policies.

Revenue recognition

The organization follows the deferral method of accounting for contributions, which include donations, government funding, and grants. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

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.

Endowment contributions are recognized as direct increases in net assets.

Fundraising revenues are reported as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. In-kind donations are recorded at the fair market value in the year in which it was received.

Rental and program fees, Rising Tide fees, loan forgiveness and other revenue are recognized as earned.

Donated goods and services

Donated goods and services are recorded at fair value when fair value can be reasonably estimated.

Cash

Cash consists of bank deposits and petty cash. Restricted cash consists of bank deposits and near-cash interest bearing savings deposits.

For the year ended March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Buildings	4% Declining balance
Vehicles	3 years Straight-line
Paving	8% Declining balance
Furnitures, fixtures and equipment	20-50% Declining balance

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and the disclosure of contingent 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 these estimates. The principal estimates used in the preparation of these financial statements include the valuation of investments and the determination of accrued charges. These estimates are reviewed periodically and adjustments made, as appropriate, in the statement of operations and changes in fund balances in the year they become known.

For the year ended March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Financial instruments measurement

The organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

Financial assets and financial liabilities originated and exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. When it does, cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have any repayment terms, cost is determined using the consideration transferred or received by the organization in the transaction.

The organization subsequently measures all its financial assets and financial liabilities at cost/amortized cost except for investments in equity instruments, which it measures at fair value. Changes in fair value are recognized in the statement of operations and changes in fund balances.

Transaction costs related to the financial instruments subsequently measured at fair value are recognized as expenses in the statement of operations and changes in fund balances in the year they are incurred. The carrying amount of financial instruments subsequently measured at cost/amortized cost is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

Financial assets measured at cost/amortized cost include cash, restricted cash and accounts receivable .

Financial liabilities measured at cost/amortized cost include accounts payable and accrued charges, current and long-term debt.

The organization has not designated any financial asset or financial liability to be measured at fair value.

Financial Instrument Risks

Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency, market, liquidity or credit risks arising from these financial instruments.

Impairment

For financial assets measured at cost/amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

HARVEST HOUSE ATLANTIC INC.
Notes to the Unaudited Financial Statements

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For the year ended March 31, 2025

3. BANK INDEBTEDNESS

The organization has a line of credit with Royal Bank of Canada (RBC) with a limit of \$275,000 that bears interest at RBC's prime rate plus 1.32%. At year end, no balance was utilized. A general security agreement covering all assets of the organization has been pledged as security.

4. CAPITAL ASSETS

			2025	2024
	Cost	Accumulated amortization	Net	Net
Land	\$ 351,194	\$ -	\$ 351,194	\$ 426,194
Buildings	2,726,115	836,245	1,889,870	2,000,888
Vehicles	49,004	49,004	-	7,560
Paving	15,624	10,650	4,974	5,407
Furnitures, fixtures and equipment	274,698	124,715	149,983	50,125
	\$ 3,416,635	\$ 1,020,614	\$ 2,396,021	\$ 2,490,174

5. DEFERRED REVENUE

Deferred revenue consists of various grants and donations received for specific purposes totaling \$163,968 (2024 - \$330,155) for which expenses have not yet been incurred.

6. LONG-TERM DEBT

	2025	2024
Royal Bank of Canada		
(a) Fixed rate term loan bearing interest at 3.2% per annum, repayable in monthly payments of \$2,182 including interest. The loan is secured by property at 108 High Street with a net book value of \$517,413. The loan matures on May 2026.	\$ 401,868	\$ 415,108
(b) Royal Bank of Canada Fixed rate term loan bearing interest at 3.2% per annum, repayable in monthly payments of \$546 including interest. The loan is secured by 110-112 High Street with a net book value of \$86,235. The loan matures on May 2026.	100,467	103,433
Carried forward	502,335	518,541

HARVEST HOUSE ATLANTIC INC.
Notes to the Unaudited Financial Statements

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For the year ended March 31, 2025

6. LONG-TERM DEBT, continued

	2025	2024
Carried forward	502,335	518,541
(c) Royal Bank of Canada Fixed rate term loan bearing interest at 6.97% per annum, repayable in monthly payments of \$4,183 including interest. The loan is secured by properties on High Street. with a net book value of \$517,416 The loan matured in September 2025, and was renewed for a further 12 month term with an interest rate of 3.8% and monthly blended payment of \$4,059.	93,130	136,567
(d) Royal Bank of Canada Loan repaid during the year.	-	55,006
(e) Royal Bank of Canada Loan repaid during the year.	-	41,629
(f) New Brunswick Housing Corporation Forgivable loan payable bearing interest at 3% per annum, forgivable annually in increments of \$14,500 plus interest. The loan is secured by 166-168 High Street with a net book value of \$224,810. The loan matures on August 2032.	101,500	116,000
(g) New Brunswick Housing Corporation Loan forgiven during the year.	-	11,546
	696,965	879,289
Less current portion	76,379	181,135
	\$ 620,586	\$ 698,154
Estimated principal repayments are as follows:		
2026	\$ 76,379	
2027	79,921	
2028	32,466	
2029	33,050	
2030	33,533	
Subsequent years	441,616	
	\$ 696,965	

For the year ended March 31, 2025

7. RELATED PARTY TRANSACTIONS

Members of the Board who have a direct impact on the daily operations of the organization are considered related parties. Board members do not receive compensation but are reimbursed from time to time for reasonable expenses incurred in the performance of their duties as members of the Board. The Executive Director is also a Board member.

These transactions are in the normal course of operations, and have been recorded at the exchange amount, which is the amount of consideration established and agreed upon by the related parties. As of March 31, 2025, no amount was due to or from related parties.

8. FINANCIAL INSTRUMENTS

The risks arising from financial instruments to which the organization is exposed as of March 31, 2025, are detailed below. Except as noted below, in management's opinion, the organization's exposure to these financial risks is low, and there has been no change in risk exposure compared to the previous year.

(a) Liquidity risk

Liquidity risk is the risk that the organization will be unable to meet a demand for cash obligations as they come due. The organization has exposure to liquidity risk in its bank indebtedness, accounts payable, accrued charges and current portion of long-term debt. The organization reduces exposure to this risk by monitoring cash activities and expected outflows and maintains a line of credit sufficient to assist in discharging its short-term financial obligations.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates. The organization is exposed to interest rate risk primarily on its bank indebtedness and variable-rate long-term debt. The organization manages its exposure to interest rate risk by monitoring market interest rates on a regular basis.

9. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.
