HARVEST HOUSE ATLANTIC INC.

Financial Statements
For the year ended
March 31, 2026

(Unaudited)

GREENECPA

HARVEST HOUSE ATLANTIC INC.
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For the year ended March 31, 2026

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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, 2026, 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 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.

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 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 matter 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.

Greene CPA

CHARTERED PROFESSIONAL ACCOUNTANTS
Moncton, NB
September 15, 2026

HARVEST HOUSE ATLANTIC INC.
Unaudited Statement of Financial Position

As at March 31,	2026	2025
ASSETS		
Current assets		
Cash (note 3)	$ 944,030	$ 350,389
Accounts receivable	68,802	53,371
Inventory	81,189	88,368
Prepaid expenses	28,850	14,875
	1,122,871	507,003
Capital assets (note 4)	2,362,324	2,396,021
	$ 3,485,195	$ 2,903,024
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	$ 397,232	$ 294,446
Deferred revenue (note 5)	457,043	163,968
Current portion of long-term debt	83,049	76,379
	937,324	534,793
Long-term debt (note 6)	556,321	620,586
	1,493,645	1,155,379
NET ASSETS		
BALANCE	1,991,550	1,747,645
	$ 3,485,195	$ 2,903,024

On Behalf of the Board

Director

Director

See accompanying notes

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

For the year ended March 31,	2026	2025
BALANCE, BEGINNING OF YEAR	**$ 1,747,645**	$ 1,824,571
Excess (deficiency) of revenues over expenditures for the year	**243,905**	(76,926)
BALANCE, END OF YEAR	**$ 1,991,550**	$ 1,747,645

See accompanying notes

HARVEST HOUSE ATLANTIC INC.
Unaudited Statement of Operations

For the year ended March 31,	2026	2025
REVENUES		
Donations and fundraising	$ 1,541,772	$ 1,052,151
Food donations - in-kind	1,280,011	758,611
Government funding	2,911,925	2,919,775
Rental and program fees	158,903	183,454
Rising Tide	191,100	191,100
Loan forgiveness	14,500	26,046
Other	33,311	18,200
	6,131,522	5,149,337
EXPENDITURES		
Administration	43,250	47,084
Advertising and promotion	8,399	25,651
Amortization	111,848	103,364
Consulting fees	84,325	129,511
Fundraising expenses	88,155	17,582
Groceries - in-kind	1,300,739	692,028
Insurance	57,447	42,492
Interest and bank charges	8,847	11,304
Interest on long-term debt	21,705	23,833
Legal and accounting fees	7,529	22,491
Programs and events	334,133	91,309
Rent	-	16,125
Repairs and maintenance	139,417	156,282
Supplies	92,858	63,673
Telephone	30,986	46,177
Utilities	136,837	130,615
Vehicle and travel	42,538	51,163
Wages and benefits	3,614,955	3,760,130
	6,123,968	5,430,814
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,554	(281,477)
OTHER INCOME		
Gain on disposal of capital assets	236,351	204,551
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FOR THE YEAR	$ 243,905	$ (76,926)

See accompanying notes

HARVEST HOUSE ATLANTIC INC.
Unaudited Statement of Cash Flows

For the year ended March 31,	2026	2025
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures for the year	$ 243,905	$ (76,926)
Adjustments for		
Amortization	111,848	103,364
Loan forgiveness	(14,500)	(26,046)
Gain on disposal of capital assets	(236,351)	(204,551)
	104,902	(204,159)
Change in non-cash working capital items		
Accounts receivable	(15,431)	91,638
Inventory	7,179	(88,368)
Prepaid expenses	(13,975)	(611)
Accounts payable and accrued charges	102,786	32,786
Deferred revenue	293,075	(166,187)
	478,536	(334,901)
FINANCING ACTIVITIES		
Proceeds of long-term debt	23,933	-
Repayment of long-term debt	(67,028)	(156,278)
	(43,095)	(156,278)
INVESTING ACTIVITIES		
Proceeds on disposal of capital assets	-	399,561
Purchase of capital assets	(124,595)	(204,221)
Insurance proceeds - building	282,795	-
	158,200	195,340
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	593,641	(295,839)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	350,389	646,228
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 944,030	$ 350,389

See accompanying notes

For the year ended March 31, 2026

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 centre. 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.

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
Furniture, 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. 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, 2026

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. 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.

For the year ended March 31, 2026

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

			2026	2025
	Cost	Accumulated amortization	Net	Net
Land	$ 351,194	$ -	$ **351,194**	$ 351,194
Buildings	2,711,227	876,760	**1,834,467**	1,889,870
Vehicles	106,251	58,535	**47,716**	-
Paving	15,624	11,048	**4,576**	4,974
Furniture, fixtures and equipment	279,569	155,198	**124,371**	149,983
	$ 3,463,865	$ 1,101,541	$ **2,362,324**	$ 2,396,021

On June 26, 2025, a fire caused a partial loss to the building at 117–119 Gordon Street. Insurance proceeds of $307,975 were received during the year, including $15,180 for business interruption and $10,000 deferred for furniture and equipment replacement upon completion of construction. The write-off and insurance recovery were recorded in the year. Building reconstruction is in progress, with $53,935 incurred at year-end.

5. DEFERRED REVENUE

Deferred revenue consists of various grants and donations received for specific purposes totaling $457,043 (2025 - $163,968) for which expenses have not yet been incurred.

For the year ended March 31, 2026

6. LONG-TERM DEBT

		2026		2025
Royal Bank of Canada Fixed rate term loan bearing interest at 4.5% per annum, repayable in monthly payments of $2,443 including interest. The loan is secured by property at 108 High Street with a net book value of $496,729. The loan matures in May 2029.	$	**388,314**	$	401,868
Royal Bank of Canada Fixed rate term loan bearing interest at 4.5% per annum, repayable in monthly payments of $611 including interest. The loan is secured by 110-112 High Street with a net book value of $82,786. The loan matures in May 2029.		**97,078**		100,467
Royal Bank of Canada Fixed rate term loan bearing interest at 3.8% per annum, repayable in monthly payments of $4,059 including interest. The loan is secured by properties on High Street. with a net book value of $505,091. The loan matures in September 2026.		**47,788**		93,130
Royal Bank of Canada Fixed rate vehicle loan bearing interest at 8.99% per annum, repayable in monthly payments of $595 including interest. The loan is secured by a 2022 Chrysler Caravan with a net book value of $26,879. The loan matures in April 2029.		**19,190**		-
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 $215,818. The loan matures in August 2032.		**87,000**		101,500
		639,370		696,965
Less current portion		**83,049**		76,379
	$	**556,321**	$	620,586

Estimated principal repayments are as follows:

2027	$ 83,049
2028	36,485
2029	37,790
2030	32,399
2031	32,587
Subsequent years	417,060
	$ 639,370

For the year ended March 31, 2026

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, 2026, 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, 2026, 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.