

**LE HAVRE À NOUS (OUR HARBOUR)
FINANCIAL STATEMENTS
MARCH 31, 2025**

SUMMARY

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Le Havre à nous (Our Harbour)

We have reviewed the accompanying financial statements of Le Havre à nous (Our Harbour), that comprise the balance sheet as at March 31, 2025, and the statements of operations, changes in net assets and cash flow 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Le Havre à nous (Our Harbour) as at March 31, 2025, 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.

Other Matter

The financial statements for the year ended March 31, 2024 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on June 18, 2024.

 P L N s.e.n.c.r.l.¹

Saint-Hubert, June 16, 2025

¹ By Nicolas Sénéchal, CPA auditor

LE HAVRE À NOUS (OUR HARBOUR)**STATEMENT OF OPERATIONS****YEAR ENDED MARCH 31, 2025**

(unaudited)

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	2025	2024
Income		
Government funding (Note 12)	\$ 305,083	\$ 286,705
Program fees from residents	174,681	169,649
Other income (Note 13)	148,587	83,640
	<u>628,351</u>	<u>539,994</u>
Expenses		
Salaries and benefits	253,273	238,186
Apartment expenses (Note 14)	210,902	197,237
Professional fees	52,278	27,839
Resident's support and programs	43,378	45,390
Promotion and publicity	26,244	9,320
Rent	16,500	2,700
Fundraising	15,264	10,532
Maintenance and repair	8,438	820
Telecommunications	5,773	5,733
Bank fees	5,728	4,408
Equipment rental fees	5,655	7,205
Training	5,308	3,189
Office expenses	3,192	1,192
Travel	3,087	9,469
Insurance	1,923	1,522
Other expenses	1,365	4,186
Amortization of fixed assets	6,475	8,675
	<u>664,783</u>	<u>577,603</u>
Deficiency of revenues over expenses from operations	(36,432)	(37,609)
Other income(expenses)	(1,002)	(1,222)
Deficiency of revenues over expenses	<u>\$ (37,434)</u>	<u>\$ (38,831)</u>

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

LE HAVRE À NOUS (OUR HARBOUR)

CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2025

(unaudited)

	Endowment	Special projects	Invested in fixed-assets	Net asset-Unrestricted	2025 Total	2024 Total
Balance, beginning of year	\$ -	\$ 239,776	\$ 25,578	\$ 71,392	\$ 336,746	\$ 375,577
Deficiency of revenues over expenses	-	-	-	(37,434)	(37,434)	(38,831)
Internal restrictions	72,210	(98,392)	-	26,182	-	-
Acquisition of fixed assets	-	-	1,450	(1,450)	-	-
Disposal of fixed assets	-	-	(1,752)	1,752	-	-
Amortization	-	-	(6,475)	6,475	-	-
Balance, end of year	\$ 72,210	\$ 141,384	\$ 18,801	\$ 66,917	\$ 299,312	\$ 336,746

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

LE HAVRE À NOUS (OUR HARBOUR)

BALANCE SHEET

AS AT MARCH 31, 2025

(unaudited)

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	2025	2024
Assets		
Current assets		
Cash	\$ 258,726	\$ 249,468
Accounts receivable (Note 3)	12,370	29,294
Prepaid expenses	2,938	3,023
	274,034	281,785
Long-term investment (Note 4)	45,839	45,610
Deposits	5,000	5,000
Fixed assets (Note 5)	18,801	25,578
	\$ 343,674	\$ 357,973
Liability		
Current liability		
Accounts payable (Note 6)	\$ 44,362	\$ 21,227
Net assets		
Net assets- Endowment reserve	72,210	-
Net assets- Special projects (Note 7)	141,384	239,776
Net assets-Invested in fixed assets	18,801	25,578
Unrestricted	66,917	71,392
	299,312	336,746
	\$ 343,674	\$ 357,973

Signed for the Board,

Marie Muldowney
Marie Muldowney (Sep 5, 2025 19:16:38 EDT), Director

Antonio Almeida
Antonio Almeida (Sep 6, 2025 13:06:47 EDT), Director

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

LE HAVRE À NOUS (OUR HARBOUR)

STATEMENT OF CASH FLOW

YEAR ENDED MARCH 31, 2025

(unaudited)

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	2025	2024
Operating activities		
Deficiency of revenues over expenses	\$ (37,434)	\$ (38,831)
Non-cash items:		
Amortization of fixed assets	6,475	8,675
Loss on disposal of immobilisations	1,002	1,222
	(29,957)	(28,934)
Investing activities		
Investment acquisition	(228)	(135)
Acquisition of property, plant and equipment	(1,449)	(2,737)
Increase of deposits	-	(2,500)
Account receivables	2,423	258
Increase in other assets	(415)	17
Decrease in other assets	15,000	10,546
Increase in other liabilities	23,135	-
	38,464	5,449
Financing activity		
Cash from disposal of fixed assets	750	-
Increase (decrease) in cash	9,257	(23,485)
Cash, beginning of year	249,469	272,954
Cash, end of year	\$ 258,726	\$ 249,469

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

1. Statues of incorporation and objectives of organization

OUR HARBOUR the organization was incorporated on July 9, 2003, by virtue of the Part III of the law "Quebec Companies Act" is a non-profit organization and has received a tax-exempt status as a registered charity in accordance with the "Income Tax Act" (Canada).

The objective of the organization is to provide a long term, supportive housing program for people living with mental illness on the South Shore.

2. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the provision for doubtful accounts and the useful life of tangible fixed assets.

Accounting for contributions

Contributions are recognized using the deferral method. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount can be reasonably estimated and receipt is reasonably assured. Contributions received as endowments or for the acquisition of non-depreciable long-term assets are credited directly to net assets.

Contributions for the acquisition of depreciable long-term assets are recorded as deferred contributions and are amortized in the same manner as the related assets.

Fundraising events

Fundraising revenues are recognized as income at the time of receipt or when receivable, provided that the amount to be received can be reasonably estimated and that collection is reasonably assured.

Program fees from residents

Program fee revenues for residents are recognized on a straight-line basis over the duration of the agreements when collection is reasonably assured. Consequently, the difference between the program fee revenues recognized on a straight-line basis and the amounts received from residents is recorded as an accounts receivable.

2. Significant accounting policies (continued)

Interest

Interest income is recognized as revenue in the period in which it is earned.

Contribution received as goods and services

The organization receives contributions in the form of goods and services from donors and volunteers. These contributions are not recognized in the financial statements.

Cash and cash equivalents

The organization's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of 12 months or less from the date of acquisition.

Fixed assets

Fixed assets are accounted for at cost. Amortization is calculated using the declining balance method at the following rates:

	Rates
Furniture and equipment	20%
Computers	30%

Impairment of long-lived assets

Property, plant and equipment and intangible assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Financial instruments

Initial measurement

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

2. Significant accounting policies (continued)

Financial instruments (continued)

Subsequent measurement

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash, term deposits, trade and other receivables, except for accounts receivable from a company under common control, and notes receivable.

Accounts receivable from a company under common control and investments in preferred shares of a private company are recognized at cost.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there are, 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.

LE HAVRE À NOUS (OUR HARBOUR)**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2025**

(unaudited)

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3. Accounts receivable

	2025	2024
Sales taxes	\$ 6,871	\$ 9,294
Funding	5,499	5,000
Donation	-	15,000
	<u>\$ 12,370</u>	<u>\$ 29,294</u>

4. Long-term investment

	2025	2024
Term deposit, bearing interest at 0.70%, maturing in March 2026	\$ 40,000	\$ 40,000
Term deposit, bearing interest at 2.75%, maturing in June 2026	5,839	5,610
	<u>\$ 45,839</u>	<u>\$ 45,610</u>

5. Fixed assets

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Computers	\$ 32,268	\$ 21,220	\$ 11,048	\$ 13,935
Furniture and equipment	32,808	25,055	7,753	11,643
	<u>\$ 65,076</u>	<u>\$ 46,275</u>	<u>\$ 18,801</u>	<u>\$ 25,578</u>

6. Accounts payable

	2025	2024
Salaries and vacations	\$ 23,862	\$ 8,860
Accounts payable	20,500	8,051
Accrued liabilities	-	4,316
	<u>\$ 44,362</u>	<u>\$ 21,227</u>

7. Internal restrictions

In 2022, the Board of Directors resolved to restrict the amount of \$25,000 to finance the 20th Anniversary celebrations and events for volunteer recognition. The 20th Anniversary project was completed in 2024-2025 and this project is now closed. The balance of \$1,575.89 remaining at March 31, 2025, has been unrestricted and returned to Unrestricted Funds.

In 2023, the Board of Directors resolved to restrict an additional amount of \$237,750 for the following projects:

a) \$40,000 to offset increased apartment costs for the next five years. During the year, an amount of \$8,000 has been used due to the increase of 28.26% (\$33,083) in rental costs beginning in 2024. A balance of \$24,000 remains to be spent over the next three years.

b) \$10,000 to allow the Organization to take advantage of opportunities for two more renovated, reasonably priced apartments from 2023 to 2025. This project is complete.

c) \$187,750 for future projects. In 2024, with respect to this amount, four one-time projects were proposed totaling approximately \$165,000:

\$ 22,750.00 did not have an agreed-upon project and will be canceled this year.

\$30,000 for the expansion, renovation and set up of workspace for a larger staff team. To date \$7,368.70 has been spent. Some office furniture (e.g., secure filing cabinets) is still needed. An electrical capacity retrofit is also required. \$ 7,523.00 has been canceled, leaving a balance of \$ 15,108.30. This project will be completed in 2025-2026.

\$55,000 to identify, recruit and train the successor of the current Director General (DG) following the announcement of their intention to retire from full time employment in September 2025. This project is underway, and a new DG will be recruited in 2025. To date \$0 has been spent. The project will be completed in 2025-2026.

\$30,000 to develop a strategic communications plan to be implemented in 2025. Consulting services were used in 2024-2025 to evaluate, assess and redesign current communications and marketing needs and to (re)build communications and social media platforms.

\$ 20,910.14 was spent, leaving a balance of \$ 9,089.86. The project will close in 2025-2026.

7. Internal restrictions (continued)

\$50,000 for a special Project: Broad community consultation and evaluation to align stakeholders in a common vision for the future of the Organization. This project, the Mission Alignment Project (MAP) was begun in December 2024. The Interim Report recommended a review and analysis of our human resources (HR) structure and systems. This HR review was undertaken from January to March 2025 and the Organization is in the process of implementing the HR recommendations. The balance of the MAP project will be completed in 2025-2026. To date, \$11,813.68 has been spent, leaving a balance of \$ 38,186.32.

The total balance of internally restricted funds at March 31, 2025 is \$141,384.

The Organization may not use these internally restricted amounts for any other purpose without the approval of the Board of Directors.

8. Contributions received as goods and services

Volunteers devoted approximately 4,234 hours in 2024-2025 (3,929 hours in 2023-2024) to help the Organization deliver its services. In addition, the Organization receives donations of supplies, such as furniture for rented apartments. Since it is difficult to assess the fair value of these hours of work and the donations received, no amount is recognized in the Organization's statement of operations.

9. Contractual commitments

The commitments of the organization under lease agreements aggregate to \$241,574. The instalments over the next two years are the following:

2026	\$	144,676
2027	\$	96,898

10. Financial instruments

Financial risks

The significant risks arising from financial instruments to which the organization is exposed as at March 31, 2025 are detailed below.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the organization by failing to discharge an obligation. The organization's credit risk is mainly related to accounts receivable.

10. Financial instruments (continued)

Credit risk (continued)

For grants receivable, the Organization assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

For pledged donations, the organization only recognizes the amounts received as of the date of completion of the financial statements at the end of the fiscal year..

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of accounts payable.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest rate instruments subject the organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

11. Comparative figures

Certain figures for 2024 have been reclassified to conform to the presentation adopted in 2025.

LE HAVRE À NOUS (OUR HARBOUR)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

(unaudited)

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12. Government funding

	2025	2024
Government of Quebec		
- CISSS PSOC	\$ 162,813	\$ 154,357
- Community Health and Social Services Network	55,000	50,000
- Ministère de l'Habitation	5,000	-
Government of Canada		
- Reaching Home	77,411	77,412
- Canada Summer Jobs Program	4,609	4,936
- Other	250	-
	<hr/>	<hr/>
	\$ 305,083	\$ 286,705

13. Other income

	2025	2024
Endowment	\$ 72,210	\$ -
Individual donations	31,327	21,028
Fundraising events	21,867	26,390
Churches and community associations donations	10,320	7,325
Foundations donations	10,000	11,200
Businesses donations	2,000	16,485
Interest	508	452
Others	355	760
	<hr/>	<hr/>
	\$ 148,587	\$ 83,640

14. Apartment expenses

	2025	2024
Rent	\$ 169,369	\$ 150,129
Telecommunications	16,182	19,392
Electricity	11,857	14,518
Cleaning	6,700	4,320
Insurance	3,414	3,491
Resident's recreation	2,429	1,074
Furnishing and maintenance	951	4,314
	<hr/>	<hr/>
	\$ 210,902	\$ 197,238