

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA
(OPERATING AS SHELTER NOVA SCOTIA)**
Financial Statements
Year Ended March 31, 2025

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA
SCOTIA)**

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Year Ended March 31, 2025

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LYLE TILLEY DAVIDSON
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Saint Leonard's Society of Nova Scotia (operating as Shelter Nova Scotia)

Qualified Opinion

We have audited the financial statements of Saint Leonard's Society of Nova Scotia (operating as Shelter Nova Scotia) (the "Society"), which comprise the statement of financial position as at March 31, 2025, 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 Society as at March 31, 2025, 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 charitable organizations, the Society derives revenue from fundraising and donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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 Society 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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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 Society'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 Society'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 Society 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.

Gyle Willey Davidson

Halifax, Nova Scotia
June 12, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Statement of Financial Position

March 31, 2025

	2025	2024
ASSETS <i>(Note 7)</i>		
CURRENT		
Cash and cash equivalents <i>(Note 4)</i>	\$ 1,912,181	\$ 1,871,316
Accounts receivable <i>(Note 5)</i>	937,445	1,067,084
Prepaid expenses	29,637	25,997
	2,879,263	2,964,397
CAPITAL ASSETS <i>(Notes 6, 8)</i>	9,912,581	5,812,224
ASSETS HELD IN TRUST	194,514	195,370
	\$ 12,986,358	\$ 8,971,991
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 380,551	\$ 280,073
Current portion of long term debt <i>(Note 8)</i>	175,671	35,862
Deferred revenue <i>(Note 9)</i>	1,181,349	1,719,821
	1,737,571	2,035,756
LONG TERM DEBT <i>(Note 8)</i>	63,505	239,153
DEFERRED CAPITAL CONTRIBUTIONS <i>(Note 10)</i>	3,750,924	3,899,686
AMOUNTS HELD IN TRUST	194,514	195,370
	5,746,514	6,369,965
NET ASSETS		
General fund	6,885,352	2,247,534
Internally restricted fund <i>(Note 11)</i>	354,492	354,492
	7,239,844	2,602,026
	\$ 12,986,358	\$ 8,971,991

COMMITMENTS *(Note 13)*

ON BEHALF OF THE BOARD

_____ Director

_____ Director

SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Statement of Revenues and Expenditures

Year Ended March 31, 2025

	2025	2024
REVENUE		
Department of Opportunities and Social Development	\$ 4,965,998	\$ 4,232,084
Correctional Services Canada	1,409,534	1,255,929
Affordable Housing Association Nova Scotia (AHANS)	1,061,985	1,027,169
Fundraising and donations	700,321	779,786
Halifax Regional Municipality - Outreach	679,511	63,893
Rental	203,669	203,180
Lottery revenue	83,515	58,885
Other	79,024	53,206
In-kind donations	16,126	22,223
Other grant revenue	-	111,959
	9,199,683	7,808,314
EXPENDITURES		
Salaries and wages	5,919,245	5,391,556
Program costs	767,451	639,490
Repairs, maintenance, and security	322,582	301,828
Food	311,847	239,542
Occupancy	204,679	115,584
Utilities	156,401	151,928
Sub-contracts	117,730	8,600
Telephone, fax, and internet	112,434	91,745
Dues, fees, and publications	109,490	60,056
Office and miscellaneous	91,758	119,335
Household supplies	74,482	76,122
Equipment rental and maintenance	66,043	62,179
Training	65,785	53,399
Lottery expense	57,627	38,551
Insurance	40,761	33,334
Travel and meals	24,389	22,789
Legal and audit	20,941	38,025
Fundraising	20,258	21,376
In-kind donations	16,126	22,223
Interest on long term debt	13,390	15,166
Interest and service charges	3,197	2,168
Municipal taxes	2,239	23,806
Bad debts	-	6,890
	8,518,855	7,535,692
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	680,828	272,622
OTHER INCOME (EXPENDITURES) (Note 12)	(52,996)	485,195
EXCESS OF REVENUE OVER EXPENDITURES	\$ 627,832	\$ 757,817

SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Statement of Changes in Net Assets

Year Ended March 31, 2025

	General Fund	Internally Restricted Fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 2,247,534	\$ 354,492	\$ 2,602,026	\$ 1,844,209
Excess of revenue over expenditures	627,832	-	627,832	757,817
Property not in use	4,009,986	-	4,009,986	-
NET ASSETS - END OF YEAR	\$ 6,885,352	\$ 354,492	\$ 7,239,844	\$ 2,602,026

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA
SCOTIA)**

**Statement of Cash Flows
Year Ended March 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 627,832	\$ 757,817
Items not affecting cash:		
Amortization of capital assets	207,536	172,343
Amortization of deferred capital contributions	(154,540)	(142,706)
	<u>680,828</u>	<u>787,454</u>
Changes in non-cash working capital:		
Accounts receivable	129,639	(797,690)
Accounts payable and accrued liabilities	100,474	118,199
Deferred revenue	(538,472)	626,149
Prepaid expenses	(3,640)	688
	<u>(311,999)</u>	<u>(52,654)</u>
Cash flow from operating activities	<u>368,829</u>	<u>734,800</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(4,307,889)</u>	<u>(375,551)</u>
FINANCING ACTIVITIES		
Capital contributions received	5,778	349,119
Contributions recorded in net assets	4,009,986	-
Repayment of long term debt	(35,839)	(34,063)
Cash flow from financing activities	<u>3,979,925</u>	<u>315,056</u>
INCREASE IN CASH FLOW	<u>40,865</u>	<u>674,305</u>
Cash and cash equivalents - beginning of year	<u>1,871,316</u>	<u>1,197,011</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,912,181</u>	<u>\$ 1,871,316</u>
CASH CONSISTS OF:		
Cash	\$ 1,162,181	\$ 1,871,316
Redeemable GIC	<u>750,000</u>	<u>-</u>
	<u>\$ 1,912,181</u>	<u>\$ 1,871,316</u>

SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Notes to Financial Statements

Year Ended March 31, 2025

1. PURPOSE OF THE SOCIETY

Saint Leonard's Society of Nova Scotia (operating as Shelter Nova Scotia) (the "Society") was incorporated under the Societies Act of Nova Scotia on May 2, 1968. The Society provides support service, overnight shelter and housing for half-way transition to community placement for those who need it. It is exempt under the Income Tax Act as a registered charity.

The Society conducts programs and services and operates from the following locations:

Sir Sandford Fleming House (SSFH), at 2549-55 Brunswick Street, Halifax

Nehiley House, at 3170 Romans Avenue, Halifax

Barry House, at 2704/2706 Gottingen Street, Halifax

Metro Turning Point (MTP), at 2170 Amalamek Street, Halifax

The Rebuilding, at 5506 Cunard Street, Halifax

The Hub, at 5506 Cunard Street, Halifax

Herring Cove Apartments, at 191 Herring Cove Road, Halifax

Outreach Program - 99 Wyse Road, Halifax

Future Site: Apartments and The Hub Program - 5531 Nora Bernard, Halifax

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 and cash equivalents

Cash includes cash on hand, GICs, and cash held in Canadian financial institutions, net of outstanding cheques and deposits, as well as line of credit facilities in use as at year end.

Restricted cash

Restricted cash is to be used to pay for new office space as described in Note 11.

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SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Notes to Financial Statements

Year Ended March 31, 2025

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

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Buildings	2.5%	declining balance method
Computer hardware	30%	declining balance method
Location equipment	20%	declining balance method
Office equipment	20%	declining balance method
Leasehold improvements	term of the lease	straight-line method

Capital assets (*continued*)

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.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long-lived assets

The Society 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.

Deferred revenue

Current contributions to operations received for use over the next twelve months are recorded as deferred revenue and recognized in the period the revenue is intended to be used.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures 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.

Contributions for acquiring capital assets are deferred and amortized on the same basis and according to the same rates as the related capital assets or to income as eligible expenditures are incurred. Contributions for acquiring capital assets not being amortized are recognized as a direct increase in net assets.

Rental income is recognized as revenue in the period it becomes receivable per the related lease.

Fundraising and donations are recognized as revenue when received.

Government assistance

The forgivable loan, recorded in deferred capital contributions, from the Department of Opportunities and Social Development and is amortized over 15 years. Other government assistance for acquiring capital assets is deferred and amortized on the same basis and according to the same rates as the related capital assets or to income as eligible expenditures are incurred.

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SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Notes to Financial Statements

Year Ended March 31, 2025

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

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Donated goods

The fair value of donated goods, if any, are recorded when a receipt is provided assuring the value. When a receipt cannot be provided, the nature of significant donated goods are disclosed. During the year, \$16,126 of in-kind donations have been recognized in the financial statements (2024 - \$22,223).

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 estimates in these financial statements include the allowance for doubtful accounts, accrued liabilities and the estimated useful lives of the capital assets.

3. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Society's financial instruments consist of cash and cash equivalents, accounts receivable, assets and amounts held in trust, accounts payable and long term debt. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from contributors and tenants. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Due to the nature of contributions, the Society does not have significant issues collecting receivables, resulting in a minimal exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its contributors and other related sources, long term debt 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 Society is mainly exposed to interest rate risk.

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SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Notes to Financial Statements

Year Ended March 31, 2025

3. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness, long-term debt and credit facilities.

4. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Cash	\$ 807,689	\$ 1,516,824
Cash - restricted	354,492	354,492
Redemable GIC bearing interest at 2.6%, maturing on March 25, 2026	<u>750,000</u>	<u>-</u>
	<u>\$ 1,912,181</u>	<u>\$ 1,871,316</u>

Restricted cash relates to internally restricted funds as described in note 11.

5. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ 30,195	\$ 74,080
Federal government funding receivable	246,146	130,531
Provincial government funding receivable	256,237	800,528
Municipal government funding receivable	-	10,000
Harmonized sales tax recoverable	<u>404,867</u>	<u>51,945</u>
	<u>\$ 937,445</u>	<u>\$ 1,067,084</u>

6. CAPITAL ASSETS

	Cost	Accumulated amortization	<u>2025 Net book value</u>	<u>2024 Net book value</u>
Land	\$ 4,691,762	\$ -	\$ 4,691,762	\$ 584,462
Buildings	6,805,025	1,834,338	4,970,687	4,926,969
Computer hardware	103,450	68,502	34,948	24,168
Location equipment	460,211	280,389	179,822	217,965
Office equipment	92,298	77,340	14,958	12,819
Leasehold improvements	<u>58,789</u>	<u>38,385</u>	<u>20,404</u>	<u>45,841</u>
	<u>\$ 12,211,535</u>	<u>\$ 2,298,954</u>	<u>\$ 9,912,581</u>	<u>\$ 5,812,224</u>

SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Notes to Financial Statements

Year Ended March 31, 2025

7. CREDIT FACILITY

The demand operating loan with a credit limit of \$150,000, of which \$nil was outstanding at year end, bears interest at the Credit Union's prime rate plus 1%.

The bank indebtedness is secured by a general security agreement over all assets of the Society, and a collateral mortgage in the amount of \$150,000 providing Credit Union Atlantic a second charge over 2549 Brunswick Street and assignment of fire insurance.

8. LONG TERM DEBT

	<u>2025</u>	<u>2024</u>
Credit Union - FH loan bearing interest at 6.05% per annum, repayable in monthly blended payments of \$994. The loan matures on August 20, 2027 and is secured by first mortgage on the property located at 2549-55 Brunswick Street which has a carrying value of \$362,569.	\$ 71,395	\$ 78,807
NSHDC - MTP loan bearing interest at 4.89% per annum, repayable in monthly blended payments of \$3,108. The loan matures on January 1, 2026 and is secured by first mortgage on the property located at 2170 Barrington Street which has a carrying value of \$1,312,626.	<u>167,781</u>	<u>196,208</u>
	239,176	275,015
Amounts payable within one year	<u>(175,671)</u>	<u>(35,862)</u>
	\$ 63,505	\$ 239,153

Principal repayment terms are approximately:

2026	\$ 175,671
2027	8,373
2028	<u>55,132</u>
	\$ 239,176

SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Notes to Financial Statements

Year Ended March 31, 2025

9. DEFERRED REVENUE

	<u>2025</u>	<u>2024</u>
Department of Opportunities and Social Development	\$ 891,216	\$ 672,913
North Pine - Housing Hub	128,458	155,938
Wish List	47,600	97,766
Affordable Housing Association of Nova Scotia	38,658	65,782
J & W Murphy Foundation - Central Office Lease & Occupancy Costs	20,691	22,615
April 2025 Rent	14,237	10,585
Halifax Regional Municipality - MTP 2.0	12,414	27,517
United Way - Food Essentials Funding	11,053	22,107
Feed Nova Scotia - Food Supply Increase	7,500	9,000
Stappell's - Metro Turning Point Mattresses	4,231	2,433
Affordable Housing Association of Nova Scotia - Rebuilding Roof	2,442	2,442
Storik Estate - Barry House	1,894	1,894
Nova Scotia Liquor Corporation - Food and Gift Card Funding	500	500
Telus - ID Program	455	1,478
Flemming Charitable Foundation - Grief Funds	-	21,022
Margot Spafford - Barry House Kitchen	-	5,491
Halifax Regional Municipality - Outreach	-	586,107
Margot Spafford - Nehiley House Washroom Renovation	-	1,915
Government of Canada - Herring Cove Apartments Accessibility Funding	-	4,158
Masonic Foundation of Nova Scotia - Herring Cove Apartments Generator, Fridge, AED	-	3,455
Halifax Foundation - Metro Turning Point Phone Booth	-	1,272
Red Cross - HRIS System	-	3,431
	<u>\$ 1,181,349</u>	<u>\$ 1,719,821</u>

SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA SCOTIA)

Notes to Financial Statements

Year Ended March 31, 2025

10. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions are grants received as contributions toward the cost of specific assets. They are deferred as revenue and recognized over time on the same basis that the related capital asset is amortized, with the exception of The Rebuilding forgivable loan, which is amortized over 15 years.

	Beginning Balance	Receipts (Reversals)	Amortized as Revenue	Ending Balance
Barry House renovations	\$ 480,773	\$ -	\$ 12,019	\$ 468,754
Sir Sanford Fleming House renovations	149,911	9,500	3,848	155,563
Sir Sanford Fleming House equipment	4,073	-	815	3,258
Nehiley House renovations	206,178	-	5,154	201,024
Metro Turning Point renovations	311,307	-	7,783	303,524
Metro Turning Point equipment	142,675	-	28,535	114,140
The Rebuilding renovation	145,775	-	3,644	142,131
Central Office renovation	9,214	-	1,421	7,793
The Rebuilding	1,437,563	-	35,939	1,401,624
The Rebuilding forgivable loan	94,944	-	31,653	63,291
Herring Cove Road renovations	154,066	-	3,852	150,214
Herring Cove Road equipment	9,940	-	1,988	7,952
Herring Cove Road property	715,545	-	17,889	697,656
J & W Murphy - Hub purchase	37,722	(3,722)	-	34,000
	<u>\$ 3,899,686</u>	<u>\$ 5,778</u>	<u>\$ 154,540</u>	<u>\$ 3,750,924</u>

11. INTERNALLY RESTRICTED FUND

During the 2021 fiscal year, the Society carried a motion to create a reserve fund of \$430,000 to be included in the operating budget with restrictions being placed on the funds to be used to pay for a new office space for the years 2022-2024, extending to 2025-2026 if alternative sources of funding were received for 2022-2024. As alternative funding was received for 2023-2025, the reserve funds will be used to pay for the office space in 2026. Any remaining funds will be used to fund capital projects. The current balance of these funds at the end of the year are \$354,492.

12. OTHER INCOME (EXPENDITURES)

	2025	2024
Amortization of capital assets	\$ (207,536)	\$ (172,343)
Amortization of deferred capital contributions	154,540	142,706
Retroactive funding	-	514,832
	<u>\$ (52,996)</u>	<u>\$ 485,195</u>

**SAINT LEONARD'S SOCIETY OF NOVA SCOTIA (OPERATING AS SHELTER NOVA
SCOTIA)**

Notes to Financial Statements

Year Ended March 31, 2025

13. COMMITMENTS

The Society has a long term lease with respect to its office premises, medical and facility equipment. The office premises lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at March 31, 2025, are as follows:

2026	\$ 216,476
2027	119,206
2028	13,368
2029	9,288
2030	<u>1,238</u>
	<u>\$ 359,576</u>

14. ECONOMIC DEPENDENCE

The Society's ability to continue operations is dependent on government funding. Should this funding change, management is of the opinion that continued viable operations would be doubtful.

15. SUBSEQUENT EVENTS

On June 2, 2025, the Board of Directors approved a motion to establish a Capital Reserve Fund to support the Nora Benard project. An initial allocation of \$200,000 from the 2024-2025 financial surplus was approved to be transferred to this Capital Reserve Fund.