ADSUM ASSOCIATION FOR WOMEN & CHILDREN

FINANCIAL STATEMENTS

MARCH 31, 2026

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
INDEX
MARCH 31, 2026

	Page
INDEPENDENT AUDITORS' REPORT	1
STATEMENT OF OPERATIONS	4
STATEMENT OF CHANGES IN NET ASSETS	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 21
SCHEDULE 1: ADSUM EXPENSES	22
SCHEDULE 2: THE BRIDGE EXPENSES	23
SCHEDULE 3: THE ROSE EXPENSES	24
SCHEDULE 4: THE SUNFLOWER EXPENSES	25
SCHEDULE 5: ADSUM HOUSE EXPENSES	26
SCHEDULE 6: MASTER LEASE EXPENSES	27

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of:
Adsum Association For Women & Children

Qualified Opinion

We have audited the financial statements of **Adsum Association for Women & Children** ("the Association"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, 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 and supplementary schedules.

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 results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenues from various sources including fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and cash flow from operations for the years ended March 31, 2026 and March 31, 2025, and net assets as at March 31, 2026 and March 31, 2025. 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 in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the 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 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 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.

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.

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

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Baker Tilly Nova Scotia Inc

Dartmouth, Nova Scotia
June 28, 2026

Chartered Professional Accountants

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
REVENUES		
Donations	**1,412,204**	1,222,738
Amortization of deferred contributions - capital assets (Note 9)	**387,038**	391,021
Investment income (Note 13)	**169,484**	185,470
Fundraising events	**75,232**	53,478
Government fees for services		
Adsum	**1,988,868**	2,626,592
The Bridge	**10,628,643**	8,627,765
The Rose	**1,466,271**	736,429
The Sunflower	**372,300**	372,800
Adsum House	**775,687**	689,063
Master Lease	**710,186**	78,373
Retroactive wages	**907,742**	-
Rental	**636,095**	530,613
Reimbursement for hotel costs (Note 14)	**447,511**	983,575
Other	**49,644**	41,032
	20,026,905	16,538,949
EXPENSES		
Administrative costs	**391,235**	251,803
Amortization	**434,773**	432,882
Bad debts	**20,473**	3,723
Interest on long-term debt	**8,531**	9,082
Hotel costs (Note 14)	**447,514**	983,580
Operations		
Adsum (Schedule 1)	**2,146,552**	2,126,750
The Bridge (Schedule 2)	**10,554,315**	8,804,333
The Rose (Schedule 3)	**1,361,658**	464,589
The Sunflower (Schedule 4)	**590,175**	467,984
Adsum House (Schedule 5)	**1,663,061**	1,431,499
Master Lease (Schedule 6)	**659,585**	98,806
Promotion and fundraising	**168,359**	109,014
Property expenses	**461,777**	438,758
Salaries and benefits	**961,092**	844,957
	19,869,100	16,467,760
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	**157,805**	71,189
UNREALIZED GAIN ON INVESTMENTS (Note 13)	312,391	189,399
EXCESS OF REVENUES OVER EXPENSES	470,196	260,588

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

	Investment in Capital Assets	Externally Restricted (Note 2)	Internally Restricted (Note 2)	Unrestricted	**2026**	2025
	$	$	$	$	**$**	$
BALANCE - beginning of year	(1,218,146)	142,594	-	3,781,713	**2,706,161**	2,445,573
Excess (deficiency) of revenues over expenses	(47,735)	23,317	-	494,614	**470,196**	260,588
Additions to capital assets	947,930	-	-	(947,930)	**-**	-
Repayment of long-term debt	9,437	-	-	(9,437)	**-**	-
Receipt of deferred contributions - capital assets	(1,033,512)	-	-	1,033,512	**-**	-
Interfund transfer (Note 15)	-	(7,795)	24,849	(17,054)	**-**	-
BALANCE - end of year	(1,342,026)	158,116	24,849	4,335,418	**3,176,357**	2,706,161

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ADSUM ASSOCIATION FOR WOMEN & CHILDREN
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	2026	2025
	$	$
ASSETS		
CURRENT		
Cash and cash equivalents (Note 3)	**494,998**	2,676,575
Accounts receivable (Note 4)	**379,067**	295,799
Guaranteed investment certificates	**3,565,759**	-
Prepaids	**167,689**	142,328
	4,607,513	3,114,702
INVESTMENTS - UNRESTRICTED (Note 5)	**2,978,884**	2,464,797
INVESTMENTS - RESTRICTED (Note 5, Note 11)	**158,120**	142,598
CAPITAL ASSETS (Note 6)	**10,185,691**	9,672,534
	17,930,208	15,394,631
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**676,908**	503,726
Deferred revenue (Note 7)	**24,700**	235,693
Tenants' damage deposits	**15,734**	17,768
Current portion of long-term debt (Note 8)	**10,019**	9,434
	727,361	766,621
LONG-TERM DEBT (Note 8)	**126,220**	136,242
DEFERRED CONTRIBUTIONS - CAPITAL ASSETS (Note 9)	**12,273,300**	11,626,826
DEFERRED CONTRIBUTIONS - FUTURE EXPENDITURES (Note 10)	**1,626,970**	158,781
	14,753,851	12,688,470
NET ASSETS		
INVESTMENT IN CAPITAL ASSETS	**(1,342,026)**	(1,218,146)
EXTERNALLY RESTRICTED (Note 2)	**158,116**	142,594
INTERNALLY RESTRICTED (Note 2)	**24,849**	-
UNRESTRICTED	**4,335,418**	3,781,713
	3,176,357	2,706,161
	17,930,208	15,394,631

COMMITMENTS AND CONTINGENCIES (Note 12)

SUBSEQUENT EVENT (Note 20)

Approved by the Board

Raelene Kennedy
_______________________ **Director**

Fraser Gray
_______________________ **Director**

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ADSUM ASSOCIATION FOR WOMEN & CHILDREN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Excess of revenues over expenses	**470,196**	260,588
Items not affecting cash		
Amortization	**434,773**	432,882
Amortization of deferred contributions - capital assets	**(387,038)**	(391,021)
Unrealized gain on investments	**(312,391)**	(189,399)
In-kind donations to investments	**(61,472)**	(287,023)
Gain on disposal of investments	**(87,584)**	(116,510)
	56,484	(290,483)
Changes in non-cash working capital items		
Accounts receivable	**(83,268)**	257,007
Prepaids	**(25,361)**	(75,187)
Accounts payable and accrued liabilities	**173,182**	(27,904)
Deferred revenue	**(210,993)**	(2,041,478)
Tenants' damage deposits	**(2,034)**	1,802
	(91,990)	(2,176,243)
FINANCING		
Repayment of long-term debt	**(9,437)**	(8,887)
Receipt of deferred contributions - capital assets	**1,033,512**	3,518,125
Increase (decrease) in deferred contributions - future expenditure	**1,468,189**	(117,984)
	2,492,264	3,391,254
INVESTING		
Acquisition of guaranteed investment certificates	**(3,565,759)**	-
Proceeds from disposal of guaranteed investment certificates	**-**	1,502,515
Acquisition of investments	**(716,843)**	(369,783)
Proceeds from disposal of investments	**648,681**	728,313
Additions to capital assets	**(947,930)**	(743,531)
	(4,581,851)	1,117,514
CHANGE IN CASH AND CASH EQUIVALENTS	**(2,181,577)**	2,332,525
CASH AND CASH EQUIVALENTS - beginning of year	**2,676,575**	344,050
CASH AND CASH EQUIVALENTS - end of year	**494,998**	2,676,575

1. NATURE OF OPERATIONS

Adsum Association for Women & Children ("the Association") is a charitable 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(1) of the Income Tax Act.

The Association provides housing and other support services to women, trans and gender diverse persons and families in an effort to end homelessness and reduce housing insecurity. The Association owns and operates the following locations within the Halifax Regional Municipality ("HRM"):

- Adsum House, an emergency shelter for women and gender diverse persons experiencing homelessness;
- Adsum Court, supportive housing that is permanent and affordable;
- The Alders, supportive housing that is permanent and affordable;
- Four condos, family housing that is permanent and affordable;
- The Sunflower, permanent affordable housing with supports onsite for individuals and families;
- Belle Aire, a fourplex that is being renovated over the 2026 and 2027 fiscal years to create permanent affordable housing for families.

Additionally, the Association is operating three programs in HRM under terms of service agreements with the provincial government:

- The Bridge, a shelter for adults of all genders in a building that was formerly operating as a hotel;
- The Rose, supportive housing for families who were previously sheltered in hotels throughout the city.
- Master lease, a program whereby the Association enters into a lease agreement and then provides subleases to people experiencing homelessness as a longer term housing option.

2. SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of accounting</u>

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting

Unrestricted Fund

The Unrestricted Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

Investment in Capital Asset Fund

The Investment in Capital Asset Fund is used to account for capital assets, including their acquisition, financing, amortization and disposal. Operating costs of the capital assets are accounted for in the Unrestricted Fund.

Internally Restricted Fund

The Internally Restricted Fund accounts for amounts restricted for use at the discretion of the Association. Included in the Internally Restricted Fund are amounts related to a rent safety net program, providing rental support for women and families in need. During the year, the Board approved the transfer of $24,849 (2025 - $Nil) from the unrestricted fund for this purpose.

Externally Restricted Fund

The Externally Restricted Fund is comprised of The Endowment Fund (Note 11). The Endowment fund reports resources contributed for endowment. The Endowment Fund was established with the goal of generating income to provide a long-term source of funding to assist with operations of the Association. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund and transferred to the unrestricted fund based on the nature of any restrictions imposed by contributors of funds for endowment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and both donated and purchased gift cards to use to support the mission of the Association.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets are measured at cost less accumulated amortization. Amortization is provided for using the following rates and methods over the estimated useful lives as follows:

Buildings	20 - 35 years	Straight-line
Equipment	5 years	Straight-line
Computer equipment	3 years	Straight-line

One half year's amortization is taken in the year of acquisition.

Capital assets acquired during the year but not placed into use or that are under construction are not amortized until they are ready for productive use.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment annually. When conditions indicate long-lived asset no longer contributes to the Association's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost.

Income taxes

The Association is a registered charity under Section 149.1(1) of the Income Tax Act, and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

Bank indebtedness

Bank indebtedness consist of a line of credit with a limit of $200,000 and floating interest at the Royal Bank of Canada prime rate plus 1.4% and a credit card facility in the amount of $51,000 at the Card Agreement stated interest rates. The Company had a balance outstanding of $NIL and $7,947 respectively at March 31, 2026 (2025 - $NIL and $50,599). The balance outstanding on the credit card facility is included in accounts payable and accrued liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

The Association follows the deferral method of accounting for restricted contributions.

Restricted contributions, other than endowments, 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 can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as a direct increase in endowment net assets.

Contributions of non-depreciable capital assets and contributions for purposes of acquiring such assets are recognized as direct increases in Investment in Capital Asset Fund in the period in which the capital assets are acquired. Contributions of depreciable capital assets and contributions for purposes of acquiring such assets are recognized in revenue over the estimated useful lives of the related assets.

Fundraising and rental revenue are recognized in the period in which they were earned.

All other revenue sources are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributed services

Volunteers contribute a significant amount of their time and services. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Gifts in kind

Donated food and clothing are recorded at their fair market value at the time of the donation. During the year, $253,428 in goods were donated (2025 - $180,569). During the year, the Association received property tax in kind of $109,335 (2025 - $115,156) from HRM.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for doubtful accounts receivable, useful lives of capital assets, certain accrued liabilities and contingencies. Actual results could differ from those estimates.

Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at 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 are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, guaranteed investment certificates and accounts receivables.

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, tenants' damage deposits and long-term debt.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 any reversal is recognized in the statement of operations.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include in-kind gift cards with a value of $168,005 (2025 - $127,000) and purchased gift cards on hand with a value of $4,890 (2025 - $5,525). These gift cards are used to support the mission of the Association.

4. ACCOUNTS RECEIVABLE

	2026	2025
	$	$
Due from provincial/municipal governments	**131,767**	57,218
HST recoverable	**230,701**	198,017
Other	**16,599**	40,564
	379,067	295,799

5. INVESTMENTS

	2026	2025
	$	$
Investments held in unrestricted fund, cost	**2,096,309**	1,899,812
Investments held in endowment fund, cost	**100,000**	100,000
Total investments, cost	**2,196,309**	1,999,812
Market value	**3,137,004**	2,607,395

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	**Net 2026**	Net 2025
	$	$	**$**	$
Land	765,428	-	**765,428**	765,428
Buildings	10,546,109	2,489,563	**8,056,546**	8,363,228
Equipment	345,186	296,408	**48,778**	69,697
Computer equipment	146,957	109,212	**37,745**	11,462
Buildings under construction	1,277,194	-	**1,277,194**	462,719
	13,080,874	2,895,183	**10,185,691**	9,672,534

7. DEFERRED REVENUE

	2026	2025
	$	$
Funding received in advance - Association	**-**	199,000
Rent received in advance	**24,700**	36,693
	24,700	235,693

8. LONG-TERM DEBT

	2026	2025
	$	$
RBC Bank term loan bearing interest at 6.03% per annum, repayable in monthly blended payments of $1,497. The loan matures on May 18, 2027, and is secured by land and building with a book value of $781,033.	**136,239**	145,676
Less current portion	**10,019**	9,434
	126,220	136,242

Principal due within each of the next 2 years on long-term debt is as follows:

	$
2027	10,019
2028	126,220

9. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

	2026	2025
	$	$
Opening balance	**11,626,826**	8,499,722
Contributions received	**1,033,512**	3,518,125
Recognized in revenue for the year	**(387,038)**	(391,021)
	12,273,300	11,626,826

10. DEFERRED CONTRIBUTIONS - FUTURE EXPENDITURES

	Opening Balance $	Receipts / Recognition of advance receipts $	Revenue $	**2026 $**	**2025 $**
Shelter Diversion Support	-	762,145	(402,990)	**359,155**	-
Master Lease	-	1,515,154	(754,206)	**760,948**	-
Journey Home	-	251,515	(251,515)	**-**	-
Adsum House	-	976,210	(976,210)	**-**	-
Sunflower House	-	288,346	(288,346)	**-**	-
Intensive Case Management	-	154,483	(154,483)	**-**	-
Housing Support Workers	-	345,000	(280,000)	**65,000**	-
Peer Works	15,384	7,500	(22,884)	**-**	15,384
Association	13,334	57,600	(70,934)	**-**	13,334
Diverting Families	66,308	493,871	(493,871)	**66,308**	66,308
The Bridge	-	11,345,933	(11,345,933)	**-**	-
The Rose	63,755	1,781,872	(1,561,068)	**284,559**	63,755
Rent Safety Net Program	-	91,000	-	**91,000**	-
	158,781	18,070,629	(16,602,440)	**1,626,970**	158,781

Shelter Diversion Support - Provincial funding received from the Department of Opportunity and Social Development to offer a safe alternative (hotel room) when traditional shelter space is not available.

Master Lease - Funding from the Department of Opportunity and Social Development to operate 38 supportive housing units to provide housing for families with children who are experiencing homelessness.

Journey Home - Provincial Funding received from the Department of Opportunity and Social Development to pair wrap-around supports with housing to keep families from the Preston Township safely housed and together.

Adsum House - Funding from the Department of Opportunity and Social Development contributes to the cost of providing emergency shelter to women, trans and gender diverse persons experiencing absolute homelessness.

The Sunflower House - Funding from the Department of Opportunity and Social Development to offer supports and community programming to individuals and families living in permanent affordable housing at The Sunflower.

10. DEFERRED CONTRIBUTIONS - FUTURE EXPENDITURES (Continued)

Intensive Case Management - Funding from the Affordable Housing Association of Nova Scotia to offer women and gender diverse persons experiencing long periods of homelessness with support to address multiple, deep-rooted barriers to accessing housing.

Housing Support Workers - Funding from the Department of Opportunity and Social Development to assist individuals to find and maintain housing in the public, private and non-profit housing markets.

Peer Works - Funding from multiple donors to offer persons with lived experience of homelessness the opportunity to participate in a supported work program.

Association - Funding from multiple sources, including small and major donors, that enables Adsum to help meet peoples' most basic needs in housing, food security, etc.

Diverting Families - Funding from the Department of Opportunity and Social Development and various donors to assist families to stay together and access short-term housing and permanent opportunities.

The Bridge - Funding, primarily from the Department of Opportunity and Social Development, to provide shelter to all genders experiencing homelessness and have basic needs met including access to health care.

The Rose - Funding from the Department of Opportunity and Social Development, to renovate the building and to offer supports and community programming to individuals and families living in transitional housing at The Rose.

Rent safety net program - Providing rental support for women and families in need.

11. ENDOWMENT FUND

The Endowment Fund is subject to externally imposed restrictions stipulating that the capital be maintained for a period of at least ten years and the investment income (including capital gains) be used towards operating expenses of the general fund. During the year, the Association received an endowment contribution of $NIL (2025 - $NIL) and had an overall investment income of $7,795 (2025 - $8,402) which has been reported as income in the endowment fund and then a transfer to the unrestricted fund. These funds are originally recorded at cost with annual adjustments to reflect fair value and are comprised of Canadian and Foreign equities with a cost of $100,000 (2025 - $100,000) and market value of $158,120 (2025 - $142,598).

12. COMMITMENTS AND CONTINGENCIES

i. In 2014, the Association entered into a Contribution Agreement with Her Majesty the Queen in Right of Canada ("HMQ"), in which HMQ contributed 50% interest in the property located at 2421 Brunswick Street. The agreement is subject to a restrictive covenant whereby for a period of 15 years the Association would be required to pay HMQ a sum equivalent to 50% of the fair market value if they breach the covenant. The Association also entered into an agreement with the Halifax Regional Municipality ("HRM") which gives HRM the right to repurchase the property upon the occurrence of certain events or if the Association fails to operate the Property for shelter or affordable housing. The buy-back agreement expires in 2029 at the end of a 15 year period, at which Adsum would own the property with no commitments to usage.

ii. In 2012, the Association entered into funding agreements with the Government of Canada and the Province of Nova Scotia whereby the Association designed and built a 10 unit housing complex that is affordable and supportive in the Halifax Regional Municipality. The Association has undertaken a commitment to both the Government of Canada and the Province of Nova Scotia to operate this facility for its intended use for a period of not less than 15 years, ending in 2027. If the Association does not meet the terms and conditions of the funding agreement, certain amounts may be repayable to the Province of Nova Scotia.

iii. In 2021, the Association entered into a funding agreement with HRM to construct and operate affordable multi-residential housing units. The Association has undertaken a commitment to HRM to ensure the units meet the Affordability Criteria and are for People and Populations Who are Vulnerable for a minimum period of 20 years, ending in 2041. If the Association does not meet the terms and conditions of the funding agreement, certain amounts may be payable to HRM.

iv. The Association entered into a commitment with the Province of Nova Scotia whereby the Association will operate The Bridge, a shelter for women and men and gender diverse persons experiencing homelessness, ending March 31, 2027.

v. The Association entered into a commitment with the Province of Nova Scotia whereby the Association will renovate and operate The Rose, consisting of 18 supportive affordable housing units for families with children currently staying in hotels and other transitional housing to exit homelessness, ending March 31, 2027.

12. COMMITMENTS AND CONTINGENCIES (Continued)

vi. The Association leases several residential units to be used as affordable housing expiring between April 2026 and May 2027, a lease for office premises expiring July 2028, as well as various pieces of office equipment expiring between October 2026 and April 2029. Minimum lease payments under these agreements for the next 4 years are as follows:

	$
2027	671,620
2028	116,266
2029	24,363
2030	32

vii. The Association has entered into an agreement to provide meals for the Bridge from April 1, 2026 to March 31, 2027 at a total cost of $1,791,936.

viii. The Association is involved in an employment-related claim arising from the termination of a former employee. The matter remains unresolved as of year-end. Legal counsel has advised that, if the claim is successful, potential damages could range from approximately $15,000 to $45,000. The ultimate outcome of this matter cannot presently be determined; accordingly, no provision has been recorded in these financial statements. Management will continue to monitor developments and assess the need for recognition or disclosure in future periods.

13. INVESTMENT INCOME

	2026	2025
	$	$
Realized investment income		
Interest and dividend income	**81,900**	68,960
Gain (loss) on disposal of investments	**87,584**	116,510
	169,484	185,470
Unrealized investment income		
Unrealized gain on investments	**312,391**	189,399

14. HOTEL REIMBURSEMENTS

At the request of the provincial government, in January 2022, the Association started the Shelter Diversion Supports program. This makes significant use of hotel rooms when a safe alternative is not available. Under Shelter Diversion, the Association is covering expenses associated with renting hotel rooms to shelter people. Invoices associated with hotel stays are reimbursed by the provincial Department of Opportunity and Social Development.

15. INTERFUND TRANSFER

The Board of Directors for the Association unanimously voted to internally restrict any realized excess of revenues over expenses up to $250,000 for the rent safety net program, excluding the gift cards on hand at year end reserved for operational use.

16. ENDOWMENT INVESTMENT INCOME

	2026	2025
	$	$
Realized investment income		
Interest and dividend income	**3,443**	2,202
Gain (loss) on disposal of investments	**4,352**	6,200
Transfer to unrestricted fund	**7,795**	8,402
	-	-
Unrealized investment income		
Unrealized gain on investments	**15,522**	10,083

17. PUBLIC SECTOR COMPENSATION DISCLOSURE

The Public Sector Compensation Act (the "Act") of the Province of Nova Scotia requires a public sector body to disclose to the public the amount of compensation it pays to any employee under certain defined circumstances.

Adsum Association for Women & Children is a public sector body as defined by Section 2(f) of the Act. Under the Act, disclosure of the compensation of Sheri Lecker, Doreen Logan, Meghan Hansford, Cheryl MacIsaac, and Rylee Booroff is required. Ms. Lecker's compensation and benefits for the year ended March 31, 2026 was $182,500 (2025 - $196,720). Ms. Logan's compensation and benefits for the year ended March 31, 2026 was $141,258 (2025 - $116,722). Ms. Hansford's compensation and benefits for the year ended March 31, 2025 was $112,039 (2025 - $108,790). Ms. MacIsaac's compensation and benefits for the year ended March 31, 2026 was $106,256 (2025 - $101,714). Ms. Booroff's compensation and benefits for the year ended March 31, 2026 was $108,096 (2025 - $107,111).

18. FINANCIAL INSTRUMENTS

Risks and concentrations

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at March 31, 2026.

It is management's opinion that the Association is not exposed to significant interest rate risk from its financial instruments. The risks arising on financial instruments are limited to the following:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash and cash equivalents, accounts receivable, guaranteed investment certificates and investments.

The Association deposits its cash and holds its guaranteed investment certificates and investments in reputable financial institutions and therefore believes the risk of loss to be remote. The Association is exposed to credit risk from client accounts receivable. The Association believes this credit risk is minimized as the Association has a large and diverse client base and a significant portion of the Association's accounts receivable are due from government organizations. A provision for impairment of accounts receivable is established when there is objective evidence that the Association will not be able to collect all amounts due.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and long-term debt. The Association has sufficient working capital to fulfill obligations as they come due. Additional financing facilities are in place should cash requirements exceed cash generated from operations.

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 currency risk and other price risk.

18. FINANCIAL INSTRUMENTS (Continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 66% (2025 - 56%) of the Association's investment portfolio is held in foreign currency. Consequently, these investments are exposed to foreign exchange fluctuations. As at March 31, 2026, investments of $2,076,298 (2025 - $1,469,779) are held in US dollars and converted into Canadian dollars. The Association has not entered into foreign exchange contracts to hedge this 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 is relation to its investments.

19. ECONOMIC DEPENDENCE

The Association derives approximately 87% (2025 - 85%) of its revenues from various levels of government funding. Excluding funding received for The Bridge, a short-term project, the Association derives approximately 64% (2025 - 70%) of its revenues from various levels of government funding.

20. SUBSEQUENT EVENT

Subsequent to year end, the Association purchased a condominium to be used as an affordable housing unit located at 32 Veronica Drive for $399,854.

21. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
SCHEDULE 1: ADSUM EXPENSES
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
Client support	**1,220,628**	1,289,715
Food	**154,047**	106,016
Salaries and benefits	**755,852**	719,720
Supplies	**774**	284
Travel	**15,251**	11,015
	2,146,552	2,126,750

Included in Adsum salaries and benefits is an allocation of the salaries for various administrative staff from Adsum House (Schedule 5). Allocation of these salaries between projects are based on management's best estimate of administrative time spent to provide these services.

During the year, approximately 60% (2025 - 60%) or $63,000 (2025 - $63,000) of the amount allocated from Adsum House was included in Adsum.

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
SCHEDULE 2: THE BRIDGE EXPENSES
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
Client support	**701,567**	277,158
Food	**2,145,663**	1,897,447
Office	**62,050**	59,544
Repairs and maintenance	**155,212**	68,265
Salaries and benefits	**7,372,540**	6,373,432
Security	**4,653**	3,095
Supplies	**99,115**	110,936
Telephone and internet	**9,491**	9,292
Travel and events	**4,024**	5,164
	10,554,315	8,804,333

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
SCHEDULE 3: THE ROSE EXPENSES
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
Cleaning	**32,545**	3,575
Client support	**82,128**	5,670
Insurance	**4,191**	798
Office	**12,400**	2,814
Repairs and maintenance	**14,124**	17,110
Salaries and benefits	**400,033**	49,360
Security	**382,306**	129,758
Start up costs	**414,515**	248,762
Supplies	**13,211**	5,216
Telephone and internet	**5,085**	1,114
Travel and events	**1,120**	412
	1,361,658	464,589

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
SCHEDULE 4: THE SUNFLOWER EXPENSES
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
Cleaning	**2,380**	2,465
Client support	**43,483**	33,313
Insurance	**37,813**	35,945
Office	**2,475**	2,193
Property manager	**65,946**	55,268
Repairs and maintenance	**73,531**	32,384
Salaries and benefits	**329,017**	252,177
Security	**748**	4,086
Supplies	**3,715**	4,127
Telephone and internet	**3,886**	3,942
Travel and events	**6,605**	5,467
Utilities	**20,576**	36,617
	590,175	467,984

Included in The Sunflower salaries and benefits is an allocation of the salaries for various administrative staff from Adsum House (Schedule 5).

During the year, approximately 40% (2025 - 40%) or $42,000 (2025 - $42,000) of the amount allocated from Adsum House was included in The Sunflower.

Additionally, the amount recorded as property manager expense represents an allocation of 40% of the total payroll expense for property management.

Allocation of these items between projects are based on management's best estimate of time spent to provide these services.

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
SCHEDULE 5: ADSUM HOUSE EXPENSES
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
Cleaning	**9,795**	7,630
Client support	**70,164**	61,079
Food	**78,339**	69,862
Insurance	**15,598**	14,254
Office	**3,709**	7,294
Property manager	**16,474**	13,817
Repairs and maintenance	**51,537**	17,113
Salaries and benefits	**1,327,208**	1,141,518
Security	**5,342**	8,347
Supplies	**33,301**	33,263
Telephone and internet	**22,410**	27,808
Travel and events	**1,205**	2,648
Utilities	**27,979**	26,866
	1,663,061	1,431,499

Adsum House allocated salaries for various administrative staff to certain projects.

During the year, approximately 7% (2025 - 8%) or $105,000 (2025 - $105,000) of the Adsum House salaries and benefits expenses were allocated to various programs.

Additionally, the amount recorded as property manager expense represents an allocation of 10% of the total payroll expense for property management.

Allocation of these items between projects are based on management's best estimate of time spent to provide these services.

ADSUM ASSOCIATION FOR WOMEN & CHILDREN
SCHEDULE 6: MASTER LEASE EXPENSES
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
	$	$
Client support	**465,803**	44,463
Food	**8,335**	7,775
Furnishing	**84,972**	20,147
Insurance	**4,015**	587
Office	**4,592**	-
Repairs and maintenance	**2,690**	-
Salaries and benefits	**69,262**	18,360
Supplies	**155**	-
Telephone and internet	**896**	-
Travel and events	**3,990**	595
Utilities	**14,875**	6,879
	659,585	98,806