

HABITAT FOR HUMANITY THOUSAND ISLANDS

FINANCIAL STATEMENTS

December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of
HABITAT FOR HUMANITY THOUSAND ISLANDS

Qualified Opinion

We have audited the financial statements of **HABITAT FOR HUMANITY THOUSAND ISLANDS**, which comprise the statement of financial position as at December 31, 2024, 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.

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 **HABITAT FOR HUMANITY THOUSAND ISLANDS** as at December 31, 2024 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT (continued)

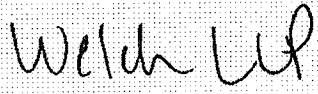
Auditor's Responsibilities for the Audit of the Financial Statements

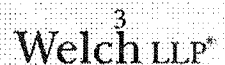
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Organization'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 Organization'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 Organization 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.

Napanee, Ontario
May 22, 2025


CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS


Welch³LLP*

An Independent Member of BKR International

HABITAT FOR HUMANITY THOUSAND ISLANDS

(Incorporated under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS

	2024	2023
CURRENT ASSETS		
Cash	\$ 473,929	\$ 253,000
Guaranteed investment certificates - note 4	500,000	750,000
Accounts receivable	8,719	5,769
Accrued interest	26,250	33,472
Inventory	-	18,499
Prepaid expenses	16,964	11,144
HST recoverable	31,780	21,046
Current portion of mortgages receivable	72,862	63,012
	<u>1,130,504</u>	<u>1,155,942</u>
PROPERTY AND EQUIPMENT - note 9	198,629	139,169
INTANGIBLE ASSETS - note 7	10,590	7,785
MORTGAGES RECEIVABLE - note 5	538,815	678,200
LAND AND HOUSING PROJECTS UNDER DEVELOPMENT - note 8	<u>2,465,888</u>	<u>1,461,035</u>
	<u>\$ 4,344,426</u>	<u>\$ 3,442,131</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

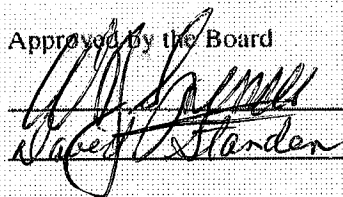
Accounts payable and accrued liabilities	\$ 364,820	\$ 92,225
Deposits received	168,581	113,335
Deferred revenue - note 11	579,961	223,295
Government remittances payable	13,986	20,668
	<u>1,127,348</u>	<u>449,523</u>

CONTINGENCIES - note 6

FUND BALANCES

Fund for Humanity - note 12	2,865,864	2,627,190
Investment in capital assets	198,629	139,168
Unrestricted	152,585	226,250
	<u>3,217,078</u>	<u>2,992,608</u>
	<u>\$ 4,344,426</u>	<u>\$ 3,442,131</u>

Approved by the Board



Member

Member

(See accompanying notes)

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HABITAT FOR HUMANITY THOUSAND ISLANDS
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUES		
Contributions from Habitat for Humanity Canada	\$ 22,818	\$ 29,955
ReStore sales	1,395,671	1,207,235
Grants - note 13	4,472	23,382
Interest income	29,271	38,471
Donations	<u>423,477</u>	<u>542,606</u>
	<u>1,875,709</u>	<u>1,841,649</u>
EXPENSES		
Advertising and promotion	15,080	22,071
Amortization	49,275	32,071
Insurance	9,320	7,746
Wages	699,586	536,613
Materials	514,659	597,223
Meals and entertainment	5,485	7,280
Office	80,555	66,560
Professional fees	21,248	10,189
Property taxes	22,714	4,316
Rent	210,185	188,641
Repairs and maintenance	53,696	27,405
Habitat Dues	78,385	61,423
Travel and automotive	48,276	29,191
Utilities	<u>41,300</u>	<u>37,552</u>
	<u>1,849,764</u>	<u>1,628,281</u>
Excess of revenues over expenses before other items	<u>25,945</u>	<u>213,368</u>
Other income		
Gain on sale of property	54,708	-
Amortization of mortgage discounts	<u>143,817</u>	<u>53,180</u>
	<u>198,525</u>	<u>53,180</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 224,470</u></u>	<u><u>\$ 266,548</u></u>

(See accompanying notes)

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HABITAT FOR HUMANITY THOUSAND ISLANDS
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	<u>Fund for Humanity</u>	<u>Investment in capital assets</u>	<u>Unrestricted</u>	<u>2024 Total</u>	<u>2023 Total</u>
BALANCE, beginning of year	\$ 2,627,190	\$ 139,168	\$ 226,250	\$ 2,992,608	\$ 2,726,060
Excess (deficiency) of revenues over expenses	143,818	(49,275)	129,927	224,470	266,548
Net change in investment in housing	94,856	-	(94,856)	-	-
Net change in investment in capital assets	-	108,736	(108,736)	-	-
BALANCE, end of year	<u>\$ 2,865,864</u>	<u>\$ 198,629</u>	<u>\$ 152,585</u>	<u>\$ 3,217,078</u>	<u>\$ 2,992,608</u>

(See accompanying notes)

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HABITAT FOR HUMANITY THOUSAND ISLANDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 224,470	\$ 266,548
Adjustments for:		
Amortization	49,275	32,071
Gain on sale of property	(54,708)	-
Writeup of mortgage discounts	<u>(143,817)</u>	<u>(53,180)</u>
	75,220	245,439
Change in non-cash working capital components:		
Accounts receivable	(2,950)	11,857
Accrued interest	7,222	(25,786)
Inventory	18,499	(18,499)
Prepaid expenses	(5,820)	(8,210)
Government remittances	(10,734)	(7,463)
Accounts payable and accrued liabilities	272,595	19,039
Deposits received	55,246	32,286
Deferred revenue	356,666	20,096
Government remittances payable	<u>(6,682)</u>	<u>7,297</u>
	<u>759,262</u>	<u>276,056</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(500,000)	(762,387)
Proceeds on sale of investments	750,000	1,257,643
Purchase of property and equipment	(108,147)	(100,342)
Additions to land and housing projects under development	(980,167)	(619,463)
Purchase of intangible assets	(2,805)	(4,545)
Mortgage payments received	278,786	70,516
Land and housing projects sold or disposed	<u>24,000</u>	<u>320</u>
	<u>(538,333)</u>	<u>(158,258)</u>
INCREASE IN CASH	220,929	117,798
CASH, beginning of year	<u>253,000</u>	<u>135,202</u>
CASH, end of year	<u>\$ 473,929</u>	<u>\$ 253,000</u>

(See accompanying notes)

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**HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

1. NATURE OF OPERATIONS

Habitat for Humanity Thousand Islands was incorporated without share capital under the Corporations Act of Ontario. Habitat for Humanity Thousand Islands is a registered charitable organization and is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

The primary objective of the Organization is to provide housing for persons in Leeds and Grenville who do not qualify for a traditional mortgage by constructing homes and providing interest free loans to enable them to purchase such homes.

The Organization operates the "ReStore", a retail operation that accepts donations of and sells new and used hardware, building supplies, furniture and appliances.

The Organization is an affiliate of Habitat for Humanity Canada ("HFHC"). There is an affiliation agreement between HFHC and all Canadian affiliates that sets the general operating principles for every autonomous affiliate. Currently HFHC provides affiliates across the country with administrative and marketing support, training opportunities, funding and gift-in-kind coordination.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Revenue recognition

The Organization follows the deferral method of accounting for contributions, which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable of the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions which are restricted by the donor for the cost of constructing a home are recognized equal to the principal value of the first mortgages.

Revenue from grants, fundraising, sales at the ReStore and other income are recognized when received or receivable, if collection is reasonably assured.

Unrestricted investment income is recognized as revenue when earned.

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization which is determined on a straight-line basis over the estimated useful lives of the capital assets as follows:

Automotive	6 to 10 years straight-line
Leasehold improvements	5 years straight-line
Computer equipment	2 years straight-line
Signs	5 years straight-line
Build tools	5 years straight-line

Mortgages receivable

Mortgages receivable from sales of homes are interest free and repayable over periods of time generally ranging from twenty to thirty years.

The Organization also holds second mortgages on certain properties. These second mortgages are not recognized in the Financial Statements and represent a contingent asset to the Organization.

The mortgages receivable were adjusted to amortized cost due to the fact that the mortgages are non-interest bearing, resulting in income of \$143,817 (2023 - \$53,180). The rate used to discount the mortgages was 5.00% (2023 - 5.00%). During the year \$Nil (2023 - \$Nil) was permanently forgiven.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are carried at cost. They are not amortized. Intangible assets with indefinite useful lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed fair value. An impairment loss is recognized when the carrying amount of an asset exceeds its fair value.

Land and housing projects under development

Land and housing projects under development are recorded at the lower of cost and realizable value. They do not include the value of volunteer labour.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Organization's trucks. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed materials and services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Government assistance

Government assistance for operating expenses received are recorded as deferred revenue and is amortized to income as eligible expenditures are incurred. Government assistance related to interest free loans is recorded as revenue over the interest free period based on the present value of the loan. Government assistance related to loan forgiveness is recorded as revenue in the period that it is determined the forgivable portion of the loan will be forgiven.

The Company continues to monitor its eligibility for the subsidy and other government assistance as programs become available.

All government assistance received to December 31, 2024 has been applied to eligible expenses and accordingly there is no deferred government assistance at year end.

Accounting 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instruments. All financial instruments are initially recorded at their fair value.

The Organization subsequently measures its financial assets and liabilities at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

3. FINANCIAL INSTRUMENTS

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages its liquidity requirements by its cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Concentration risk

Accounts receivable from Habitat for Humanity Canada ("HFHC") represents 99% (2023 - 99%) of total accounts receivable as at December 31, 2024. The Organization believes that there is minimal risk associated with the collection of this amount. Habitat for Humanity Thousand Islands, being an affiliate of HFHC, there is virtually no risk of collection from its parent organization. Therefore, the credit risk exposure is assessed as \$Nil.

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

3. FINANCIAL INSTRUMENTS (continued)

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. The Organization is exposed to credit risk with respect to its accounts receivable and its mortgages receivable with eight (2023 - ten) homeowners. The Organization believes that the credit risk from non-collection of mortgages is minimal as the carrying value of the mortgages is substantially less than the value of the underlying homes.

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. Currency risk is relevant when changes in foreign exchange rates affect the value of cash flows of a financial instrument after translating to home currency. Interest rate risk becomes a concern when changes in prevalent rates affect the cash flows of a financial instrument. Price risk applies when changes in commodity prices affects an organization's ability to provide its products or services. Management has assessed its exposure to these risks at low.

4. GUARANTEED INVESTMENT CERTIFICATES

	<u>2024</u>	<u>2023</u>
5.25% Kawartha Credit Union GIC, matures January 3, 2025	\$ 500,000	\$ -
4.5% Kawartha Credit Union GIC, matures January 3, 2024	<u>-</u>	<u>750,000</u>
	<u>\$ 500,000</u>	<u>\$ 750,000</u>

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

5. MORTGAGES RECEIVABLE

	<u>2024</u>	<u>2023</u>
Secured by a charge on property mortgage 764.1, with monthly principal payments of \$587 (2023 - \$555) and maturing in 2036.	\$ 27,882	\$ 33,193
Secured by a charge on property mortgage 813.1, with monthly principal payments of \$NIL (2023 - \$NIL) and previously set to mature in 2036. This mortgage was paid in full during the year.	-	83,620
Secured by a charge on property mortgage 847.1, with monthly principal payments of \$522 (2023 - \$522) and maturing in 2036.	73,798	76,505
Secured by a charge on property mortgage 821.1, with monthly principal payments of \$274 (2023 - \$249) and maturing in 2036.	55,690	52,574
Secured by a charge on property mortgage 541.1, with monthly principal payments of \$799 (2023 - \$440 bi-weekly) and maturing in 2036.	56,504	55,057
Secured by a charge on property mortgage 559.1, with bi-weekly principal payments of \$297 (2023 - \$297) and previously set to mature in 2036. This mortgage was paid in full during the year.	-	50,449
Secured by a charge on property mortgage 055.1, with monthly principal payments of \$1119 (2023 - \$999) and maturing in 2030.	61,008	69,257
Secured by a charge on property mortgage 047.1, with monthly principal payments of \$819 (2023 - \$890) and maturing in 2039.	101,211	108,637
Secured by a charge on property mortgage 039.1, with monthly principal payments of \$971 (2023 - \$500) and maturing in 2037.	95,631	80,130
Secured by a charge on property mortgage 870.1, with monthly principle payments of \$981 (2023 - \$798) and maturing in 2040.	<u>139,953</u>	<u>131,790</u>
	611,677	741,212
Less current portion	<u>72,862</u>	<u>63,012</u>
	<u>\$ 538,815</u>	<u>\$ 678,200</u>

The mortgages are all non-interest bearing and are presented at amortized cost. As the Organization intends to use the cash flow from the repayment of these mortgages for future construction of homes, the rate of inflation is considered to be an appropriate discount rate. A discount rate of 5.0% (2023: 5.0%) has been applied for these mortgages, being Management's estimate of future long-term inflation rates.

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

6. CONTINGENCIES

Prior to May 2010, when Habitat for Humanity Canada changed its national mortgage policy, the proceeds for the sale of homes included a forgivable second mortgage which reflected the difference between fair market value and the costs of land and construction.

As at December 31, 2024, non-interest bearing forgivable second mortgages in the amount of \$21,250 have not been reflected in the Organization's accounts. From this amount, \$4,250 is forgiven annually as long as the terms of the first mortgage continues to be met. The forgiveness schedule is expected to continue until 2029 when at such time the second mortgage is fully forgiven.

7. INTANGIBLE ASSETS

The Organization has invested standard sets of blue prints or plans intended for use on future projects. Amortization is recognized at such time management determines the plans to no longer have value to the organization.

	<u>2024</u>		<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Building plans	<u>\$ 10,590</u>	<u>\$ -</u>	<u>\$ 10,590</u>
			<u>\$ 7,785</u>

8. LAND AND HOUSING PROJECTS UNDER DEVELOPMENT

	<u>2024</u>	<u>2023</u>
Land	\$ 421,883	\$ 96,883
Construction in progress	<u>2,044,005</u>	<u>1,364,152</u>
	<u>\$ 2,465,888</u>	<u>\$ 1,461,035</u>

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

9. PROPERTY AND EQUIPMENT

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Automotive	\$ 156,890	\$ 62,455	\$ 94,435	\$ 63,181
Leasehold improvements	163,791	69,485	94,306	64,048
Computer equipment	18,556	13,863	4,693	5,446
Signs	9,283	4,088	5,195	6,494
Build tools	3,594	3,594	-	-
	<u>\$ 352,114</u>	<u>\$ 153,485</u>	<u>\$ 198,629</u>	<u>\$ 139,169</u>

10. BANK INDEBTEDNESS

The Organization was approved for a Line of Credit (LOC) in June 2021. The LOC is secured by a general security agreement creating a first ranking securing interest over the Organization's property, assets and undertakings. The LOC bears interest at the lender's prime rate + 0% (currently 5.45% (2023 - 7.70%)) and has an authorized limit of \$722,000.

The company has utilized \$Nil of the available amount.

11. DEFERRED REVENUE

Deferred revenue consists of donations directed towards specific builds.

	<u>2024</u>	<u>2023</u>
Build donations	<u>\$ 579,961</u>	<u>\$ 223,295</u>

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. FUND FOR HUMANITY

Investment in housing is calculated as follows

	<u>2024</u>	<u>2023</u>
Land and housing projects under development	\$ 2,465,888	\$ 1,461,035
Mortgages receivable	611,678	741,213
Intangible assets	10,590	7,785
Deposits for house sale	(168,581)	(113,335)
Deferred donations for builds	(579,961)	(253,250)
Investments	<u>526,250</u>	<u>783,742</u>
	<u>\$ 2,865,864</u>	<u>\$ 2,627,190</u>

13. GRANTS

	<u>2024</u>	<u>2023</u>
Ontario Trillium Foundation Grant	\$ 900	\$ 10,600
Ministry of Advanced Education and Skills Development	-	9,100
Employment and Social Development Canada	-	3,682
Other community grants received	<u>3,572</u>	<u>-</u>
	<u>\$ 4,472</u>	<u>\$ 23,382</u>

Included with other community grants are funds to support various initiatives received from the Township of Elizabethtown, Kawartha Credit Union and the Ottawa Community Foundation.

14. COMMITMENTS

The Organization leases two buildings for the Brockville ReStore operations and one building for the Kemptville ReStore operation. Both Brockville buildings are leased under agreements that are expected to continue until through 2029. The Kemptville contracts for the Kemptville building are under lease until February 28, 2029.

2025	\$ 382,472
2026	389,250
2027	389,250
2028	389,250
2029	<u>220,675</u>
	<u>\$ 1,770,897</u>

HABITAT FOR HUMANITY THOUSAND ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

15. HABITAT FOR HUMANITY CANADA

The Organization is an affiliate of Habitat for Humanity Canada ("HFHC"). HFHC provides administrative, marketing and training support to the individual affiliates across the country. HFHC also coordinates gifts in kind to affiliates and makes contributions to the affiliate for each home constructed. In exchange for these services and support, the Organization pays a base affiliation fee of \$12,500 (2023 - \$12,500). The Organization also pays a quarterly affiliation fee based on a percentage of gross ReStore sales which during the year, amounted to \$55,925 (2023 - \$47,673).

During the year, HFHC provided \$22,818 (2023 - \$29,955) of funds to the Organization. Payments to HFHC for products and services amounted to \$118,377 (2023 - \$72,110).

Included in accounts receivables are amounts due from HFHC totaling \$7,187 (2023 - \$4,091). Amounts due to HFHC amounted to \$31,837 (2023 - \$27,717) and are included in accounts payable and accrued liabilities. The above transactions are measured at the exchange amount agreed upon between parties.