

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**INDEX TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

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**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2023	2022
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 256,163	\$ 886,912	\$ 26,690	\$ 1,169,765	\$ 757,733
Accounts receivable	19,162	76,971	-	96,133	71,378
Goods and services tax recoverable	2,452	-	-	2,452	56,559
Property held in inventory	-	-	-	-	64,866
Prepaid expenses and deposits	-	4,511	-	4,511	4,511
Current portion of mortgages receivable (Note 2)	-	127,000	-	127,000	127,000
Housing projects under development	-	-	-	-	2,693,404
Interfund balances	769,033	(769,033)	-	-	-
	1,046,810	326,361	26,690	1,399,861	3,775,451
HOUSING PROJECTS UNDER DEVELOPMENT	-	701,654	-	701,654	684,717
MORTGAGES RECEIVABLE (Note 2)	-	4,376,359	-	4,376,359	3,543,753
PROPERTY AND EQUIPMENT (Note 3)	-	-	702,976	702,976	700,938
	\$ 1,046,810	\$ 5,404,374	\$ 729,666	\$ 7,180,850	\$ 8,704,859

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

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2023**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2023	2022
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Line of credit (Note 4)	\$ -	\$ -	\$ -	\$ -	\$ 663,109
Accounts payable and accrued liabilities (Note 5)	157,853	294,605	-	452,458	422,480
Goods and services taxes payable	1,137	84,913	-	86,050	-
Deferred income (Note 9)	-	-	-	-	600,646
Deferred mortgage payments	-	6,261	-	6,261	16,074
Restore Impact Fund Loan (Note 8)	-	-	141,000	141,000	141,000
CEBA Loan (Note 7)	-	-	-	-	60,000
Current portion of demand loan (Note 6)	-	-	8,930	8,930	8,448
	158,990	385,779	149,930	694,699	1,911,757
Demand loan (Note 6)	-	-	75,234	75,234	84,014
	158,990	385,779	225,164	769,933	1,995,771
DEFERRED INCOME (Note 9)	22,626	154,579	-	177,205	48,544
	181,616	540,358	225,164	947,138	2,044,315
Commitments (Note 12)					
<b>NET ASSETS</b>					
UNRESTRICTED	865,194	-	-	865,194	716,886
HOUSING FUND	-	4,864,016	-	4,864,016	5,423,753
INVESTED IN PROPERTY AND EQUIPMENT	-	-	504,502	504,502	519,905
	865,194	4,864,016	504,502	6,233,712	6,660,544
	\$ 1,046,810	\$ 5,404,374	\$ 729,666	\$ 7,180,850	\$ 8,704,859

**Approved on behalf of the Board**

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

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**

**STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2023**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2023	2022
<b>RESTORE SALES</b>	\$ 2,061,094	\$ -	\$ -	\$ 2,061,094	\$ 1,899,018
<b>RESTORE EXPENSES (Schedule 1)</b>	1,385,040	-	-	1,385,040	1,276,546
<b>NET CONTRIBUTION FROM RESTORE OPERATIONS</b>	676,054	-	-	676,054	622,472
<b>OTHER REVENUE</b>					
Proceeds from sale of housing	-	5,720,000	-	5,720,000	1,358,000
Cost of housing sold	-	(5,849,685)	-	(5,849,685)	(1,552,035)
	-	(129,685)	-	(129,685)	(194,035)
Donations, grants and contributions (Note 10)	209,200	1,693,746	-	1,902,946	800,060
Wage subsidies	-	-	-	-	65,347
Interest and miscellaneous	8,942	2,915	-	11,857	19,057
<b>OTHER REVENUE TOTAL</b>	218,142	1,566,976	-	1,785,118	690,429
<b>TOTAL REVENUE</b>	894,196	1,566,976	-	2,461,172	1,312,901
<b>OPERATING EXPENSES (Schedule 2)</b>	342,990	16,006	51,030	410,026	374,796
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS</b>	551,206	1,550,970	(51,030)	2,051,146	938,105
Gain on disposal of property and equipment	-	-	18,361	18,361	-
Gain on extinguishment on CEBA loan (Note 7)	20,000	-	-	20,000	-
Fair value adjustment to mortgage receivable on housing sale	-	(2,725,522)	-	(2,725,522)	(764,049)
Imputed interest income earned on mortgage receivable	-	209,183	-	209,183	203,972
Rental revenue	-	-	-	-	6,600
	20,000	(2,516,339)	18,361	(2,477,978)	(553,477)
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	\$ 571,206	\$ (965,369)	\$ (32,669)	\$ (426,832)	\$ 384,628

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

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2023**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2023	2022
<b>NET ASSETS -</b>					
<b>BEGINNING OF</b>					
<b>YEAR</b>	\$ 716,886	\$ 5,423,753	\$ 519,905	\$ 6,660,544	\$ 6,275,916
<b>EXCESS</b>					
<b>(SHORTFALL) OF</b>					
<b>REVENUE OVER</b>					
<b>EXPENSES</b>	571,206	(965,369)	(32,669)	(426,832)	384,628
<b>INTERFUND</b>					
<b>TRANSFERS</b>					
Repayment of demand loan	(14,761)	-	14,761	-	-
Additions of property and equipment	(21,180)	-	21,180	-	-
Sale of property and equipment	18,675	-	(18,675)	-	-
Restore profits transferred (Note 11)	(405,632)	405,632	-	-	-
<b>NET ASSETS - END OF</b>					
<b>YEAR</b>	\$ 865,194	\$ 4,864,016	\$ 504,502	\$ 6,233,712	\$ 6,660,544

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

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenue over expenses	\$ (426,832)	\$ 384,628
Items not affecting cash:		
Amortization of property and equipment	44,567	19,129
Deferred contributions recognized to income	(1,714,192)	(677,103)
Net proceeds from sale of housing	129,685	194,035
Adjustment and amortization of mortgages receivable to fair value	2,725,522	764,049
Imputed interest income earned on mortgage receivable	(209,183)	(203,972)
Gain on extinguishment on CEBA loan	(20,000)	
Gain on disposal of property and equipment	(18,361)	-
	<u>511,206</u>	<u>480,766</u>
Changes in non-cash working capital balances		
(Increase) decrease in accounts receivable	(24,755)	(30,730)
(Increase) decrease in goods and services tax recoverable	54,107	(55,709)
(Increase) decrease in property held in inventory	64,866	(11,398)
(Increase) decrease in deferred mortgage payments	(9,813)	(35,523)
Increase in accounts payable and accrued liabilities	29,978	194,467
(Decrease) increase in goods and services tax payable	86,050	(47,190)
	<u>200,433</u>	<u>13,917</u>
Cash flow from operating activities	<u>711,639</u>	<u>494,683</u>
<b>INVESTING ACTIVITIES</b>		
Expenditure on housing projects	(3,173,218)	(2,430,535)
Purchase of property and equipment	(46,919)	(88,571)
Proceeds on disposal of property and equipment	18,675	-
Mortgage payments received	2,371,055	483,427
Cash flow used by investing activities	<u>(830,407)</u>	<u>(2,035,679)</u>
<b>FINANCING ACTIVITIES</b>		
Repayments on demand loan	(8,298)	(7,966)
Receipts of deferred contributions	1,242,207	602,040
Proceeds from line of credit	-	663,109
Repayment of line of credit	(663,109)	-
Receipt of Restore Impact Fund Loan	-	141,000
Repayment of CEBA loan	(40,000)	-
Cash flow from financing activities	<u>530,800</u>	<u>1,398,183</u>
<b>(DECREASE) INCREASE IN CASH FLOW</b>	<u>412,032</u>	<u>(142,813)</u>
<b>CASH - BEGINNING OF YEAR</b>	<u>757,733</u>	<u>900,546</u>
<b>CASH - END OF YEAR</b>	<u>\$ 1,169,765</u>	<u>\$ 757,733</u>

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

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

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Habitat for Humanity Vancouver Island North Society (the "Society") provides home ownership opportunities for low-income families through volunteer labour and donations of money, land, and materials. Qualified families purchase the homes with a combination of a 3<sup>rd</sup> party credit union mortgage and Society provided zero-interest mortgage.

The Society also operates two retail stores ("ReStores") which sell used building materials and other household goods. The stores obtain their inventory through donations from the community and other partners.

The Society is a registered charitable organization for income tax purposes.

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of presentation**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations

**(b) Revenue recognition**

The Society follows the deferral method of accounting for contributions which include donations, grants and contributions. Sales revenue is recognized in accordance with industry practice which is when all the risks and benefits of ownership of products have been transferred to customers under executed sales agreements.

Revenue from ReStore sales are recorded on the sale of merchandise to customers.

Unrestricted grants, contributions and donations are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted grants, contributions and donations are recognized as revenue in the year in which the related expenses are incurred or the related housing projects are sold.

The purchase price of houses sold to low income families is set at the fair market value of the house as determined by a qualified independent party and is recognized as revenue when legal title of the property transfers to the family.

**(c) Fund accounting**

The Operating Fund reports all the assets, liabilities, revenues and expenses relating to the Society's two ReStores and accounts for all of the Society's general and administrative expenses.

The Housing Fund reports the assets, liabilities, revenues and expenses relating to the Society's building activities, including the maintenance of mortgages on previously sold homes, and revenues relating to rental activities. The Housing Fund only includes revenues and costs specifically attributed to the construction of homes and the maintenance of mortgages and revenue from rentals.

The Invested in Property and Equipment fund reports all the assets, liabilities, revenues and expenses relating to the Society's property and equipment. The expenses reported in the Invested in Property and Equipment fund include interest payments on long term debt and amortization.



**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Financial instruments**

The Society's financial instruments consist of cash, accounts receivable, mortgages receivable, accounts payable, line of credit, Restore Impact Fund Loan, CEBA loan and a demand loan.

The Society initially measures its financial instruments at their fair value adjusted for related transaction costs, and subsequently measures them at amortized cost.

The difference between the fair value and the face value of mortgages receivable, as well as any adjustments for amortized cost, are recognized in net income in the period incurred.

Unless otherwise noted, it is management's opinion that the Society's financial instruments are not exposed to risk related to interest rate, foreign exchange or other price fluctuation.

**(e) Housing projects under development**

Housing projects under development includes land, buildings, building material and labour, either purchased or donated. It is stated at the lower of cost and net realizable value. Net realizable value is defined as market value less costs of disposition. Any excess of carrying value over net realizable value is expensed in the year in which the impairment is realized.

**(f) Property and equipment**

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing-balance method at the annual rates indicated below, except for leasehold improvements which are amortized using the straight-line method.

Land	N/A
Buildings	4%
Motor vehicles	30%
Computer equipment & software	45%
Leasehold improvements	5 years

**(g) Contributed services**

Donated goods and services are not recorded unless they are used directly in housing construction or are property and equipment, and the fair market value can be reasonably estimated. Donated goods and services used directly in housing construction or are property and equipment are recorded at their fair market value at the time of donation. The value of donated goods for resale are not reflected in these financial statements.

In addition, volunteers contribute a significant number of hours per year to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Use of estimates**

Financial statements prepared in accordance with accounting standards for not-for-profit organizations require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

Management's significant estimates and assumptions include:

- the fair value of mortgages receivable which is estimated using the average of 5 year conventional fixed mortgage rates offered by Canadian chartered banks and expected monthly payments applicable at the time of inception of the mortgage receivable;
- the estimated useful lives of assets and the resulting estimates for amortization expense;
- accrued accounts payable estimated on the expected costs of services that have been rendered but not yet invoiced, or, as in the case of accounting fees, services to be rendered in relation to the current year-end;

These estimates and assumptions are based on management's best information and judgment. Actual results may differ from those estimates.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**2. MORTGAGES RECEIVABLE**

	2023	2022
Mortgage initiated in 2007 for \$95,000 discounted at 7.19%	\$ 35,272	\$ 40,551
Mortgage initiated in 2007 for \$191,569 discounted at 5.85%	106,207	109,886
Mortgage initiated in 2009 for \$196,094 discounted at 5.85%	135,004	144,346
Mortgage initiated in 2013 for \$196,534 discounted at 5.34%	86,294	106,648
Mortgage initiated in 2013 for \$201,694 discounted at 5.14%	96,394	117,004
Mortgage initiated in 2013 for \$201,694 discounted at 5.14%	135,331	141,304
Mortgage initiated in 2014 for \$196,534 discounted at 5.24%	97,616	112,564
Mortgage initiated in 2015 for \$217,714 discounted at 4.64%	168,599	175,059
Mortgage initiated in 2015 for \$219,374 discounted at 4.64%	171,216	179,230
Mortgage initiated in 2016 for \$195,390 discounted at 4.74%	152,397	158,737
Mortgage initiated in 2016 for \$215,047 discounted at 4.74%	160,253	168,176
Mortgage initiated in 2016 for \$215,047 discounted at 4.74%	182,357	188,676
Mortgage initiated in 2018 for \$198,534 discounted at 5.34%	150,846	158,624
Mortgage initiated in 2018 for \$198,534 discounted at 5.34%	142,633	152,356
Mortgage initiated in 2020 for \$305,305 discounted at 4.94%	245,297	263,811
Mortgage initiated in 2020 for \$288,349 discounted at 4.94%	235,439	250,143
Mortgage initiated in 2020 for \$288,349 discounted at 4.94%	249,434	260,526
Mortgage initiated in 2020 for \$320,341 discounted at 4.94%	261,731	273,337
Mortgage initiated in 2020 for \$325,501 discounted at 4.94%	294,607	301,828
Mortgage initiated in 2020 for \$325,501 discounted at 4.94%	290,297	298,225
Mortgage initiated in 2020 for \$325,935 discounted at 4.79%	303,321	309,272
Mortgage initiated in 2020 for \$325,935 discounted at 4.79%	285,117	296,117
Mortgage initiated in 2020 for \$325,935 discounted at 4.79%	261,256	283,459
Mortgage initiated in 2020 for \$325,935 discounted at 4.79%	288,204	298,739
Mortgage initiated in 2021 for \$368,155 discounted at 4.79%	350,143	357,017
Mortgage initiated in 2021 for \$404,275 discounted at 4.79%	378,737	387,025
Mortgage initiated in 2021 for \$306,235 discounted at 4.79%	251,747	268,332
Mortgage initiated in 2021 for \$306,235 discounted at 4.79%	276,646	285,864
Mortgage initiated in 2021 for \$371,251 discounted at 4.79%	338,311	349,098
Mortgage initiated in 2021 for \$351,795 discounted at 4.79%	311,192	329,042
Mortgage initiated in 2022 for \$304,440 discounted at 4.79%	271,355	279,782
Mortgage initiated in 2022 for \$370,104 discounted at 4.79%	341,995	357,155
Mortgage initiated in 2022 for \$319,920 discounted at 6.14%	279,656	287,596
Mortgage initiated in 2022 for \$245,731 discounted at 6.49%	230,913	231,863
Mortgage initiated in 2023 for \$213,832 discounted at 6.49%	213,832	-
Mortgage initiated in 2023 for \$353,606 discounted at 6.79%	353,606	-
Mortgage initiated in 2023 for \$214,958 discounted at 6.79%	214,958	-
Mortgage initiated in 2023 for \$342,671 discounted at 6.79%	342,671	-
Mortgage initiated in 2023 for \$344,916 discounted at 6.84%	344,916	-
Mortgage initiated in 2023 for \$332,230 discounted at 6.84%	332,230	-
Mortgage initiated in 2023 for \$256,551 discounted at 6.84%	256,551	-
Mortgage initiated in 2023 for \$264,445 discounted at 6.84%	264,445	-
Mortgage initiated in 2023 for \$338,872 discounted at 7.04%	338,872	-
Mortgage initiated in 2023 for \$302,872 discounted at 7.04%	302,872	-
Mortgage initiated in 2023 for \$296,047 discounted at 7.04%	296,047	-
Mortgage initiated in 2023 for \$223,200 discounted at 7.04%	223,200	-
Mortgage initiated in 2023 for \$220,375 discounted at 7.04%	220,375	-
	11,270,392	7,921,392
Discounts	(6,767,033)	(4,250,639)
	4,503,359	3,670,753
Less: current portion	(127,000)	(127,000)
	\$ 4,376,359	\$ 3,543,753

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**2. MORTGAGES RECEIVABLE (continued)**

The Society secures a first mortgage on the properties sold equal to the recognized sale price. These first mortgages are non-interest bearing, with variable repayment amounts, variable maturity and secured by the respective land and building.

Starting in late 2022, the Society started to sell homes with a first mortgage provided by a 3<sup>rd</sup> party financial institution. Accordingly, the Society received a 2<sup>nd</sup> mortgage for the balance of the sale price that is non-interest bearing with variable repayment amounts and secured by a second charge on the respective land and building. These 2<sup>nd</sup> mortgages mature in 20 years from the date of sale and will be fully collectible at that time.

Although the mortgages receivable bear no interest, Canadian accounting standards for not-for-profit organizations requires interest income to be recognized in the statement of operations over the life of these mortgages based on reasonable interest rates determined by management. Management uses the estimated mortgage rate for similar mortgages based on market rates at the inception of the mortgage as indicated below.

Prior to April 2009, the Society measured the sale of the houses at cost, including the value of donated materials and labour. For those properties, a second mortgage on the properties was secured in an amount equal to the difference between the original first mortgage and the fair market value of the property at the time of sale. The terms of the second mortgages were as follows:

1. The second mortgage may be reduced by a maximum of 25% after 60% of the life of the mortgage has expired.
2. The second mortgage may be forgiven in full upon final payment of the first mortgage or the mortgage has terminated, whichever is longer.

Given the likelihood of collecting the second mortgages is remote, the corresponding receivable and revenue are not recognized in the financial statements for the 2<sup>nd</sup> mortgages initiated prior to April 2009.

**3. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 436,117	\$ -	\$ 436,117	\$ 436,117
Buildings	258,388	104,671	153,717	138,500
Equipment	115,524	90,293	25,231	31,538
Motor vehicles	150,695	62,787	87,908	94,779
Computer equipment & software	4,936	4,933	3	4
Leasehold improvements	10,381	10,381	-	-
	\$ 976,041	\$ 273,065	\$ 702,976	\$ 700,938

**4. LINE OF CREDIT**

The Society has a \$2,530,000 line of credit with Coastal Community Credit Union ("CCCU"). Security for the financing includes: an assignment of mortgages receivables and rents, a charge over specific land and buildings with a net book value of \$589,834 (2022: \$574,617) and a general security agreement over the present and future property of the Society.

The loan is payable on demand and bears interest at the Credit Union's Prime Lending Rate plus 1% being 8.20% (2022: 6.45%)

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023	2022
Trades payable	\$ 394,534	\$ 377,420
Wages payable	57,924	45,060
	\$ 452,458	\$ 422,480

Included in trades payable are \$83,598 (2022 - \$nil) of government remittances for GST.

**6. DEMAND LOAN**

	2023	2022
Demand loan payable at \$252 weekly including interest at 5.45%	\$ 84,164	\$ 92,462
Less: current portion	(8,930)	(8,448)
	\$ 75,234	\$ 84,014

The demand loan is secured by a charge over the land and buildings with a net book value of \$589,834 (2022: \$574,617) and a general security agreement on all assets.

Management does not believe that the demand features of the demand loan will be exercised in the current period. Under that assumption, expected principal repayments on the demand loan over the next five years are as follows:

Principal repayment terms are approximately:

2024	\$	8,930
2025		9,257
2026		9,775
2027		10,323
2028		10,900
Thereafter		34,979
	\$	84,164

**7. CEBA LOAN**

The Society received the \$40,000 CEBA loan in the 2020 fiscal year and an additional expansion amount of \$20,000 amount in the 2021 fiscal year. The loan was provided by the Government of Canada to provide capital to organizations to see them through the current challenges and better position them to return to providing services and creating employment. The loan is unsecured. The loan is interest free to December 31, 2023. The loan was fully repaid by December 31, 2023 and \$20,000 of the loan was forgiven and a corresponding gain was recognized by the Society.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**8. RESTORE IMPACT FUND LOAN**

The Society received a demand loan of \$141,000 in the 2022 fiscal year from Habitat for Humanity Canada. The purpose of the loan was to purchase two ReStore delivery trucks. The loan bears interest at 1% per annum, paid quarterly and is repayable by October 31, 2024.

**9. DEFERRED INCOME**

Deferred income represents funds designated for housing projects under development.

	Opening	Additions	Allocations	Ending
Fundraising	\$ 99,123	\$ 80,297	\$ 144,734	\$ 34,686
Donations	52,920	129,767	167,786	14,901
Grants:				
Federal Government	-	644,276	644,276	-
Provincial Government	149,864	100,000	249,864	-
Municipal/Regional Government	79,927	249,840	329,767	-
Other	95,551	-	49,157	46,394
Wage Subsidies	-	-	-	-
Gaming	119,406	38,027	98,832	58,601
Miscellaneous	52,399	-	29,776	22,623
	<u>\$ 649,190</u>	<u>\$ 1,242,207</u>	<u>\$ 1,714,192</u>	<u>\$ 177,205</u>

Included in ending deferred income is \$Nil (2022: \$600,646) in contributions expected to be recognized within one year.

Included in deferred contributions are funds received from the Canada Mortgage and Housing Corporation (CMHC) in the amount of \$644,276 (2022: \$Nil) and structured as forgivable loans. As a forgivable loan, the amounts received are considered contributions for accounting purposes as it has been determined by the Society that it is more likely than not that the amounts will ultimately be forgiven. In addition, as the amounts are received for a specific purpose, the amounts are only recognized as income to the extent the related expenses are incurred.

While management has determined that it is more likely than not that the amounts received from CHMC will be forgiven, amounts will formally be forgiven over the term of the agreement or 20 years. As of December 31, 2023, \$13,333 (2022: \$3,333) has been forgiven. The society's total cumulative exposure is \$1,176,115 (2022: \$541,839).

The forgivable loan agreement stipulates special covenants on Affordability, Accessibility and Energy Efficiency that must be met for the loans to be forgiven. Affordability must be maintained for 20 years and the Society must fulfil the covenant on affordability, with either the original units or by substitution for a period of 20 years.

**10. DONATIONS, GRANTS, AND CONTRIBUTIONS**

	2023	2022
Fundraising	\$ 243,405	\$ 48,151
Donations	344,969	285,748
Grants:		
Federal Government	640,515	305,049
Provincial Government	250,000	25,000
Municipal/Regional Government	335,040	38,935
Other	89,017	97,177
	<u>\$ 1,902,946</u>	<u>\$ 800,060</u>

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

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**11. RESTORE PROFITS TRANSFERRED**

During the year, the Board of Directors decided to transfer 60% of ReStore profits from the Operating Fund to the Housing Fund.

**12. COMMITMENTS**

Habitat for Humanity Vancouver Island North Society rents its Campbell River premises under a long-term lease which expires August 31, 2024, and for which the annual minimum lease payment is \$104,460 plus triple net.

**13. CREDIT RISK**

The Society is exposed to credit risk in the event of non-payment of mortgages receivable from the partner families. The Society believes that this credit risk is minimal as the carrying value of the mortgages is substantially less than the underlying value of the homes.

**14. REMUNERATION OF DIRECTORS, EMPLOYEES, AND CONTRACTORS**

In order to comply with BC Societies Act requirements, the Society must disclose the amount of remuneration paid to directors and the amount paid to individual employees and contractors whose remuneration exceeds \$75,000.

During the fiscal year ended December 31, 2023, two employees (2022: two) were paid gross wages of \$207,002 (2022: \$194,947). No remuneration was paid to any director and no contractor was paid \$75,000 or more.

**15. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**16. SUBSEQUENT EVENTS**

Subsequent to year end, \$1,999,999 of the line of credit with CCCU was extinguished reducing the line of credit to \$530,001. No amounts have been drawn on this facility subsequent to year end.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2023**

	2023	2022
<b>SCHEDULE 1 - RESTORE EXPENSES</b>		
Habitat affiliation fees	\$ 78,300	\$ 72,305
Insurance	9,697	8,061
Interest and bank charges	7,636	6,020
Occupancy costs	172,328	149,449
Office and sundry	58,645	62,868
Purchases and supplies	123,532	119,482
Salaries and wages	882,287	812,360
Vehicle	52,615	46,001
	<b>\$ 1,385,040</b>	<b>\$ 1,276,546</b>
<b>SCHEDULE 2 - OPERATING EXPENSES</b>		
Amortization of property and equipment	\$ 44,567	\$ 19,129
Fundraising and marketing	-	2,360
Habitat affiliation fees and tithing	31,085	25,000
Interest on long-term debt	461	855
Occupancy costs	25,055	30,582
Office and sundry	24,223	21,489
Repairs and maintenance	6,300	-
Professional fees	35,526	22,261
Salaries and wages	242,809	253,120
	<b>\$ 410,026</b>	<b>\$ 374,796</b>

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