

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**INDEX TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

---

	Page
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1 - 2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 13
Schedules	14

To the Board of Directors of Habitat for Humanity Vancouver Island North Society:

## Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of Habitat for Humanity Vancouver Island North Society (the "Society"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2024, and its financial performance 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 charitable organizations, the Society derives revenue from donations and 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 Society. Therefore, we were not able to determine if any adjustments might be necessary to donations, grants and contributions revenue and excess of revenues over expenses, current assets and net assets as at December 31, 2024. The audit opinion on the financial statements for the year ended December 31, 2023 was also 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 Society 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.

### Other Information

Management is responsible for the other information, consisting of an annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter with those charged with governance.

### 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 Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia) we report that, in our opinion, the accounting principles in Canadian Accounting Standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Nanaimo, British Columbia

May 29, 2025

*MNP LLP*

Chartered Professional Accountants

**MNP**  
LLP

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2024	2023
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 664,367	\$ 557,025	\$ -	\$ 1,221,392	\$ 1,169,765
Accounts receivable	40,521	11,491	-	52,012	96,133
Goods and services tax recoverable	6,726	-	-	6,726	2,452
Prepaid expenses and deposits	-	4,511	-	4,511	4,511
Current portion of mortgages receivable (Note 2)	-	114,000	-	114,000	127,000
Interfund balances	355,489	(247,958)	(107,531)	-	-
	1,067,103	439,069	(107,531)	1,398,641	1,399,861
HOUSING PROJECTS UNDER DEVELOPMENT	-	897,310	-	897,310	701,654
MORTGAGES RECEIVABLE (Note 2)	-	4,117,362	-	4,117,362	4,376,359
PROPERTY AND EQUIPMENT (Note 3)	-	-	673,810	673,810	702,976
	\$ 1,067,103	\$ 5,453,741	\$ 566,279	\$ 7,087,123	\$ 7,180,850


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

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

**DECEMBER 31, 2024**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2024	2023
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities (Note 5)	\$ 137,839.00	\$ 37,166	\$ -	\$ 175,005	\$ 452,458
Goods and services taxes payable	-	-	-	-	86,050
Deferred mortgage payments	-	-	-	-	6,261
Restore Impact Fund Loan (Note 7)	-	-	-	-	141,000
Current portion of demand loan (Note 6)	-	-	9,257	9,257	8,930
	137,839	37,166	9,257	184,262	694,699
Demand loan (Note 6)	-	-	65,961	65,961	75,234
	137,839	37,166	75,218	250,223	769,933
DEFERRED INCOME (Note 8)	19,789	284,014	-	303,803	177,205
	157,628	321,180	75,218	554,026	947,138
<b>NET ASSETS</b>					
UNRESTRICTED	909,475	-	-	909,475	865,194
HOUSING FUND	-	5,132,561	-	5,132,561	4,864,016
INVESTED IN PROPERTY AND EQUIPMENT	-	-	491,061	491,061	504,502
	909,475	5,132,561	491,061	6,533,097	6,233,712
	\$ 1,067,103	\$ 5,453,741	\$ 566,279	\$ 7,087,123	\$ 7,180,850

**Approved on behalf of the Board**

  
 Heather Buchanan - Board Treasurer

  
 William Wright - Board Chair

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, 2024**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2024	2023
<b>RESTORE SALES</b>	\$ 1,978,939	\$ -	\$ -	\$ 1,978,939	\$ 2,061,094
<b>RESTORE EXPENSES (Schedule 1)</b>	(1,366,952)	-	-	(1,366,952)	(1,385,040)
<b>NET CONTRIBUTION FROM RESTORE OPERATIONS</b>	611,987	-	-	611,987	676,054
<b>OTHER REVENUE</b>					
Proceeds from sale of housing	-	1,305,468	-	1,305,468	5,720,000
Cost of housing sold	-	(1,792,557)	-	(1,792,557)	(5,849,685)
	-	(487,089)	-	(487,089)	(129,685)
Donations, grants and contributions (Note 9)	204,845	236,698		441,543	1,902,946
Interest and miscellaneous	29,172	1,816	-	30,988	11,857
<b>OTHER REVENUE TOTAL</b>	234,017	(248,575)	-	(14,558)	1,785,118
<b>TOTAL REVENUE</b>	846,004	(248,575)	-	597,429	2,461,172
<b>OPERATING EXPENSES (Schedule 2)</b>	(437,970)	(63,639)	(30,402)	(532,011)	(410,026)
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS</b>	408,034	(312,214)	(30,402)	65,418	2,051,146
Gain on disposal of property and equipment	-	-	20,400	20,400	18,361
Gain on extinguishment on CEBA loan	-	-	-	-	20,000
Fair value adjustment to mortgage receivable on housing sale	-	(594,671)	-	(594,671)	(2,725,522)
Fair value adjustment to mortgage receivable on buyback of house		537,627	-	537,627	-
Imputed interest income earned on mortgage receivable	-	269,633	-	269,633	209,183
Rental revenue	-	978	-	978	-
	-	213,567	20,400	233,967	(2,477,978)
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	\$ 408,034	\$ (98,647)	\$ (10,002)	\$ 299,385	\$ (426,832)

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, 2024**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2024	2023
<b>NET ASSETS -</b>					
<b>BEGINNING OF</b>					
<b>YEAR</b>	\$ 865,194	\$ 4,864,016	\$ 504,502	\$ 6,233,712	\$ 6,660,544
<b>EXCESS (SHORTFALL)</b>					
<b>OF REVENUE OVER</b>					
<b>EXPENSES</b>	408,034	(98,647)	(10,002)	299,385	(426,832)
<b>INTERFUND</b>					
<b>TRANSFERS</b>					
Repayment of demand loan	(8,946)	-	8,946	-	-
Additions of property and equipment	(18,615)	-	18,615	-	-
Sale of property and equipment	31,000	-	(31,000)	-	-
Restore profits transferred (Note 10)	(367,192)	367,192	-	-	-
<b>NET ASSETS - END OF</b>					
<b>YEAR</b>	\$ 909,475	\$ 5,132,561	\$ 491,061	\$ 6,533,097	\$ 6,233,712

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, 2024

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenue over expenses	\$ 299,385	\$ (426,832)
Items not affecting cash:		
Amortization of property and equipment	37,181	44,567
Net proceeds from sale of housing	487,089	129,685
Adjustment and amortization of mortgages receivable to fair value on sale of housing	594,671	2,725,522
Adjustment and amortization of mortgages receivable to fair value on buyback of housing	(537,627)	-
Imputed interest income earned on mortgage receivable	(269,633)	(209,183)
Gain on extinguishment on CEBA loan	-	(20,000)
Gain on disposal of property and equipment	(20,400)	(18,361)
	590,666	2,225,398
Changes in non-cash working capital balances		
(Increase) decrease in accounts receivable	44,121	(24,755)
(Increase) decrease in goods and services tax recoverable	(4,274)	54,107
(Increase) decrease in property held in inventory	-	64,866
Deferred contributions recognized to income	(2,834)	(1,714,192)
(Increase) decrease in deferred mortgage payments	(6,261)	(9,813)
Increase in accounts payable and accrued liabilities	(277,453)	29,978
(Decrease) increase in goods and services tax payable	(86,050)	86,050
	(332,751)	(1,513,759)
Cash flow from operating activities	257,915	711,639
<b>INVESTING ACTIVITIES</b>		
Expenditure on housing projects	(965,173)	(3,173,218)
Purchase of property and equipment	(18,615)	(46,919)
Proceeds on disposal of property and equipment	31,000	18,675
Proceeds from mortgage payout	(1,023,040)	-
Mortgage payments received	1,790,054	2,371,055
Cash flow used by investing activities	(185,774)	(830,407)
<b>FINANCING ACTIVITIES</b>		
Repayments on demand loan	(8,946)	(8,298)
Receipts of deferred contributions	129,432	1,242,207
Repayment of line of credit	-	(663,109)
Repayment of Restore Impact Fund Loan	(141,000)	-
Repayment of CEBA loan	-	(40,000)
Cash flow (used by) from financing activities	(20,514)	530,800
<b>INCREASE IN CASH FLOW</b>	51,627	412,032
<b>CASH - BEGINNING OF YEAR</b>	1,169,765	757,733
<b>CASH - END OF YEAR</b>	\$ 1,221,392	\$ 1,169,765

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, 2024**

---

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, 2024**

---

**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%
Equipment	20%
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, 2024**

---

**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, 2024**

**2. MORTGAGES RECEIVABLE**

	2024	2023
Mortgage initiated in 2007 for \$95,000 discounted at 7.19%	\$ 30,491	\$ 35,272
Mortgage initiated in 2007 for \$191,569 discounted at 5.85%	102,009	106,207
Mortgage initiated in 2009 for \$196,094 discounted at 5.85%	126,880	135,004
Mortgage initiated in 2013 for \$196,534 discounted at 5.34%	61,621	86,294
Mortgage initiated in 2013 for \$201,694 discounted at 5.14%	73,933	96,394
Mortgage initiated in 2013 for \$201,694 discounted at 5.14%	129,256	135,331
Mortgage initiated in 2014 for \$196,534 discounted at 5.24%	81,087	97,616
Mortgage initiated in 2015 for \$217,714 discounted at 4.64%	162,245	168,599
Mortgage initiated in 2015 for \$219,374 discounted at 4.64%	164,337	171,216
Mortgage initiated in 2016 for \$195,390 discounted at 4.74%	146,240	152,397
Mortgage initiated in 2016 for \$215,047 discounted at 4.74%	154,415	160,253
Mortgage initiated in 2016 for \$215,047 discounted at 4.74%	175,604	182,357
Mortgage initiated in 2018 for \$198,534 discounted at 5.34%	142,515	150,846
Mortgage initiated in 2018 for \$198,534 discounted at 5.34%	134,245	142,633
Mortgage initiated in 2020 for \$305,305 discounted at 4.94%	225,625	245,297
Mortgage initiated in 2020 for \$288,349 discounted at 4.94%	219,284	235,439
Mortgage initiated in 2020 for \$288,349 discounted at 4.94%	236,344	249,434
Mortgage initiated in 2020 for \$320,341 discounted at 4.94%	248,450	261,731
Mortgage initiated in 2020 for \$325,501 discounted at 4.94%	286,509	294,607
Mortgage initiated in 2020 for \$325,501 discounted at 4.94%	281,435	290,297
Mortgage initiated in 2020 for \$325,935 discounted at 4.79%	-	303,321
Mortgage initiated in 2020 for \$325,935 discounted at 4.79%	272,734	285,117
Mortgage initiated in 2020 for \$325,935 discounted at 4.79%	241,298	261,256
Mortgage initiated in 2020 for \$325,935 discounted at 4.79%	275,554	288,204
Mortgage initiated in 2021 for \$368,155 discounted at 4.79%	344,143	350,143
Mortgage initiated in 2021 for \$404,275 discounted at 4.79%	369,080	378,737
Mortgage initiated in 2021 for \$306,235 discounted at 4.79%	236,257	251,747
Mortgage initiated in 2021 for \$306,235 discounted at 4.79%	266,969	276,646
Mortgage initiated in 2021 for \$371,251 discounted at 4.79%	325,329	338,311
Mortgage initiated in 2021 for \$351,795 discounted at 4.79%	-	311,192
Mortgage initiated in 2022 for \$304,440 discounted at 4.79%	261,072	271,355
Mortgage initiated in 2022 for \$370,104 discounted at 4.79%	-	341,995
Mortgage initiated in 2022 for \$319,920 discounted at 6.14%	269,340	279,656
Mortgage initiated in 2022 for \$245,731 discounted at 6.49%	230,913	230,913
Mortgage initiated in 2023 for \$213,832 discounted at 6.49%	213,832	213,832
Mortgage initiated in 2023 for \$353,606 discounted at 6.79%	343,376	353,606
Mortgage initiated in 2023 for \$214,958 discounted at 6.79%	213,494	214,958
Mortgage initiated in 2023 for \$342,671 discounted at 6.79%	341,904	342,671
Mortgage initiated in 2023 for \$344,916 discounted at 6.84%	342,638	344,916
Mortgage initiated in 2023 for \$332,230 discounted at 6.84%	331,031	332,230
Mortgage initiated in 2023 for \$256,551 discounted at 6.84%	254,987	256,551
Mortgage initiated in 2023 for \$264,450 discounted at 6.84%	263,705	264,445
Mortgage initiated in 2023 for \$338,872 discounted at 7.04%	337,544	338,872
Mortgage initiated in 2023 for \$302,872 discounted at 7.04%	301,385	302,872
Mortgage initiated in 2023 for \$296,047 discounted at 7.04%	295,466	296,047
Mortgage initiated in 2023 for \$223,200 discounted at 7.04%	222,725	223,200
Mortgage initiated in 2023 for \$220,375 discounted at 7.04%	218,637	220,375
Mortgage initiated in 2024 for \$280,330 discounted at 6.49%	279,901	-
Mortgage initiated in 2024 for \$254,316 discounted at 6.49%	254,316	-
Mortgage initiated in 2024 for \$296,323 discounted at 6.49%	295,901	-
	10,786,056	11,270,392
Discounts	(6,554,694)	(6,767,033)
	4,231,362	4,503,359
Less: current portion	(114,000)	(127,000)
	\$ 4,117,362	\$ 4,376,359

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

**2. MORTGAGES RECEIVABLE (continued)**

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.

Prior to late 2022, the Society secured 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.

**3. PROPERTY AND EQUIPMENT**

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 436,117	\$ -	\$ 436,117	\$ 436,117
Buildings	258,388	110,820	147,568	153,717
Equipment	115,523	95,339	20,184	25,231
Motor vehicles	117,371	47,432	69,939	87,908
Computer equipment & software	4,936	4,934	2	3
Leasehold improvements	10,381	10,381	-	-
	<b>\$ 942,716</b>	<b>\$ 268,906</b>	<b>\$ 673,810</b>	<b>\$ 702,976</b>

**4. LINE OF CREDIT**

The Society has an undrawn \$530,001 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 \$583,685 (2023: \$589,834) and a general security agreement over the present and future property of the Society.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2024	2023
Trades payable	\$ 175,005	\$ 394,534
Wages payable	-	57,924
	<u>\$ 175,005</u>	<u>\$ 452,458</u>

Included in trades payable are \$Nil (2023 - \$83,598) of government remittances for GST.

**6. DEMAND LOAN**

	2024	2023
Demand loan payable at \$252 weekly including interest at 5.45%	\$ 75,218	\$ 84,164
Less: current portion	(9,257)	(8,930)
	<u>\$ 65,961</u>	<u>\$ 75,234</u>

The demand loan is secured by a charge over the land and buildings with a net book value of \$583,685 (2023: \$589,834) 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:

2025	\$ 9,257
2026	9,775
2027	10,323
2028	10,900
2029	11,510
Thereafter	<u>23,723</u>
	<u>\$ 75,488</u>

**7. 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 was fully repaid in 2024.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

**8. DEFERRED INCOME**

Deferred income represents funds designated for housing projects under development.

	Opening	Additions	Allocations	Ending
Fundraising	\$ 34,686	\$ -	\$ -	\$ 34,686
Donations	14,901	115,793	-	130,694
Grants:				
Federal Government	-	-	-	-
Provincial Government	-	-	-	-
Municipal/Regional Government	-	-	-	-
Other	46,394	-	-	46,394
Wage Subsidies	-	-	-	-
Gaming	58,601	13,639	-	72,240
Miscellaneous	22,623	-	(2,834)	19,789
	\$ 177,205	\$ 129,432	\$ (2,834)	\$ 303,803

Included in ending deferred income is \$Nil (2023: \$Nil) in contributions expected to be recognized within one year.

**9. DONATIONS, GRANTS, AND CONTRIBUTIONS**

	2024	2023
Fundraising	\$ 138,598	\$ 243,405
Donations	112,443	344,969
Grants:		
Federal Government	162,360	640,515
Provincial Government	-	250,000
Municipal/Regional Government	466	335,040
Other	27,676	89,017
	\$ 441,543	\$ 1,902,946

**10. 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.

**11. 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.



**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

---

**12. 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, 2024, two employees (2023: two) were paid gross wages of \$214,685 (2023: \$207,002). No remuneration was paid to any director and no contractor was paid \$75,000 or more.

**13. CONTINGENCIES**

Included in deferred contributions are funds received from the Canada Mortgage and Housing Corporation (CMHC) in the amount of \$Nil (2023: \$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 CMHC will be forgiven, amounts will formally be forgiven over the term of the agreement or 20 years. As of December 31, 2024, \$23,333 (2023: \$13,333) has been forgiven. The society's total cumulative exposure is \$1,166,115 (2023: \$1,176,115).

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.

**14. SUBSEQUENT EVENTS**

Subsequent to year end, the Society completed the acquisition of land and buildings of the Campbell River Restore for consideration of \$3,000,000. This acquisition occurred on February 11, 2025.

The acquisition was funded through a combination of fundraising, cash on hand and a new 25 year \$2,250,000 mortgage with CCCU.

# HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY

## SCHEDULES

YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>SCHEDULE 1 - RESTORE EXPENSES</b>		
Habitat affiliation fees	\$ 76,327	\$ 78,300
Insurance	10,497	9,697
Interest and bank charges	6,795	7,636
Occupancy costs	181,570	172,328
Office and sundry	61,584	58,645
Purchases and supplies	101,486	123,532
Salaries and wages	874,607	882,287
Vehicle	54,086	52,615
	<b>\$ 1,366,952</b>	<b>\$ 1,385,040</b>
<b>SCHEDULE 2 - OPERATING EXPENSES</b>		
Amortization of property and equipment	\$ 37,181	\$ 44,567
Fundraising and marketing	-	-
Habitat affiliation fees and tithing	74,305	31,085
Interest on demand loan	3,062	461
Occupancy costs	29,298	25,055
Office and sundry	34,812	24,223
Repairs and maintenance	65,711	6,300
Professional fees	32,066	35,526
Salaries and wages	255,576	242,809
	<b>\$ 532,011</b>	<b>\$ 410,026</b>

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