Habitat for Humanity®
Sault Ste. Marie & Area

ANNUAL REPORT 2024

Habitat for Humanity Sault Ste. Marie & Area

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Habitat for Humanity
Sault Ste. Marie & Area

Thank You

To all those who contributed to Habitat for Humanity Sault Ste. Marie & Area (HFHSSMA) in 2024 – thank you.

This year was one of transition, learning, and growth. It brought its fair share of challenges, but it also revealed the strength and resilience of our team, volunteers, partners, and community.

Throughout the year, we remained focused on one of our biggest undertakings to date: the relocation of our ReStore. From day one, this was a major priority, and by the end of the year, we proudly celebrated the grand opening of our new location – a moment that was both bittersweet and deeply rewarding. Saying farewell to 32 White Oak Drive, our humble beginnings, marked the end of an era and the start of a promising new chapter.

In 2024, we made significant investments in our organization, our team, and our programs. We welcomed new staff and volunteers, expanded our training and development efforts, and were proud to send five team members to the National Conference and two to a training and development conference.

We also piloted a Kitchen Salvage Program, which received an enthusiastic response from local contractors, hardware stores, and community members – a testament to the continued support and interest in our mission.

Despite our progress, we were not immune to the broader challenges affecting charities across North America. Economic uncertainty and a divisive political climate contributed to a decline in fundraising and sales. Still, our commitment to building a better future never wavered.

We are incredibly proud of what we accomplished this year – and none of it would have been possible without you. To our donors, volunteers, staff, community partners, and supporters: thank you. Your time, energy, and dedication leave a lasting legacy that will continue to support HFHSSMA for years to come.

What We Do

Vision

Habitat for Humanity brings communities together to help families build strength, stability and independence through affordable homeownership.

We build safe and decent homes, alongside volunteers and future homeowners. Future homeowners go through a rigorous application process and are chosen to partner with us based on level of need, ability to repay a Habitat mortgage, and willingness to partner with us by providing 500 hours of voluntary service to the organization. We work with future homeowners to provide education and training in financial literacy and home maintenance in order to ensure a successful transition for families who may have never experienced homeownership. Once a home is complete, the family takes possession and purchases the house at full fair market value through an affordable mortgage that is geared to their income. Habitat provides financial assistance to families through a second mortgage. This Habitat contribution replaces a down payment, is interest-free and is geared to income. As a Habitat homeowner pays off their mortgage, those funds are used to build more Habitat homes.

Habitat ReStores are home and building supply stores that accept and resell quality new and used building supplies, home furnishing, appliances and décor. A successful social enterprise, Habitat ReStores are an important partner in the community, providing retailers with a product solution for returned and end-of-line merchandise, and homeowners a place to donate their quality items to benefit a good cause. The funds generated by Habitat ReStores go towards building even more homes for families in need of safe, decent and affordable housing.

A Letter from the Acting Chair

2025 has been one of growth and transition for HFHSSMA, and we are excited to welcome new board and committee members who bring fresh energy and expertise. Over the past year, the board has strengthened its governance processes so it can better support our staff and CEO.

We were honoured that Sault Ste. Marie was chosen to participate in Habitat Canada's 360 Peer Review Pilot, giving us the opportunity to share and learn best practices across the federation. We are also preparing for new opportunities that will help us strengthen our impact and support more families in our community.

Refreshing our strategic plan will be an important step for the board as we move forward. This will ensure that our efforts remain focused, sustainable, and aligned with the evolving needs of families in our community, while helping us set clear priorities and strengthen our impact in the years ahead.

In 2024, the relocation of our ReStore marked a significant milestone, strengthening our presence in the community and creating new opportunities to serve customers and supporters. But the work does not end there. Our CEO and staff have been responding with dedication and creativity to keep Habitat strong and focused on its mission in the face of broader economic uncertainties.

We are also laying the groundwork for scaling up development, which has been a few years in the making. This represents an exciting step forward for HFHSSMA. While the timing depends on securing the right resources, the work already underway reflects our commitment to finding innovative ways to serve more families in our community.

Through all of this, the one thing that remains constant has been the impact of Habitat's mission. Each home we help build transforms lives and strengthens our community. I want to especially recognize our CEO, Katie, whose hard work and determination have been vital in guiding us forward.

Each year brings new achievements, be it by building partnerships at key political levels, strengthening community connections, finding innovative ways to secure resources, or setting new records. This year's Touch-a-Truck event, for example, achieved its highest fundraising to date, a testament to community support and the hard work of the CEO, staff, volunteers, and partners.

On a personal note, I would like to say that it has been an honour to serve as Acting Chair during this period of transition. I look forward to continuing my involvement through the Board, committee work, and supporting Habitat's mission in other ways.

Thank you to everyone, staff, volunteers, donors, and partners, who continue to help Habitat build strength, stability, and independence through affordable housing. With your support, we are building more than homes, we are building a stronger community.

Jonathan Kircal
Acting Chair
Habitat for Humanity Sault Ste. Marie & Area

A Letter from the CEO

Dear Friends, Supporters, and Community Members,

At HFHSSMA, we believe that affordable homeownership is one of the most powerful tools our society has to break the cycle of poverty. For many families, the dream of owning a home is not just about bricks and mortar – it's about hope. It's about having a place to raise children, share meals, plant gardens, and build a future filled with stability and opportunity.

Unfortunately, that dream is becoming increasingly out of reach. Across Canada – and particularly here in Northern Ontario – lower- and middle-income families are being priced out of the open market. Rising housing costs, limited inventory, and intense competition have made it nearly impossible for many to find a place they can call their own. Housing opportunities are even more precarious for newcomers, single parents, Indigenous families, and individuals with accessibility needs. HFHSSMA is committed to prioritizing opportunities for underserved populations to ensure equitable access to homeownership.

Since 2020, Sault Ste. Marie has experienced significant growth in the construction industry – including residential development – along with unprecedented demand in the existing housing market. According to the 2024 RE/MAX Housing Market Outlook, the average price for a single-family detached home in our city has climbed to $349,000 from $180,000 in 2019. This surge has only underscored the importance of Habitat's mission: to create affordable homeownership opportunities for families who are ready and able to take on the responsibilities of owning a home – and to do so in a way that creates generational wealth and breaks the cycle of poverty.

We know that homeownership provides more than just shelter. It fosters stability, increases civic engagement, improves health outcomes, builds financial resilience, and children achieve greater success in education. These are not just statistics – they are the lived experiences of families in our community and across Canada whose lives have been transformed through Habitat for Humanity.

In 2024, we reached a major milestone in our strategic growth with the relocation of our social enterprise, the ReStore. We doubled our square footage, enhanced the experience for shoppers and donors, and brought our mission front and center through highly visible branding efforts. This achievement would not have been possible without the vision and support of our Board of Directors, the strategic leadership of our management team, and – most importantly – the drive, passion, and dedication of our incredible ReStore staff and volunteers.

The ReStore plays a critical role in supporting our future homebuilding efforts by generating much needed revenue to fund affordable housing projects – and every dollar spent at the ReStore stays local, directly transforming lives in Sault Ste. Marie and the surrounding area. The ReStore also champions environmental sustainability through waste diversion efforts. In 2024 alone, we proudly diverted **824,917 pounds** of waste from the municipal landfill – congratulations to our amazing team!

In addition, the ReStore offers meaningful learning and employment opportunities for students and individuals facing barriers to the labour market. It is more than just a store – it is a vital community hub.

Now, more than ever, Habitat and the ReStore need your continued support. Whether it's hosting a fundraiser, donating to or shopping at our new ReStore location, sharing our mission on your social media, or joining our team as a volunteer – every action makes a difference.

To date, HFHSSMA has helped **15 families** achieve the dream of homeownership – and we're just getting started. As we look toward the future, we know that lasting success depends on all of us: volunteers, donors, customers, advocates, and community members working together. When everyone has access to strength, stability, and independence, our entire community thrives.

On behalf of the Board of Directors, our dedicated staff, and the families we proudly serve – thank you for believing in our mission. Thank you for making it all possible.

With gratitude,

Katie Blunt

Chief Executive Officer
Habitat for Humanity Sault Ste. Marie & Area

Board of Directors
2024

Allyson Schmidt
Chair

Jonathan Kircal
Vice Chair

Lise Harrison
Treasurer

Jeffery King
Secretary

Toni-Marie Streicher
Director

Harvey Walsh
Director

Nancy Bailey
Director

Lorri Kennis
Director

Thank You to Our Retiring Board Members, Allyson Schmitt and Jeffery King

On behalf of HFHSSMA, we extend our deepest gratitude to our retiring volunteer Board of Directors members. Your unwavering dedication to our mission—helping families move along the housing continuum toward homeownership—has been nothing short of inspiring.

Through your leadership, passion, and belief in the importance of safe, decent shelter, you have helped create life-changing opportunities for 15 families in our community—and laid the foundation for many more to come. Your impact will be felt for generations. Thank you for your service, your heart, and your commitment to building a better future, one home at a time.

2025-2026 Board Nominees

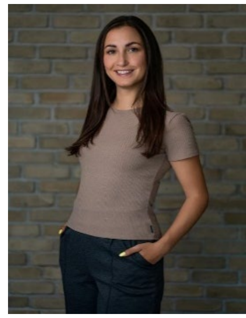
Omar Kuzma – Finance & Accounting Professional

Omar Kuzma brings over 25 years of experience in accounting and finance, with deep expertise in areas including treasury, auditing, administration, and financial systems implementation. He has provided financial and administrative consulting to small and medium-sized businesses, helping them streamline operations and improve fiscal management.

Omar earned his degree in Accounting with a specialization in Finance from Ricardo Palma University in Peru in 1998, and became a Certified Public Accountant in 2007. Over the course of his career, he has worked across a diverse range of sectors – including manufacturing, trade, agricultural export, fishing, and mining – holding roles in accounting, finance, internal auditing, costing, and administration.

Beyond his professional work, Omar was a founder and board member of Mensa Peru, where he helped implement resources such as psychological support, social events, and meditation classes to foster personal and intellectual growth among members.

Passionate about geopolitics, Omar aspires to one day become a university professor and author in the field. He is excited to contribute his skills and experience to the Habitat team, where he aims to help develop innovative and practical solutions to address housing challenges.



Jennifer Parsons – REALTOR® & Education and Training Advisor

Jennifer Parsons is a full-time REALTOR® with eXp Realty in Sault Ste. Marie and an Education and Training Advisor with Contact North, supporting learners and employers across a broad region from Sault Ste. Marie to Manitoulin Island. She is deeply committed to the belief that safe, affordable housing and access to education are the cornerstones of strong, resilient communities.

Since launching her real estate career in 2019, Jennifer has received multiple awards recognizing her dedication to client service, integrity, and her ability to guide people through significant life transitions. In addition to her professional roles, she serves as a Director on the local real estate board, where she champions initiatives to support new industry professionals and enhance community engagement.

In 2024, Jennifer was nominated by Strive for the Professional Development Achievement Award of Distinction, acknowledging her ongoing commitment to learning and professional excellence.

She holds a Business diploma from Sault College, a Bachelor of Commerce from Nipissing University, and is currently pursuing her professional appraisal designation through the University of British Columbia.

Victoria Prouse Coccimiglio – Urban Planner & Strategic Leader

Victoria Prouse Coccimiglio is an accomplished urban planner and strategic leader with a strong background in urban policy, design, and placemaking. She currently leads transportation electrification initiatives at the Ontario Ministry of Transportation, working to advance a more sustainable, safe, and equitable transportation system for all Ontarians.

Throughout her career, Victoria has held diverse roles across government, industry, and academia, consistently focusing on how mobility and the built environment can be leveraged to improve equity and quality of life in communities.

She holds a Master of Planning from Dalhousie University and a Master of Social Policy from the London School of Economics, and is a Registered Professional Planner (RPP) with the Ontario Professional Planners Institute.

Originally from Sault Ste. Marie, Victoria returned to the community during the COVID-19 pandemic and now enjoys life in the Soo with her husband and two children. In her spare time, she loves to cook, drink good coffee, and explore the outdoors through cross-country skiing.

Kendra Turpin – Director of People & Culture, THRIVE Child Development Centre

Originally from Edmonton, Alberta, Kendra Turpin holds a Master's degree in Human Resources and Industrial Relations from the University of Toronto. With over 15 years of experience in strategic human resources management, Kendra has worked across a range of sectors – including financial services, social media, government, academia, and non-profits – in Toronto, Edmonton, and now Sault Ste. Marie.

In May 2021, Kendra and her family made the cross-country move from Edmonton to Sault Ste. Marie to be closer to her husband's family. She currently serves as the Director of People & Culture at **THRIVE Child Development Centre / THRIVE Centre de développement de l'enfant**, where she leads human resources strategy and organizational development initiatives.

Outside of work, Kendra enjoys woodworking and gardening, and can often be found cheering on her children at the soccer pitch, baseball diamond, or hockey arena – or out walking the family dog.

Denis Rooney – Infrastructure and Asset Manager, District of Sault Ste. Marie Social Services Administration Board

Denis Rooney was raised in Sault Ste. Marie and has proudly served as Infrastructure and Asset Manager for the District of Sault Ste. Marie Social Services Administration Board (DSSMAB) since 2020. In this role, Denis has led numerous large-scale capital projects in partnership with local organizations, with a focus on supporting housing, social services, and community infrastructure.

Some of his key projects include the Affordable Home Ownership Program, the conversion of Sacred Heart School into a men's shelter and Community Resource Centre, the Sault Ste. Marie Youth Hub for Algoma Family Services, Pauline's Place transitional units, and the redevelopment of Rosedale School into a seniors' apartment complex with an integrated daycare and community hub. Most recently, Denis oversaw the development of an 11-unit supportive housing complex on Second Line West for Women in Crisis.

Denis studied Civil Engineering Technology and Business Management at Sault College, and brings both technical knowledge and strategic insight to his work. He believes deeply in community service, integrity, and pride of workmanship, values that guide both his professional and personal life.

Denis is a proud husband and father and is honored to serve on the Habitat for Humanity Board, where he continues his commitment to building a stronger, more inclusive community.

Affiliate Staff

Katie Blunt
Chief Executive Officer
Joe Mackenzie
Finance & Risk Manager
Raphy Falardeau
Fundraising & Marketing Coordinator

Derek Paquin
Director of Operations
Jill MacIsaac
Family & Volunteer Coordinator
Roberto Aguilar
Events Assistant

ReStore Staff

Mike Plastino
ReStore Deconstruction Manager
Saakshi Bagadia
Donation Centre Lead
Kevin Possamai
Donation Centre Associate
Babajide Akerele
Donation Centre Associate
Kassidee Odber
Sales Associate Lead
Payton McCorriston
Sales Associate

Stephen Rilliet
ReStore Assistant Manager
Mike Flemstrom
Donation Centre Associate
Santosh Dhungel
Donation Centre Associate
Neil McKiddie
Truck Driver
Autumn Anderson
Sales Associate

In Memory

Brenden Peters

Brenden was a long-time Special Olympics athlete who excelled in numerous sports – achievements that brought him immense pride and joy. A passionate bowler and golfer (to say the least!), Brenden was known for his meticulous scorekeeping and for keeping the community well informed of his many victories. Each time he volunteered, he brought with him a cheerful smile, a positive attitude, and a story or two – often about his latest achievement on the golf course or bowling lanes.

Mike Flemstrom

In his role as Donation Centre Associate, Mike worked tirelessly to preserve the environment by ensuring gently used goods were kept out of the landfill. More than a skilled team member, Mike was a true team player. He participated in all facets of Habitat's work – from ReStore operations and strategic planning sessions to home dedication ceremonies and public outreach. His positive attitude, curiosity, and eagerness to learn made every day better for those around him.

We remember and honour Mike Flemstrom and Brenden Peters, two dedicated members of our Habitat family, whose passion and commitment left a lasting mark on our organizations.

January

Habitat participated in City of Sault Ste. Marie Affordable Housing Taskforce

February

Our Board Chair and CEO met with over 30 MPPs at Queen's Park

March

- Ontario Trillium Foundation recognition event
- International Women's Day celebration hosted by Women in Crisis

April

- Celebration for National Volunteer Week
- Presentation to Lyon's Club
- Teambuilding at Greyhound Playoff Game

June

Touch a Truck breaks record of event with most money raised

July

Participated in Rotary Fest Parade

September

Habitat observes National Day for Truth and Reconciliation

October

50/50 Draw raises $4,535.50. Cheque Presented to winner.

November

We were thrilled to open our doors to the public on November 12

December

Thank you, St. Mary's College for your incredible Heaven Cent fundraiser and generous donation to Habitat for Humanity!

Thank You to Everyone who Volunteered for Habitat for Humanity in 2024.

89

Number of People who Volunteered in 2024

HABITAT FOR HUMANITY SAULT STE. MARIE AND AREA
FINANCIAL STATEMENTS

Year ended December 31, 2024

SURACI & OLSZEWSKI
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Habitat for Humanity Sault Ste. Marie & Area

Qualified Opinion

We have audited the accompanying financial statements of **Habitat for Humanity Sault Ste. Marie & Area ("the Organization")**, which comprise the statement of financial position as at **December 31, 2024**, 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 of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of **Habitat for Humanity Sault Ste. Marie & Area** as at **December 31, 2024**, the results of its operations, changes in net assets 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 Organization derives revenue from donations, fundraising and sales, 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 ReStore sales, donations and fundraising 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. The 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 *Auditors' 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Canada

HABITAT FOR HUMANITY SAULT STE. MARIE AND AREA
STATEMENT OF FINANCIAL POSITION

AS AT December 31,	2024	2023
ASSETS		
Current		
Cash and short term investments	$ 62,920	$ 667,492
Accounts receivable	90,659	89,982
Prepaid expenses	47,436	56,159
Properties held for resale (note 1)	260,050	132,758
Current portion of first mortgages receivable (note 2)	107,604	107,604
	568,669	1,053,995
Capital assets (note 3)	510,512	153,966
Mortgages receivable (note 2)	931,225	861,680
	$ 2,010,406	$ 2,069,641
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities (note 4)	$ 119,410	$ 90,914
Deferred revenue (note 5)	10,253	69,871
	129,663	160,785
Deferred contributions related to capital assets (note 6)	99,038	134,034
	228,701	294,819
Net Assets		
Net assets invested in capital assets	411,474	19,933
Net assets invested in housing	1,298,879	1,102,042
Unrestricted	71,352	652,847
	$ 2,010,406	$ 2,069,641

Commitments (note 8)

Approved by the Board:

_______________________________ **Director**

_______________________________ **Director**

HABITAT FOR HUMANITY SAULT STE. MARIE AND AREA
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31,

	ReStore	Affiliate	2024 Total	2023 Total
Revenue				
ReStore sales	$ 634,552	$ -	$ 634,552	$ 744,686
Sale of properties	-	-	-	285,011
Grants	34,296	138,780	173,076	195,803
Habitat for Humanity Canada forgivable loans (note 7)	-	13,000	13,000	52,000
Donations	2,885	83,456	86,341	71,312
Donations in kind - homebuilding materials and services	-	102,450	102,450	216,486
Fundraising	-	23,675	23,675	22,958
Other	29,285	7,629	36,914	50,600
Amortization of deferred capital contributions	-	37,160	37,160	29,720
	701,018	406,150	1,107,168	1,668,576
Expenditures				
Amortization	-	86,869	86,869	37,909
Bank charges	7,752	1,125	8,877	9,831
Cartage and disposal	16,715	-	16,715	26,774
Cost of properties sold	-	40,381	40,381	285,011
Fundraising	-	7,330	7,330	6,976
Insurance	12,247	4,480	16,727	12,460
Meetings, travel and training	5,621	19,411	25,032	26,461
Memberships and fees	59,080	22,623	81,703	124,619
Office and general	22,826	17,545	40,371	56,090
Professional fees	3,247	3,247	6,494	6,559
Property taxes	-	3,532	3,532	871
Public awareness	6,683	3,195	9,878	4,316
Repairs and maintenance	4,214	-	4,214	4,751
Rent	103,773	6,927	110,700	129,625
Salaries and benefits	516,709	272,709	789,418	684,123
Telephone and internet	4,433	4,538	8,971	8,190
Utilities	33,147	-	33,147	11,763
	796,447	493,912	1,290,359	1,436,329
Excess (deficiency) of revenue over expenses from operation	$ (95,429)	$ (87,762)	$ (183,191)	$ 232,247
Gain (loss) on market value of mortgages	$ -	$ 190,684	$ 190,684	$ (101,517)
Gain (loss) on disposal of capital assets	$ -	$ (610)	$ (610)	$ -
Impairment of properties held for resale	$ -	$ -	$ -	$ (102,520)
Excess (deficiency) of revenue over expenses	$ (95,429)	$ 102,312	$ 6,883	$ 28,210

HABITAT FOR HUMANITY SAULT STE. MARIE AND AREA
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023

	Invested in Capital Assets	Invested in Housing	Unrestricted	Total
Balance at December 31, 2022	$ 24,958	1,145,979	$ 575,675	$ 1,746,612
2023				
Excess (deficiency) of revenue	(37,909)	(101,517)	167,636	28,210
Capital assets acquired	121,000	-	(121,000)	-
Deferred (contributions)/amortization related to capital assets	(88,116)	-	88,116	-
Investment in properties	-	148,516	(148,516)	-
Mortgage payments received	-	(90,936)	90,936	-
Balance at December 31, 2023	$ 19,933	$ 1,102,042	$ 652,847	$ 1,774,822
2024				
Excess (deficiency) of revenue	(87,479)	190,684	(96,322)	6,883
Capital assets acquired	444,024	-	(444,024)	-
Deferred (contributions)/amortization related to capital assets	34,996	-	(34,996)	-
Investment in properties	-	127,291	(127,291)	-
Mortgage payments received	-	(121,138)	121,138	-
Balance at December 31, 2024	$ 411,474	$ 1,298,879	$ 71,352	$ 1,781,705

HABITAT FOR HUMANITY SAULT STE. MARIE AND AREA
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,	2024	2023
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	$ 6,883	$ 28,210
Items not involving cash:		
Amortization of capital assets	86,869	37,909
Amortization of deferred capital contributions	(37,160)	(29,720)
(Gain) loss on disposal of capital assets	610	102,520
(Gain) loss on market value of mortgages	(190,684)	101,517
	(133,482)	240,436
Changes in non-cash operating working capital:		
Accounts receivable	(677)	13,195
Prepaid expenses	8,723	(46,042)
Accounts payable and accrued liabilities	28,496	(203,709)
Deferred revenue	(59,618)	8,750
Deferred contributions related to capital assets	2,164	117,836
	(154,394)	130,466
Cash flows from investing activities:		
Payments on mortgages receivable	121,138	90,936
Purchase of capital assets	(444,024)	(121,000)
Decrease (increase) in properties held for resale	(127,292)	13,022
New mortgages receivable	-	(265,485)
	(450,178)	(282,527)
Cash flows from financing activities:		
Decrease in loan payable	-	(40,000)
Increase (decrease) in cash and equivalents	(604,572)	(192,061)
Cash and cash equivalents, beginning of year	667,492	859,553
Cash and cash equivalents, end of year	$ 62,920	$ 667,492

Nature of Operations

Habitat for Humanity Sault Ste. Marie and Area (the "Organization") builds homes for those persons whose income is below the poverty line. It is affiliated with Habitat for Humanity Canada. The Organization is incorporated under the laws of Ontario as a non-profit organization without share capital and is a registered charity under the Income Tax Act. The Organization is exempt from income taxation as a registered charity under the Income Tax Act under Section 149 (1)(f).

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred revenue represents unspent resources externally restricted that are related to expenses of a subsequent period.

Deferred mortgage payments represent payments collected from mortgages prior to finalization of house sales.

Donation and fundraising revenue is recognized when received by the Organization.

Property sale revenue is recognized when legal title is transferred to the owners.

ReStore sales revenue is recognized as the goods are sold

Contributed Services

Volunteers contribute many hours during the year to assist the Organization in carrying out its service delivery. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Donations in Kind

Donations in kind received by the Organization for the purpose of constructing or renovating homes are recorded at fair market value when it can be reasonably determined. Donations in kind received for resale are not recorded for accounting purposes since they would not otherwise have been purchased.

Inventory

ReStore inventory is not valued since all items are donated and would not otherwise have been purchased

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for profit organization requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Items requiring management estimates include useful life of capital assets and accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization, based on the estimated useful life of the asset, using the diminishing balance basis, is as follows:

Automotive	-	30%
Equipment	-	20%
Computer equipment	-	30%
Sign	-	20%
Leasehold improvements	-	straight line over the lease term

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, they are reported at cost or amortized cost less impairment, if applicable, except for mortgage receivable which are measured at fair value. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

1. Properties held for resale

	2024	2023
162 Dennis Street	$ 43,438	$ 43,438
724 Bonney Street	84,320	84,320
661 Goulais Ave	132,292	5,000
	$ 260,050	$ 132,758

Properties held for resale consist of land and materials, both purchased and donated, included in homes which are in process or have been completed at the end of the year but for which sales are not yet final. These properties are valued at the lower of cost and net realizable value. Any excess of carrying value over net realizable value is expensed in the year in which the impairment is determined.

2. Mortgages receivable

	2024	2023
First mortgages receivable at face values	$ 1,531,153	$ 1,652,292
Less: present value adjustments on first mortgages	(492,324)	(683,008)
Present value of first mortgages receivable	$ 1,038,829	$ 969,284
Less: current portion	(107,604)	(107,604)
	$ 931,225	$ 861,680

First mortgages receivable are repayable monthly over a period of up to 30 years. The first mortgages are interest-free and secured by a charge on the specific property. Monthly repayments are reviewed annually and adjusted accordingly based on a means test.

The first mortgages receivable have been discounted for accounting presentation purposes at 5.45% (2023 - 7.20%) which is based on the estimated interest rate in effect at year-end on similar term, arms-length mortgages

	2024	2023
Second mortgages receivable at face values	$ 22,838	$ 22,838
Less: present value adjustments on second mortgages	(22,838)	(22,838)
Present value of second mortgages receivable	$ -	$ -

When a home is sold and a second mortgage is established, the owner provides a first mortgage which is determined based on a formula using the cost of construction of the home. The value of the second mortgage is determined based on various factors including the fair value of the home.

The second mortgages receivable are interest-free and the principal amounts are forgivable in the future provided certain conditions are met. Therefore they are discounted to zero value.

3. Capital assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive	194,726	118,250	194,726	85,475
Equipment	505,957	73,426	61,933	20,796
Computer equipment	18,031	16,765	18,031	15,514
Sign	2,475	2,236	2,475	2,176
Leasehold improvements	-	-	6,311	5,549
	$ 721,189	$ 210,677	$ 283,476	$ 129,510
Net Book Value		$ 510,512		$ 153,966

4. Accounts payable and accrued liabilities

	2024	2023
Trade payables and other	$ 107,038	$ 78,648
Governments remittances payable	12,372	12,266
	$ 119,410	$ 90,914

5. Deferred revenue

	2024	2023
Deferred grant revenue	$ 7,183	$ 67,226
Deferred mortgage payments	3,070	2,645
	$ 10,253	$ 69,871

6. Deferred contributions related to capital assets

	2024	2023
Balance beginning of the year	$ 134,034	$ 45,918
Add: Revenue received during the year for capital assets	2,164	117,836
Less: Current year's amortization of deferred revenue	(37,160)	(29,720)
Balance end of the year	$ 99,038	$ 134,034

7. Habitat for Humanity Canada forgivable loan

The Organization has entered into an agreement with Canada Mortgage and Housing Corporation (CMHC) through Habitat for Humanity Canada to assist in construction or repairs of affordable owner occupied units. Under the agreement the Organization was funded $13,000 (2023 - $52,000), which was made available in the form of a forgivable loan. As a forgivable loan, the amount received was considered contributions for accounting purposes as it had been determined by the Organization that it is more likely than not that the amounts will ultimately be forgiven. In case of default, amounts repayable would bear interest at 5% per annum and would be payable on the first day of the month following the month in which such declaration of the loan default is made by CMHC. 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 no amounts have been forgiven.

8. Commitments

The Organization has entered into an operating lease for its new premises for ten years beginning May 1, 2024. The agreement commenced December 1, 2023 with a fixturing period of five months. Following the fixturing period, future minimum lease payments are $16,625 per month for the first three years, $18,208 per month for the subsequent three years, and $19,792 for the remaining four years.

9. Financial Instruments

The Organization's management monitors, evaluates and manages the principal risks assumed with financial instruments on a daily basis. The risks that arise from transacting financial instruments include liquidity risk, interest rate risk, and credit risk.

Liquidity risk

Liquidity risk arises from the Organization's management of accounts payable and other current liabilities. It is the risk that the organization will encounter difficulty in meeting its financial obligations as they fall due.

Interest rate risk

Interest rate risk arises from the mortgages receivable which subject the Organization to a fair value risk. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Credit risk

Credit risk arises from the Organization's accounts receivable and mortgages receivable. It is ther risk that a third party will fail to discharge its obligation to the organization thereby reducing the expected cash inflow

Appendix

2024 Annual General Meeting Minutes

Habitat for Humanity Sault Ste. Marie and Area
Annual General Meeting
26 June 2024
Waterfront Adventure Centre
6.00 pm to 8.00 pm

Present: A. Schmidt, J. Kircal, L. Harrison, J. King, R. Ennis, L. Kennis, J. Dellavadova
Regrets: D. Stoker, H. Walsh

1. Welcome
2. Call to order and Roll Call
3. Approval of 2023 AGM Minutes

A.Schmidt moves to approve 2023 Annual General Meeting Minutes.

Seconded by N. Bailey.

2023 minutes approved.

4. Financial Statements – Rossi, Olszewski Chartered Professional Accountants
   a. Appointment of Auditor for 2023, 2024 and 2025

A.Schmidt moves to approve that the Financial Statements for the year ending December 31, 2023, be accepted as presented.

Seconded by L. Kennis.

5. Announcement of Auditors for 2024

A.Schmidt announces Rossi, Olszewski as auditors for 2024 fiscal year as approved at 2023 AGM.

6. Annual Report Highlights

K. Blunt, CEO, reviews highlights of 2023 year.

6. Special Resolution to Extend Terms

By-law 6.c) outlines that Board of Directors term limits and this resolution provides for an exception to the by-law to extend the terms of Jeffery King and Harvey Walsh for an additional two years from June 26th, 2024 up to June 25th, 2026.

A.Schmidt moves to approve this special resolution.

Seconded by L. Kennis.

Motion approved.

7. Motion to Approve Incoming Officers and Directors for fiscal 2024/2025

A.Schmidt moves to approve the following Directors for fiscal 2024/25:

- Allyson Schmidt
- Jonathan Kircal
- Lise Harrison
- Jeffery King
- Nancy Bailey
- Lorri Kennis
- Harvey Walsh

Seconded by N. Bailey.

Motion approved.

8. Motion to Ratify 2023/2024 Proceedings

Be it resolved that whereas the Board of Directors for Habitat for Humanity Sault Ste. Marie and Area has acted on behalf of the membership over the year 2023, therefore be it resolved that the members at the Annual General Meeting on June 26, 2024 ratify, sanction and confirm all acts, covenants and proceedings made, taken or entered into, on their behalf by the Board of Directors and Executive Committee during 2023.

Moved by A. Schmidt

Seconded by L. Kennis

Motion approved.

9. Motion to Adjourn

Moved by N. Bailey.

Meeting adjourned.

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