

HABITAT FOR HUMANITY NOVA SCOTIA
Financial Statements
Year Ended December 31, 2024

HABITAT FOR HUMANITY NOVA SCOTIA
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Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Habitat For Humanity Nova Scotia

Opinion

We have audited the financial statements of Habitat For Humanity Nova Scotia (the "organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with 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 the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

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:

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Independent Auditor's Report to the Directors of Habitat For Humanity Nova Scotia *(continued)*

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

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

Miles J. Sweeney Limited

Dartmouth, Nova Scotia
June 12, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS


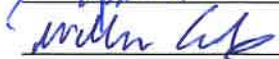
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HABITAT FOR HUMANITY NOVA SCOTIA
Statement of Financial Position
December 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 322,123	\$ 238,678
Restricted cash (Note 19)	1,511,249	672,222
Temporary investments	3,600	3,233
Accounts receivable	96,519	96,973
Prepaid expenses	44,947	48,346
Current portion of mortgages receivable (Note 5)	148,185	106,836
	<u>2,126,623</u>	1,166,288
Cash surrender value of life insurance policy	172,902	142,023
Mortgages receivable (Note 5)	2,547,797	2,572,725
Properties held for sale (Note 16)	158,599	1,469,077
Work in progress (Note 17)	212,793	27,006
Land held for development (Note 18)	49,490	40,828
Property, plant and equipment (Note 4)	11,253	13,331
	<u>\$ 5,279,457</u>	<u>\$ 5,431,278</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness (Note 9)	\$ -	\$ 1,708,931
Accounts payable	89,347	118,244
Deferred revenue	15,000	-
Amounts held on behalf of homeowners (Note 10)	113,122	122,929
	<u>217,469</u>	1,950,104
CMHC FORGIVABLE LOANS (Note 13)	-	51,147
DEFERRED CONTRIBUTIONS (Note 15)	234,996	258,215
	<u>452,465</u>	2,259,466
COMMITMENTS (Note 7)		
CONTINGENCIES (Note 14)		
NET ASSETS	<u>4,826,992</u>	3,171,812
	<u>\$ 5,279,457</u>	<u>\$ 5,431,278</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

HABITAT FOR HUMANITY NOVA SCOTIA
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2024

	2024	2023
REVENUES		
ReStore (Note 11)	\$ 1,515,545	\$ 1,464,436
Fundraising and grants	992,477	618,735
Home sales	156,522	238,745
Property sales	2,500,000	-
	<u>5,164,544</u>	<u>2,321,916</u>
EXPENSES		
ReStore (Note 11)	1,138,455	993,524
Fundraising	89,259	291,048
Cost of sales - direct build cost	1,555,371	287,963
Administrative and build expenses (Note 12)	871,100	709,944
	<u>3,654,185</u>	<u>2,282,479</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>1,510,359</u>	<u>39,437</u>
OTHER INCOME (EXPENSES)		
Change in cash surrender value of life insurance policy	30,878	15,608
Write up (down) of mortgages receivable to fair value	93,325	(67,387)
Gain on sale of properties	-	85,547
CEBA loan forgiveness	-	10,000
Interest income	23,593	9,218
Loss on disposal of property, plant and equipment	(2,975)	-
	<u>144,821</u>	<u>52,986</u>
NET EXCESS OF REVENUES OVER EXPENSES	<u>1,655,180</u>	<u>92,423</u>
NET ASSETS - BEGINNING OF YEAR	<u>3,171,812</u>	<u>3,079,389</u>
NET ASSETS - END OF YEAR	<u>\$ 4,826,992</u>	<u>\$ 3,171,812</u>

See notes to the financial statements

HABITAT FOR HUMANITY NOVA SCOTIA
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,655,180	\$ 92,423
Items not affecting cash:		
Amortization	5,371	7,939
Change in cash surrender value of life insurance policy	(30,879)	(15,608)
Principal forgiven on CMHC loan	(51,147)	(59,476)
Principal forgiven on CEBA loan	-	(10,000)
Loss on disposal of property, plant and equipment	2,975	-
	<u>1,581,500</u>	<u>15,278</u>
Changes in non-cash working capital <i>(Note 3)</i>	(10,045)	(9,510)
Cash flow from operating activities	<u>1,571,455</u>	<u>5,768</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,267)	(13,764)
Decrease in deferred contributions	(23,219)	(61,432)
Increase in CMHC forgivable loans	-	37,036
Decrease (increase) in work in progress	(185,787)	108,690
Decrease (increase) in properties held for resale	1,310,478	(1,173,961)
Decrease (increase) in mortgages receivable	(16,421)	408,012
Decrease (increase) in land held for development	(8,662)	1,031,690
Increase in temporary investments	(367)	(234)
Increase (decrease) in amounts held on behalf of homeowners	(9,807)	18,882
Cash flow from investing activities	<u>1,059,948</u>	<u>354,919</u>
FINANCING ACTIVITIES		
Line of credit repayments	(1,708,931)	-
CEBA loan repayments	-	(30,000)
Cash flow used by financing activities	<u>(1,708,931)</u>	<u>(30,000)</u>
INCREASE IN CASH FLOW	922,472	330,687
Cash - beginning of year	<u>910,900</u>	<u>580,213</u>
CASH - END OF YEAR	\$ 1,833,372	\$ 910,900
CASH CONSISTS OF:		
Cash	\$ 322,123	\$ 238,678
Restricted cash	<u>1,511,249</u>	<u>672,222</u>
	<u>\$ 1,833,372</u>	<u>\$ 910,900</u>

See notes to the financial statements

HABITAT FOR HUMANITY NOVA SCOTIA
Notes to Financial Statements
Year Ended December 31, 2024

1. STATUS AND NATURE OF ACTIVITIES

Habitat for Humanity Nova Scotia ("Habitat NS") is a not-for-profit organization whose purpose is to build stronger families by expanding opportunities for affordable homeownership. Habitat NS is registered under the Societies Act of the Province of Nova Scotia and is a registered charitable organization under the Income Tax Act (Canada).

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Properties held for resale

Properties held for resale, which include land, buildings and building materials, both purchased and donated, are recorded at the lower of cost and net realizable value. Net realizable value is defined as the estimated costs to be recovered upon the sale of the property. Any excess costs over net realizable value are expensed in the year in which the impairment is identified.

Gifts in kind which have been received for properties held for resale, but have not yet been allocated to a specific property, are recorded at the fair value of the goods donated.

Work in progress

Work in progress, which includes land, buildings and building materials, both purchased and donated, are recorded at the lower of cost and net realizable value. Net realizable value is defined as the lower of market value less costs of disposition and the amount of non-forgivable mortgages to be assumed by partner families. Any excess of carrying value over net realizable value is expensed in the year in which the impairment is determined.

Land held for development

Land held for development is recorded at cost when purchased and is evaluated for impairment at the end of each reporting period. If there is indication of impairment, the net realizable value of the asset is determined. Net realizable value is determined by estimated appraised value. If the net realizable value of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its net realizable value. An impairment loss is recognized immediately in the statement of operations.

Income taxes

Habitat NS is a charitable organization from which no part of the income is payable or otherwise available for the personal benefit of any director. Therefore it is exempt from income tax pursuant to Section 149(1)(l) of the Income Tax Act.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, bank overdrafts, and highly liquid temporary money instruments with original maturities of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

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HABITAT FOR HUMANITY NOVA SCOTIA
Notes to Financial Statements
Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Donated goods and services

Donated goods and services are recorded when a fair value can be reasonably estimated and they would otherwise be purchased if not donated. Donated goods that are received by Habitat NS from the HFHC gift in kind program are recorded at the fair value estimated by Habitat NS.

Goods donated to the Restore operation are not recorded as assets in the financial statements.

A substantial number of volunteers have made significant contributions of their time to Habitat NS' program and supporting services. The value of this contributed time is not reflected in these financial statements.

Property, plant and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Amortization is calculated using the straight-line method, at rates based on the estimated useful life of the assets as follows:

Computers and equipment	4 years
Vehicles	3 years
Leasehold improvements	6 years

Habitat NS regularly reviews its property and equipment to eliminate obsolete items. Habitat NS tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows that the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Allocation of expenses

Administration expenses are allocated to ReStore operations based on the proportionate floor space occupied for occupancy costs. Wages and benefits, professional fees and subcontractor costs are allocated based on the time and effort dedicated to supporting Restore operations.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- a) providing for amortization of property, plant and equipment;
- b) the estimated useful lives of assets;
- c) the allowance for doubtful accounts.

Revenue recognition

Habitat NS follows the deferral method of accounting for grants and donations. Unrestricted donations and grants are recognized as revenue when received or receivable. Restricted grants and donations are recognized as revenue in the year in which the related expenditures are incurred. Deferred contributions represent unspent restricted donations. The amount of any donations pledged to Habitat NS are not included in revenue until collection is assured.

(*continues*)

HABITAT FOR HUMANITY NOVA SCOTIA
Notes to Financial Statements
Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from home sales is recognized when Habitat NS has transferred the significant risks and rewards of home ownership to the partner family, in that all significant acts have been completed and Habitat NS retains no continuing managerial involvement in, or effective control of, the home to a degree usually associated with ownership, and reasonable assurance exists regarding the measurement of consideration. Generally, this occurs upon transfer of property title to the partner family. The proceeds recognized are determined by reference to fair market value of the home transferred. The proceeds are satisfied by cash received and mortgages issued by Habitat NS. These mortgages are recorded at amortized cost.

Revenue from property sales is recognized when Habitat NS has transferred the significant risks and rewards of property ownership to the buyer, in that all significant acts have been completed and Habitat NS retains no continuing managerial involvement in, or effective control of, the property to a degree usually associated with ownership, and reasonable assurance exists regarding the measurement of consideration.

Habitat NS operates a retail store known as the "ReStore". This store sells donated new and used building materials, household goods and furniture to the general public. Revenue from Restore is recognized upon sale of goods to customers.

Government assistance received during the year is recorded as income in the year the related expenses are incurred.

Financial instruments

Habitat NS's financial instruments are comprised of cash, temporary investments, accounts receivable, mortgages receivable, bank indebtedness, accounts payable and loans payable.

Financial instruments are recorded at fair value when acquired or issued. Temporary investments are subsequently measured at fair value, with unrealized gains and losses recorded in income. All other financial instruments are subsequently measured at amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. CHANGES IN NON-CASH WORKING CAPITAL

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 454	\$ 50,220
Deferred revenue	15,000	-
Prepaid expenses	3,399	6,134
Accounts payable	<u>(28,898)</u>	<u>(65,864)</u>
	<u>\$ (10,045)</u>	<u>\$ (9,510)</u>

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computers and equipment	\$ 86,636	\$ 75,800	\$ 10,836	\$ 8,118
Vehicles	7,525	7,525	-	3,542
Leasehold improvements	45,125	44,708	417	1,671
	<u>\$ 139,286</u>	<u>\$ 128,033</u>	<u>\$ 11,253</u>	<u>\$ 13,331</u>

HABITAT FOR HUMANITY NOVA SCOTIA
Notes to Financial Statements
Year Ended December 31, 2024

5. MORTGAGES RECEIVABLE

	2024	2024	2023	2023
	Mortgages At	Mortgages At	Mortgages At	Mortgages At
	Face Value	Fair Value	Face Value	Fair Value
First mortgages receivable	\$ 3,850,406	\$ 2,684,746	\$ 3,921,765	\$ 2,679,561
Second mortgages receivable	827,156	827,156	828,506	828,506
Allowance for forgiveness	<u>(815,920)</u>	<u>(815,920)</u>	<u>(828,506)</u>	<u>(828,506)</u>
	3,861,642	2,695,982	3,921,765	2,679,561
Less: current portion	<u>247,904</u>	<u>148,185</u>	<u>194,971</u>	<u>106,836</u>
	\$ 3,613,738	\$ 2,547,797	\$ 3,726,794	\$ 2,572,725

Upon completion of construction, homes are sold to selected applicants who are provided an interest-free mortgage, which is amortized on the basis of both the appraised value of the home, and the family's financial capacity. The mortgages have a term up to 30 years, with principal repayments calculated and adjusted annually based on the homeowner's previous net income as reported to the Canada Revenue Agency.

Mortgages receivable are financial assets measured at fair value. Fair value is calculated as the net present value of expected cash flows, discounted using the five-year average inflation rate in Nova Scotia. Fair value is revalued at each balance sheet date based on the amount and frequency of the homeowner's calculated principal repayments, with any adjustments recognized as a gain or loss on the statement of operations.

Second mortgages bear no interest, are secured by a charge on the specific property, and require no monthly payments, with a term up to 30 years. Certain second mortgages include terms for forgiveness. Forgiveness is contingent upon the occurrence of certain events including the length of the homeowner occupancy and not defaulting.

As of December 31, 2024, one second mortgage was in default and the \$11,236 balance is repayable in full. Habitat NS believes the terms and conditions of forgiveness for the remainder of second mortgages will be met, and therefore the remaining second mortgages are valued at \$nil in the statement of financial position.

6. CAPITAL MANAGEMENT

Habitat NS considers its capital to be the balance maintained in its Unrestricted Net Assets. The primary objective of Habitat NS is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of Habitat NS with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. Habitat NS is not subject to any externally imposed capital requirements.

7. COMMITMENTS

Habitat NS has entered into lease agreements for its Restore premises at 81 Wright Avenue, Dartmouth, N.S. Minimum payments required until expiry are as follows:

2025	\$ 122,648
2026	<u>112,427</u>
	\$ 235,075

Habitat for Humanity Canada

Pursuant to its affiliate covenant with Habitat for Humanity Canada, Habitat NS pays an affiliation fee consisting of \$12,500 per vote for the affiliate, 15% on all nationally-procured gifts in kind for the ReStore, 20% on all nationally-procured gifts for the builds, 23% on all nationally-procured cash gifts and 4% of gross ReStore sales. In addition, Habitat NS contributes a tithe for international work.

HABITAT FOR HUMANITY NOVA SCOTIA
Notes to Financial Statements
Year Ended December 31, 2024

8. DONATED GOODS AND SERVICES

In accordance with the accounting policy whereby Habitat NS records only donated goods and services when a fair value can be reasonably estimated and they would otherwise be purchased, Habitat NS recognizes the value of these goods when sold or used in the construction of a property held for resale. During the current year, Habitat NS recorded \$30,432 as gifts in kind (2023 - \$15,508).

9. CREDIT FACILITIES

Habitat NS has an authorized line of credit of \$125,000 with RBC, to be reviewed annually. The line of credit bears interest at Royal Bank Prime plus 3.00% and is secured by a general security agreement. At December 31, 2024, the line of credit had a balance of \$nil (2023 - \$nil).

Habitat also had an authorized line of credit of \$5,000,000 with CUA, bearing interest at Credit Union Prime plus 1.50%. It was secured by a first mortgage on forty-five Habitat Way properties and an assignment of the mortgage receivable portfolio. The facility was structured in four phases, with phase one limited to \$1,707,981. The balance of \$1,708,931 outstanding at December 31, 2023 was fully repaid during the year and the line of credit was closed on repayment.

10. AMOUNTS HELD ON BEHALF OF HOMEOWNERS

Mortgage prepayments represent payments from families that occupy their homes prior to title transfer. Upon title transfer, these amounts will be credited to the family's first mortgage.

11. NET EXCESS OF REVENUES OVER EXPENSES FROM RESTORE OPERATIONS

	<u>2024</u>	<u>2023</u>
<u>Revenues</u>		
Sales	\$ 1,515,545	\$ 1,464,436
 <u>Expenses</u>		
Advertising and promotion	6,482	10,283
Amortization	1,820	4,157
Fees and goods for resale	145,093	129,996
Insurance	16,147	21,671
Interest and bank charges	4,085	3,666
IT support	6,552	9,821
Office supplies and miscellaneous	28,153	15,378
Professional fees	3,993	3,548
Rent and utilities	279,914	266,369
Repairs and maintenance	2,953	8,423
Vehicle	33,491	20,626
Wages and benefits	609,772	499,586
	<u>1,138,455</u>	<u>993,524</u>
Net excess of revenues over expenses from ReStore operations	<u>\$ 377,090</u>	<u>\$ 470,912</u>

For the year ended December 31, 2024, \$94,695 (2023 – \$45,000) of administrative wages and benefits were allocated to Restore. This allocation reflects management's estimate of time and effort devoted to supporting Restore operations.

HABITAT FOR HUMANITY NOVA SCOTIA
Notes to Financial Statements
Year Ended December 31, 2024

12. ADMINISTRATIVE AND BUILD EXPENSES

	2024	2023
Advertising and promotion	\$ 6,855	\$ 10,373
Amortization	3,550	3,782
CEO and board expenses	8,703	3,014
Conferences and meetings	8,077	5,424
Dues and fees	59,389	45,124
Insurance	3,752	2,508
Interest and bank charges	132,074	152,925
IT support	6,262	9,821
Miscellaneous expenses	-	395
Office supplies	23,984	17,995
Professional fees	56,781	30,291
Rent and utilities	35,844	31,234
Repairs and maintenance	1,056	1,520
Telephone	7,577	5,582
Travel and training	14,275	22,423
Volunteer expenses	4,621	5,492
Wages and benefits	498,300	362,041
	\$ 871,100	\$ 709,944

For the year ended December 31, 2024, \$287,945 (2023 - \$169,480) of total administration and build expenses are related to the build division.

13. CMHC FORGIVABLE LOANS

	2024	2023
<u>Project A loan</u>		
Balance at January 1st	\$ 51,147	\$ 25,587
Advances received during the year	9,939	25,560
Loan forgiveness	(61,086)	-
Balance at December 31st	-	51,147
<u>Project B loan</u>		
Balance at January 1st	-	48,001
Advances received during the year	-	11,475
Loan forgiveness	-	(59,476)
Balance at December 31st	-	-
	\$ -	\$ 51,147

The \$61,086 forgiven on the Project A loan is included in fundraising and grants revenue in the statement of revenues and expenditures.

14. CONTINGENCIES

Warranty

Habitat NS extends a warranty to homeowners for deficiencies resulting from poor workmanship, poor quality materials, and/or improper installation. The warranty is extended for a period of twelve months from the date of occupancy or the date of the deficiency report, whichever is earliest. No liability has been recorded in these financial statements for future claims or expenditures which may be incurred as a result of the warranty.

HABITAT FOR HUMANITY NOVA SCOTIA
Notes to Financial Statements
Year Ended December 31, 2024

15. DEFERRED CONTRIBUTIONS

	2024	2023
Balance at January 1st	\$ 258,215	\$ 319,647
Amounts received during the year	359,784	69,715
Amounts recognized as revenue during the year	(383,003)	(131,147)
Balance at December 31st	\$ 234,996	\$ 258,215

Deferred contributions are designated for the following projects:

Property L - New Glasgow, NS	\$ 234,996	\$ -
Property G - Spryfield, NS	-	242,485
Nova Scotia wildfire relief assistance	-	15,730
	\$ 234,996	\$ 258,215

16. PROPERTIES HELD FOR SALE

	2024	2023
Property G - Spryfield, NS	\$ -	\$ 1,188,844
Property A - Kentville, NS	158,599	158,599
Property B - Bridgewater, NS	-	121,634
	\$ 158,599	\$ 1,469,077

17. WORK IN PROGRESS

	2024	2023
Property L - New Glasgow, NS	\$ 184,413	\$ -
Property E - Musquodoboit, NS	28,380	27,006
	\$ 212,793	\$ 27,006

18. LAND HELD FOR DEVELOPMENT

	2024	2023
Property L - New Glasgow, NS	\$ 7,400	\$ -
Property H - Liverpool, NS	36,246	35,863
Property I - Bridgewater, NS	4,336	3,457
Property J - Glace Bay, NS	1,508	1,508
	\$ 49,490	\$ 40,828

19. RESTRICTED CASH

Restricted cash includes mortgage payments received and proceeds from the sale of homes and properties. These funds are restricted for use in fulfilling the core mission of Habitat for Humanity Nova Scotia. Permitted uses include activities that advance affordable homeownership and housing stability, such as home construction, our buyback program, home repairs, homeowner and family support services, and limited administrative costs directly related to program delivery.

HABITAT FOR HUMANITY NOVA SCOTIA

Notes to Financial Statements

Year Ended December 31, 2024

20. FINANCIAL INSTRUMENTS

Habitat NS is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about Habitat NS' risk exposure and concentrations at December 31, 2024.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. Habitat NS is exposed to credit risk on the mortgages receivable from its partner families. Habitat NS believes this credit risk is minimized due to a first charge held on the related properties.

Habitat NS is also exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. Habitat NS does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that Habitat NS will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of Habitat NS' cash requirements. Additional cash requirements are met with the use of available operating lines of credit. Operating lines of credit provide flexibility in the short term to meet operational needs and bridge long term financing.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. Habitat NS is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, Habitat NS manages exposure through its normal operating and financing activities. Habitat NS is exposed to interest rate risk primarily through the floating interest rates on its credit facilities.

Unless otherwise noted, it is management's opinion that Habitat NS is not exposed to significant other price risks arising from these financial instruments.

21. COMPARATIVE FIGURES

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