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**HABITAT FOR HUMANITY  
HALTON-MISSISSAUGA-DUFFERIN  
FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Habitat for Humanity Halton-Mississauga-Dufferin

### *Qualified Opinion*

We have audited the financial statements of Habitat for Humanity Halton-Mississauga-Dufferin which comprise the statement of financial position as at December 31, 2025, the statement of operations, statement of changes in net assets, statement of cash flows, and schedule of ReStore operations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

In common with many charitable organizations, Habitat for Humanity Halton-Mississauga-Dufferin derives cash revenues from contributions and ReStore revenues, 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 Habitat for Humanity Halton-Mississauga-Dufferin. Therefore, we were not able to determine whether any adjustments might be necessary to contributions and ReStore revenues, excess (deficiency) of revenues over expenses and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years.

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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of 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 the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

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*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 entity'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 entity'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 entity 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.

*Norton McMullen LLP*

NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

June 8, 2026

# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## STATEMENT OF FINANCIAL POSITION

As at December 31,			2025	2024
	Housing Fund	Operating Fund	Total	Total
<b>ASSETS</b>				
<b>Current</b>				
Cash	\$ 209,235	\$ 51,675	\$ 260,910	\$ 588,238
Interfund receivable (payable)	(106,186)	106,186	-	-
Marketable securities, at fair value	-	36,503	36,503	32,115
Accounts receivable (Note 2)	54,523	90,807	145,330	242,538
Properties in progress and held for sale (Note 3)	8,004,333	1,729,633	9,733,966	8,992,339
Prepaid expenses and deposits	15,774	236,687	252,461	343,586
Current portion of mortgages receivable (Note 4)	164,584	-	164,584	258,566
	<u>\$ 8,342,263</u>	<u>\$ 2,251,491</u>	<u>\$ 10,593,754</u>	<u>\$ 10,457,382</u>
<b>Mortgages Receivable</b> (Note 4)	1,097,700	-	1,097,700	1,148,479
<b>Capital Assets</b> (Note 5)	-	10,392,742	10,392,742	11,462,841
<b>Intangible Assets</b> (Note 6)	-	24,947	24,947	33,780
	<u>\$ 9,439,963</u>	<u>\$ 12,669,180</u>	<u>\$ 22,109,143</u>	<u>\$ 23,102,482</u>
<b>LIABILITIES</b>				
<b>Current</b>				
Bank indebtedness (Note 7)	\$ 695,471	\$ 396,335	\$ 1,091,806	\$ 1,492,156
Accounts payable and accrued liabilities (Note 15)	62,769	271,654	334,423	773,399
Forgivable loans (Note 8)	-	-	-	216,936
Deferred contributions from partner families (Note 3)	1,314,224	-	1,314,224	1,155,495
Deferred contributions for tiny homes (Note 9)	-	406,392	406,392	428,917
Current portion of obligations under capital lease (Note 10)	-	15,357	15,357	14,219
Current portion of mortgages payable (Note 11)	49,037	44,034	93,071	101,776
	<u>\$ 2,121,501</u>	<u>\$ 1,133,772</u>	<u>\$ 3,255,273</u>	<u>\$ 4,182,898</u>
<b>Obligations Under Capital Lease</b> (Note 10)	-	19,365	19,365	33,553
<b>Mortgages Payable</b> (Note 11)	1,095,797	3,111,088	4,206,885	4,399,956
<b>CMHC Loan</b> (Note 12)	47,178	-	47,178	-
	<u>\$ 3,264,476</u>	<u>\$ 4,264,225</u>	<u>\$ 7,528,701</u>	<u>\$ 8,616,407</u>
<b>NET ASSETS</b>				
Housing Fund	\$ 6,175,487	\$ -	\$ 6,175,487	\$ 6,063,226
Operating Fund	-	8,404,955	8,404,955	8,422,849
	<u>\$ 6,175,487</u>	<u>\$ 8,404,955</u>	<u>\$ 14,580,442</u>	<u>\$ 14,486,075</u>
	<u>\$ 9,439,963</u>	<u>\$ 12,669,180</u>	<u>\$ 22,109,143</u>	<u>\$ 23,102,482</u>
<b>Commitments</b> (Note 14)				

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## STATEMENT OF CHANGES IN NET ASSETS

As at December 31,	2025		2024	
	Housing Fund	Operating Fund	Total	Total
<b>BALANCE - Beginning</b>	\$ 6,063,226	\$ 8,422,849	\$ 14,486,075	\$ 15,565,689
Excess (deficiency) of revenues over expenses	235,699	(141,332)	94,367	(1,079,614)
Transfers (Note 13)	<u>(123,438)</u>	<u>123,438</u>	<u>-</u>	<u>-</u>
<b>BALANCE - Ending</b>	<u>\$ 6,175,487</u>	<u>\$ 8,404,955</u>	<u>\$ 14,580,442</u>	<u>\$ 14,486,075</u>

See accompanying notes

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## STATEMENT OF OPERATIONS

As at December 31,

2025

2024

	Housing Fund	Operating Fund	Total	Total
<b>REVENUES</b>				
ReStore revenue (Schedule 1)	\$ -	\$ 4,516,332	\$ 4,516,332	\$ 5,489,810
Contributions (Notes 8 and 9)	401,268	1,308,758	1,710,026	1,421,826
Rental	-	427,848	427,848	530,906
Other income	-	96	96	1,147
	<u>\$ 401,268</u>	<u>\$ 6,253,034</u>	<u>\$ 6,654,302</u>	<u>\$ 7,443,689</u>
<b>EXPENSES</b>				
ReStore expenses (Schedule 1)	\$ -	\$ 4,074,144	\$ 4,074,144	\$ 5,087,622
Personnel (program and administration)	-	911,739	911,739	978,203
Depreciation	-	368,308	368,308	387,858
Professional fees	-	355,499	355,499	472,009
Family partnering program	22,293	320,117	342,410	352,098
Resource development	-	284,204	284,204	255,042
Interest on mortgages payable	68,390	79,217	147,607	157,052
Habitat for Humanity Canada affiliation fees (Note 15)	120,658	12,500	133,158	146,374
Bank charges and interest (Note 7)	46,077	73,037	119,114	111,775
Facilities	-	76,756	76,756	91,771
Insurance	-	49,027	49,027	37,412
Office and miscellaneous	-	43,297	43,297	68,618
Tithe for international projects	-	23,062	23,062	3,300
Amortization on intangible assets	-	8,833	8,833	8,835
Interest on obligations under capital leases	-	3,579	3,579	4,647
	<u>\$ 257,418</u>	<u>\$ 6,683,319</u>	<u>\$ 6,940,737</u>	<u>\$ 8,162,616</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:</b>				
	<u>\$ 143,850</u>	<u>\$ (430,285)</u>	<u>\$ (286,435)</u>	<u>\$ (718,927)</u>
Canada Summer Jobs Wage Grant	\$ -	\$ 154,713	\$ 154,713	\$ 184,155
Gain on disposal of capital assets	-	129,852	129,852	5,500
Adjustment of mortgages receivable discount	83,389	-	83,389	(579,811)
Gain on disposition of property held for sale	8,460	-	8,460	227,252
Unrealized change in value of marketable securities	-	4,388	4,388	5,821
Canada Emergency Wage Subsidy	-	-	-	(26,236)
Donation of Tiny Homes	-	-	-	(177,368)
	<u>\$ 91,849</u>	<u>\$ 288,953</u>	<u>\$ 380,802</u>	<u>\$ (360,687)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>				
	<u>\$ 235,699</u>	<u>\$ (141,332)</u>	<u>\$ 94,367</u>	<u>\$ (1,079,614)</u>

See accompanying notes

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## STATEMENT OF CASH FLOWS

As at December 31,

2025

2024

	Housing Fund	Operating Fund	Total	Total
<b>CASH WAS PROVIDED BY (USED IN):</b>				
<b>OPERATING ACTIVITIES</b>				
Excess (deficiency) of revenues over expenses	\$ 235,699	\$ (141,332)	\$ 94,367	\$ (1,079,614)
Items not affecting cash:				
Amortization of intangible assets	-	8,833	8,833	8,835
Depreciation	-	504,279	504,279	488,068
Adjustment of mortgages receivable discount	(83,389)	-	(83,389)	579,811
Donation of Tiny Homes	-	-	-	177,368
Forgivable loans	(216,936)	-	(216,936)	-
Gain on disposition of property held for sale	(8,460)	-	(8,460)	(227,252)
Gain on disposal of capital assets	-	(129,852)	(129,852)	(5,500)
Unrealized change in value of marketable securities	-	(4,388)	(4,388)	(5,821)
	<u>\$ (73,086)</u>	<u>\$ 237,540</u>	<u>\$ 164,454</u>	<u>\$ (64,105)</u>
Net change in non-cash working capital balances:				
Interfund receivable (payable)	(374,189)	374,189	-	-
Accounts receivable	101,899	(4,691)	97,208	(54,092)
Prepaid expenses and deposits	-	91,125	91,125	(18,998)
Accounts payable and accrued liabilities	7,095	(446,071)	(438,976)	(156,088)
Forgivable loans	-	-	-	216,936
Deferred contributions from partner families	158,729	-	158,729	58,516
Deferred contributions for tiny homes	-	(22,525)	(22,525)	428,917
	<u>\$ (179,552)</u>	<u>\$ 229,567</u>	<u>\$ 50,015</u>	<u>\$ 411,086</u>
<b>INVESTMENTS ACTIVITIES</b>				
Purchase of properties in progress held for sale	\$ (387,642)	\$ (807,614)	\$ (1,195,256)	\$ (841,946)
Proceeds on disposals of properties in progress	462,090	-	462,090	-
Repayments of mortgages receivable	228,149	-	228,149	252,566
Purchase of capital assets	-	(60,173)	(60,173)	(288,384)
Proceeds on disposal of capital assets	-	755,845	755,845	4,947
Purchase of intangible asset	-	-	-	(5,198)
	<u>\$ 302,597</u>	<u>\$ (111,942)</u>	<u>\$ 190,655</u>	<u>\$ (878,015)</u>
<b>FINANCING ACTIVITIES</b>				
Repayments of obligations under capital leases	\$ -	\$ (13,050)	\$ (13,050)	\$ (11,982)
Proceeds of CMHC loan	47,178	-	47,178	-
Repayments of mortgages payable	(146,077)	(55,699)	(201,776)	(92,331)
	<u>\$ (98,899)</u>	<u>\$ (68,749)</u>	<u>\$ (167,648)</u>	<u>\$ (104,313)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<u>\$ 24,146</u>	<u>\$ 48,876</u>	<u>\$ 73,022</u>	<u>\$ (571,242)</u>
<b>CASH (BANK INDEBTEDNESS) - Beginning</b>	<u>(510,382)</u>	<u>(393,536)</u>	<u>(903,918)</u>	<u>(332,676)</u>
<b>CASH (BANK INDEBTEDNESS) - Ending</b>	<u>\$ (486,236)</u>	<u>\$ (344,660)</u>	<u>\$ (830,896)</u>	<u>\$ (903,918)</u>
Cash (bank indebtedness) consists of the following:				
Cash	\$ 209,235	\$ 51,675	\$ 260,910	\$ 588,238
Bank indebtedness (Note 7)	(695,471)	(396,335)	(1,091,806)	(1,492,156)
	<u>\$ (486,236)</u>	<u>\$ (344,660)</u>	<u>\$ (830,896)</u>	<u>\$ (903,918)</u>

See accompanying notes

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### NATURE OF OPERATIONS

Habitat for Humanity Halton-Mississauga-Dufferin (the "Organization") is a non-profit organization incorporated without share capital under the laws of Ontario.

The primary objective of the Organization is to work within the Region of Halton, City of Mississauga and County of Dufferin in advancing the interests of the economically disadvantaged by constructing homes and providing safe and affordable housing solutions to qualified families.

The Organization is subject to the provisions of the Charities Accounting Act. The Organization qualifies for tax exempt status as a registered charity under paragraph 149(1)(f) of the Income Tax Act.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### a) Fund Accounting

Resources are classified into funds according to the activities or objectives specified as follows:

The Housing Fund reports the revenue, expenses, assets and liabilities related to the housing activities of the Organization.

The Operating Fund reports the revenue, expenses, assets and liabilities, of all non-housing activities of the Organization, including administration, resource development, ReStore operations and all other general activities.

#### b) Use of Estimates

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

Significant estimates and assumptions are used when accounting for items such as revenue recognition, allowances for accounts receivable, collectability of first, second and third mortgages receivable, amortization of mortgages receivable, determination of property write-down, determination of useful lives of capital assets, impairment of capital assets, accrued liabilities and contingent liabilities.

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### c) Cash and Cash Equivalents

Cash and cash equivalents consist solely of bank balances and bank indebtedness incurred under the Organization's short-term credit facilities.

#### d) Investments

Investments in marketable securities are measured at fair value.

#### e) Properties in Progress and Held for Sale

Properties in progress and held for sale, including land, buildings, and building materials, both purchased and donated, are recorded at the lower of cost and net realizable value. Interest costs during the development and construction periods are capitalized as incurred.

#### f) Capital Assets

Capital assets are recorded at cost. For assets under capital lease, cost equals the lower of the present value of the future minimum lease payments and the fair value of the assets acquired at the inception of the lease. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods:

	<u>Rate</u>	<u>Method</u>
2384 Queensway - building	4%	declining balance
3075 Merritt Ave - building	4%	declining balance
92 Mill Street - building	4%	declining balance
Office equipment	20% - 30%	declining balance
Equipment	20%	declining balance
Computer equipment	30%	declining balance
Computer equipment under capital lease	30%	declining balance
Computer software	30%	declining balance
Vehicles	30%	declining balance
Leasehold improvements	5 years	straight-line

#### g) Intangible assets

Intangible assets are recorded at cost and amortized on a straight-line basis at the following annual rate:

	<u>Rate</u>
Website	5 years

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### h) Impairment of Long-Lived Assets

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

Intangible assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. There are no impairment indicators in the current year.

#### i) Mortgages Receivable

The Organization holds non-interest bearing mortgages receivable from the various families who have purchased homes through the Habitat for Humanity program. Upon purchase, the home purchase price is financed with a combination of various mortgages, both forgivable and non-forgivable. Mortgage amounts are measured at amortized cost using the effective interest rate method, applying the Bank of Canada bond yield rate for a 10 year period.

The repayment of some mortgages, or portions thereof, is contingent upon the occurrence of certain events. Until these events occur the fair value of these mortgages is determined to be nil. Any amount subsequently realized will be recognized as revenue in the period in which the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

#### j) Revenue Recognition

The Organization follows the restricted fund method of accounting for contributions. Externally restricted contributions for housing activates are recorded in the Housing Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured. Unrestricted contributions are recognized as revenue in the Operating Fund. Restricted contributions for which there is no fund are accounted for using the deferral method.

Restricted contributions given for tiny home development projects are initially recorded as deferred contributions and are recognized as revenue as the incremental costs of developing the homes are incurred.

Unrestricted contributions, such as general donations, fundraising and ReStore sales, are recorded in the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental, interest and other income is recorded on the accrual basis as earned and when collection is reasonably assured.

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### k) Contributed Materials and Services

The Organization may recognize contributions of materials if the fair value can be reasonably estimated, the materials are used in the normal course of its operations and would otherwise have been purchased. The Organization utilizes a large amount of volunteer hours to support its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### l) Financial Instruments

##### Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value.

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

Financial assets subsequently measured at amortized cost include cash, accounts receivable, and mortgages receivable. Financial liabilities subsequently measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, and mortgages payable.

Other than marketable securities, the Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

##### Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

### 2. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2025			2024
	Housing Fund	Operating Fund	Total	Total
Accounts receivable	\$ 54,519	\$ 20,693	\$ 75,212	\$ 125,934
Sales tax recoverable	4	70,114	70,118	116,604
	<u>\$ 54,523</u>	<u>\$ 90,807</u>	<u>\$ 145,330</u>	<u>\$ 242,538</u>

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 3. PROPERTIES IN PROGRESS AND HELD FOR SALE

As at December 31, 2025, properties in progress and held for sale consist of the following in the Housing Fund:

	2025			2024
	In progress	Completed	Total	Total
1329 Plains Rd., Burlington (12 units)	\$ -	\$ 5,062,428	\$ 5,062,428	\$ 5,344,734
37 King St., Georgetown	1,902,776	-	1,902,776	1,702,531
1543 Pembroke Dr., Oakville	-	595,440	595,440	595,440
8 Barton St., Milton	-	393,689	393,689	393,689
Alba condos (5 units)	50,000	-	50,000	-
Kindred condos (3 units)	-	-	-	37,500
	<u>\$ 1,952,776</u>	<u>\$ 6,051,557</u>	<u>\$ 8,004,333</u>	<u>\$ 8,073,894</u>

As at December 31, 2025, properties in progress and held for sale consist of the following in the Operating Fund:

	2025			2024
	In progress	Completed	Total	Total
Tiny Homes	<u>\$ 1,729,633</u>	<u>\$ -</u>	<u>\$ 1,729,633</u>	<u>\$ 918,445</u>

Between 2016 and 2022, the Organization offered a deferred home ownership (rent-to-own) model. Under this model, the Organization entered into residential lease agreements that provide partner family tenants with the option to purchase the property.

Under this model, amounts received from tenants are deferred and recognized as revenue in the period in which ownership of the property is transferred. As at December 31, 2025, total amounts received and deferred under this model, presented as deferred contributions from partner families, were \$1,314,224 (2024 – \$1,155,495).

In 2024, the Organization adopted a dual mortgage model. Under this model, partner families obtain a first mortgage from a traditional lender, with payments generally capped at approximately 30% of household income. The Organization also provides a second, non-interest-bearing mortgage to bridge the gap between the affordable first mortgage amount and the home's purchase price.

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**HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**4. MORTGAGES RECEIVABLE**

Mortgages receivable consist of the following:

	2025	2024
Non-interest bearing first mortgages receivable, secured by various properties, repayable in monthly instalments and maturing on various dates between April 2031 and December 2043	\$ 1,702,305	\$ 1,930,453
Less: unamortized discount	<u>511,849</u>	<u>566,150</u>
	<u>\$ 1,190,456</u>	<u>\$ 1,364,303</u>
Non-interest bearing second mortgages receivable, secured by various properties, repayable when the home changes title or ninety-nine years from registration	\$ 1,693,260	\$ 400,160
Less: unamortized discount	<u>1,643,344</u>	<u>382,320</u>
	<u>\$ 49,916</u>	<u>\$ 17,840</u>
Non-interest bearing third mortgages receivable, secured by various properties, repayable when the home changes title or ninety-nine years from registration	\$ 407,466	\$ 407,466
Less: unamortized discount	<u>385,554</u>	<u>382,564</u>
	<u>\$ 21,912</u>	<u>\$ 24,902</u>
Total	\$ 1,262,284	\$ 1,407,045
Less: Current portion	<u>164,584</u>	<u>258,566</u>
	<u>\$ 1,097,700</u>	<u>\$ 1,148,479</u>

The Organization sells homes to partner families at fair market value. Homeowners receive an affordable mortgage, with payments generally capped at approximately 30% of gross household income, enabling access to homeownership for families who may otherwise be unable to obtain traditional financing.

Between 1999 and 2024, first-charge mortgages were provided directly by the Organization. Beginning in 2024, the Organization adopted a new policy under which homeowners obtain a conventional first mortgage from an external lender.

All mortgage agreements contain buy-back provisions intended to preserve long-term housing affordability. Equity-sharing arrangements vary based on the terms of the applicable agreement and the period in which the mortgage originated. Mortgages issued by the Organization are non-interest-bearing; however, under the current dual-mortgage model, first-ranking mortgages held by third-party lenders may bear interest.

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 4. MORTGAGES RECEIVABLE - Continued

The total amount of forgivable second mortgages receivable not included in the financial statements are:

	2025	2024
Second mortgages	<u>\$ 330,000</u>	<u>\$ 330,000</u>

### 5. CAPITAL ASSETS

Capital assets consist of the following:

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
2384 Queensway - land	\$ 1,569,411	\$ -	\$ 1,569,411	\$ 1,569,411
3075 Merritt Ave - land	627,000	-	627,000	627,000
92 Mill Street - land	-	-	-	232,627
2384 Queensway - building	6,981,364	1,372,281	5,609,083	5,802,366
3075 Merritt Ave - building	2,742,165	453,911	2,288,254	2,373,470
92 Mill Street - building	-	-	-	407,827
Office equipment	343,478	303,308	40,170	50,843
Equipment	95,847	84,063	11,784	14,729
Computer equipment	196,897	177,888	19,009	27,155
Computer equipment under capital lease	65,273	38,087	27,186	38,837
Computer software	34,462	34,251	211	301
Vehicles	158,731	142,820	15,911	23,435
Leasehold improvements	679,006	494,283	184,723	294,840
	<u>\$ 13,493,634</u>	<u>\$ 3,100,892</u>	<u>\$ 10,392,742</u>	<u>\$ 11,462,841</u>

### 6. INTANGIBLE ASSETS

Intangible assets consist of the following:

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Website	<u>\$ 46,772</u>	<u>\$ 21,825</u>	<u>\$ 24,947</u>	<u>\$ 33,780</u>

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 7. BANK INDEBTEDNESS

The Organization has access to credit facilities from a financial institution consisting of:

- i) One revolving floating-rate demand loan with a credit limit of the lesser of \$1,750,000 or 65% of the mortgages receivable, and bearing interest at prime plus 1% (Mortgages Receivable LOC)
- ii) One line of credit equal to \$800,000 and bearing interest at prime plus 1% (Merritt LOC)

The Mortgages Receivable LOC is secured by the Organization's mortgages receivable on specific properties, the details of which can be found in Note 4. As at December 31, 2025, the balance outstanding on this Mortgages Receivable LOC amounted to \$396,335 (2024 - \$713,261).

The Merritt LOC is repayable on demand and due within twelve months of the advance date. The line of credit is secured by a general security agreement and rents. As at December 31, 2025, the Merritt LOC balance outstanding amounted to \$695,471 (2024 - \$778,895).

During the year, the Organization incurred interest costs totaling \$87,324 (2024 - \$93,671) with respect to these credit facilities.

In addition to the above noted specific security, these facilities are subject to the overall lending facility agreement, the details of which are included in Note 11 (Mortgages Payable).

Under the credit facilities, the Organization is required to maintain a minimum debt service coverage ratio of 1.20 times, tested annually based on the audited financial statements. The covenant applies to the Organization's overall credit facilities and remained in effect during the year. As at December 31, 2025, the Organization is in compliance with its bank covenants.

### 8. FORGIVABLE LOANS

In the prior year, the Organization received loans of \$216,936 for the purpose of purchasing three condo units within its Housing Fund. The loans were forgivable upon purchase of the condos. As the condo units were purchased during the year, the loans were forgiven and recognized as revenue in the current year.

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 9. DEFERRED CONTRIBUTIONS FOR TINY HOMES

Deferred contributions consist of externally restricted contributions for the development of tiny homes. The change in deferred contributions is as follows:

	2025	2024
Balance - Beginning	\$ 428,917	\$ -
Add: Externally restricted contributions received during the year	785,047	1,226,837
Less: Amount recognized as revenue in the year	<u>(807,572)</u>	<u>(797,920)</u>
Balance - Ending	<u>\$ 406,392</u>	<u>\$ 428,917</u>

### 10. OBLIGATIONS UNDER CAPITAL LEASE

The obligations under capital lease consist of the following:

	2025	2024
8.72%, repayable in monthly instalment of \$1,532 plus taxes, with a purchase option of \$10 at maturity in May 2028, secured by computer equipment with a net book value of \$27,186	\$ 34,722	\$ 47,772
Less: Current portion	<u>15,357</u>	<u>14,219</u>
	<u>\$ 19,365</u>	<u>\$ 33,553</u>

Future minimum lease payment requirements for the next three years are as follows:

2026	\$ 18,385
2027	18,385
2028	<u>9,192</u>
	\$ 45,962
Less: Interest included therein	<u>11,240</u>
	<u>\$ 34,722</u>

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**HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**11. MORTGAGES PAYABLE**

Mortgages payable consists of:

	2025	2024
Mortgage payable - interest at 5.9%, payable in monthly instalments of \$9,539 including principal and interest, maturing March 2028	\$ 1,144,834	\$ 1,290,911
Mortgage payable - interest at 2.5%, payable in monthly instalments of \$11,243 including principal and interest, maturing January 2026	<u>3,155,122</u>	<u>3,210,821</u>
	\$ 4,299,956	\$ 4,501,732
Less: Current portion	<u>93,071</u>	<u>101,776</u>
	<u>\$ 4,206,885</u>	<u>\$ 4,399,956</u>

The mortgage payable of \$1,144,834 (2024 - \$1,290,911) is secured by a \$1,850,000 business promissory note made by the Organization, first mortgage and assignment of rents in the amount of \$3,480,000 made by the Organization over all legal and beneficial interest in a specific property, title and property insurance and specific assignment of the Organization's primary bank account where all rents are collected from a specific property.

The mortgage payable of \$3,155,122 (2024 - \$3,210,821) is secured by a general security agreement securing all inventory, equipment, vehicles, book debts and other amounts of any nature or kind arising from the Queensway Lands.

Principal repayments required over the next three years are as follows:

2026	93,071
2027	97,664
2028	1,091,236
2029	<u>3,017,985</u>
	<u>\$ 4,299,956</u>

Subsequent to year end, the Organization renewed the \$3,155,122 mortgage secured by the Queensway property. The renewed mortgage bears interest at a fixed rate of 3.70% per annum, requires monthly blended principal and interest payments of \$13,336, and matures on January 28, 2029. All other terms are consistent with the prior agreement, unless otherwise noted.

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 12. CMHC LOAN

The Organization received repayable funding from Canada Mortgage and Housing Corporation under a Seed Funding agreement. The funding is repayable upon receipt of project financing, within three years, or earlier if the project is discontinued. The loan is interest-free until maturity on March 4, 2028, after which interest is charged at prime plus 2%.

### 13. TRANSFER

During the year, a transfer was made of \$123,438 (2024 - \$99,823) in order to reimburse costs that were paid by the Operating Fund on behalf of the Housing Fund.

During the year, a transfer of \$Nil (2024 - \$8,197,687) was made in order to reallocate the net book value of capital assets less mortgages on those capital assets from the Housing Fund to the Operating Fund.

During the year, a transfer of \$Nil (2024 - \$327,812) was made in order to reallocate properties in progress and held for sale associated with tiny homes from the Housing Fund to the Operating Fund.

### 14. COMMITMENTS

The Organization has entered into operating lease agreements with expiry dates ranging from May 2026 and April 2031. Future minimum annual rental payments for each of the next five years and thereafter are as follows:

2026	\$	874,422
2027		844,624
2028		580,131
2029		347,916
2030		358,567
Thereafter		<u>120,706</u>
	\$	<u>3,126,366</u>

### 15. HABITAT FOR HUMANITY CANADA

The Organization is an affiliate of Habitat for Humanity Canada ("HFHC"). There is a covenant agreement between HFHC and all Canadian affiliates whereby HFHC provides administrative and marketing support, training opportunities and gift coordination. Pursuant to its affiliate covenant agreement with HFHC, the Organization contributes a tithe for international work. The Organization also pays an affiliation fee consisting of an annual fee, a percentage on all nationally procured gifts in kind used for homebuilding or ReStore inventory, and a percentage of gross ReStore outlet sales. At December 31, 2025, the Organization has accounts payable to HFHC of \$45,705 (2024 - \$171,377).

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 16. FINANCIAL INSTRUMENTS

#### Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at December 31, 2025.

#### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable and mortgages receivable. The Organization is not exposed to significant credit risk as it only invests in highly rated investments, monitors credit to its clients in the normal course of operations and mortgages receivable are secured by the property for which the mortgage is held. There has been no change in the assessment of credit risk from the prior year.

#### b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk with respect to its accounts payable and accrued liabilities, obligations under capital lease, and mortgages payable. The Organization manages this risk by managing its working capital, ensuring sufficient credit is available, and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

#### c) Market Risk

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

#### i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk since changes in interest rates may impact the Organization's future borrowing costs. As at the year end, total debt subject to floating interest rates amounted to \$1,091,806 (2024 - \$1,492,156) as described in Note 7. The Organization does not use any derivative instrument to reduce its exposure to interest rate risk.

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## NOTES TO FINANCIAL STATEMENTS

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### 17. FUTURE DEVELOPMENTS

On July 11, 2023, the Organization entered into a non-binding Term Sheet agreement with Branthaven Development Corp., for a proposed arrangement for Habitat to purchase 20 affordable housing condominium units in a future development at Oval Court in Burlington. The agreement has preliminary terms for price, unit selection, and conditions related to zoning approvals and city requirements, but no funds have been exchanged and no binding obligations exist as of year-end.

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# HABITAT FOR HUMANITY HALTON-MISSISSAUGA-DUFFERIN

## SCHEDULE 1 - SCHEDULE OF RESTORE OPERATIONS

For the year ended December 31,

2025

2024

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<b>REVENUE</b>	<b>\$ 4,516,332</b>	<b>\$ 5,489,810</b>
<b>EXPENSES</b>		
Personnel	\$ 1,677,929	\$ 2,270,344
Facilities	1,557,866	1,914,862
Vehicle	241,398	350,746
Habitat for Humanity Canada affiliation fees (Note 15)	175,571	210,402
Bank charges and other fees	137,170	125,771
Depreciation	135,971	100,210
Advertising and promotion	73,005	41,477
Supplies	53,561	61,021
Insurance	11,773	10,460
Professional fees	9,900	1,980
Storage	-	349
	<b>\$ 4,074,144</b>	<b>\$ 5,087,622</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 442,188</b>	<b>\$ 402,188</b>

See accompanying notes

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