

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS

FINANCIAL STATEMENTS

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of
HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS

Qualified Opinion

We have audited the financial statements of **HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS**, which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenses, 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 for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess 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. Our audit opinion on the financial statements for the year ended December 31, 2024 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 Auditor's 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 qualified 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 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 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 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.



Belleville, Ontario
April 15, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS

(Incorporated under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash	\$ 126,390	\$ 431,114
Accounts receivable	27,861	8,170
Government remittances recoverable	57,999	15,989
Inventories - note 4	4,470,250	363,647
Prepaid expenses	44,911	54,135
Current portion of mortgages receivable	<u>186,060</u>	<u>193,356</u>
	4,913,471	1,066,411
INVESTMENTS - note 5	314,998	262,499
PROPERTY, PLANT AND EQUIPMENT - note 6	1,045,934	1,080,777
MORTGAGES RECEIVABLE - note 8	<u>1,658,525</u>	<u>1,818,041</u>
	<u>\$ 7,932,928</u>	<u>\$ 4,227,728</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Bank indebtedness	\$ 4,189	\$ -
Accounts payable and accrued liabilities	89,399	56,301
Government remittances payable	-	2,040
Current portion of long-term debt	<u>99,322</u>	<u>120,709</u>
	192,910	179,050
LONG-TERM DEBT - note 9	328,684	3,284
LOAN PAYABLE - note 10	59,860	59,860
DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS - note 11	466,789	479,722
DEFERRED CONTRIBUTIONS - note 12	<u>3,791,244</u>	<u>262,199</u>
	4,839,487	984,115
NET ASSETS	<u>3,093,441</u>	<u>3,243,613</u>
	<u>\$ 7,932,928</u>	<u>\$ 4,227,728</u>

Approved by the Board

_____ Member

_____ Member

(See accompanying notes)

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	<u>Unrestricted</u>	<u>Invested in Tangible Capital Assets</u>	<u>2025 Total</u>	<u>2024 Total</u>
NET ASSETS, beginning of year	\$ 2,682,899	\$ 560,714	\$ 3,243,613	\$ 3,434,141
Deficiency of revenues over expenses	(108,780)	(41,392)	(150,172)	(190,528)
Invested in tangible capital assets	<u>(56,538)</u>	<u>56,538</u>	<u>-</u>	<u>-</u>
NET ASSETS, end of year	<u>\$ 2,517,581</u>	<u>\$ 575,860</u>	<u>\$ 3,093,441</u>	<u>\$ 3,243,613</u>

(See accompanying notes)

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
STATEMENT OF REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2025

	2025	2024
REVENUES		
Home sales	\$ -	\$ 950,000
Land sale	162,118	-
Donations and grants	156,830	507,491
Interest income	21,927	17,189
Other income	6,987	5,578
'Restore' operations, Schedule 1	1,159,952	1,062,516
	1,507,814	2,542,774
EXPENSES		
Amortization	9,768	8,641
Cost of serviced lands sold	67,521	948,794
Fundraising and events	24,225	10,134
Insurance	16,769	19,042
Interest and bank charges	17,235	11,701
Office and administration	157,674	144,864
'Restore' operations, Schedule 1	995,101	909,198
Wages and benefits	427,275	424,524
	1,715,568	2,476,898
Excess (deficiency) of revenues over expenses before other items	(207,754)	65,876
Other income (expenses)		
Fair value adjustment of loan payable	-	(31,568)
Fair value adjustment of mortgages receivable	42,143	(229,750)
Fair value adjustment of investments	15,439	4,914
	57,582	(256,404)
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (150,172)	\$ (190,528)

(See accompanying notes)

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
SCHEDULE TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF 'RESTORE' OPERATIONS

Schedule 1

	<u>2025</u>	<u>2024</u>
REVENUE		
Product sales	\$ 1,141,019	\$ 1,040,570
Amortization of deferred contributions	<u>18,933</u>	<u>21,946</u>
	<u>1,159,952</u>	<u>1,062,516</u>
EXPENSES		
Amortization	50,556	43,078
Bank and credit card charges	28,145	18,072
General expenses	242,332	185,749
Insurance	4,601	3,542
Interest on long-term debt	824	2,103
Rent	137,977	169,150
Telecommunications	14,851	13,922
Utilities	18,169	12,659
Vehicle	19,772	12,656
Wages and benefits	<u>477,874</u>	<u>448,267</u>
	<u>995,101</u>	<u>909,198</u>
'RESTORE' EXCESS OF REVENUE OVER EXPENSES	<u>\$ 164,851</u>	<u>\$ 153,318</u>

(See accompanying notes)

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (150,172)	\$ (190,528)
Adjustments for:		
Amortization	60,325	51,719
Fair value adjustment of loan payable	-	31,568
Fair value adjustment of mortgage receivable	(42,143)	229,750
Fair value adjustment of investments	(15,439)	(4,914)
Amortization of deferred contributions	(18,933)	(21,946)
Forgivable loan	-	(50,000)
	(166,362)	45,649
Change in non-cash working capital components:		
Accounts receivable	(19,691)	23,370
Government remittances recoverable	(42,010)	67,428
Inventories	(608,082)	800,180
Prepaid expenses	9,224	5,695
Accounts payable and accrued liabilities	33,097	(20,711)
Government remittances payable	(2,040)	711
Deferred Contributions	30,525	(226,807)
	(765,339)	695,515
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(37,060)	-
Proceeds on sale of investments	-	1,898
Purchase of property, plant and equipment	(19,482)	(104,389)
Mortgages receivable issued	-	(1,035,048)
Mortgage payments received	208,955	527,300
	152,413	(610,239)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank indebtedness	4,189	-
Repayment of long-term debt	(60,224)	(42,123)
Proceeds of long-term debt	364,237	90,000
Proceeds of loan payable	-	59,860
	308,202	107,737
INCREASE (DECREASE) IN CASH	(304,724)	193,013
CASH, beginning of year	431,114	238,101
CASH, end of year	\$ 126,390	\$ 431,114

(See accompanying notes)

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

1. NATURE OF OPERATIONS

Habitat for Humanity Prince Edward-Hastings is an independent, not for profit housing provider dedicated to the elimination of poverty housing by building homes in partnership with families in need. The organization is incorporated without share capital under the laws of Ontario. The organization is a registered charitable organization under the Income Tax Act and is exempt from income taxes.

The Organization is an affiliate of Habitat for Humanity Canada ("HFHC"). There is an affiliation agreement between HFHC and all Canadian affiliates that sets the general operating principles for every autonomous affiliate. Currently HFHC provides affiliates across the country with administrative and marketing support, training opportunities, funding and gift-in-kind coordination in exchange for a fee.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Investments

The purchase and sale of investments are accounted for using settlement date accounting.

Accounting 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported year. Significant items subject to such estimates and assumptions include valuation of accounts and mortgages receivable, inventory, the estimated useful life of capital assets, and significant accrued liabilities. Actual results could differ from these estimates.

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except for investments quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations in the period incurred. Financial assets measured at amortized cost include cash, accounts receivable, government rebate recoverable, mortgage receivables. Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The fair value of the equity investments is the closing price obtained from the applicable exchange at the date of the Statement of Financial Position.

Inventories

Inventory of homes in progress and completed homes are recorded at the lower of cost and net realizable value. Cost is the initial cost of the properties plus carrying charges and construction costs incurred to year end. Net realizable value of homes in progress is the expected selling price of the home less anticipated costs of completion.

When the cost of inventories exceeds the net realizable value, the cost of inventories will be written down to net realizable value. Any such write-down will be included in home costs for the year of the write-down.

If circumstances or events lead to a subsequent increase in the net realizable value of the inventory that was written down, the amount of the write-down will be reversed and will reduce home costs in the year of the reversal.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates are as follows:

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Buildings	40 years
Equipment	5 years
Vehicles	5 years
Computer equipment	5 years
Website	5 years
Fences	10 years
Signs	10 years
Leasehold improvements	8 years

Amortization of leasehold improvements is recorded over the term of the lease.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue at the time related expenses are incurred. Unrestricted contributions are recognized at the time the asset donated is received.

Sales of homes are recognized upon the later of the date of substantial completion and the date the mortgage agreement is signed. Sales of donated goods at the 'Restore' are recognized upon transfer of goods to the customer.

Contributions received relating to the purchase of tangible capital assets are deferred and amortized over future periods. The amortization period is based on the period used to amortize the corresponding tangible capital assets.

Sales of Homes

Homes sold by the organization prior to fiscal 2009 were settled by a first and second mortgage. The second mortgages have no specific terms of repayment and are repayable only if the mortgagors fail to comply with certain terms and conditions or if the house is sold by the homeowner prior to the payment of the first mortgage in full. The second mortgage is reduced by 25% when 60% of the length of the first mortgage has passed (this could be after 12 to 20 years), if all terms and conditions are met, until such time as the first mortgage is paid in full and at that time any remaining amount on the second mortgage is waived. The second mortgage is not recognized as revenue or as an amount receivable upon initial sale of the home by the Organization. The second mortgage would only be recognized in the event of a failure to comply with the terms and conditions of the first mortgage or if the house is sold by the homeowner prior to the repayment of the first mortgage in full and there is reasonable assurance of collection. In 2009, in accordance with national policy, the use of second mortgages was discontinued and now the full home selling price is settled by a first mortgage.

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed goods and services

Contributed goods and services are recorded as contributions at their estimated fair market value at the date of donation where the goods and/or services would otherwise be purchased. Donation receipts are issued for donated goods at the fair value of the goods received. No recognition is made in the financial statements for time spent by individual volunteers in fundraising, administration or constructing homes. No recognition is made in the financial statements for goods contributed to the 'ReStore' for resale until the goods are actually sold.

During the year, the Organization received \$6,000 donated equipment, \$8,521 donated build materials and services, \$25,920 donated shares and \$3,490,000 donated land.

Cash and cash equivalents

Cash and equivalents consist of cash on deposit.

First mortgages receivable

The Organization has designated its mortgages as held for trading and has recorded them at fair value. Fair value of mortgages receivable is determined by discounting the future payment stream at estimated current interest rates.

Government assistance

Government assistance in the form of non-repayable subsidies and forgivable loans is accounted for using the cost reduction approach, whereby the operating expense is reduced by the assistance received; if assistance received is not for a specific expenditure, the assistance is recorded as revenue. Government assistance is recognized in the period where all conditions of the non-repayable subsidies and forgivable loans are met.

3. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk of financial loss to the Organization if a debtor fails to make payments of interest and principal when due. The Organization continually monitors the credit risk of their financial instruments. It is management's opinion that the organization is not exposed to significant credit risk as the mortgages receivable are secured by the property.

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

3. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due. The Organization mitigates this risk by monitoring cash activities and expected outflows.

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 other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to currency risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. It is management's opinion that the Organization is not exposed to significant interest rate risk as the bank loans are at a fixed rate.

Other price risk

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Organization is exposed to other price risk on their investments.

Change in risk

There were no changes to the Organization's risk exposure during the year.

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

4. INVENTORIES

Inventories consist of the following:

	2025	2024
Bancroft properties	\$ -	\$ 67,781
93 Dundas Street, Belleville	4,064,255	290,916
2 Bowery Street, Picton	2,500	2,500
4 Bursthall Street, Marmora	2,450	2,450
0 Lester Road, Trenton	200,521	-
00 Lester Road, Trenton	200,524	-
	\$ 4,470,250	\$ 363,647

During the year, the Organization received donated land with an assessed value of \$3,450,000 for the 93 Dundas Street project, and \$20,000 gift-in-kind of reductions of purchase price by the vendor of 0 Lester Road and 00 Lester Road towards each property. Deferred contributions related to these donations are reflected in Note 12.

5. INVESTMENTS

Investments consist of the following:

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Mutual Funds	\$ 314,998	\$ 281,190	\$ 262,499	\$ 244,131

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

6. PROPERTY, PLANT AND EQUIPMENT

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 188,591	\$ -	\$ 188,591	\$ -
Buildings	1,102,474	403,197	1,102,474	375,635
Equipment	77,061	43,992	74,885	33,678
Vehicles	90,203	74,522	74,753	72,977
Computer equipment	58,181	47,208	48,150	44,796
Website	29,806	25,878	29,806	21,018
Fences	9,011	4,130	9,011	3,229
Signs	86,181	23,486	86,181	14,867
Leasehold improvements	34,631	7,792	36,807	3,681
	<u>1,676,139</u>	<u>630,205</u>	<u>1,650,658</u>	<u>569,881</u>
Net book value	<u><u>\$ 1,045,934</u></u>		<u><u>\$ 1,080,777</u></u>	

7. SECOND MORTGAGES RECEIVABLE

The organization previously issued non-interest bearing second mortgages on sales of residential units which become forgivable upon fulfillment of various criteria. This practice was discontinued in 2009. The balance receivable at December 31, 2025 is \$100,500 (2024 - \$100,500) for these mortgages issued on sales prior to 2009. These second mortgages have not been reflected in the accounts of the Organization.

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

8. MORTGAGES RECEIVABLE

	2025		2024	
	Fair Value	Book Value	Fair Value	Book Value
First mortgage, non - interest bearing, bi-weekly payments of \$766, maturing April 2037 \$	71,761	\$ 91,486	\$ 81,995	\$ 110,688
First mortgage, non - interest bearing, monthly payments of \$1,193, maturing September 2037	105,140	131,477	116,832	148,099
First mortgage, non - interest bearing, monthly payments of \$747, maturing September 2037	111,478	174,882	30,805	182,504
First mortgage, non - interest bearing, monthly payments of \$255, maturing April 2030	17,164	20,781	19,626	23,751
First mortgage, non - interest bearing, monthly payments of \$477, maturing March 2030	3,281	3,318	8,872	9,067
First mortgage, non - interest bearing, monthly payments of \$262, maturing May 2032	31,251	43,356	29,285	45,888
First mortgage, non - interest bearing, monthly payments of \$242, maturing April 2033	52,361	135,711	42,083	138,892
First mortgage, non - interest bearing, bi-weekly payments of \$212, maturing September 2034	46,574	125,501	42,375	128,834
First mortgage, non - interest bearing, monthly payments of \$357, maturing November 2034	64,247	118,928	71,988	123,290
First mortgage, non - interest bearing, bi-weekly payments of \$546, maturing March 2035	50,799	64,541	55,331	76,616
First mortgage, non - interest bearing, monthly payments of \$781, maturing January 2033	66,321	82,057	69,743	90,457
First mortgage, non - interest bearing, monthly payments of \$1,045, maturing June 2036	102,233	131,212	98,100	140,312

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

8. MORTGAGES RECEIVABLE (continued)

First mortgage, non - interest bearing, monthly payments of \$500, maturing December 2038	87,075	157,330	110,110	163,724
First mortgage, non - interest bearing, monthly payments of \$836, maturing January 2039	116,525	174,961	87,894	179,502
First mortgage, non - interest bearing, monthly payments of \$288, maturing November 2056	66,983	240,138	88,570	244,946
First mortgage, non - interest bearing, monthly payments of \$1,067, maturing December 2052	145,959	216,631	161,229	231,526
First mortgage, non - interest bearing, monthly payments of \$1,178, maturing November 2057	147,285	208,854	145,371	221,083
First mortgage, non - interest bearing, bi-weekly payments of \$373, maturing February 2047	88,763	416,904	88,851	426,614
First mortgage, non - interest bearing, semi-monthly payments of \$970, maturing June 2043	193,427	414,971	196,213	438,076
First mortgage, non - interest bearing, monthly payments of \$357, maturing June 2054	85,523	503,251	239,749	515,318
First mortgage, non - interest bearing, bi-weekly payments of \$894, maturing May 2044	190,435	470,444	226,375	496,504
Current portion - Mortgage Receivables	<u>(186,060)</u>	<u>-</u>	<u>(193,356)</u>	<u>-</u>
	<u>\$ 1,658,525</u>	<u>\$ 3,926,734</u>	<u>\$ 1,818,041</u>	<u>\$ 4,135,691</u>

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

9. LONG-TERM DEBT

	2025	2024
Royal Bank of Canada loan, with interest at 3.52% repayable in blended monthly installments of \$3,157 to maturity in February 2026, secured by a general security agreement over all of the Organization's assets. In addition, there is a collateral mortgage in the amount of \$650,000 constituting a fixed charge on the land and improvements located at 365 Bell Blvd. Belleville, Ontario.	\$ 3,285	\$ 40,340
Royal Bank of Canada loan, with interest at 6.88% repayable in monthly installments of \$1,777 to maturity in July 2026, secured by a general security agreement over all of the Organization's assets.	67,292	83,653
Royal Bank of Canada loan, with interest at 5.31% repayable in monthly installments of \$3,919 to maturity in September 2028, secured by a general security agreement over all of the Organization's assets.	357,429	-
	428,006	123,993
Less current portion	99,322	120,709
	\$ 328,684	\$ 3,284
Estimated principal repayments are as follows:		
2026	\$ 99,322	
2027	30,309	
2028	298,375	
	\$ 428,006	

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

10. LOAN PAYABLE

Loan payable consists of:

	2025	2024
CMHC Seed loan, interest free until the maturity date, which date shall be the earlier of: (i) the date on which the Borrower receives a Project Financing; or (ii) the 3rd anniversary of the Effective Date, or (iii) the date on which borrower notifies CMHC that the project has been discontinued, or (iv) the date of a Notice of Termination. Interest on repayment amount will commence on the 30th day following the maturity date at a rate per annum equal to Canada Prime Rate plus 2% as determined on the Maturity Date of the agreement	\$ 59,860	\$ 59,860

11. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets consist of the following:

	2025	2024
Balance, beginning of year	\$ 479,722	\$ 501,668
Amortization of deferred contributions in the year	(12,933)	(21,946)
Balance, end of year	\$ 466,789	\$ 479,722

12. DEFERRED CONTRIBUTIONS

	2025	2024
Donations	\$ 151,244	\$ 112,199
Seed Fund - CMHC	150,000	150,000
Donated Land - 93 Dundas Street	3,450,000	-
Donation by vendor reduction of purchase price - 0 Lester Road	20,000	-
Donation by vendor reduction of purchase price - 00 Lester Road	20,000	-
	\$ 3,791,244	\$ 262,199

HABITAT FOR HUMANITY PRINCE EDWARD-HASTINGS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

13. ADJUSTMENT TO FAIR VALUE OF MORTGAGES

Mortgages receivable are remeasured at year-end based on the 25 year Bank of Canada zero-coupon bond yield and a risk premium to account for the risky nature of the mortgages receivable. Adjustments to the fair value of mortgages are shown on the Statement of Operations. The rate used in 2025 is 5% (2024 - 5%).

14. COMMITMENTS

The Organization has commitments under operating leases for its premise in Trenton and its equipment. The minimum payments under the lease are as follows:

2026	\$	80,206
2027		84,555
2028		88,903
2029		93,252
2030		97,203
Subsequent years		<u>100,360</u>
	\$	<u><u>544,479</u></u>