

HOMES FOR HEROES FOUNDATION

FINANCIAL STATEMENTS (Audited)

December 31, 2024

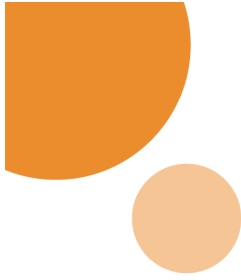


HOMES FOR HEROES FOUNDATION

December 31, 2024

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Heidi Brauer

Chartered Professional Accountant

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Independent Auditor's Report

To the Board of directors of:
Homes for Heroes Foundation

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the Statement of Financial Position of the Homes for Heroes Foundation as at December 31, 2024 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2024.

In my opinion, except for the effects of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself of the completeness of fundraising activities, these financial statements present fairly, in all material respects, the financial position of the Homes for Heroes Foundation as at December 31, 2024 and the results of its operations and cash flows for the year ended December 31, 2024 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Qualified Opinion

In common with many not-for-profit associations, the Homes for Heroes Foundation derives revenue from certain fundraising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Homes for Heroes Foundation and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets. I conducted my audit in accordance with Canadian auditing standards.

I am independent of the Homes for Heroes Foundation in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit associations and for such internal control as management determines 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 Homes for Heroes Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

Please note, that the bottom line includes an unrealised gain of \$NIL (2023 - \$1,129).

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.



Calgary, Alberta
March 26, 2025

Heidi Brauer CPA
Chartered Professional Accountant

HOMES FOR HEROES FOUNDATION

STATEMENT OF FINANCIAL POSITION

(Audited)

As at December 31, 2024

ASSETS

	2024	2024	2024	2023
	<u>Operating</u>	<u>Restricted</u>	<u>Totals</u>	<u>Totals</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,186,670	\$ 648,444	\$ 1,835,114	\$ 1,429,826
Accounts receivable	239,073	-	239,073	378,222
GST/HST receivable	17,184	-	17,184	460,995
Construction and village utility security deposits	168,059	-	168,059	144,916
Prepaid expenses (Note 6)	<u>11,885</u>	<u>-</u>	<u>11,885</u>	<u>19,644</u>
	<u>1,622,871</u>	<u>648,444</u>	<u>2,271,315</u>	<u>2,433,603</u>
PROPERTY AND EQUIPMENT (Note 3)	<u>18,113,844</u>	<u>-</u>	<u>18,113,844</u>	<u>17,720,402</u>
	<u><u>\$19,736,715</u></u>	<u><u>\$ 648,444</u></u>	<u><u>\$20,385,159</u></u>	<u><u>\$20,154,005</u></u>

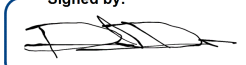
LIABILITIES AND NET ASSETS


CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 115,495	\$ -	\$ 115,495	\$,103,905
Holdback payable	-	-	-	704,231
Payroll source deductions payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,447</u>
	<u>115,495</u>	<u>-</u>	<u>115,495</u>	<u>,826,583</u>

Fund balances	<u>19,621,220</u>	<u>648,444</u>	<u>20,269,664</u>	<u>18,327,422</u>
	<u><u>\$ 19,736,715</u></u>	<u><u>\$ 648,444</u></u>	<u><u>\$ 20,385,159</u></u>	<u><u>\$20,154,005</u></u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:  Director
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Signed by:  Director
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See Notes to the Financial Statements

HOMES FOR HEROES FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended December 31, 2024

	<u>Operating</u>	<u>Restricted</u>	<u>2024 Totals</u>	<u>2023 Totals</u>
Balances, beginning of the year	\$ 17,580,610	\$ 746,812	\$ 18,327,422	\$ 14,171,481
Increases (decreases)	<u>2,040,610</u>	<u>(98,368)</u>	<u>1,942,242</u>	<u>4,155,941</u>
Balances, end of the year	<u>\$ 19,621,220</u>	<u>\$ 648,444</u>	<u>\$ 20,269,664</u>	<u>\$ 18,327,422</u>

See Notes to Financial Statements

HOMES FOR HEROES FOUNDATION

STATEMENT OF OPERATIONS

(Audited)

For the Year Ended December 31, 2024

	Operating 2024	Restricted 2024	Total 2024	Total 2023
REVENUE				
Donations - cash (Note 8)	\$3,144,250	\$ -	\$ 3,144,250	\$ 2,688,046
Grants (Note 7)	665,153	856,329	1,521,482	2,492,926
Rental income	258,570	-	258,570	194,882
Donations - non-cash	244,662	-	244,662	1,078,389
Interest	53,274	-	53,274	147,765
Fundraiser event	-	-	-	172,400
	<u>4,365,909</u>	<u>856,329</u>	<u>5,222,238</u>	<u>6,774,408</u>
OVERHEAD EXPENSES				
Salaries and wages	741,815	-	741,815	761,420
Fundraising	391,580	-	391,580	535,557
Professional fees	472,193	-	472,193	214,173
Veteran support	43,055	-	43,055	142,777
Rent	73,627	-	73,627	56,066
Parking and travel	69,603	-	69,603	54,049
Administration/Office	52,083	-	52,083	22,974
Advertising and promotion	88,687	-	88,687	17,347
Software	11,011	-	11,011	12,273
Utilities	8,571	-	8,571	9,522
Insurance	4,277	-	4,277	5,679
Internet/website	12,022	-	12,022	5,538
Training and support	17,597	-	17,597	2,559
	<u>1,986,121</u>	<u>-</u>	<u>1,986,121</u>	<u>1,839,934</u>
DIRECT EXPENSES:				
Evansdale	128,797	-	128,797	159,068
Radisson	119,901	-	119,901	141,584
Kingston	94,020	-	94,020	153
	<u>342,718</u>	<u>-</u>	<u>342,718</u>	<u>300,805</u>
Excess before amortization and gain on market value of investments	2,037,070	856,329	2,893,399	4,633,669
Unrealised gain on market value of investments	-	-	-	1,129
Less: Amortization expense	<u>951,157</u>	<u>-</u>	<u>951,157</u>	<u>478,857</u>
INCREASE IN FUNDS	<u><u>\$1,085,913</u></u>	<u><u>\$ 856,329</u></u>	<u><u>\$ 1,942,242</u></u>	<u><u>\$4,155,941</u></u>

See Schedule 1

See Notes to Financial Statements

HOMES FOR HEROES FOUNDATION

STATEMENT OF CASH FLOWS

(Audited)

For the Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
FUNDS PROVIDED BY OPERATING ACTIVITIES:		
Increase in funds	\$ 1,942,242	\$ 4,155,941
Charges not affecting cash:		
Amortization expense	951,157	478,857
Changes in non-cash operating working capital:		
Account receivable	139,149	(159,621)
GST receivable	443,811	(381,982)
Prepaid expenses	7,759	25,305
Construction and security deposits	(23,144)	(144,916)
Wages payable	(18,447)	(4,574)
Holdback payable	(704,231)	704,231
Accounts payable and accrued charges	(988,410)	1,009,778
NET INCREASE IN WORKING CAPITAL	<u>1,749,886</u>	<u>5,683,019</u>
INVESTING ACTIVITIES:		
Land	(129,115)	(269,200)
Building	(576,875)	(7,147,668)
Signage	(83,903)	(12,280)
Landscaping	(351,031)	(168,807)
Fencing and gates	(19,737)	-
Computer equipment	(4,761)	(3,152)
Furniture and equipment	(36,599)	-
Planning and Development	(4,705)	-
Engineering, architect, professional fees	(34,124)	-
Site Development	(103,748)	-
	<u>(1,344,598)</u>	<u>(7,601,107)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	405,288	(1,918,088)
Cash and cash equivalents, beginning of the year	<u>1,429,826</u>	<u>3,347,914</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>\$ 1,835,114</u></u>	<u><u>\$ 1,429,826</u></u>
Consisting of:		
Unrestricted cash and cash equivalents	\$ 1,186,670	\$ 683,014
Externally restricted cash and cash equivalents	<u>648,444</u>	<u>746,812</u>
	<u><u>\$ 1,835,114</u></u>	<u><u>\$ 1,429,826</u></u>

See Notes to Financial Statements

HOMES FOR HEROES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2024

1. NATURE OF THE ORGANIZATION

The Homes for Heroes Foundation ("H4HF") was incorporated on November 3, 2016 as a Company Limited by Shares with the Province of Alberta. The Company received charity status on January 25, 2017.

The Homes for Heroes Foundation was developed in response to the growing number of military veterans who have returned to civilian life and now face crisis. Homes for Heroes will assist veterans, whose challenges have caused them to be homeless, progress toward a stable and secure life by providing housing and a robust support system, fundamental components of stability and dignity.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Revenue recognition

H4HF adopted the restricted fund method of accounting. H4HF has an operating fund and an externally restricted fund.

Revenue is recognized according to the accrual method, where revenue is recorded when it is received or reasonable assurance is given that it is receivable. This recognizes the effects of transactions and events in the period in which the transactions and events occur, even if cash is not exchanged until later.

(b) Property and equipment

The purchase of property and equipment is recorded at cost. This will be amortized over the estimated life of the assets on a straight line method at the following rates:

Building	5%
Signage, landscaping, furniture, equipment, fencing and gates	10%
Computer equipment, office furniture and equipment	20%

Full amortization is charged for the first year of the asset completed or purchased.

(c) Contributed Services

A substantial number of volunteers have made significant contributions of their time to develop H4HF's programs and carry out its activities. The value of this contributed time is not reflected in these financial statements.

HOMES FOR HEROES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2024

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

(e) Donated Goods and Services

H4HF receives goods and services donated by individuals and businesses, who assist the Foundation in achieving its mission. H4HF records donated goods and services at cost, if the goods or services would otherwise have been purchased.

(f) Financial Instruments

Measurement of Financial Instruments:

H4HF initially measures its financial assets and financial liabilities at fair value. H4HF subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

Financial Risk:

It is management's opinion that H4HF is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

(g) 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 amount of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

HOMES FOR HEROES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

December 31, 2024

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Total 2024	Total 2023
Land and Buildings	\$ 19,771,560	(2,479,728)	17,291,832	17,285,523
Furniture	271,943	(97,094)	174,849	166,597
Landscaping	583,014	(89,575)	493,439	200,709
Signage	147,051	(34,252)	112,799	43,601
Fencing and gates	47,327	(13,010)	34,317	19,313
Computer Equipment	16,766	(10,158)	6,608	4,659
	<u>\$ 20,837,661</u>	<u>(2,723,817)</u>	<u>18,113,844</u>	<u>17,720,402</u>

4. FUNDRAISING EXPENSES

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions \$391,580 (2023 - \$362,389).

Amounts paid as remuneration to employees whose principal duties involve fundraising \$NIL (2023 - \$NIL).

5. RELATED PARTY TRANSACTIONS

During the fiscal year, \$NIL (2023 - \$13,500 plus GST) were paid to a board member's company. At fiscal year end, there were accounts receivables of \$NIL (2023 - \$NIL) and payables of \$NIL (2023 - \$NIL) outstanding to these related parties. The measurement basis is regular trade value.

6. PREPAID EXPENSE

Prepaid expense consists of insurance of \$2,918 (2023 - \$3,032), various subscriptions \$5,963 (2023 - \$9,921), program management expenses \$NIL (2022 - \$5,250), damage deposit \$1,440 (2023 - \$1,440), and other prepayments for 2025.

HOMES FOR HEROES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

December 31, 2024

7. GRANTS

	2024	2023
Manitoba Housing and Renewal Corporation	\$ 450,000	\$ -
Winnipeg Foundation	270,000	-
Veteran & Family Well Being Fund	80,000	402,530
Canada Mortgage & Housing Corporation - Kingston	-	2,000,000
Ontario MMAHO transfer payment	56,329	-
Restricted grants	856,329	2,402,530
Veteran Homelessness Program - 1st Kingston operating grant	484,471	-
Veterans Affairs Canada	142,530	-
CMHC Seed Funding	38,152	90,396
CMHC - Innovation Fund	-	354,655
Operating grants	665,153	445,051
Total grants	\$ 1,521,482	\$ 2,847,581

8. DONATIONS

The main donees \$100,000 and over were:

Anonymous donor over \$300,000.

\$250,000 The Smith-Homestead Foundation and various anonymous donors.

\$150,000 from the Bank of Montreal and Canadian Pacific Kansas City Ltd. \$150,860.

\$100,000 each from the Calgary Highlanders Regimental Funds, Elliott Family Foundation, The Gail Asper Family Foundation, Rona Foundation, Tachane Foundation Inc., The Mary Jacqueline Rosevear Fund as well as a large number of corporate, foundations, and anonymous donors under \$100,000.

During 2023:

\$300,000 from Canadian Pacific Kansas City Limited, \$250,000 each from Britton Smith Foundation and the Smith-Homestead Foundation, \$182,000 Allied Projects.

\$150,000 each from the Bank of Montreal and an anonymous donor.

\$100,000 each from The Canadian Legacy project, the John M & Bernice Parrott Foundation, The Royal Canadian Regiment Trust Fund, and the Royal Canadian Naval Benevolent Fund; as well as a large number of corporate, foundations and anonymous donations under \$100,000.