

**HOMES FIRST FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024**

HOMES FIRST FOUNDATION
Financial Statements
December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Homes First Foundation

Qualified Opinion

We have audited the financial statements of Homes First Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations 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, 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 Foundation as at December 31, 2024, 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 Foundation 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 Foundation. 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, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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 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 unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

Akler Browning LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
May 6, 2025

HOMES FIRST FOUNDATION
Statement of Financial Position
December 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 72,828	\$ 473,849
Term deposits (note 2)	1,005,000	505,000
Grants and donations receivable	67,023	67,711
Interest receivable	756	1,763
Total Assets	\$ 1,145,607	\$ 1,048,323
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 5,000	\$ 7,727
Advances from Homes First Society (note 3)	183,016	237,058
Total Liabilities	188,016	244,785
Fund Balances		
Net assets	957,591	803,538
Total Liabilities and Fund Balances	\$ 1,145,607	\$ 1,048,323

Approved on behalf of the Board:

Mike Heinrich Member
May 6, 2025 Date

Megan Mitchell Member

HOMES FIRST FOUNDATION
Statement of Operations and Changes in Net Assets
Year ended December 31, 2024

	2024	2023
Revenues		
Donations and fundraising	\$ 490,615	\$ 586,153
Interest	22,272	1,872
Total revenues	512,887	588,025
Expenditures		
Wages and benefits	152,400	107,029
Event	112,555	124,611
Donations to Homes First Society (note 3)	81,116	-
Administrative overhead	12,763	11,492
Total expenditures	358,834	243,132
Excess of revenues over expenditures for the year	154,053	344,893
Net assets, beginning of year	803,538	458,645
Net assets, end of year	\$ 957,591	\$ 803,538

HOMES FIRST FOUNDATION**Statement of Cash Flows****Year ended December 31, 2024**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 154,053	\$ 344,893
Net change in non-cash working capital items		
Grants and donations receivable	688	(22,836)
Interest receivable	1,007	(1,763)
Accounts payable and accrued liabilities	(2,727)	4,727
Advances from Homes First Society	(54,042)	118,386
	(55,074)	98,514
Cash Provided by Operating Activities	98,979	443,407
CASH FLOWS FROM INVESTING ACTIVITIES		
Term deposits	(500,000)	(500,000)
Cash Used in Investing Activities	(500,000)	(500,000)
Net decrease in cash	(401,021)	(56,593)
Cash, beginning of year	473,849	530,442
Cash, end of year	\$ 72,828	\$ 473,849

NATURE OF OPERATIONS

The Foundation was incorporated pursuant to the Canada Corporations Act as a non-share capital corporation on November 7, 2001. The Foundation is a registered charity within the meaning of the Income Tax Act and is registered as such. As a registered charity, the Foundation is exempt from income tax.

The goal of the Foundation is to receive and maintain a fund or funds and to apply all or part of the principal and income generated to the charitable activities and charitable purposes of Homes First Society.

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured. Interest income is accrued as it is earned.

(b) Contributed goods and services

The Foundation would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the financial statements. The fair market value of donated goods is recognized as donation revenue in the year the goods are donated only if the fair market value can be reasonably estimated otherwise the value is not reflected in the accompanying financial statements.

(c) Financial instruments

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost include cash, term deposits, grants and donations receivable, and interest receivable.

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

The Foundation has not designated any financial asset or financial liability to be measured at fair value.

HOMES FIRST FOUNDATION
Notes to the Financial Statements
December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial instruments, continued

Impairment

For financial assets measured at amortized cost, the Foundation determines whether there are indications of possible impairment. When there is an indication of impairment, and the Foundation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

(d) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenditures for the period covered. The main estimate relates to the impairment of financial assets and accrued liabilities.

2. TERM DEPOSITS

	2024	2023
Bears interest at a rate of prime minus 2% maturing December 2025	\$ 1,000,000	\$ 500,000
Bears interest at a rate of 4.05% maturing March 2025	5,000	5,000
	\$ 1,005,000	\$ 505,000

The term deposit in the amount of \$5,000 has been pledged as security for a Foundation credit card.

3. ORGANIZATION UNDER SIGNIFICANT INFLUENCE

Homes First Society is the sole member of the Foundation.

Included in current liabilities is \$183,016 (2023 - \$237,058) in advances from Homes First Society, which are non-interest bearing, unsecured and due on demand.

During the current year \$81,116 (2023 - \$Nil) was donated by the Foundation to Homes First Society.

4. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risk is related to its grants and donations receivable. There has been no change to the risk exposure from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect to its trade accounts payable and the amount due to Homes First Society. The Foundation expects to meet their obligations as they become due by generating sufficient cash flow from donations and fundraising. There has been no change to the risk exposure 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 other price risk. The Foundation is mainly exposed to interest rate risk.

(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 Foundation is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the Foundation to risk of changes in fair value. The exposure to this risk also fluctuates as the quantity of fixed rate and variable rate instruments held changes from year to year.
