



HORNEPAYNE HOUSING CORPORATION ANNUAL REPORT

2024

Submitted to: The Corporation of the Township of
Hornepayne's Municipal Council

Prepared by: Katherine Lewis, Executive Director

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2024 ANNUAL REPORT

Message from the Chairman of the Board



In 2024, the Hornepayne Housing Corporation proudly hosted its inaugural Housing Symposium—an inspiring, full-day event that brought together retailers, builders, and housing professionals right here in Hornepayne. This collaborative gathering set the stage for a deeper understanding of our community improvement plan and how we can strategically leverage it to support local development and long-term housing solutions.

As we anticipate continued growth and momentum in the housing sector, we also acknowledge a significant transition on our board. We were saddened to see longtime board member and dedicated community advocate Bonnie Claveau step down. Bonnie's contributions have been foundational in building positive solutions for Hornepayne. However, we are pleased to welcome Mr. Gideon Tigere, who has filled the vacancy with enthusiasm, fresh ideas, and a strong commitment to the community's progress.

Cheryl Fort

Chairman of the Board



History of the HHC



ABOUT US



The Hornepayne Housing Corporation (HHC) is a Municipal Services Corporation (MSC) incorporated under the Ontario Municipal Act, 2001. Established by the Corporation of the Township of Hornepayne's Municipal Council to address pressing housing concerns within the community and originating from a genuine recognition of local need, the HHC is steadfast in its belief that everyone deserves the dignity and stability of a safe home. Through innovative strategies and community-driven initiatives, the organization strives to ensure accessible housing options for all residents of Hornepayne.



With a vision to build a sustainable community through the development of affordable housing options while ensuring a high standard of living and quality of life for all our residents. Hornepayne Housing Corporation (HHC) affordable housing strategic goal is to address the various housing needs of Hornepayne, along the housing continuum.

Hornepayne, the Geographic Centre of Ontario, aims to be an inclusive, welcoming community with the capacity and leadership to enhance and sustain a high quality of life. Hornepayne Housing Corporation aspires to the values of the progressive community that supports new development and growth, and views challenges as opportunities.



HOW WE WORK



The HHC is owned solely by the Township of Hornepayne and operates at arm's length, allowing it to maintain both autonomy in its operations and alignment with municipal priorities. This structure ensures that the corporation acts independently in its day-to-day activities, while remaining accountable to the Township and focused on delivering solutions tailored to the community's unique housing needs.

The partnership between the HHC and the Township ensures that the HHC remains deeply rooted in the community it serves, leveraging municipal resources and insights, while addressing housing needs with innovative independence. By fostering a transparent relationship with the Township, the HHC guarantees that its policies and operations complement the broader framework of community development.

Governance

2024 BOARD OF DIRECTORS

The HHC is governed by a Board of Directors that provides strategic direction and oversight to the Executive Director, ensuring that the organization remains aligned with its mission and operational objectives. This governance structure fosters accountability and empowers the Executive Director to implement initiatives effectively, while maintaining transparency with both the board and the community it serves.



Mayor Cheryl Fort
Board Chair



Gregory Drew
Board Vice Chairman



Carlo Bin
Treasurer



Councillor Belinda Kistemaker
Director

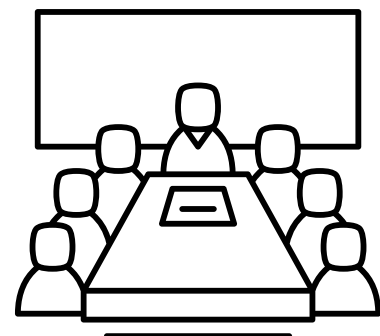


Gideon Tigere
Director



Bonnie Claveau
Outgoing Vice Chairman

In 2024, the HHC Board of Directors demonstrated its commitment to thorough governance and strategic oversight by convening a total of 12 times throughout the year. These regular meetings provided an essential platform for discussing key initiatives, reviewing organizational progress, and addressing emerging challenges in the housing sector.





LEADERSHIP UPDATE

The HHC would like to extend our sincere thanks to Bonnie Claveau for her dedicated service as Vice Chairman of the Board. Her commitment and leadership have been greatly appreciated, and we wish her the best in all her endeavors.

We are pleased to announce that Greg Drew, a valued member of the Board, has been appointed the new Vice Chairman. Congratulations, Greg – we look forward to your continued leadership in this role.

We also extend a warm welcome to Gideon Tigere, who has joined the Board as our newest director. We're excited to have him on board and look forward to his contributions as we continue working to strengthen housing in Hornepayne.



Operational Highlights



PARKVIEW APARTMENTS

The Parkview Apartments, a 35-unit residential building, continues to play a vital role in providing the community with affordable housing. This initiative not only addresses a crucial need but also reflects the organization's commitment to fostering accessibility and inclusivity within the community.

Among the most notable undertakings this year, the Parkview Apartments witnessed several upgrades aimed at enhancing living conditions while maintaining affordability. These improvements included energy-efficient renovations, and updated safety features.

In addition to the enhancements made at the Parkview Apartments, DC Communications undertook a critical project centered around security upgrades. This initiative involved updating all exterior doors and implementing a key-fob entry system, significantly improving the safety and accessibility of its facilities. These measures represent a forward-thinking approach to safeguarding residents while streamlining entry processes, further reflecting the organization's dedication to community well-being and operational efficiency.

Another noteworthy improvement this year was the upgrade to attic to the building. This initiative has resulted in impressive energy savings, with over \$11,000.00 saved in hydro costs. These updates not only demonstrate a commitment to environmental sustainability but also enhance the financial efficiency of the organization, allowing more resources to be allocated to other community-focused projects.





ASSET MANAGEMENT AND MAINTENANCE PLANNING

HHC received funding through the Federation of Canadian Municipalities Municipal Asset Management Program to undergo a comprehensive Building Condition Assessment for the Parkview Apartments. This evaluation provided valuable insights into the structure's long-term sustainability and areas requiring attention. To optimize ongoing upkeep and ensure seamless management, the organization also invested in maintenance software, streamlining operations and enhancing efficiency across the board.

The insights gained from this Building Condition Assessment have significantly enhanced asset management planning, enabling the organization to prioritize repairs and upgrades more effectively. Additionally, these findings are expected to play a pivotal role in crafting future grant applications, ensuring meticulous alignment with funding criteria and maximizing opportunities for external financial support.

The funding also allowed for the purchase and implementation of asset management software. This software will not only assist in capital planning, but will be paramount in ensuring that preventative maintenance and service schedules are maintained.

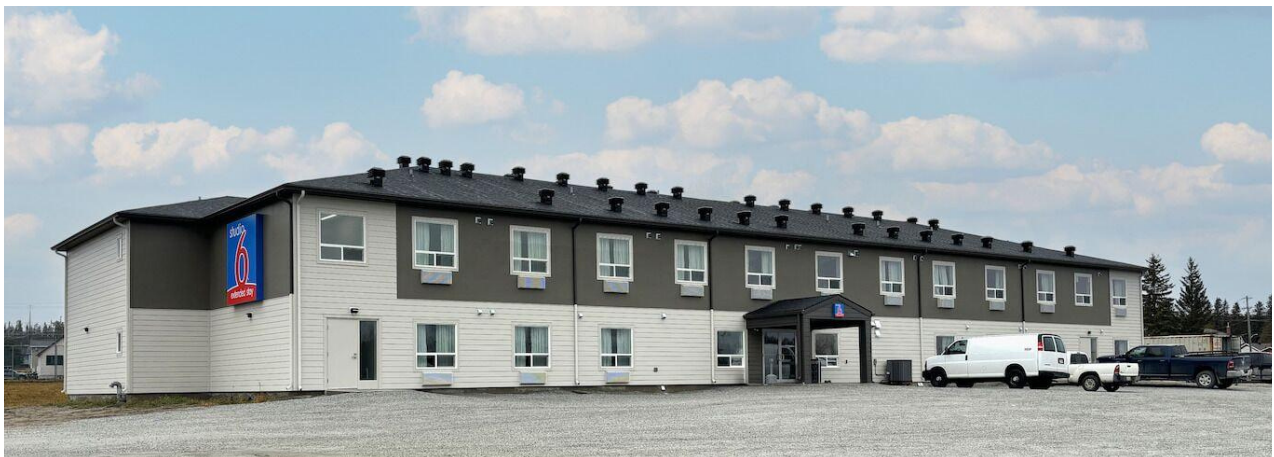


Operational Highlights



STUDIO 6 OPENING

The Hornepayne Housing Corporation is proud to have contributed to the success of the Studio 6 project. Aside from the economic benefits to our community, the hotel has played a role in diversifying our housing market. Previously, the housing market in Hornepayne was limited to single-family homes and basic apartment setups, leaving little room for accommodations for transient populations such as seasonal and contracted workers, or tourists. The addition of this hotel has bridged that gap by offering modern, short-term housing solutions.



The opening Studio 6 will continue to play a role in how housing in Hornepayne is utilized. Apartments rented for short-term purposes can now return to our housing stock, further addressing the township's housing shortage. A hotel not only ensures a broader range of options for individuals and families but also strengthens the community's capacity by fostering stability and growth.

The HHC would like to congratulate Rideout Bay Developments and the other investors of this project.

Community Outreach



HORNEPAYNE HOUSING SYMPOSIUM

In May 2024, the HHC successfully hosted its first Housing Symposium, a full-day event designated to support and empower community members on their journey to home ownership.

Held in partnership with key stakeholders, the event brought together residents, housing professionals, service providers, and municipal representatives to foster dialogue, share resources, and offer actionable guidance on navigating the path to owning a home in Hornepayne.



Presentations and Panels from:

- Local real estate agent offering insights into the Hornepayne housing market
- Lawyers discussing legal considerations in property purchase
- Financial institutions outlining mortgage options, pre-approval processes, and credit building
- Modular home builders showcasing affordable and energy efficient solutions
- The Township of Hornepayne providing updates on local housing programs, land availability, and upcoming support programs
- Home Building Providers – introducing complete home-building kits for residents looking to construct homes from scratch



Scotiabank®

A special thank you to Hornepayne Lumber LP and Hornepayne Power Inc. who generously sponsored the event by renting the venue and providing lunch for all participants. Their support made it possible to deliver a welcoming, professional, and well-resourced experience for all participants.

Future Goals



STRATEGIC FOCUS

Strengthen Partnerships and Funding

- Proactively pursue public-private partnerships to expand housing options
- Diversify revenue sources to continue operation as a self-sustaining entity

Cultivating Organizational Excellence

- Build staff and board capacity through training and development
- Foster an inclusive, high performance organizational culture aligned with community values

Optimize Asset Management

- Complete lifecycle capital renewals to maintain housing quality
- Pursue energy-efficient retrofits to reduce long-term operating costs and environmental impact

Enhance Tenant Services

- Improve tenant satisfaction through responsive service delivery
- Expand access to wrap-around supports such as mental health, employment, and financial assistance

Build Community Capacity for Homebuilding

- Equip residents with the knowledge, tools and connections needed to navigate self-build and small-scale development
- Provide education on building permits, financing, and construction planning
- Facilitate access to kit homes, modular builders, and local tradespeople
- Support a culture of local investment in housing through workshops, mentorships, and partnerships



Future Goals



PROJECTED INITIATIVES

Strengthen Partnerships and Funding

- Community Housing Roundtable – Convene bi-annually with partners (e.g., Township, industry, NGOs).
- Land Leveraging Strategy – Work with the Township to identify and transfer surplus municipal land for the HHC to develop.
- Impact Reporting – Develop a simple reporting framework to communicate outcomes to stakeholders.

Cultivating Organizational Excellence

- Board and Staff Capacity Building Plan – Create an annual calendar of governance and housing specific training.
- Annual Board Self-Evaluation – Implement a reflective tool for governance performance
- Internal Communication Strategy – Strengthen team cohesion through regular updates and team-building

Optimize Asset Management

- Capital Asset Renewal Plan – Schedule long-term upgrades informed by the Building Condition Assessment
- Preventative Maintenance Tracker – Using the maintenance software to log, track and proactively manage repairs.

Enhance Tenant Services:

- Tenant Support Navigator – Continue partnership with Algoma District Services Administration Board to provide assistance with on-site social service navigation and subsidy applications.
- Tenant Satisfaction Survey – Implement an annual tenant survey and feedback loop.
- Welcome Home Package – Update Parkview Apartments Handbook.
- Community Building – Create a Good Neighbours Committee to take an active role in building life and shared decision-making.

Build Community Capacity for Homebuilding

- Self-Build Housing Workshops – Host educational events on permits, budgeting and timelines.
- Peer Builder Mentorship – Establish a network of local residents with building experience to support newcomers.
- Pre-Development Toolkit – Offer a step-by-step guide for residents in modular or kit homebuilding.



CHALLENGES

Limited Development Capacity	A shortage of local contractors and construction labour slows new builds and renovations.
Funding Complexity	Navigating layered funding sources can be time-consuming and administratively heavy. Small corporations face challenges accessing scale-dependent programs and infrastructure grants.
Tenant Needs Are Increasingly Complex	Many tenants require wrap around supports, which fall outside the HHC’s mandate. Limited local service providers complicate coordinated care delivery.
Regulatory and Governance Requirements	As a municipally owned corporation, HHC must adhere to strict accountability and transparency requirements, which can limit agility. Balancing innovation with compliance remains an ongoing challenge.





LESSONS LEARNED

Community Engagement is Essential	Initiatives like the Housing Symposium proved that early and ongoing dialogue with residents and partners creates buy-in, surfaces local knowledge, and fosters housing confidence.
Public-Private Partnerships Add Value	Collaboration with local industry (e.g., Hornepayne Lumber LP and Hornepayne Power Inc.) enabled expanded programming and event delivery. Leveraging these relationships has been critical for both in-kind and financial support.
Small Wins Matter	Visible, achievable projects – such as beautification efforts and committee-led engagement help build trust and momentum for larger development roles.
Organizational Capacity Must Grow with Ambition	As HHC expands its role, investing in staff training and governance support has proven essential to avoid burnout and maintain high service standards.



Lessons Learned

Conclusion



As the Hornepayne Housing Corporation reflects on the last year, it is clear that meaningful progress has been made toward our shared vision of safe, inclusive, and sustainable housing for all residents. From launching our first-ever Housing Symposium, to deepening partnerships and enhancing tenant services, 2024 marked a year of innovation, collaboration and resilience.

While challenges persist - particularly in funding, infrastructure capacity, and regulatory complexity - our experience this year has reinforced **one critical truth: housing is a community effort**. It thrives when residents are engaged, partners are aligned, and local leadership is empowered.

Looking ahead, HHC remains committed to:

- Supporting current and future residents with dignity,
- Building organizational capacity,
- Driving community-led housing solutions, and
- Advocating for the unique needs of Hornepayne.

We thank the Township of Hornepayne, our partners, residents, tenants and dedicated board and staff for their ongoing support. Together we are laying the foundation for a stronger, more connected community.

Submitted to the Corporation of the Township of Hornepayne in compliance with HHC By-law 3.10.



Cheryl Fort, Chairman of the Board



Greg Drew (Aug 6, 2025 06:29:47 EDT)

Greg Drew, Vice-Chairman of the Board

Appendix



Schedule A - Audited Financial Statements 2024 and Auditors Report
Schedule B - HHC 2025 Budget

Hornepayne Housing Corporation
Financial Statements
For the year ended December 31, 2024

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Independent Auditor's Report

To the shareholders and directors of the Hornepayne Housing Corporation

Qualified opinion

I have audited the accompanying financial statements of Hornepayne Housing Corporation (the Corporation), which comprise the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. In my opinion, these financial statements present fairly, in all material respects, the financial position of Hornepayne Housing Corporation as at December 31, 2024, and its results of operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Corporation derives revenue from laundry fees and other miscellaneous revenue for which is not susceptible to satisfactory audit procedures over the completeness assertion. The audit opinion for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation. Effective January 1, 2023, the corporation was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets. At December 31, 2024, the analysis to verify whether any asset retirement obligations existed within the tangible capital assets has not been completed. The financial statements for the year ended December 31, 2023 was modified accordingly. Responsibilities of Management and Those Charged with Governance for Statements

the Financial

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 Corporation'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 corporation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I also: - Identify and assess 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 Corporation'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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation 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. I 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 my audit. I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Stefanizzi Professional Corporation
Chartered Professional Accountant, authorized to practice public accounting by
Chartered Professional Accountants of Ontario
Sault Ste. Marie, Ontario
July 30, 2025

Hornepayne Housing Corporation

Statement of Financial Position

As at December 31,	2024	2023
Financial Assets		
Cash	\$ 31,335	\$ 57,678
Accounts receivable	105,545	64,900
Portfolio investment (note 2)	150,000	150,000
	<u>286,880</u>	<u>272,578</u>
Financial Liabilities		
Accounts payable	95,117	114,786
Deferred revenues (note 3)	112,846	120,240
Long term debt (note 4)	338,635	297,256
	<u>546,598</u>	<u>532,282</u>
	<u>(259,718)</u>	<u>(259,704)</u>
Net financial debt		
Non-financial assets		
Tangible capital assets (schedule 1)	429,754	384,492
Accumulated surplus (note 5)	\$ 170,036	\$ 124,788

Approved on behalf of the board:

Katherine Lewis Executive Director

See accompanying notes

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Hornepayne Housing Corporation

Statement of Operations and Accumulated Surplus

Year ended December 31 (with comparative figures for the prior year)

	Budget 2024	Actual 2024	Actual 2023
Revenues			
Rental revenue	\$ 406,725	\$ 408,809	\$ 362,137
Algoma District Social Services Administration Board	-	12,500	12,500
Laundry	9,000	10,965	9,630
Grants	48,940	48,940	-
	464,665	481,214	384,267
Expenditures			
Utilities	197,321	161,184	173,614
Wages and benefits	125,643	121,916	101,161
Repairs and maintenance	25,273	55,265	67,802
Professional fees	34,125	34,413	33,653
Insurance	17,122	20,114	17,121
Amortization	19,030	19,030	17,224
Interest on long-term debt	- 4,332 -	14,053	12,472
Office expenses	2,100	10,196	10,166
Bad debts	588 199	8,593	35,706
Bank charges and interest	425,733	5,341	11,796
Materials and supplies		1,704	695
Advertising	38,932	984	50
		452,793	481,460
Annual surplus (deficit) before the undernoted		28,421	(97,193)
Recoveries	-	16,827	-
Annual surplus (deficit)	-	45,248	(97,193)
Accumulated surplus, beginning of year	124,788	124,788	221,981
Accumulated surplus, end of year	\$ 163,720	\$ 170,036	\$ 124,788

See accompanying notes

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Hornepayne Housing Corporation

Statement of Change in Net Financial Assets

Year ended December 31 (with comparative figures for the prior year)

	Budget 2024	Actual 2024	Actual 2023
Annual surplus (deficit)	\$ 38,932	\$ 45,248	\$ (97,193)
Acquisition of tangible capital assets	(57,962)	(64,292)	(2,590)
Amortization of tangible capital assets	19,030	19,030	17,224
Prepaid expenses	-	-	17,121
Net change in net financial assets	-	(14)	(65,438)
Net financial assets, beginning of year	(259,704)	(259,704)	(194,266)
Net financial assets, end of year	\$ (259,704)	\$ (259,718)	\$ (259,704)

See accompanying notes

Hornepayne Housing Corporation

Statement of Cash Flow

For the year ended December 31,	2024	2023
Cash flows from operating activities:		
Annual surplus(deficit)	\$ 45,248	\$ (97,193)
Item not involving cash - amortization	19,030	17,224
	64,278	(79,969)
Changes in non-cash operating items:		
Accounts receivable	(40,645)	(10,535)
Prepaid expenses	-	17,121
Accounts payable	(19,665)	79,077
Deferred revenue	(7,394)	(991)
	(3,426)	4,703
Capital transactions:		
Capital additions	(64,292)	(2,590)
Cash flows from financing activities:		
Principal payments on long term debt	(18,625)	(11,145)
Advances of long term debt	60,000	-
	41,375	(11,145)
	(26,343)	(9,032)
Decrease in cash for the year		
	57,678	66,710
Cash and cash equivalents, beginning of year		
Cash and cash equivalents, end of year	\$ 31,335	\$ 57,678

See accompanying notes

Hornepayne Housing Corporation
Notes to Financial Statements

December 31, 2024

1. Summary of significant account policies

Nature of Operations

The Corporation was established to provide the operation of a 36 room long term residential housing complex. The corporation is a provincially incorporated municipal corporation, and as such, is exempt from taxation under section 149(1)(c) of the income tax act.

Management responsibility

The financial statements of Hornepayne Housing Corporation are the representation of management prepared in accordance with Canadian generally accepted accounting policies, as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants.

Basis of Accounting

These financial statements have been prepared at the representation of management in accordance with Canadian public sector accounting standards.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Included in cost are that are directly attributable to the acquisition, construction, development or betterment of an asset. Tangible capital assets under construction or development are not amortized until they are available to be put into service.

The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	<u>Useful Life - Years</u>
Buildings	25
Furniture and fixtures	10-15
Computer equipment	5

Revenue Recognition

Revenue is recognized in the period in which the transfers or events occurred that gave rise to the revenue. All revenue is recorded in accordance with the accrual basis of accounting. Revenues related from rental or auxiliary services are recorded in the period in which they are earned. Prepayments for rental income are deferred and recognized in the period it relates to. Government transfers are recognized into income when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations of the liabilities are settled. Contributions, other than government transfers, are deferred when restrictions are place on their use by external stakeholders, and recognized into revenue when specified criteria's are met.

Hornepayne Housing Corporation

Notes to Financial Statements

December 31, 2024

Summary of significant account policies (continued)

Use of Estimates

The preparation of these financial statements conform with the guidelines outlined in Canadian public sector accounting standards which requires management to make estimates and assumptions that affect the carrying values of assets and liabilities at the financial statement reporting date. Actual results could differ from management's estimates as additional information becomes available.

Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. The corporation subsequently measures its financial assets and financial liabilities at amortized cost. Financial assets and liabilities measured at amortized cost include cash, accounts receivable, portfolio investments, accounts payable and deferred revenue.

2. Portfolio investments

The Corporation subscribed to 149,990 class A preferred shares and 10 class B common shares in the Hornepayne Hotel Investment Corporation for the aggregate subscription price of \$150,000.

3. Deferred revenue

Deferred revenue is comprised of the following:

	2024	2023
Rental deposits	\$ 23,617	\$ 19,817
ADSAB deferred contribution	75,000	87,500
Prepaid rent	14,229	12,923
	<u>\$ 112,846</u>	<u>\$ 120,240</u>

The Corporation, by virtue of the predecessor corporation, The Hornepayne Economic Development Corporation, entered into an agreement with the Algoma District Services Administration Board in 2010 for a forgivable loan in the amount of \$250,000. The loan is forgiven at a rate of 5% over a 20 year period with stipulations that the balance become payable is operations cease.

Hornepayne Housing Corporation

Notes to Financial Statements

December 31, 2024

4. Long term debt

	2024	2023
Northern Credit Union mortgage, repayable at \$1,940 monthly, including interest at 4.00%, maturing November, 2026.	\$ 285,685	\$ 297,256
Northern Credit Union loan, repayable at \$1,152 monthly, including interest at 5.69%, maturing April, 2029.	52,950	-
	<u>\$ 338,635</u>	<u>\$ 297,256</u>

Long-term debt repayments to be made during the next five years is approximately as follows:

2025	- -	\$ 23,151	\$
2026	- -	24,290	\$
2027	- -	25,487	\$
2028		26,744	\$
2029		18,701	
Thereafter		\$ 220,262	

5. Accumulated surplus

The accumulated surplus is comprised of the following:

	2024	2023
General deficit	\$ (71,083)	\$ (112,448)
Equity in Hornepayne Hotel Investment Corporation	150,000	87,236
Equity in tangible capital assets	91,119	124,788
Accumulated surplus	<u>\$ 170,036</u>	<u>\$</u>

6. Public Sector Salary Disclosure Act

No employee was paid an annual salary of \$100,000 or more as defined by the Public Sector Salary Disclosure Act, 1996.

Hornepayne Housing Corporation
Notes to Financial Statements

December 31, 2024

7. Budget

The Budget adopted by the Board of Directors was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statement of operations and change in net financial assets represent the Financial Plan with adjustments as follows:

	2024
Approved budget surplus (deficit) for the year	\$ -
Add:	
Capital transactions	\$ 57,962
	(19,030)
Less:	
Restated budget surplus for year	\$ 38,932

8. Comparative information

Certain comparative information has been reclassified to conform with the current year presentation of the financial statements. Opening accumulated surplus is not impacted by these reclassifications.

Hornepayne Housing Corporation

Notes to Financial Statements

December 31, 2024

9. Financial Risk

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of December 31, 2024.

Liquidity risk

Liquidity risk is the risk that the Corporation cannot repay its obligations when they become due to its creditors. The Corporation is exposed to this risk relating to its accounts payable and accrued liabilities and long-term debt.

The Corporation reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash and credit facilities available to repay creditors as they become due. In the opinion of management the liquidity risk exposure to the Corporation is low.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Hornepayne Housing Corporation
Schedule of Tangible Capital Assets

Schedule 1

Year ended December 31, 2024

	Cost			Accumulated Amortization					2024	2023
	2024 Opening Balance	Additions and Betterments	Disposals/ Transfers	2024 Closing Balance	2024 Opening Balance	2024 Amortization Expense	Accumulated Amortization on Disposals	2024 Ending Balance	Net Book Value	Net Book Value
Land	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Buildings	352,525	57,962	-	410,487	35,252	15,647	-	50,899	359,588	317,273
Computer equipment Furniture and fixtures	10,685	-	-	10,685	3,205	2,137	-	5,342	5,343	7,480
	11,153	6,330	-	17,483	1,414	1,246	-	2,660	14,823	9,739
	\$ 424,363	\$ 64,292	\$ -	\$ 488,655	\$ 39,871	\$ 19,030	\$ -	\$ 58,901	\$ 429,754	\$ 384,492



Hornepayne Housing Corporation
 Budget type: Profit and loss
 Period: FY 2025 (Jan 2025 - Dec 2025)
 Consolidated

Accounts	Budget totals
Income	
4000 Tenant Rent Revenue	
4100 ADSAB Forgivable Loan	\$12500.00
4220 Sales of Product Income	
4240 Services	\$400000.00
4300 Township Cash Payment Income	
4500 Grant Revenue	
5950 Amortization	
01 Uncategorized Income	
Billable Expense Income	
Discounts	
Discounts given	
Laundry Machine Deposit	\$9000.00
Sales	
Total Income	\$421500.00
Cost of Goods Sold	
Cost of Goods Sold	
Cost of Labour - COS	
Freight and delivery - COS	
Other Costs - COS	
Purchases - COS	
Subcontractors - COS	
Supplies and materials - COS	
Total Cost of Goods Sold	\$0.00
Expense	
4210 Uncategorized Expense	\$0.00
5100 Bank charges	\$1000.00
5110 Interest expense	\$0.00
5200 Interest Expense YE	\$178.13
5300 Job Materials	\$0.00
5310 Bad Debts	\$8592.60
5400 Legal and professional fees	\$1688.51
5402 Building Condition Assessment/Maintenance Software Project	
5410 Fire and Safety Inspections	\$3045.00
Total 5400 Legal and professional fees	\$4733.51
5500 Office expenses	
5510 Dues and Subscriptions	\$2777.89
5520 Phone Expenses	\$3143.76
5530 QuickBooks Payments Fees	\$642.34
5540 Stationery and printing	\$1800.00
Total 5500 Office expenses	\$8363.99
5550 Other general and administrative expenses	\$3500.00
5570 Insurance Expense	\$20114.41
5580 Tools	
5590 Shipping and delivery expense	\$200.00
5600 Payroll Expenses	
5610 Taxes	\$16000.00
5620 Wages	\$109302.17
Total 5600 Payroll Expenses	\$125302.17
5800 Repair and maintenance	
5805 Appliances	\$500.00

Accounts	Budget totals
5810 Building, Doors, Locks	\$12000.00
5815 Cleaning Services	
5820 Cleaning Supplies	\$2000.00
5825 Electrical Supplies	\$1800.00
5830 Fire & Building Safety Supplies	\$5000.00
5835 Heating Systems	\$5000.00
5840 Lawn Care	\$3700.00
5845 Miscellaneous	\$1500.00
5850 Plumbing Expenses	\$15000.00
5855 Snow Removal	\$7950.00
5803 - Flooring Repair and Maintenance	\$12000.00
5804 - Painting and Repair	\$10403.20
Attic Insulation Upgrade	\$0.00
Total 5800 Repair and maintenance	\$76853.20
5801 Door Upgrade Project	
5900 Utilities	
5905 Disposal Fees	\$7267.40
5910 Hydro One	\$86585.42
5915 Property Taxes	\$35309.17
5920 Water/Sewer	\$40000.00
Total 5900 Utilities	\$169161.99
6000 Advertising	
6010 Community Events/Outreach	\$1000.00
Total 6000 Advertising	\$1000.00
Commissions and fees	
Freight and Delivery	
Insurance - Disability	
Insurance - Liability	
Meals and entertainment	
Promotional	\$1000.00
Purchases	
Rent or lease payments	
Supplies	
Taxes and Licenses	
Travel	\$1000.00
Travel meals	\$500.00
Unapplied Cash Bill Payment Expense	
Total Expense	\$421500.00
Other Income	
4225 Last Month's Rent	
Interest earned	
Total Other Income	\$0.00
Other Expense	
5960 Penalties and settlements	
Miscellaneous	
Reconciliation Discrepancies	
Total Other Expense	\$0.00
Total Net Income	\$0.00