

Habitat For Humanity Ontario Gateway North

Financial Statements

December 31, 2020

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Independent Auditor's Report

To the members of Habitat For Humanity Ontario Gateway North

Qualified Opinion

I have audited the accompanying financial statements of Habitat For Humanity Ontario Gateway North which comprise the statement of financial position as at December 31, 2020 and the statement of operations and changes in net assets and the statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Habitat For Humanity Ontario Gateway North as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, Habitat For Humanity Ontario Gateway North derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, I was not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenses, cash flows from operations, assets and net assets.

My audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Habitat For Humanity Ontario Gateway North in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, 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 qualified audit 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 Habitat For Humanity Ontario Gateway North'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 Habitat For Humanity Ontario Gateway North or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Habitat For Humanity Ontario Gateway North's financial reporting process.

Auditor's 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 judgment and maintain professional skepticism throughout the audit. I 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 my 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 Habitat For Humanity Ontario Gateway North'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 Habitat For Humanity Ontario Gateway North's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my 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 Habitat For Humanity Ontario Gateway North 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 I identify during my audit.

Dave Stevenson

CPA, CA, Licensed Public Accountant

May 1, 2021

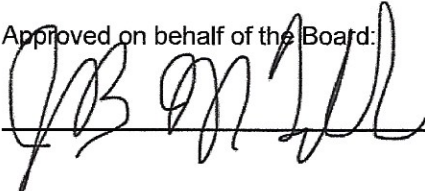
Bracebridge, Ontario

Habitat For Humanity Ontario Gateway North

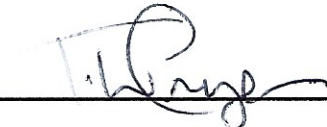
Statement of Financial Position

December 31	2020	2019
Assets		
Current		
Cash	\$ 760,269	\$ 261,931
Cash - restricted	149,564	29,808
Accounts receivable	76,905	155,965
HST receivable	88,252	233,911
Current portion of mortgages receivable	223,530	144,661
Prepaid expenses	96,014	96,847
Completed homes (Note 2)	334,003	795,398
Homes under construction	677,717	826,059
	<u>2,406,254</u>	<u>2,544,580</u>
Mortgages receivable (Note 3)	2,934,177	2,547,913
Capital assets (Note 4)	151,347	174,337
Land held for development	408,666	469,989
	<u>\$ 5,900,444</u>	<u>\$ 5,736,819</u>
Liabilities		
Current		
Bank indebtedness (Note 5)	\$ -	\$ 310,000
Accounts payable and accrued liabilities	307,827	147,397
Government remittances payable	9,026	5,461
Deferred revenues (Note 6)	346,053	231,581
	<u>662,906</u>	<u>694,439</u>
Deferred contributions (Note 9)	466,922	458,425
Canada Emergency Business Account (CEBA) loan (Note 7)	40,000	-
	<u>1,169,828</u>	<u>1,152,864</u>
Commitments (Note 10)		
Net Assets		
Net assets invested in capital assets, properties and mortgages	4,262,518	4,499,932
Unrestricted net assets	468,098	84,023
	<u>4,730,616</u>	<u>4,583,955</u>
	<u>\$ 5,900,444</u>	<u>\$ 5,736,819</u>

Approved on behalf of the Board:



Director



Director

Habitat For Humanity Ontario Gateway North

Statement of Operations and Changes in Net Assets

For the year ended December 31	2020	2019
Revenues		
Donations, grants and fundraising	\$ 82,230	\$ 532,996
ReStore revenues	2,693,929	2,968,134
Less - ReStore expenses	(2,473,316)	(2,740,269)
Other income	96,075	6,192
House sales and construction income	934,800	901,540
Present value adjustment on first mortgages (Note 3)		
Current year projects	(329,055)	(251,059)
Prior years' projects (deemed interest income)	201,209	417,676
	<u>1,205,872</u>	<u>1,835,210</u>
Building costs	<u>735,798</u>	<u>791,076</u>
Excess of revenues over expenses before administrative expenses	<u>470,074</u>	<u>1,044,134</u>
Administrative expenses		
Amortization of capital assets	5,193	5,441
Board governance	17,064	26,858
Fees and memberships	5,362	8,431
Fundraising expenses	1,441	16,638
Occupancy costs	64,470	70,729
Operational expenses	41,038	74,300
Program expenses	32,624	41,781
Salaries, benefits and consulting	399,938	458,665
	<u>567,130</u>	<u>702,843</u>
Excess (deficiency) of revenues over expenses from operations	<u>(97,056)</u>	<u>341,291</u>
Change in mortgages receivable due to rate changes (Note 3)	92,395	27,815
Gain on disposal of land, capital assets and mortgage buyouts	262,676	156,972
Excess of costs over fair market value (Note 8)	(111,354)	-
	<u>146,661</u>	<u>526,078</u>
Excess of revenues over expenses for the year	<u>146,661</u>	<u>526,078</u>
Net assets - beginning of year	<u>4,583,955</u>	<u>4,057,877</u>
Net assets - end of year	<u>\$ 4,730,616</u>	<u>\$ 4,583,955</u>
Represented by		
Net assets invested in capital assets, properties and mortgages	\$ 4,262,518	\$ 4,499,932
Unrestricted net assets	<u>468,098</u>	<u>84,023</u>
	<u>\$ 4,730,616</u>	<u>\$ 4,583,955</u>

The accompanying notes are an integral part of these financial statements

Habitat For Humanity Ontario Gateway North

Statement of Cash Flows

For the year ended December 31	2020	2019
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 146,661	\$ 526,078
Adjustment for		
Amortization of capital assets	28,769	28,056
Amortization of capital grants	(1,363)	(3,346)
Present value adjustment on first mortgages	35,451	(194,432)
Gain on disposal of land, capital assets and mortgage buyouts	(262,676)	(156,972)
	(53,158)	199,384
Increase in mortgages receivable	(941,765)	(685,942)
Repayments on mortgages receivable	441,182	773,091
Changes in non-cash working capital balances		
HST and other accounts receivables	224,718	(231,222)
Prepaid expenses	834	4,524
Completed homes	461,396	(512,747)
Homes under construction	148,342	(186,623)
Accounts payable and accrued liabilities	160,429	20,301
Government remittances payable	3,566	(962)
Deferred revenues	114,472	(116,621)
	560,016	(736,817)
Investing activities		
Proceeds on sale of land, capital assets and mortgage buyouts	262,676	258,483
Decrease (increase) in land held for development	61,322	86,582
Purchase of capital assets	(5,780)	(8,923)
	318,218	336,142
Financing activities		
Decrease in mortgages and loans payable	-	(17,000)
Canada Emergency Business Account (CEBA) loan received	40,000	-
Forgivable loans received	9,860	453,885
	49,860	436,885
Change in cash and cash equivalents during the year	928,094	36,210
Cash and cash equivalents - beginning of year	(18,261)	(54,471)
Cash and cash equivalents - end of year	\$ 909,833	\$ (18,261)
Represented by		
Cash	\$ 760,269	\$ 261,931
Cash - restricted	149,564	29,808
Bank indebtedness	-	(310,000)
	\$ 909,833	\$ (18,261)

The accompanying notes are an integral part of these financial statements

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies

Nature of Operations

Habitat For Humanity Ontario Gateway North is a not-for-profit organization that was formed to assist in providing affordable housing in the Ontario Gateway North region. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act.

The organization is an affiliate of Habitat For Humanity Canada (HFHC). There is a covenant agreement between HFHC and all Canadian affiliates setting out the general operating principles for every autonomous affiliate. Currently, HFHC provides affiliates across the country with administrative and marketing support, training opportunities and gift-in-kind coordination.

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The accrual basis of accounting is followed. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

The significant estimates within these financial statements include the determination of the discount rate used to present value the mortgages receivable and the estimated lives of the capital assets and the amortization rates used to amortize such assets.

Properties Under Development

Land held for development, completed homes and homes under construction, including property taxes and interest, are capitalized on a project by project basis until the project is complete and the house is sold. Land held for development, completed homes and homes under construction are recorded at the lower of cost and net realizable value. Net realizable value is defined as the estimated proceeds to be received from partner families upon the future sale of the property at its then fair market value.

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances, investments in money market instruments with maturities of three months or less and bank indebtedness.

Capital Assets

Capital assets are recorded at cost. Amortization based on the estimated useful life of the asset is as follows:

Building	-	5%	diminishing balance
Computer equipment	-	20%	diminishing balance
Furniture and equipment	-	20%	diminishing balance
Transportation equipment	-	20%	diminishing balance

Leasehold improvements are recorded at cost and amortized on a straight line basis over the term of the premises lease.

Capital Grants

Grants received for the purchase of capital assets are deferred and amortized in the statement of operations on the same basis as the related assets.

Revenue Recognition

Contributions received for specific building projects are deferred and recognized as revenue upon completion of the project. Operating grants received are deferred and recognized as revenue as the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received.

House sales are recognized as revenue on the date that title to the home is transferred to the partner family.

Sale of products at the ReStore are on a non-credit basis only. Revenues are recognized at the time payment is received.

Interest income is recognized as revenue when earned.

Contributed Materials

Donations in kind received by the organization for the purpose of constructing homes are recognized in the financial statements when a fair value can be reasonably estimated and when the materials are used in the normal course of the organization's operations and would otherwise have been purchased.

Donations in kind of goods received by the organization for sale in the ReStores are not recognized in the financial statements.

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

Contributed Services A number of volunteers contribute a significant amount of time each year to the organization. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial Instruments The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures its financial assets and financial instruments at amortized cost. Financial instruments measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down or subsequent recovery is recognized in net revenue (expense).

Financial assets measured at fair value include mortgages receivable.

Financial assets measured at amortized cost include cash and HST and other accounts receivable.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, government remittances payable and loans payable.

2. Completed Homes

Completed homes represents the cost of building homes that have been fully constructed and are being occupied by the partner families at year-end. Under the current ownership model the partner families live in their homes for a one year trial basis. At the end of the one year trial the homes are sold to the partner families subject to certain conditions being met.

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

3. Mortgages Receivable

	<u>2020</u>	<u>2019</u>
First mortgages receivable at face values	\$ 4,905,404	\$ 4,404,820
Less present value adjustments on first mortgages	<u>1,747,697</u>	<u>1,712,246</u>
Present value of first mortgages receivable	3,157,707	2,692,574
Less current portion	<u>223,530</u>	<u>144,661</u>
	<u>\$ 2,934,177</u>	<u>\$ 2,547,913</u>

First mortgages receivable are repayable over periods of up to 35 years. The first mortgages are interest-free. Monthly repayments are reviewed annually and adjusted accordingly based on a means test. The first mortgages receivable have been discounted for accounting presentation purposes at December 31, 2020 at 4.79% per annum (2019 - 5.19%) which is based on the estimated interest rate in effect at year-end on similar term, arms-length mortgages.

	<u>2020</u>	<u>2019</u>
Second mortgages receivable at face values	\$ 246,022	\$ 323,678
Less present value adjustments on second mortgages	<u>246,022</u>	<u>323,678</u>
Present value of second mortgages receivable	<u>\$ -</u>	<u>\$ -</u>

The second mortgages are also interest-free and the principal amounts are forgivable at various dates in the future provided certain conditions are met.

4. Capital Assets

	<u>2020</u>		<u>2019</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 22,919	\$ 16,142	\$ 22,919	\$ 14,448
Furniture and equipment	24,270	14,970	18,490	13,368
Leasehold improvements	213,802	91,242	213,802	69,861
Store equipment	13,700	6,113	13,700	4,216
Transportation equipment	52,967	47,844	52,967	45,648
	<u>\$ 327,658</u>	<u>\$ 176,311</u>	<u>\$ 321,878</u>	<u>\$ 147,541</u>
Net book value		<u>\$ 151,347</u>		<u>\$ 174,337</u>

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

5. Bank Indebtedness

	2020	2019
Operating line of credit	\$ -	\$ 310,000

The line of credit, in the maximum amount of \$400,000, is secured by a general security agreement constituting a first ranking security interest in all personal property of the organization. The line of credit bears interest at the Royal Bank's prime rate plus 0.75%.

6. Deferred Revenues

Deferred revenues are contributions received for specific building projects.

	2020	2019
Balance, beginning of year	\$ 231,581	\$ 348,202
Contributions received during the year	129,385	196,426
Contributions taken into income during the year	(14,913)	(313,047)
Balance, end of year	\$ 346,053	\$ 231,581

7. Canada Emergency Business Account (CEBA) Loan

The CEBA loan is an interest-free Government loan with no principal payments required until December 31, 2022. \$10,000 of the loan is forgivable provided that the remaining \$30,000 is repaid in full no later than December 31, 2022. If any part of the loan is not repaid by December 31, 2022 the remaining balance will be converted to a 3 year term loan, paid monthly and bearing interest at 5% per annum.

8. Excess of Costs over Fair Market Value

As part of a process of changing contractors to complete a construction project, management hired a quantity surveyor to obtain an estimate of value of construction work completed to date. The assessment resulted in a write down of the asset value to its fair value.

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

10. Commitments

The organization has leased its Bracebridge, Ontario Head Office for a term of ten years ending May 31, 2028. The minimum lease payments are \$34,375 per annum for the first five years and \$35,750 per annum for the last five years. The lease also requires the payment of additional rent, currently in the amount of \$1,079 per month. Effective May 1, 2021 the organization has subleased the Head Office property to an unrelated party for the balance of the lease term.

The organization has leased its Bracebridge, Ontario ReStore location for a term of ten years ending July 31, 2028. The minimum lease payments are \$112,932 per annum for the first five years and \$125,480 per annum for the last five years. The lease also requires the payment of additional rent, currently in the amount of \$5,485 per month.

The organization has leased its Huntsville, Ontario ReStore location for a term of five years ending July 31, 2022. The minimum lease payments are \$108,000 per annum for the first year, \$120,000 per annum for the next two years and \$132,000 per annum for the last two years. The lease also requires the payment of additional rent, currently in the amount of \$4,620 per month.

The organization has leased its Orillia, Ontario ReStore location for a term of ten years ending June 30, 2026. The minimum lease payments are \$62,100 per annum. The lease also requires the payment of additional rent, currently in the amount of \$1,594 per month.

The organization has leased its Sudbury, Ontario ReStore for a term of five years ending July 31, 2022. The minimum lease payments are \$122,750 per annum. The lease also requires the payment of additional rent, currently in the amount of \$10,811 per month.

The organization has leased its Midland, Ontario ReStore location for a term of five years ending October 31, 2022. The minimum lease payments are \$63,750 per annum for the first year and \$85,000 per annum for the balance of the term. The lease also requires the payment of additional rent, currently in the amount of \$1,875 per month.

HST is payable on all of the above rent amounts. The additional rent amounts on each lease are subject to annual adjustment.

The organization has leased four vehicles for terms ending April 2022, July 2022, July 2022 and December 2022. The minimum annual payments until expiry of the leases are \$5,923, \$8,295, \$8,295 and \$10,288.

The minimum annual lease payments for the next five years and thereafter until expiry of the leases are approximately as follows:

Year	Amount
2021	\$ 558,000
2022	422,000
2023	191,000
2024	198,000
2025	189,000
Thereafter	<u>316,000</u>
	<u>\$ 1,874,000</u>

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

9. Deferred Contributions

	<u>2020</u>	<u>2019</u>
Deferred contributions relating to capital asset purchases	\$ 3,177	\$ 4,540
Deferred contribution relating to CMHC forgivable loan	82,500	82,500
Deferred contribution relating to Municipal forgivable loans	371,385	371,385
CMHC forgivable loan for COVID-19 relief	9,860	-
	<u>\$ 466,922</u>	<u>\$ 458,425</u>

Deferred Contributions Related to Capital Asset Purchases

These deferred contributions are related to the unamortized portion of capital assets purchased using restricted contributions.

Deferred Contribution Related to CMHC Forgivable Loan

This deferred contribution is related to the unamortized portion of a forgivable loan granted by Canada Mortgage and Housing Corporation (CMHC) in October 2019 for the construction of a house in Pointe an Baril, Ontario. Under the Agreement with CMHC forgiveness of both the accrued interest over the 20 year term of the loan and the full principal will be permitted, provided that the conditions of the Agreement have been satisfied. As at December 31, 2019 management believes that the requirements of the Agreement are being fulfilled. The loan principal of \$82,500 will be amortized into revenue over 20 years upon the completion and sale of the home.

Deferred Contributions Related to Municipal Forgivable Loans

This deferred contribution is related to the unamortized portion of forgivable loans granted by The District Municipality of Muskoka (The District) in the total amount of \$458,500, of which \$371,385 had been received as of December 31, 2019, in March and August 2019 for the construction of 4 affordable rental units in Huntsville, Ontario. Under the Agreements with The District the accrued interest shall be forgiven annually and the principal shall be forgiven at the end of the 20 year term provided that the conditions of the Agreements have been satisfied. As at December 31, 2019 management believes that the requirements of the Agreements are being fulfilled. The loan principal will be amortized into revenue over 20 years upon the completion and occupation of the rental units.

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

11. 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.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its cash and mortgages receivable. The organization reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The organization reduces its credit risks on mortgages receivable by regularly meeting with the mortgagors and adjusting the mortgage payments based on the mortgagors incomes and ability to pay. There has been no change in the risk from the prior year.

Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements the organization will not have sufficient funds to settle a transaction on the due date or will be forced to sell financial assets at amounts less than their worth or may be unable to settle or recover a financial asset. The organization is exposed to liquidity risk arising from its accounts payable, government remittances payable and CEBA loan payable. There has been no change in the risk from the prior year.

Cash Flow Risk

The organization receives a substantial portion of its cash flow from various donors and fundraisers and can be subject to significant fluctuations in cash flow. The organization manages these cash flow fluctuations by maintaining adequate cash reserves and by following approved budgets. There has been no change in the risk from the prior year.

12. Comparative Figures

Certain of the prior year's figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Habitat For Humanity Ontario Gateway North

Notes to the Financial Statements

December 31, 2020

13. COVID-19

Amalgamated in 2014, Habitat for Humanity Ontario Gateway North (HFHOGN) is a registered charity working to empower people to build a better future through access to a safe, suitable, and affordable home. The operating model includes a profitable social enterprise in the form of five Habitat for Humanity ReStores, which generate funds required to cover administrative costs and contribute to the improvement or construction of Habitat homes. On the mission side of the business, the operating model relies on gainful partnerships with government agencies in addition to the engagement of its local communities to champion and action the creation or improvement of affordable homes and the selection and support of Habitat homeowners and residents. On March 11, 2020 the World Health Organization declared a global pandemic as a result of the COVID-19 outbreak. The COVID pandemic has had a significant economic impact for many businesses and HFHOGN is no exception. Its social enterprise operations were temporarily suspended for more than a quarter of the year and all ReStore employees and some head office team members were laid off on two occasions. HFHOGN was able to navigate the crisis with the support of government programs offering wage subsidies and emergency support for those temporarily out of work. The rent subsidy program was also instrumental. Regulations allowed the mission side of the HFHOGN business to continue uninterrupted but not unaffected. The COVID crisis has negatively impacted the supply and therefore cost of construction materials and has exponentially increased the cost of real estate. Again, the support received from government funding and community members will ensure that the essential services of HFHOGN continue throughout and long past this pandemic.

Habitat For Humanity Ontario Gateway North

Schedule 1 - ReStore Operations

For the year ended December 31	2020	2019
Revenues		
Sales	\$ 2,127,210	\$ 2,878,608
Wage subsidies	229,664	54,276
Rent subsidies	155,852	-
Rent forgiveness	77,926	-
Insurance proceeds and other revenues	101,914	31,904
Amortization of capital grants	1,363	3,346
	<u>2,693,929</u>	<u>2,968,134</u>
Expenses		
Amortization of capital assets	23,576	22,615
Fees and memberships	170,465	217,924
Occupancy costs	1,003,291	887,692
Operating costs	212,718	268,303
Wages, benefits and consulting	1,063,266	1,343,735
	<u>2,473,316</u>	<u>2,740,269</u>
Excess of revenues over expenses for the year	\$ 220,613	\$ 227,865