HABITAT FOR HUMANITY ONTARIO GATEWAY NORTH

Financial Statements

Year Ended December 31, 2021

HABITAT FOR HUMANITY ONTARIO GATEWAY NORTH

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Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Habitat for Humanity Ontario Gateway North

Qualified Opinion

We have audited the financial statements of Habitat for Humanity Ontario Gateway North (the organization), which comprise the statement of financial position as at December 31, 2021, 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 organization as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many charitable organizations, Habitat for Humanity Ontario Gateway North derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2021, current assets and net assets as at December 31, 2021. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with 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 audit opinion.

Other Matter

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on May 1, 2021 for the reasons described in the *Basis for Qualified Opinion* section.

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 ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pahapill and Associates

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

Huntsville, Ontario
May 28, 2022

Head Office: 75 Main Street West, Unit 2, Huntsville, Ontario P1H 1W9
Tel: 705-788-0500 **Fax:** 705-788-2503

HABITAT FOR HUMANITY ONTARIO GATEWAY NORTH

Statement of Financial Position

December 31, 2021

		2021		2020
ASSETS				
CURRENT				
Cash	**$**	**1,159,011**	$	760,269
Cash - restricted		**308,739**		149,564
Accounts receivable		**3,009**		76,905
Harmonized sales tax recoverable		**63,008**		88,252
Current portion of mortgages receivable *(Note 4)*		**176,440**		223,530
Prepaid expenses		**93,421**		96,014
Completed homes *(Note 3)*		**174,748**		334,003
Homes under construction *(Note 9)*		**1,124,797**		677,717
		3,103,173		2,406,254
MORTGAGES RECEIVABLE *(Note 4)*		**2,857,716**		2,934,177
CAPITAL ASSETS *(Note 5)*		**129,913**		151,347
LAND HELD FOR DEVELOPMENT		**412,702**		408,666
	$	**6,503,504**	$	5,900,444
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	**$**	**430,252**	$	307,827
Government remittances payable		**3,137**		9,026
Deferred revenues *(Note 7)*		**361,534**		346,053
		794,923		662,906
DEFERRED CONTRIBUTIONS *(Note 10)*		**822,227**		466,922
LOAN PAYABLE *(Note 8)*		**60,000**		40,000
		1,677,150		1,169,828
NET ASSETS				
Net assets invested in capital assets, properties and mortgages		**4,054,088**		4,262,518
Net assets		**772,266**		468,098
		4,826,354		4,730,616
	$	**6,503,504**	$	5,900,444

COMMITMENTS *(Note 11)*

ON BEHALF OF THE BOARD

_______________ *Director*

_______________ *Director*

See notes to financial statements

HABITAT FOR HUMANITY ONTARIO GATEWAY NORTH

Statement of Operations and Changes in Net Assets

Year Ended December 31, 2021

	2021	2020
REVENUES		
ReStore revenues *(Schedule 1)*	$ 2,817,164	$ 2,693,929
Less - ReStore expenses *(Schedule 1)*	(2,496,866)	(2,473,316)
	320,298	220,613
Donations, grants and fundraising	272,756	82,230
Other income	94,413	96,075
House sales and construction income	275,000	934,800
Present value adjustments on first mortgages *(Note 4)*		
Current year projects	(147,502)	(329,055)
Prior years' projects (deemed interest income)	204,057	201,209
	1,019,022	1,205,872
BUILDING COSTS	334,795	735,798
EXCESS OF REVENUES OVER EXPENSES BEFORE ADMINISTRATIVE EXPENSES	684,227	470,074
ADMINISTRATIVE EXPENSES		
Amortization of capital assets	4,733	5,193
Board governance	26,117	17,064
Fees and memberships	7,707	5,362
Fundraising expenses	1,353	1,441
Occupancy costs	30,507	64,470
Operational expenses	27,929	41,038
Program expenses	27,709	32,624
Salaries, benefits and consulting	462,434	399,938
	588,489	567,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	95,738	(97,056)
Change in mortgages receivable due to rate changes *(Note 4)*	-	92,395
Gain on disposal of land, capital assets and mortgage buyouts	-	262,676
Excess of costs over fair market value *(Note 9)*	-	(111,354)
	-	243,717
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	95,738	146,661
NET ASSETS - BEGINNING OF YEAR	4,730,616	4,583,955
NET ASSETS - END OF YEAR	$ 4,826,354	$ 4,730,616

Represented by		
Net assets invested in capital assets, properties and mortgages	$ 4,054,088	$ 4,262,518
Unrestricted net assets	772,266	468,098
	$ 4,826,354	$ 4,730,616

See notes to financial statements

HABITAT FOR HUMANITY ONTARIO GATEWAY NORTH

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over administrative expenses	$ 95,738	$ 146,661
Items not affecting cash:		
Amortization of capital assets	28,747	28,769
Amortization of capital grants	(953)	(1,363)
Present value adjustment on first mortgages	(56,554)	35,451
Gain on disposal of land, capital assets and mortgage buyouts	-	(262,676)
	66,978	(53,158)
Increase in mortgages receivable	(279,717)	(941,765)
Repayments on mortgages receivable	459,822	441,182
	247,083	(553,741)
Changes in non-cash working capital:		
HST and other accounts receivables	99,140	224,718
Prepaid expenses	2,593	834
Completed homes	159,255	461,396
Homes under construction	(447,080)	148,342
Accounts payable and accrued liabilities	122,424	160,429
Government remittances payable	(5,889)	3,566
Deferred revenues	15,481	114,472
	(54,076)	1,113,757
Cash flow from operating activities	193,007	560,016
INVESTING ACTIVITIES		
Proceeds on sale of land, capital assets and mortgage buyouts	-	262,676
Decrease (increase) in land held for development	(4,036)	61,322
Purchase of capital assets	(7,312)	(5,780)
Cash flow from (used by) investing activities	(11,348)	318,218
FINANCING ACTIVITIES		
Canada Emergency Business Account (CEBA) loan received	20,000	40,000
Forgivable loans received	360,876	9,860
Current portion forgivable loan	(4,618)	-
Cash flow from financing activities	376,258	49,860
INCREASE IN CASH FLOW	557,917	928,094
Cash (deficiency) - beginning of year	909,833	(18,261)
CASH - END OF YEAR	$ 1,467,750	$ 909,833
CASH CONSISTS OF:		
Cash	$ 1,159,011	$ 760,269
Cash - restricted	308,739	149,564
	$ 1,467,750	$ 909,833

See notes to financial statements

1. PURPOSE OF THE ORGANIZATION

Habitat for Humanity Ontario Gateway North (the "organization") is a not-for-profit organization that was formed to assist in providing affordable housing in the Ontario Gateway North region. The organization is a registered charity and is exempt from the payment of income taxes 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). 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 conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these 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.

Capital assets

Capital assets are recorded at cost. Amortization based on the estimated useful life of the asset at the following rates and methods:

Buildings	5%	diminishing balance method
Computer equipment	20%	diminishing balance method
Furniture and equipment	20%	diminishing balance method
Transportation equipment	30%	diminishing balance method

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital grants

Grants received for the purhcase 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.

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.

3. 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.

4. MORTGAGES RECEIVABLE

	2021	2020
First mortgages receivable at face values	$ 4,725,299	$ 4,905,404
Less present value adjustments on first mortgages	(1,691,143)	(1,747,697)
	3,034,156	3,157,707
Less current portion	(176,440)	(223,530)
	$ 2,857,716	$ 2,934,177

First mortgages receivable are payable 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, 2021 at 4.79% per annum (2020 - 4.79%) which is based on the estimated interest rate in effect at year end on similar term, arms-length mortgages.

	2021	2020
Second mortgages receivable at face values	$ 241,510	$ 246,022
Less present value adjustments on second mortgages	(241,510)	(246,022)
Present value of second mortgages receivable	$ -	$ -

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

5. CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	$ 22,919	$ 17,497	$ 22,919	$ 16,142
Furniture and equipment	24,270	16,830	24,270	14,970
Leasehold improvements	213,802	112,622	213,802	91,242
Store equipment	13,700	7,630	13,700	6,113
Transportation equipment	60,279	50,478	52,967	47,844
	$ 334,970	$ 205,057	$ 327,658	$ 176,311
Net book value	$ 129,913		$ 151,347	

6. BANK INDEBTEDNESS

The organization has a $440,000 line of credit of which $NIL was used as at December 31, 2021 (2020 - $NIL). The credit line 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%.

7. DEFERRED REVENUES

Deferred contributions are contributions received for specific building projects.

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7. DEFERRED REVENUES *(continued)*

		2021		2020
Balance, beginning of year	$	**346,053**	$	231,581
Contributions received during the year		**208,368**		129,385
Contributions taken into income during the year		**(192,887)**		(14,913)
Balance, end of year	$	**361,534**	$	346,053

8. LOAN PAYABLE

The Canada Emergency Business Account loan is an interest-free Government loan with no principal repayments required until December 31, 2023. $20,000 of the loan is forgivable provided that the remaining $40,000 is repaid in full no later than December 31, 2023. If any part of the loan is not repaid by December 31, 2023 the remaining balance will be converted into a 3-year term loan, paid monthly and bearing interest at 5% per annum.

9. EXCESS OF COSTS OVER FAIR MARKET VALUE

In the prior year, 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 $111,354 of the asset value to its fair value.

10. DEFERRED CONTRIBUTIONS

		2021		2020
Deferred contributions relating to capital asset purchases	$	**2,224**	$	3,177
Deferred contribution relating to CMHC forgivable loan		**340,116**		82,500
Deferred contribution relating to Municipal forgivable loans		**441,270**		371,385
CMHC forgivable loan for COVID-19 relief		**38,617**		9,860
	$	**822,227**	$	466,922

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

The deferred contributions are related to the unamortized portion of forgivable loans granted by Canada Mortgage and Housing Corporation (CMHC) in October 2019 for the construction of a house in Pointe an Baril, Ontario and in 2021 for the construction of houses in Midland, Ontario and Huntsville, 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 Agreements have been satisfied. As at December 31, 2021 management believes that the requirements of the Agreement have been fulfilled. The loan principal amounts of $82,500, $50,750 and $210,991 will be amortized into revenue over 20 years upon the completion and sale of the homes.

Deferred Contributions Related to Municipal Forgivable Loans

(continues)

10. DEFERRED CONTRIBUTIONS *(continued)*

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, 2021, in March and August 2019 for the construction of 4 affordable rental units in Huntsville, Ontario.

A further forgivable loan was granted by The District in the total amount of $155,300, of which $69,885 had been received as of December 31, 2021 for the construction of 2 affordable rental units in Bala, 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, 2021 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.

11. 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 $588 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 $5,405 per month.

The organization has leased its Huntsville, Ontario ReStore location for a term of five years ending December 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 $5,322 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 $2,072 per month.

The organization has leased its Sudbury, Ontario ReStore location 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 $11,614 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 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:

2022	$ 482,000
2023	210,000
2024	205,000
2025	199,000

(continues)

11. COMMITMENTS *(continued)*

2026	165,000
Thereafter	155,000
	$ 1,416,000

12. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk arises from the potential 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 risk on mortgages receivable by regularily 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 an entity will encounter difficulty in meeting 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 they are worth or may be unable to settle or recover a financial asset. The organization is exposed to this 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.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

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

ReStore Operations
(Schedule 1)

Year Ended December 31, 2021

	2021	2020
REVENUE		
Sales	$ 2,253,632	$ 2,127,210
Wage subsidies	223,440	229,664
Rent subsidies	296,343	155,852
Rent forgiveness	-	77,926
Insurance proceeds and other revenues	42,796	101,914
Amortization of capital grants	953	1,363
	2,817,164	2,693,929
EXPENSES		
Amortization of capital assets	24,014	23,576
Fees and memberships	184,477	170,465
Occupancy costs	971,898	1,003,291
Operating costs	233,032	212,718
Wages, benefits and consulting	1,083,445	1,063,266
	2,496,866	2,473,316
EXCESS OF REVENUE OVER EXPENSES	$ 320,298	$ 220,613

See notes to financial statements