

**HABITAT FOR HUMANITY THOUSAND ISLANDS**

**FINANCIAL STATEMENTS**

December 31, 2020

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**HABITAT FOR HUMANITY THOUSAND ISLANDS**

**Qualified Opinion**

We have audited the financial statements of **HABITAT FOR HUMANITY THOUSAND ISLANDS**, which comprise the statement of financial position as at December 31, 2020, and the statements of operations, 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, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Other Matter**

The financial statements of the Organization for the year ended December 31, 2019 were audited by another auditor who expressed a qualified opinion with respect to the completion of donation and fundraising revenues on those financial statements on January 28, 2021.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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

### 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.

Napanee, Ontario  
May 27, 2021

  
CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
*(Incorporated under the laws of Ontario)*  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

**ASSETS**


	2020	2019
<b>CURRENT ASSETS</b>		
Cash	\$ 153,952	\$ 118,918
Guaranteed investment certificates - note 4	345,960	101,450
Accounts receivable	11,064	9,770
Accrued interest	239	986
Prepaid expenses	12,604	2,078
HST recoverable	19,763	-
Current portion of mortgage receivable	70,690	39,482
	614,272	272,684
<b>MORTGAGE RECEIVABLE - note 5</b>	924,123	924,384
<b>LAND AND HOUSING PROJECTS UNDER DEVELOPMENT - note 6</b>	917,882	976,921
<b>PROPERTY, PLANT AND EQUIPMENT - note 7</b>	27,732	18,035
	<b>\$ 2,484,009</b>	<b>\$ 2,192,024</b>

**LIABILITIES AND FUND BALANCES**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 64,975	\$ 95,098
Government remittances payable	10,089	17,107
HST payable	-	25,800
Deposits received	30,251	13,534
Deferred revenue - note 8	43,985	17,610
	149,300	169,149
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - note 9</b>	7,591	15,180
<b>SMALL BUSINESS LOANS - note 10</b>	30,000	-
	186,891	184,329
<b>FUND BALANCES</b>		
Investment in housing - note 11	1,838,460	1,909,644
Investment in capital assets	20,141	2,855
Unrestricted	438,517	95,196
	2,297,118	2,007,695
	<b>\$ 2,484,009</b>	<b>\$ 2,192,024</b>

Approved by the Board of Directors:

 Member

 Member

(See accompanying notes)

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
ReStore sales	\$ 692,329	\$ 815,544
Contributions from Habitat for Humanity Canada	6,926	33,197
Amortization of mortgage discounts	94,273	20,126
Grants - note 12	18,065	-
Amortization of deferred contributions for capital	7,589	7,589
Donations	38,032	2,682
Fundraising income	-	2,687
Interest income	474	1,518
Miscellaneous income	828	33
	<u>858,516</u>	<u>883,376</u>
<b>EXPENSES</b>		
Advertising and promotion	6,067	4,000
Amortization	16,269	11,069
Insurance	8,348	4,665
Wages	331,921	414,750
Materials	18,011	-
Meals and entertainment	3,086	3,109
Office	34,012	86,821
Professional fees	46,241	33,645
Property taxes	4,036	3,014
Rent	99,167	121,200
Repairs and maintenance	10,146	5,271
Habitat Dues	41,697	67,561
Travel and automotive	34,412	27,039
Utilities	24,888	30,060
	<u>678,301</u>	<u>812,204</u>
Excess of revenues over expenses before other items	<u>180,215</u>	<u>71,172</u>
<b>Other income (expense)</b>		
Gain on sale of property	56,974	-
Government assistance	52,234	840
Writedown of mortgages receivable	-	(46,205)
	<u>109,208</u>	<u>(45,365)</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u><u>\$ 289,423</u></u>	<u><u>\$ 25,807</u></u>

*(See accompanying notes)*

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Investment in housing</u>	<u>Investment in capital assets</u>	<u>Unrestricted</u>	<u>2020 Total</u>	<u>2019 Total</u>
<b>BALANCE</b> , beginning of year	\$ 1,909,644	\$ 2,855	\$ 95,196	\$ 2,007,695	\$ 1,981,888
Excess (deficiency) of revenues over expenses	(64,014)	(8,680)	362,117	289,423	25,807
Net change in investment in housing	(7,170)	-	7,170	-	-
Net change in investment in capital assets	<u>-</u>	<u>25,966</u>	<u>(25,966)</u>	<u>-</u>	<u>-</u>
<b>BALANCE</b> , end of year	<u>\$ 1,838,460</u>	<u>\$ 20,141</u>	<u>\$ 438,517</u>	<u>\$ 2,297,118</u>	<u>\$ 2,007,695</u>

*(See accompanying notes)*

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2020**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 289,423	\$ 25,807
Adjustments for:		
Amortization	16,269	11,069
Amortization of deferred capital	(7,589)	(7,589)
Writedown of mortgages receivable	-	46,205
Amortization of mortgage discounts	(94,273)	(20,126)
Gain on disposal of housing projects	(56,974)	-
Debt Forgiveness	(10,000)	-
Donation of land	(32,000)	-
	104,856	55,366
Change in non-cash working capital components:		
Accounts receivable	(1,294)	(9,770)
Accrued interest	747	95
Prepaid expenses	(10,526)	804
HST	(45,563)	24,275
Accounts payable and accrued liabilities	(30,128)	153
Government remittances payable	(7,018)	(10,352)
Deposits received	16,717	5,134
Deferred revenue	26,375	17,610
	54,166	83,315
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(345,960)	(101,450)
Proceeds on sale of investments	101,450	100,000
Mortgage receivable issued	(245,809)	-
Mortgage payments received	398,114	68,457
Purchase of property, plant and equipment	(25,966)	-
Additions to land and housing projects under development	59,039	(212,777)
	(59,132)	(145,770)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Increase in small business loans	40,000	-
<b>INCREASE (DECREASE) IN CASH</b>	35,034	(62,455)
<b>CASH, beginning of year</b>	118,918	181,373
<b>CASH, end of year</b>	\$ 153,952	\$ 118,918

(See accompanying notes)

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**1. NATURE OF OPERATIONS**

Habitat for Humanity Thousand Islands was incorporated without share capital under the Corporations Act of Ontario. Habitat for Humanity Thousand Islands is a registered charitable organization and is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

The primary objective of the Organization is to provide housing for persons in Leeds and Grenville who do not qualify for a traditional mortgage by constructing homes and providing interest free loans to enable them to purchase such homes.

The Organization operates the "ReStore", a retail operation that accepts donations of and sells new and used hardware, building supplies, furniture and appliances.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The Organization applies the Canadian accounting standards for not-for-profit organizations.

**Revenue recognition**

The Organization follows the deferral method of accounting for contributions, which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable of the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions which are restricted by the donor for the cost of constructing a home are recognized equal to the principal value of the first mortgages.

Revenue from sales at the ReStore are recognized upon delivery of goods to the customer.

Unrestricted investment income is recognized as revenue when earned.

**Capital assets**

Capital assets are recorded at cost, less accumulated amortization which is determined on a straight-line basis over the estimated useful lives of the capital assets as follows:

Automotive	6 to 10 years straight-line
Computer equipment	2 years straight-line
Leasehold improvements	5 years straight-line
Signs	5 years straight-line
Build tools	5 years straight-line



**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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

**Mortgages receivable**

Mortgages receivable from sales of homes are interest free and repayable over periods of time generally ranging from twenty to thirty years.

The Organization also holds second mortgages on certain properties. These second mortgages are not recognized in the Financial Statements and represent a contingent asset to the Organization.

**Land and housing projects under development**

Land and housing projects under development are recorded at the lower of cost and realizable value. They do not include the value of volunteer labour.

During the year, a piece of land was donated and recorded at the value of \$32,000.

**Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Organization's trucks. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

**Contributed services**

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

The value of contributed volunteer services is not recognized in the financial statements.

**Government assistance**

Due to Covid-19 the Government of Canada has implemented the Covid-19 Economic Response Plan. Under the plan, the Company is eligible for the Canada Emergency Wage Subsidy ("CEWS") in which Canadian businesses impacted by Covid-19 may be eligible for wage subsidies for up to 75% of eligible employees' remuneration from March 15 to December 19, 2020, subject to the business demonstrating eligible revenue reductions. On October 14, 2020 the Government of Canada announced that it would be extending the CEWS program until June 2021, The Company will continue to monitor its eligibility for the subsidy.

**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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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

**Measurement uncertainty (continued)**

Estimates are used in determining the fair value of mortgages receivable, including the appropriateness of discount rates. Amortization is based on the estimated useful lives of capital assets.

**Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instruments. All financial instruments are initially recorded at their fair value.

The Organization subsequently measures its financial assets and liabilities at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Financial asset impairment**

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors: no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

**3. FINANCIAL INSTRUMENTS**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**3. FINANCIAL INSTRUMENTS (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages its liquidity requirements by its cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

**Concentration risk**

Accounts receivable from Habitat for Humanity Canada ("HFHC") represents 71% (2019 - 100%) of total accounts receivable as at December 31, 2020. The Organization believes that there is minimal risk associated with the collection of this amount. Habitat for Humanity Thousand Islands is an a of HFHC, so there is virtually no risk of collection from its parent organization. Therefore, the credit risk exposure may be assessed as \$Nil.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will casue a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk with respect to its accounts receivable and its mortgages receivable with ten (2019 - eleven) homeowners. The Organization believes that the credit risk from non-collection of mortgages is minimal as the carrying value of the mortgages is substantially less than the value of the underlying homes.

**4. GUARANTEED INVESTMENT CERTIFICATES**

	<u>2020</u>	<u>2019</u>
1.3% Kawartha Credit Union GIC, matured April 3, 2020	\$ -	\$ 101,450
0.3% Kawartha Credit Union GIC, matures September 23, 2021	100,000	-
0.3% Kawartha Credit Union GIC, matures October 13, 2021	87,960	-
0.3% Kawartha Credit Union GIC, matures October 16, 2021	<u>158,000</u>	<u>-</u>
	<u>\$ 345,960</u>	<u>\$ 101,450</u>

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**5. MORTGAGE RECEIVABLE**

	<u>2020</u>	<u>2019</u>
Secured by a charge on property in Newboro, with monthly principal payments of \$387 (2019 - \$531) and maturing in 2029.	\$ 48,044	\$ 54,299
Secured by a charge on property in Prescott, with monthly principal payments of \$985 (2019 - \$711) and maturing in 2036	106,774	106,992
Secured by a charge on property in Prescott, with monthly principal payments of \$331 (2019 - \$212) and maturing in 2036.	88,371	73,866
Secured by a charge on property in Prescott, with monthly principal payments of \$250 (2019 - \$250) and maturing in 2036.	81,239	82,197
Secured by a charge on property in Kemptville, with monthly principal payments of \$275 (2019 - \$275) and was paid out in 2020.	-	111,784
Secured by a charge on property in Lansdowne, with monthly principal payments of \$356 (2019 - \$327) and maturing in 2036.	79,051	81,003
Secured by a charge on property in Lansdowne, with monthly principal payments of \$315 (2019 - \$609) and maturing in 2036.	78,753	97,054
Secured by a charge on property in Oxford Mills, with monthly principal payments of \$981 (2019 - \$880) and maturing in 2032.	101,759	107,453
Secured by a charge on property in Brockville, with monthly principal payments of \$1277 (2019 - \$363) and maturing in 2062.	135,006	114,093
Secured by a charge on property in Brockville, with monthly principal payments of \$629 (2019 - \$800) and maturing in 2039.	141,426	135,125
Secured by a charge on property in Cardinal, with monthly principle payments of \$380 and maturing in 2040.	<u>134,390</u>	<u>-</u>
	994,813	963,866
Less current portion	<u>70,690</u>	<u>39,482</u>
	<u>\$ 924,123</u>	<u>\$ 924,384</u>

The mortgages are all non-interest bearing and are presented at amortized cost. As the Organization intends to use the cash flow from the repayment of these mortgages for future construction of homes, the rate of inflation is considered to be an appropriate discount rate. A discount rate of 2.5% for 2020 and 2019 has been applied for these mortgages, being Management's estimate of future long-term inflation rates.

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**6. LAND AND HOUSING PROJECTS UNDER DEVELOPMENT**

	<u>2020</u>	<u>2019</u>
Land	\$ 636,883	\$ 590,920
Construction in progress	<u>280,999</u>	<u>386,001</u>
	<u>\$ 917,882</u>	<u>\$ 976,921</u>

**7. PROPERTY, PLANT AND EQUIPMENT**

	<u>2020</u>			<u>2019</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Automotive	\$ 85,434	\$ 78,442	\$ 6,992	\$ 16,971
Computer equipment	9,359	5,945	3,414	185
Leasehold improvements	19,780	3,956	15,824	-
Signs	1,553	311	1,242	-
Build tools	<u>3,594</u>	<u>3,334</u>	<u>260</u>	<u>879</u>
	<u>\$ 119,720</u>	<u>\$ 91,988</u>	<u>\$ 27,732</u>	<u>\$ 18,035</u>

**8. DEFERRED REVENUE**

Deferred revenue consists of donations directed towards specific builds.

	<u>2020</u>	<u>2019</u>
Build donations	<u>\$ 43,985</u>	<u>\$ 17,610</u>

**9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets represent contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 15,180	\$ 22,769
Less amounts amortized to revenue	<u>(7,589)</u>	<u>(7,589)</u>
Balance, end of year	<u>\$ 7,591</u>	<u>\$ 15,180</u>

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**10. SMALL BUSINESS LOANS**

	2020	2019
Canada Emergency Business Account (CEBA) from Kawartha Credit Union, interest at 0% during initial term, initial term ending December 31, 2022, interest owing at 5% during extended term ending on December 31, 2025, first interest payment date is January 31, 2023, \$10,000 is forgivable if 75% repaid before initial term date.	<u>\$ 30,000</u>	<u>\$ -</u>

**11. Investment in housing**

Investment in housing is calculated as follows

	2020	2019
Land and housing projects under development	\$ 917,882	\$ 976,921
Mortgages receivable	994,814	963,867
Deposits for house sale	(30,251)	(13,534)
Deferred donations for builds	(43,985)	(17,610)
	<u>\$ 1,838,460</u>	<u>\$ 1,909,644</u>

**12. GRANTS**

	2020	2019
CSE Consulting	\$ 2,615	\$ -
Employment and Social Development Canada	4,330	-
Ministry of Advanced Education and Skills Development	11,120	-
	<u>\$ 18,065</u>	<u>\$ -</u>

**13. COMPARATIVE AMOUNTS**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**14. COMMITMENTS**

The Organization leases two buildings for the Brockville ReStore operations and one building for the Kemptville ReStore operation. Both Brockville buildings are leased under long-term lease that expires at the end of June 2028. The Kemptville contracts for the Kemptville building are on an annual renewable basis.

2021	\$ 106,920
2022	124,740
2023	142,560
2024	133,650
2025	124,740
Subsequent years	<u>311,850</u>
	<u>\$ 944,460</u>

**15. HABITAT FOR HUMANITY CANADA**

The Organization is an affiliate of Habitat for Humanity Canada ("HFHC"). HFHC provides administrative, marketing and training support to the individual affiliates across the country,. HFHC also coordinates gifts in kind to affiliates and makes contributions to the affiliate for each home constructed. In exchange for these services and support, the Organization pays a base affiliation fee of \$12,500 (2019 - \$17,500). The Organization also pays a quarterly affiliation fees and a percentage of gross ReStore sales which during the year, amounted to \$29,197 (2019 - \$54,622). During the year, HFHC distributed \$29,031 (2019 - \$33,197) of funds to the Organization. At year end, amounts due to HFHC amounted to \$19,329 (2019 - \$15,731) and is included in accounts payable and accrued liabilities. Included in accounts receivables are amounts due from HFHC totaling \$7,883 (2019 - \$9,770). The above transactions are measured at the exchange amount agreed upon between parties.

**16. GOVERNMENT ASSISTANCE**

As at December 31, 2020 the Company was entitled to \$42,234 under the Canada Emergency Wage Subsidy (CEWS). There are no unfulfilled conditions attached to the CEWS, and as such the Company has recorded the full amount of this subsidy as a reduction to wages.

**HABITAT FOR HUMANITY THOUSAND ISLANDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**17. UNCERTAINTY DUE TO THE ECONOMIC CONSEQUENCES OF THE CORONAVIRUS DISEASE (COVID-19) OUTBREAK**

In mid-March of 2020, the province of Ontario declared a state of emergency in response to the public health concerns originating from the spread of the coronavirus disease.

A high degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the disease makes it difficult to determine the length of time that the Partnership's operations will be impacted. Consequently, at the time of issuance of these financial statements, the effect that the abrupt decline in economic activity will have on the Partnership's operations, assets, liabilities, revenues and expenses are not yet known.