



**Habitat for Humanity®**  
**Habitat pour l'humanité®**  
**Canada**

**Financial Statements**  
For the year ended December 31, 2013

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## Independent Auditor's Report

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**To the Directors of  
Habitat for Humanity Canada Habitat pour l'humanité Canada**

We have audited the accompanying financial statements of Habitat for Humanity Canada Habitat pour l'humanité Canada, which comprise the statement of financial position as at December 31, 2013, the statements of changes in fund balances, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Basis for Qualified Opinion**

In common with many charitable organizations, the organization derives revenue from donated gifts-in-kind, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and fund balances.



#### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Habitat for Humanity Canada Habitat pour l'humanité Canada as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Cambridge, Ontario  
March 22, 2014

Habitat for Humanity Canada Habitat pour l'humanité Canada  
Statement of Financial Position

December 31			2013	2012
	Designated Fund	Unrestricted Fund	Total	Total
<b>Assets</b>				
<b>Current</b>				
Cash (Note 3)	\$5,241,613	\$1,177,042	\$6,418,655	\$ 2,771,764
Temporary investment (Note 4)	510,498	-	510,498	504,195
Accounts receivable (Note 5)	-	429,567	429,567	819,546
Prepaid expenses and other	-	127,691	127,691	55,621
Due from HFHC Foundation (Note 6)	-	106,960	106,960	351,396
Due from Unrestricted Fund (Note 7)	-	-	-	367,723
Due from Designated Fund (Note 7)	-	172,242	172,242	-
	5,752,111	2,013,502	7,765,613	4,870,245
<b>Capital assets (Note 8)</b>	-	7,759	7,759	11,494
	\$5,752,111	\$2,021,261	\$7,773,372	\$ 4,881,739
<b>Liabilities and Fund Balances</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$ -	\$1,038,755	\$1,038,755	\$ 483,922
Due to Designated Fund (Note 7)	-	-	-	367,723
Due to Unrestricted Fund (Note 7)	172,242	-	172,242	-
	172,242	1,038,755	1,210,997	851,645
<b>Fund balances</b>				
Nationally designated (Note 10)	1,873,122	-	1,873,122	-
Internationally designated (Note 10)	3,706,747	-	3,706,747	3,108,913
Unrestricted	-	982,506	982,506	921,181
	5,579,869	982,506	6,562,375	4,030,094
	\$5,752,111	\$2,021,261	\$7,773,372	\$ 4,881,739

On behalf of the Board: \_\_\_\_\_ Director \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

**Habitat for Humanity Canada Habitat pour l'humanité Canada**  
**Statement of Changes in Fund Balances**

<b>For the year ended December 31</b>	<b>2013</b>			<b>2012</b>
	<b>Designated Fund</b>	<b>Unrestricted Fund</b>	<b>Total</b>	<b>Total</b>
<b>Fund balances, beginning of year</b>	<b>\$ 3,108,913</b>	<b>\$ 921,181</b>	<b>\$ 4,030,094</b>	<b>\$ 2,987,831</b>
<b>Excess of revenue over expenses</b>	<b>2,470,956</b>	<b>61,325</b>	<b>2,532,281</b>	<b>1,042,263</b>
<b>Fund balances, end of year</b>	<b>\$ 5,579,869</b>	<b>\$ 982,506</b>	<b>\$ 6,562,375</b>	<b>\$ 4,030,094</b>

**Habitat for Humanity Canada Habitat pour l'humanité Canada**  
**Statement of Operations**

**For the year ended December 31**

**2013**

**2012**

	Designated Fund	Unrestricted Fund	Total	Total
<b>Revenue</b>				
Donations	\$ 7,480,034	\$ 2,775,010	\$ 10,255,044	\$ 1,861,079
Donations (Gift-in-Kind)	6,928,052	20,303	6,948,355	-
Global Village Program (Note 11)	2,168,064	686,240	2,854,304	3,640,808
Government	823,919	11,889	835,808	488,189
Fees	-	2,187,405	2,187,405	2,836,668
Contract services revenue (Note 6)	-	-	-	1,913,784
Other income	-	134,239	134,239	22,171
	<u>17,400,069</u>	<u>5,815,086</u>	<u>23,215,155</u>	<u>10,762,699</u>
<b>Expenses</b>				
Contracted services	-	-	-	1,913,784
Fundraising	-	2,111,661	2,111,661	-
Programs and services (Note 12)	4,794,530	2,481,730	7,276,260	6,359,461
Finance and administration, governance, marketing and communications, government relations (Note 13)	140,661	1,342,195	1,482,856	1,440,686
Amortization	-	4,953	4,953	6,505
	<u>4,935,191</u>	<u>5,940,539</u>	<u>10,875,730</u>	<u>9,720,436</u>
<b>Excess of revenue over expenses before transfers</b>	<b>\$ 12,464,878</b>	<b>\$ (125,453)</b>	<b>\$ 12,339,425</b>	<b>\$ 1,042,263</b>
Transfers from HFHCF (Note 6)	160,531	186,778	347,309	-
Transfers to Affiliates (Note 14)	<u>(10,154,453)</u>	<u>-</u>	<u>(10,154,453)</u>	<u>-</u>
<b>Excess of revenue over expenses</b>	<b>\$ 2,470,956</b>	<b>\$ 61,325</b>	<b>\$ 2,532,281</b>	<b>\$ 1,042,263</b>

The accompanying notes are an integral part of these financial statements.

**Habitat for Humanity Canada Habitat pour l'humanité Canada**  
**Statement of Cash Flows**

**For the year ended December 31**

**2013**

**2012**

	Designated Fund	Unrestricted Fund	Total	Total
<b>Sources of cash:</b>				
Donations	\$ 10,472,018	\$ 3,473,139	\$ 13,945,157	\$ 5,990,077
Sale of investment	504,195	-	504,195	508,344
Transfer from HFHC Foundation	160,531	431,214	591,745	102,449
Fees, contract services and other	-	2,711,622	2,711,622	4,604,850
	<u>11,136,744</u>	<u>6,615,975</u>	<u>17,752,719</u>	<u>11,205,720</u>
<b>Uses of cash:</b>				
Salaries and benefits	-	(3,287,160)	(3,287,160)	(2,958,058)
Purchase of investment	(510,498)	-	(510,498)	(504,195)
Purchased materials and services	(4,935,191)	(2,126,309)	(7,061,500)	(6,591,535)
Cash transfers to affiliates	(3,226,402)	(19,050)	(3,245,452)	(17,989)
Purchase of capital assets	-	(1,218)	(1,218)	(6,143)
	<u>(8,672,091)</u>	<u>(5,433,737)</u>	<u>(14,105,828)</u>	<u>(10,077,920)</u>
<b>Increase in cash</b>	<b>2,464,653</b>	<b>1,182,238</b>	<b>3,646,891</b>	<b>1,127,800</b>
<b>Cash, beginning of year</b>	<b>2,236,995</b>	<b>534,769</b>	<b>2,771,764</b>	<b>1,643,964</b>
<b>Interfund transfers</b>	<b>539,965</b>	<b>(539,965)</b>	<b>-</b>	<b>-</b>
<b>Cash, end of year</b>	<b>\$ 5,241,613</b>	<b>\$ 1,177,042</b>	<b>\$ 6,418,655</b>	<b>\$ 2,771,764</b>

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# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

December 31, 2013

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### 1. Summary of Significant Accounting Policies

<b>Basis of Accounting</b>	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).
<b>Nature of Business</b>	Habitat for Humanity Canada Habitat pour l'humanité Canada (HFHC) is designated as a registered charitable organization. Incorporated in 1985, its mission is to mobilize volunteers and community partners in building affordable housing and promoting home-ownership as a means to breaking the cycle of poverty. Due to its status with the government, the organization is not subject to tax.
<b>Fund Accounting</b>	<p>HFHC follows the restricted fund method of accounting for contributions.</p> <p>The Unrestricted Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted revenues and expenditures.</p> <p>The Designated Fund reports the assets, liabilities, revenue and expenditures related to each designation. The designation of a contribution to a specific designated fund has been either externally imposed by the donor or internally imposed by the organization.</p>
<b>Revenue Recognition</b>	<p>Contributions related to specific projects performed by the organization and/or affiliates are recorded in the designated fund when received.</p> <p>Unrestricted donations are recognized as revenue of the unrestricted fund in the period received.</p> <p>Investment income earned on designated fund resources is recognized as revenue of the unrestricted fund when earned.</p> <p>Pledges and tithes related to special projects are reported on the cash basis due to uncertainty of collection.</p> <p>Fee revenue is recognized in the unrestricted fund when due according to the governing bylaws.</p>
<b>Gift-in-Kind Donations</b>	Donated materials (GIK) are recorded at fair value when determinable.

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# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

December 31, 2013

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### 1. Summary of Significant Accounting Policies (continued)

<b>Harmonized Sales Tax</b>	As a registered charity the organization receives the public service bodies' rebate of 50% of the federal portion of the HST paid and 82% of the provincial portion of HST paid in Ontario and 50% of the provincial portion of HST paid in Nova Scotia, New Brunswick and Newfoundland.									
<b>Capital Assets</b>	<p>Capital assets are stated at cost if purchased or estimated fair value if donated. Amortization based on the estimated useful life of the asset is calculated as follows:</p> <table><tr><td>Computer equipment</td><td>-</td><td>20% straight line basis</td></tr><tr><td>Office equipment</td><td>-</td><td>20% straight line basis</td></tr><tr><td>Leasehold improvements</td><td>-</td><td>20% straight line basis</td></tr></table> <p>Amortization is prorated in the year of acquisition and no amortization is provided in the year of disposal.</p>	Computer equipment	-	20% straight line basis	Office equipment	-	20% straight line basis	Leasehold improvements	-	20% straight line basis
Computer equipment	-	20% straight line basis								
Office equipment	-	20% straight line basis								
Leasehold improvements	-	20% straight line basis								
<b>Use of Estimates</b>	The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.									
<b>Financial Instruments</b>	Financial instruments are recorded at fair value when acquired or issued. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.									

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# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

December 31, 2013

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### 1. Summary of Significant Accounting Policies (continued)

#### Leased Assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the NPO, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed on incurred.

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### 2. Nature of Business

Habitat for Humanity Canada Foundation is a public foundation established by Habitat for Humanity Canada to support the charitable activities and programs of Habitat for Humanity Canada and its affiliates. It is governed by a board of directors at arm's length from Habitat for Humanity Canada.

Beginning in 2013, a new financial management relationship was established between Habitat for Humanity Canada and its affiliates that no longer required the Habitat for Humanity Canada Foundation to manage most of HFHC's fundraising activities. In response to this change and in order to be ever more effective and accountable to donors, fundraising activities have been transitioned from the Foundation to Habitat for Humanity Canada.

Donors can be assured that Habitat for Humanity Canada will continue to support all national and international Habitat programs and honour all donor designations as Habitat for Humanity Canada Foundation did in the past.

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### 3. Cash

The organization's bank accounts are held at one chartered bank. They earn interest at a nominal rate. Cash consists of bank balances net of outstanding cheques and deposits.

The organization has unused credit capacity of \$250,000 under an operating line. The operating line of credit bears interest at prime plus 1.5% and is secured by a general security agreement.

Cash balances include \$1,250,942 denominated in U.S. dollars translated to \$1,330,502 Canadian.

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## Habitat for Humanity Canada Habitat pour l'humanité Canada

### Notes to Financial Statements

**December 31, 2013**

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#### **4. Temporary Investment**

The organization holds a guaranteed investment certificate earning interest at 1.25%, due May 1, 2014.

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#### **5. Accounts Receivable**

	2013	2012
Due from affiliates	\$ 237,135	\$ 625,140
HST refund	103,185	115,959
Other	89,247	78,447
	<u>\$ 429,567</u>	<u>\$ 819,546</u>

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#### **6. Due from HFHC Foundation**

Effective January 1, 2013 the board of directors adopted a new funding model which substantially changed the revenue and expenditures in both HFHC and HFHCF. Donations are still received by HFHCF and transferred to HFHC. The transactions are measured at the exchange amount.

During the 2012 year, HFHC provided management and administrative services to HFHCF. Contract services revenue of \$1,913,784 was charged to HFHCF for these services. Licence fees charged to HFHCF totalling \$786,505 were included in fees revenue.

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## Habitat for Humanity Canada Habitat pour l'humanité Canada

### Notes to Financial Statements

**December 31, 2013**

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#### 7. Interfund Balances

The organization's designated fund owes \$172,242 to the unrestricted fund at year end. There is sufficient cash in HFHC to pay the amount owing to the unrestricted fund at year end.

At December 31, 2012 the organization's unrestricted fund owed \$367,723 to the designated fund.

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#### 8. Capital Assets

	2013		2012	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 45,049	\$ 40,832	\$ 45,049	\$ 37,394
Office equipment	111,008	107,466	109,790	106,662
Leasehold improvements	52,405	52,405	52,405	51,694
	<u>\$ 208,462</u>	<u>\$ 200,703</u>	<u>\$ 207,244</u>	<u>\$ 195,750</u>
Net book value		<u>\$ 7,759</u>		<u>\$ 11,494</u>

# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

**December 31, 2013**

### 9. Nationally Designated

	Opening Balance	Donations Received	Cash Transfers	Ending Balance
HFH Boundary (BC)	\$ -	\$ 15,635	\$ 15,524	\$ 111
HFH Brampton (ON)	-	141,396	131,402	9,994
HFH Brant County (ON)	-	23,734	15,417	8,317
HFH Camrose (AB)	-	15,378	15,327	51
HFH Chatham-Kent (ON)	-	30,469	30,258	211
HFH Durham (ON)	-	19,786	7,894	11,892
HFH Edmonton (AB)	-	192,645	178,868	13,777
HFH Fredericton Area (NB)	-	19,634	19,451	183
HFH Greater Kingston & Frontenac (ON)	-	29,404	27,543	1,861
HFH Greater Vancouver (BC)	-	235,861	231,110	4,751
HFH Grey Bruce (ON)	-	10,662	1,937	8,725
HFH Halton (ON)	-	163,132	157,973	5,159
HFH Hamilton (ON)	-	90,639	86,684	3,955
HFH Huron County (ON)	-	1,350	955	395
HFH Huronia (ON)	-	22,947	20,991	1,956
HFH Iqaluit (NU)	-	865	105	760
HFH Kamloops (BC)	-	4,706	1,402	3,304
HFH Kelowna (BC)	-	32,797	28,283	4,514
HFH Lethbridge (AB)	-	6,237	3,972	2,265
HFH Manitoba (MB)	-	103,565	95,330	8,235
HFH Mid-Vancouver Island (BC)	-	32,063	31,160	903
HFH Mississauga (ON)	-	42,941	39,391	3,550
HFH Moncton Area (NB)	-	14,208	13,145	1,063
HFH Muskoka (ON)	-	11,540	10,852	688
HFH National Capital Region (ON)	-	195,322	182,180	13,142
HFH Newfoundland & Labrador (NF)	-	14,718	14,429	289
HFH Niagara (ON)	-	34,455	26,660	7,795
HFH North Bay & Blue Sky Region (ON)	-	470	370	100
HFH North Simcoe (ON)	-	1,279	405	874
HFH Northumberland (ON)	-	17,240	7,775	9,465
HFH Northwest Territories (NT)	-	6,644	6,200	444
HFH Nova Scotia (NS)	-	167,225	153,920	13,305

# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

**December 31, 2013**

### 9. Nationally Designated (continued)

	Opening Balance	Donations Received	Cash Transfers	Ending Balance
HFH On the Border, Lloydminster (SK)	\$ -	\$ 9,291	\$ 1,766	\$ 7,525
HFH Orillia/Lake Country (ON)	-	4,033	3,367	666
HFH Oxford, Middlesex, Elgin (ON)	-	56,910	52,337	4,573
HFH Peterborough (ON)	-	14,891	9,503	5,388
HFH Prince Albert (SK)	-	53,636	53,166	470
HFH Prince Edward Island (PE)	-	60,145	50,982	9,163
HFH Prince Edward-Hastings (ON)	-	16,562	16,358	204
HFH Prince George (BC)	-	1,859	42	1,817
HFH Province of Quebec (QU)	-	353,947	348,098	5,849
Deux Montagnes chapter	-	215	215	-
Sherbrooke chapter	-	1,529	1,529	-
HFH Red Deer (AB)	-	31,161	26,159	5,002
HFH Regina (SK)	-	78,166	67,607	10,559
HFH Saint John (NB)	-	23,513	19,122	4,391
HFH Sarnia-Lambton (ON)	-	11,018	2,322	8,696
HFH Saskatoon (SK)	-	39,095	30,513	8,582
HFH Sault Ste. Marie (ON)	-	3,527	2,075	1,452
HFH Seaway Valley (ON)	-	17,523	17,158	365
HFH South Georgian Bay (ON)	-	23,814	21,371	2,443
HFH South Okanagan (BC)	-	652	561	91
HFH Southern Alberta (AB)	-	288,548	216,997	71,551
HFH Stratford-Perth (ON)	-	1,969	441	1,528
HFH Sudbury (ON)	-	3,968	3,515	453
HFH Sunshine Coast (BC)	-	9,507	1,842	7,665
HFH Thousand Islands (ON)	-	2,774	1,352	1,422
HFH Thunder Bay (ON)	-	26,028	23,940	2,088
HFH Toronto (ON)	-	556,937	436,460	120,475
HFH Upper Fraser Valley (BC)	-	2,002	1,082	920
HFH Vancouver Island North (BC)	-	23,421	23,170	251
HFH Victoria (BC)	-	31,660	28,665	2,995
HFH Waterloo Region (ON)	-	108,678	95,944	12,734

# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

**December 31, 2013**

### 9. Nationally Designated (continued)

	Opening Balance	Donations Received	Cash Transfers	Ending Balance
HFH Wellington, Dufferin, Guelph (ON)	\$ -	\$ 57,646	\$ 44,167	\$ 13,479
HFH West Kootenay (BC)	-	145	43	102
HFH Windsor-Essex (ON)	-	3,384	2,210	1,174
HFH York Region (ON)	-	39,536	27,307	12,229
HFH Yukon Region (YT)	-	46,627	38,102	8,525
<b>Total Affiliate Funds</b>	<b>\$ -</b>	<b>\$ 3,703,264</b>	<b>\$ 3,226,401</b>	<b>\$ 476,863</b>

	Opening Balance	Donations Received	Cash Transfers	Ending Balance
<b>Other National Funds</b>				
Province of Alberta	\$ -	\$ 545	\$ 545	\$ -
Province of British Columbia	-	734	734	-
Province of Manitoba	-	1,083	1,083	-
Province of New Brunswick	-	85	85	-
Province of Newfoundland & Labrador	-	876	876	-
Province of Ontario	-	4,172	4,172	-
Province of Prince Edward Island	-	96	96	-
Province of Quebec	-	37	37	-
Province of Saskatchewan	-	350	350	-
360 Built Smart Partnership Fund	-	12,712	-	12,712
Aboriginal Housing Program Fund	-	283,397	2,328	281,069
Building on Faith Fund	-	100	-	100
Canadian Disaster Relief Fund	-	1,500	-	1,500
Kingston Penitentiary Fund	-	184,250	66,628	117,622
ReStore Program Fund	-	148	148	-
Sustainable Building Fund	-	8,309	3,070	5,239
Women Build Fund	-	7,536	-	7,536
Appraisal Institute of Canada	-	2,093	314	1,779
CIPH Funds	-	58,766	8,830	49,936
CMHC Employee Fund	-	54,242	8,136	46,106

# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

December 31, 2013

### 9. Nationally Designated (continued)

Other National Funds	Opening Balance	Donations Received	Cash Transfers	Ending Balance
CORCAN	\$ -	\$ 7,000	\$ 1,050	\$ 5,950
Cossette Communications	-	15,313	2,297	13,016
Delta Hotels	-	20,250	3,038	17,212
Enbridge	-	15,000	2,250	12,750
Exit Realty	-	10,070	1,510	8,560
Fruits & Passion	-	42,835	6,425	36,410
Genworth Financial	-	150,698	22,605	128,093
Gordon Food Services	-	63,000	9,450	53,550
Home Depot Canada	-	27,965	4,195	23,770
Husky Energy	-	17,848	2,677	15,171
Kijiji/eBay	-	4,122	618	3,504
MCAP Fund	-	25,795	3,869	21,926
MPAC Fund	-	83,970	12,596	71,374
Nissan Canada	-	10,000	1,500	8,500
Proctor & Gamble	-	97,500	14,625	82,875
RBC Foundation	-	100,000	15,000	85,000
State Farm Insurance	-	22,500	3,750	18,750
The Brick	-	125,335	18,800	106,535
The Printing House	-	5,000	750	4,250
The Property Guys	-	4,235	635	3,600
The Source	-	170,000	25,500	144,500
The Wine Rack	-	8,664	1,300	7,364
Other - Temporary Holding Fund	-	79,172	79,172	-
Total Other National Funds	-	1,727,303	331,044	1,396,259
Total Affiliate Funds	-	3,703,264	3,226,401	476,863
Totals	\$ -	\$ 5,430,567	\$ 3,557,445	\$ 1,873,122

# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

**December 31, 2013**

### 10. Internationally Designated

	Opening Balance	Donations received (reallocated)	Cash Transfers	Ending Balance
Afghanistan	\$ 60	\$ -	\$ 60	\$ -
Argentina	194	44,149	41,695	2,648
Armenia	2,850	14,570	17,420	-
Bangladesh	-	40	-	40
Bolivia	6,044	107,357	63,779	49,622
Botswana	-	10,402	-	10,402
Cambodia	35,378	62,466	64,500	33,344
Canada (GV projects)	5,774	170,365	56,439	119,700
Chile	21,738	86,822	76,191	32,369
Costa Rica	21,885	112,922	130,047	4,760
Dominican Republic	1,139	(45)	94	1,000
El Salvador	169,385	396,381	420,473	145,293
Ethiopia	5,509	116,796	79,333	42,972
Fiji	2,305	21,996	24,301	-
Ghana	1,200	520	1,720	-
Guatemala	28,249	131,363	128,777	30,835
Guyana	4	48	52	-
Haiti	197,739	799,452	710,795	286,396
Honduras	60,884	189,759	125,014	125,629
Hungary	-	14,092	13,892	200
India	15,191	30,583	36,877	8,897
Indonesia	-	15,433	14,534	899
Japan	56	260	300	16
Jordan	570	30,755	29,808	1,517
Kenya	2,143	7,916	10,059	-
Lesotho	2,100	771	2,371	500
Macedonia	3,117	18,487	16,791	4,813
Madagascar	9,192	11,266	20,458	-
Malawi	-	43,636	31,651	11,985
Malaysia	-	27,318	18,408	8,910
Mexico	23,456	42,164	26,409	39,211

# Habitat for Humanity Canada Habitat pour l'humanité Canada

## Notes to Financial Statements

**December 31, 2013**

### 10. Internationally Designated (continued)

	Opening Balance	Donations received (reallocated)	Cash Transfers	Ending Balance
Mongolia	\$ 1,912	\$ 13,830	\$ 14,683	\$ 1,059
Nepal	21,255	110,778	103,880	28,153
New Zealand	53,774	34,887	38,451	50,210
Nicaragua	21,042	81,429	44,212	58,259
Paraguay	249	(249)	-	-
Phillipines	175	198,454	114,777	83,852
Poland	3,431	16,284	15,090	4,625
Portugal	2,556	60,498	51,436	11,618
Romania	6,684	10,538	17,222	-
Sri Lanka	30	12,701	12,303	428
Tajikistan	4,779	25,000	4,779	25,000
Tanzania	-	13	13	-
Thailand	39,529	99,659	85,103	54,085
Trinidad & Tobago	4,607	40,595	25,267	19,935
Uganda	2,360	-	2,360	-
USA	62,486	79,564	114,451	27,599
USA (Operation Home Delivery)	100	-	100	-
Vietnam	28,748	18,768	32,912	14,604
Zambia	24,486	126,530	124,870	26,146
Global Neighbours Alliance (GNA)	-	182,322	(76,859)	259,181
MCF - Sub-Saharan Africa	1,207,193	1,313,386	1,188,676	1,331,903
International Disaster Response Fund	40	-	40	-
International Unrestricted	645,818	65,675	78,401	633,092
GVC Program Fund	-	18,326	18,051	275
GVC Surplus Expense Funds	209,799	80,965	276,000	14,764
GVC Surplus Fundraising	51,698	103,988	155,685	1
GVC Contingency Fund	100,000	-	-	100,000
	<b>\$ 3,108,913</b>	<b>\$ 5,201,985</b>	<b>\$ 4,604,151</b>	<b>\$ 3,706,747</b>

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## Habitat for Humanity Canada Habitat pour l'humanité Canada

### Notes to Financial Statements

**December 31, 2013**

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#### 11. Global Village

GIK airfare contributions of \$1,169,214 are not reflected in Global Village revenue as they are netted against airfare reimbursements of the same amount.

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#### 12. Programs and Services

	Designated Fund	Unrestricted Fund	2013 Total	2012 Total
International programs	\$2,374,221	\$ 127,201	\$2,501,422	\$ 2,021,985
Global Village Program	2,384,245	659,290	3,043,535	2,600,762
Affiliate services	36,064	1,695,239	1,731,303	1,736,714
	<b>\$4,794,530</b>	<b>\$2,481,730</b>	<b>\$7,276,260</b>	<b>\$ 6,359,461</b>

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#### 13. Finance and Administration, Governance, Marketing and Communications, Government Relations

	Designated Fund	Unrestricted Fund	2013 Total	2012 Total
Finance and administration	\$ 1,868	\$ 361,059	\$ 362,927	\$ 305,327
Governance	4,865	308,766	313,631	364,650
Marketing and communications	58,723	374,526	433,249	648,628
Government relations	75,205	297,844	373,049	122,081
	<b>\$ 140,661</b>	<b>\$1,342,195</b>	<b>\$1,482,856</b>	<b>\$ 1,440,686</b>

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## Habitat for Humanity Canada Habitat pour l'humanité Canada

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December 31, 2013

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#### 14. Transfers to Affiliates

	2013	2012
GIK transfers - Build Product	\$ 2,423,276	\$ -
GIK transfers - ReStore Materials	4,504,776	-
Cash transfers	3,226,401	-
	<u>\$10,154,453</u>	<u>\$ -</u>

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#### 15. Commitments

The organization has an operating lease for its Waterloo premises that expires in June 2014. The annual lease payment is a nominal amount.

The organization has operating leases for its Brampton and Toronto premises expiring in April 2016 and May 2024, and operating leases for its equipment expiring in 2014 and 2015. The minimum annual lease payments under these operating leases are as follows:

Year	Amount
2014	\$ 266,441
2015	312,834
2016	230,826
2017	195,214
2018	195,214
	<u>\$ 1,200,529</u>

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## Habitat for Humanity Canada Habitat pour l'humanité Canada

### Notes to Financial Statements

December 31, 2013

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#### 16. Material Contributed Services

As a result of partnership agreements, the organization received significant contributions from corporate sponsors which have not been reflected in the financial statements. These material donated amounts have not been included in the financial statements since the organization could not obtain independent verification of the fair market value. The contributed services are as follows:

Legal services	\$ 255,076
Mortgage services	208,132
Rent	96,850
Product donations	<u>6,000,000</u>
	<u>\$ 6,560,058</u>

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#### 17. Financial Instrument Risk

##### 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. Financial instruments which potentially subject the organization to concentrations of credit risk consist of cash and temporary investments. The company has deposited the cash and temporary investments with a reputable financial institution, from which management believes the risk of loss to be remote. There has been no change to the organization's credit risk exposure from the prior year.

##### Currency Risk

Currency risk relates to the organization operating in different currencies and converting non-Canadian donations at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. The organization's foreign exchange risk is related to U.S. bank account balances and donations received in U.S. dollars. There has been no change to the organization's currency risk exposure from the prior year.