

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY  
INDEX TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of Habitat for Humanity Vancouver Island North Society

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of Habitat for Humanity Vancouver Island North Society (the Society), which comprise the statement of financial position as at December 31, 2019, 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 Society as at December 31, 2019, 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, the Society derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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 Society 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.

*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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

*(continues)*

Independent Auditor's Report to the Members of Habitat for Humanity Vancouver Island North Society  
(continued)

*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 Society'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 Society'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 Society 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.

*Report on Other Legal and Regulatory Requirements*

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.



Courtenay, British Columbia  
October 29, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**



	Operating Fund	Housing Fund	Invested in Property and Equipment	2019	2018
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 438,276	\$ 184,504	\$ -	\$ 622,780	\$ 352,510
Accounts receivable	14,071	71,075	-	85,146	197,815
Goods and services tax recoverable	2,101	9,175	-	11,276	20,221
Property held in inventory	-	121,978	-	121,978	53,468
Prepaid expenses and deposits	-	8,176	-	8,176	6,685
Current portion of mortgages receivable (Note 2)	-	40,300	-	40,300	40,300
Interfund balances	189,414	(189,414)	-	-	-
	643,862	245,794	-	889,656	670,999
HOUSING PROJECTS UNDER DEVELOPMENT	-	4,141,432	-	4,141,432	2,393,015
MORTGAGES RECEIVABLE (Note 2)	-	990,312	-	990,312	1,113,802
PROPERTY AND EQUIPMENT (Note 3)	-	-	683,545	683,545	585,740
	\$ 643,862	\$ 5,377,538	\$ 683,545	\$ 6,704,945	\$ 4,763,556

The accompanying notes are an integral part of these financial statements

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2019	2018
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities <i>(Note 4)</i>	\$ 143,215	\$ 101,189	\$ -	\$ 244,404	\$ 256,394
Current portion of demand loan <i>(Note 5)</i>	-	-	7,627	7,627	7,443
	143,215	101,189	7,627	252,031	263,837
Demand loan <i>(Note 5)</i>	-	-	101,946	101,946	109,587
	143,215	101,189	109,573	353,977	373,424
DEFERRED CONTRIBUTIONS <i>(Note 6)</i>	-	1,397,488	-	1,397,488	735,066
	143,215	1,498,677	109,573	1,751,465	1,108,490
<b>NET ASSETS</b>					
UNRESTRICTED	500,647	-	-	500,647	36,716
HOUSING FUND	-	3,878,861	-	3,878,861	3,149,640
INVESTED IN PROPERTY AND EQUIPMENT	-	-	573,972	573,972	468,710
	500,647	3,878,861	573,972	4,953,480	3,655,066
	\$ 643,862	\$ 5,377,538	\$ 683,545	\$ 6,704,945	\$ 4,763,556

Approved by: ✓

  
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The accompanying notes are an integral part of these financial statements

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2019**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2019	2018
<b>RESTORE SALES</b>	\$ 1,806,672	\$ -	\$ -	\$ 1,806,672	\$ 1,742,571
<b>RESTORE EXPENSES</b>	984,381	-	-	984,381	969,897
<b>NET CONTRIBUTION FROM RESTORE OPERATIONS</b>	822,291	-	-	822,291	772,674
<b>OTHER REVENUE</b>					
Proceeds from sale of housing	-	-	-	-	384,000
Cost of housing sold	-	-	-	-	(463,562)
Net deficiency from sale of housing	-	-	-	-	(79,562)
Donations, grants and contributions	847,259	-	-	847,259	311,545
Interest and miscellaneous	13,366	-	-	13,366	24,035
	860,625	-	-	860,625	256,018
<b>TOTAL REVENUE</b>	1,682,916	-	-	1,682,916	1,028,692
<b>OPERATING EXPENSES</b>	427,486	-	25,865	453,351	451,914
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS</b>	1,255,430	-	(25,865)	1,229,565	576,778
Proceeds from mortgage payout	-	-	-	-	100,000
Fair value adjustment to mortgage receivable on housing reacquisition	-	-	-	-	(184,720)
Inputted interest income earned on mortgage receivable	-	60,249	-	60,249	82,022
Rental revenue	8,600	-	-	8,600	-
	8,600	60,249	-	68,849	(2,698)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 1,264,030	\$ 60,249	\$ (25,865)	\$ 1,298,414	\$ 574,080

The accompanying notes are an integral part of these financial statements

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2019**

	Operating Fund	Housing Fund	Invested in Property and Equipment	2019	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 36,716	\$ 3,149,640	\$ 468,710	\$ 3,655,066	\$ 3,080,986
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	1,264,030	60,249	(25,865)	1,298,414	574,080
<b>INTERFUND TRANSFERS</b>					
Repayment of demand loan	(12,402)	-	12,402	-	-
Purchase of property and equipment	(118,725)	-	118,725	-	-
Estate donation transfer <i>(Note 7)</i>	(668,972)	668,972	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 500,647	\$ 3,878,861	\$ 573,972	\$ 4,953,480	\$ 3,655,066

The accompanying notes are an integral part of these financial statements



**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 1,298,414	\$ 574,080
Items not affecting cash:		
Amortization of property and equipment	20,920	12,780
Deferred contributions recognized to income	-	(208,792)
Net deficiency from sale of housing	-	79,562
Adjustment and amortization of mortgages receivable to fair value	-	184,720
Adjustment and amortization of mortgages receivable to fair value	(60,225)	(82,022)
	<b>1,259,109</b>	<b>560,328</b>
Changes in non-cash working capital balances		
Decrease (increase) in accounts receivable	112,670	(197,815)
Decrease (increase) in goods and services tax receivable	8,946	(28,462)
Increase in property held in inventory	(68,510)	-
Decrease (increase) in prepaid expenses and deposits	(1,491)	10,554
Increase (decrease) in accounts payable and accrued liabilities	(11,993)	135,453
	<b>39,622</b>	<b>(80,270)</b>
Cash flow from operating activities	<b>1,298,731</b>	<b>480,058</b>
<b>INVESTING ACTIVITIES</b>		
Expenditure on housing projects	(1,748,417)	(1,404,454)
Purchase of property and equipment	(118,725)	-
Proceeds from mortgage payout	66,248	43,587
Mortgage payments received	117,467	121,105
Cash flow used by investing activities	<b>(1,683,427)</b>	<b>(1,239,762)</b>
<b>FINANCING ACTIVITIES</b>		
Repayments on demand loan	(7,457)	(7,007)
Receipts of deferred contributions	662,423	503,513
Cash flow from financing activities	<b>654,966</b>	<b>496,506</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>270,270</b>	<b>(263,198)</b>
CASH - BEGINNING OF YEAR	<b>352,510</b>	<b>615,708</b>
<b>CASH - END OF YEAR</b>	<b>\$ 622,780</b>	<b>\$ 352,510</b>

The accompanying notes are an integral part of these financial statements

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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Habitat for Humanity Vancouver Island North Society (the "Society") provides home ownership opportunities for low-income families through volunteer labour and donations of money, land, and materials. Qualified families purchase the home with zero-interest mortgages.

The Society also operates two retail stores ("ReStores") which sell used building materials and other household goods. The stores obtain their inventory through donations from the community.

The Society is a registered charitable organization for income tax purposes.

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Revenue recognition**

Sales revenue is recognized in accordance with industry practice which is when all the risks and benefits of ownership of products have been transferred to customers under executed sales agreements.

Revenue from ReStore sales are recorded on the sale of merchandise to customers.

Unrestricted grants, contributions and donations are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted grants, contributions and donations are recognized as revenue in the year in which the related expenses are incurred.

The purchase price of houses sold to low income families is set at the fair market value of the house as determined by a qualified independent party and is recognized as revenue when legal title of the property transfers to the family.

**(b) Fund accounting**

The Operating Fund reports all the assets, liabilities, revenues and expenses relating to the Society's two ReStores and accounts for all of the Society's general and administrative expenses.

The Housing Fund reports the assets, liabilities, revenues and expenses relating to the Society's building activities, including the maintenance of mortgages on previously sold homes. The Housing Fund only includes costs specifically attributed to the construction of homes and the maintenance of mortgages.

The Invested in Property and Equipment fund reports all the assets, liabilities, revenues and expenses relating to the Society's property and equipment. The expenses reported in the Invested in Property and Equipment fund include interest payments on long term debt and amortization.

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**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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

**(c) Financial instruments**

The Society's financial instruments consist of cash, accounts receivable, mortgages receivable, accounts payable and accrued liabilities, and a demand loan.

The Society initially measures its financial instruments at their fair value adjusted for related transaction costs, and subsequently measures them at amortized cost.

The difference between the fair value and the face value of mortgages receivable, as well as any adjustments for amortized cost, are recognized in net income in the period incurred.

Unless otherwise noted, it is management's opinion that the Society's financial instruments are not exposed to risk related to interest rate, foreign exchange or other price fluctuation.

**(d) Housing projects under development**

Housing projects under development includes land, buildings, building material and labour, either purchased or donated. It is stated at the lower of cost and net realizable value. Net realizable value is defined as market value less costs of disposition. Any excess of carrying value over net realizable value is expensed in the year in which the impairment is realized.

**(e) Property and equipment**

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing-balance method at the annual rates indicated below, except for leasehold improvements which are amortized using the straight-line method. Property and equipment acquired during the year are amortized at one-half the normal annual rates.

Land	N/A
Buildings	4%
Motor vehicles	30%
Computer equipment & software	45%
Leasehold improvements	5 years

**(f) Contributed services**

Donated goods and services are not recorded unless they are used directly in housing construction or are property and equipment, and the value can be reasonably estimated. The value of donated goods for resale are not reflected in these financial statements.

In addition, volunteers contribute a significant number of hours per year to assist the society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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

**(g) Use of estimates**

Financial statements prepared in accordance with accounting standards for not-for-profit organizations require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

Management's significant estimates and assumptions include:

- the fair value of mortgages receivable which is estimated using the average of 5 year conventional fixed mortgage rates offered by Canadian chartered banks and expected monthly payments applicable at the time of inception of the mortgage receivable;
- the estimated useful lives of assets and the resulting estimates for amortization expense;
- accrued accounts payable estimated on the expected costs of services that have been rendered but not yet invoiced, or, as in the case of accounting fees, services to be rendered in relation to the current year-end;

These estimates and assumptions are based on management's best information and judgment. Actual results may differ from those estimates.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

<b>2. MORTGAGES RECEIVABLE</b>	<b>2019</b>	<b>2018</b>
Mortgage initiated in 2004 for \$86,123 discounted at 6.05%	\$ 782	\$ 8,976
Mortgage initiated in 2004 for \$75,748 discounted at 6.05%	925	7,823
Mortgage initiated in 2007 for \$95,000 discounted at 7.19%	53,257	57,114
Mortgage initiated in 2007 for \$191,569 discounted at 5.85%	117,086	119,887
Mortgage initiated in 2009 for \$196,094 discounted at 5.85%	166,296	168,612
Mortgage initiated in 2012 for \$120,000 discounted at 5.24%	9,292	23,808
Mortgage initiated in 2013 for \$196,534 discounted at 5.34%	150,950	159,273
Mortgage initiated in 2013 for \$201,694 discounted at 5.14%	160,588	168,961
Mortgage initiated in 2013 for \$201,694 discounted at 5.14%	158,301	164,328
Mortgage initiated in 2014 for \$196,534 discounted at 4.79%	-	186,993
Mortgage initiated in 2014 for \$196,534 discounted at 5.24%	158,964	170,006
Mortgage initiated in 2015 for \$217,714 discounted at 4.64%	194,853	198,623
Mortgage initiated in 2015 for \$219,374 discounted at 4.64%	195,004	201,018
Mortgage initiated in 2016 for \$195,390 discounted at 4.74%	174,461	180,870
Mortgage initiated in 2016 for \$215,047 discounted at 4.74%	201,641	206,286
Mortgage initiated in 2016 for \$215,047 discounted at 4.74%	193,023	202,557
Mortgage initiated in 2018 for \$198,534 discounted at 5.34%	180,695	188,090
Mortgage initiated in 2018 for \$198,534 discounted at 5.34%	180,644	188,017
	<b>2,296,762</b>	<b>2,601,242</b>
Discounts	<b>(1,266,150)</b>	<b>(1,447,140)</b>
	<b>1,030,612</b>	<b>1,154,102</b>
Less: current portion	<b>(40,300)</b>	<b>(40,300)</b>
	<b>\$ 990,312</b>	<b>\$ 1,113,802</b>

The Society secures a first mortgage on the properties sold equal to the recognized sale price. These first mortgages are non-interest bearing, with variable repayment amounts, variable maturity and secured by the respective land and building.

Although the mortgages receivable bear no interest, Canadian accounting standards for not-for-profit organizations requires interest income to be recognized in the statement of operations over the life of these mortgages based on reasonable interest rates determined by management. Management uses the estimated mortgage rate for similar mortgages based on market rates at the inception of the mortgage as indicated below.

Prior to April 2009, the Society measured the sale of the houses at cost, including the value of donated materials and labour. For those properties, a second mortgage on the properties was secured in an amount equal to the difference between the original first mortgage and the fair market value of the property at the time of sale. The terms of the second mortgages were as follows:

1. The second mortgage may be reduced by a maximum of 25% after 60% of the life of the mortgage has expired.
2. The second mortgage may be forgiven in full upon final payment of the first mortgage or the mortgage has terminated, whichever is longer.

Given the likelihood of collecting the second mortgages is remote, the corresponding receivable and revenue are not recognized in the financial statements.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**3. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 436,117	\$ -	\$ 436,117	\$ 436,117
Buildings	229,065	72,520	156,545	124,852
Equipment	115,524	53,928	61,596	18,561
Motor vehicles	86,061	56,794	29,267	6,173
Computer equipment & software	4,936	4,916	20	37
Leasehold improvements	10,381	10,381	-	-
	<b>\$ 882,084</b>	<b>\$ 198,539</b>	<b>\$ 683,545</b>	<b>\$ 585,740</b>

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2019	2018
Trades payable	\$ 211,966	\$ 217,722
Government remittances payable	32,438	38,672
	<b>\$ 244,404</b>	<b>\$ 256,394</b>

**5. DEMAND LOAN**

	2019	2018
Demand loan payable at \$234 weekly including interest at 4.29%, secured by a charge over the land and buildings and a general security agreement on all assets.	\$ 109,573	\$ 117,030
Less: current portion	(7,627)	(7,443)
	<b>\$ 101,946</b>	<b>\$ 109,587</b>

Management does not believe that the demand features of the demand loan will be exercised in the current period. Under that assumption, expected principal repayments on the demand loan over the next five years are as follows:

Principal repayment terms are approximately:

2020	\$ 7,627
2021	7,961
2022	8,310
2023	8,844
2024	9,061
Thereafter	67,770
	<u>\$ 109,573</u>

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**6. DEFERRED CONTRIBUTIONS**

Deferred contributions represents funds designated for housing projects under development.

	2019	2018
Opening balance	\$ 735,066	\$ 440,345
Contributions received in the year	662,422	503,513
Contributions recognized as revenue in the year	-	(208,792)
	<b>\$ 1,397,488</b>	<b>\$ 735,066</b>

**7. ESTATE DONATION TRANSFER**

During the year, the Society received a donation of \$668,972 from an Estate. As these funds are to be used for future housing projects, the total donation has been transferred from the Operating Fund to the Housing Fund.

**8. NON-MONETARY TRANSACTIONS**

During the year, the Society reacquired 1-1580 Piercy Ave, Courtenay, BC. The reacquisition was recorded at the fair market value of the extinguished mortgage and other receivables of \$68,510.

**9. COMMITMENTS**

Habitat for Humanity Vancouver Island North Society rents its Campbell River premises under a long-term lease which expires August 31, 2022, and for which the annual minimum lease payment is \$97,496 plus triple net.

**10. CREDIT RISK**

The Society is exposed to credit risk in the event of non-payment of mortgages receivable from the partner families. The Society believes that this credit risk is minimal as the carrying value of the mortgages is substantially less than the value of the underlying homes.

**11. REMUNERATION OF DIRECTORS, EMPLOYEES, AND CONTRACTORS**

In order to comply with BC Societies Act requirements, the Society must disclose the amount of remuneration paid to directors and the amount paid to individual employees and contractors whose remuneration exceeds \$75,000.

During the fiscal year ended December 31, 2019, two employees were paid gross wages of \$90,000 and \$89,213. No remuneration was paid to any director and no contractor was paid \$75,000 or more.

**HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**12. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the society's operations as at the date of these financial statements.



HABITAT FOR HUMANITY VANCOUVER ISLAND NORTH SOCIETY

SCHEDULES

(Schedule 1)

YEAR ENDED DECEMBER 31, 2019

	2019	2018
<b>SCHEDULE 1 - RESTORE EXPENSES</b>		
Habitat affiliation fees	\$ 69,183	\$ 66,386
Insurance	7,759	8,572
Interest and bank charges	17,527	14,156
Occupancy costs	128,504	132,651
Office and sundry	26,439	16,219
Purchases and supplies	51,604	40,195
Salaries and wages	670,374	671,725
Vehicle	12,991	19,993
	<b>\$ 984,381</b>	<b>\$ 969,897</b>
<b>SCHEDULE 2 - OPERATING EXPENSES</b>		
Amortization of property and equipment	\$ 20,919	\$ 12,780
Fundraising and marketing	17,717	32,458
Habitat affiliation fees and tithing	41,200	33,700
Interest on long-term debt	4,945	5,162
Occupancy costs	15,007	5,765
Office and sundry	53,568	51,806
Professional fees	15,122	17,203
Salaries and wages	284,873	293,040
	<b>\$ 453,351</b>	<b>\$ 451,914</b>

The accompanying notes are an integral part of these financial statements