

HABITAT FOR HUMANITY NIAGARA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

PARTRIDGE IGGULDEN



PARTRIDGE IGGULDEN LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

WALLACE PARTRIDGE, CPA, CA
LAWRENCE IGGULDEN, Hons. B.A., FCPA, FCA
ALAN SIMPSON, B.B.A., CPA, CA
ELISEO SINOPOLI, Hons. B. Admin., CPA, CA

March 21, 2017

To the Board of Directors of
Habitat for Humanity Niagara

We have completed the audit of Habitat for Humanity Niagara for the year ended December 31, 2016 and have attached the following:

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We shall be pleased to provide any further information you may require.

Lawrence A. Iggulden, Hons. B.A., FCPA, FCA, for
PARTRIDGE IGGULDEN LLP
Chartered Professional Accountants
Licensed Public Accountants



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INDEPENDENT AUDITOR'S REPORT

To the Members of
Habitat for Humanity Niagara

We have audited the accompanying financial statements of Habitat for Humanity Niagara, which comprise the statement of financial position as at December 31, 2016 and the statements of operations, net assets 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 and fair presentation 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 audit opinion.

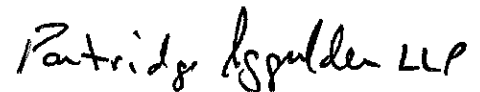
Basis for Qualified Opinion

The Organization derives revenue from donations, fundraising and Restore sales, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of the receipts from these sources was limited to a comparison of bank deposits with the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Habitat for Humanity Niagara as at December 31, 2016, and its financial performance and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

St. Catharines, Ontario
March 21, 2017



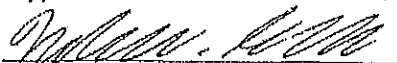
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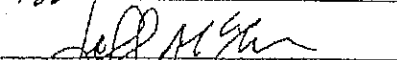
HABITAT FOR HUMANITY NIAGARA
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

<u>ASSETS</u>	2016		2015	
	Housing Fund	Operating Fund	Total	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 643,129	\$ 2,993	\$ 646,122	\$ 14,437
Accounts receivable	-	49,699	49,699	39,885
Sales taxes recoverable	-	-	-	134,459
Prepaid expenses	-	45,799	45,799	15,879
Current portion of mortgages receivable (Note 2)	<u>216,314</u>	<u>-</u>	<u>216,314</u>	<u>242,914</u>
	859,443	98,491	957,934	447,574
MORTGAGES RECEIVABLE (Note 2)	3,301,433	-	3,301,433	2,994,602
PROPERTIES HELD FOR HOME DEVELOPMENT (Note 3)	664,497	-	664,497	846,738
FIXED ASSETS (Note 4)	<u>-</u>	<u>333,632</u>	<u>333,632</u>	<u>379,437</u>
	<u>\$ 4,825,373</u>	<u>\$ 432,123</u>	<u>\$ 5,257,496</u>	<u>\$ 4,668,351</u>
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Bank indebtedness (Note 5)	\$ 265,000	\$ -	\$ 265,000	\$ 575,006
Accounts payable and accrued charges	59,772	106,551	166,323	123,396
Sales taxes payable	-	10,053	10,053	-
Deferred revenue	-	41,475	41,475	41,200
Interfund (receivable) payable	(342,148)	342,148	-	-
Current portion of bank loan (Note 6)	<u>50,004</u>	<u>-</u>	<u>50,004</u>	<u>40,008</u>
	32,628	500,227	532,855	779,610
Bank loan due on demand (Note 6)	<u>901,996</u>	<u>-</u>	<u>901,996</u>	<u>620,679</u>
	934,624	500,227	1,434,851	1,400,289
LONG-TERM DEBT (Note 7)	-	100,000	100,000	-
COMMITMENTS (Note 8)	<u>934,624</u>	<u>600,227</u>	<u>1,534,851</u>	<u>1,400,289</u>
<u>NET ASSETS</u>				
HOUSING FUND	3,890,749	-	3,890,749	3,344,608
OPERATING FUND - INVESTED IN FIXED ASSETS	-	333,632	333,632	379,437
OPERATING FUND - UNRESTRICTED	<u>-</u>	<u>(501,736)</u>	<u>(501,736)</u>	<u>(455,983)</u>
	<u>3,890,749</u>	<u>(168,104)</u>	<u>3,722,645</u>	<u>3,268,062</u>
	<u>\$ 4,825,373</u>	<u>\$ 432,123</u>	<u>\$ 5,257,496</u>	<u>\$ 4,668,351</u>

Approved on behalf of the Board:

 Director

 Director

St. Catharines, Ontario
 March 21, 2017

HABITAT FOR HUMANITY NIAGARA**STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2016**

	2016			2015
	Housing Fund	Operating Fund	Total	Total
REVENUE				
Home sales	\$ 931,500	\$ -	\$ 931,500	\$ 1,212,000
Cost of sales	(737,070)	-	(737,070)	(1,144,614)
Gross margin	194,430	-	194,430	67,386
Donations	474,681	-	474,681	373,968
Grants and other revenue	80,606	126,004	206,610	72,853
Restore revenue	-	1,735,974	1,735,974	1,486,478
	<u>749,717</u>	<u>1,861,978</u>	<u>2,611,695</u>	<u>2,000,685</u>
EXPENSES				
Advertising and promotion	-	67,376	67,376	78,675
Bank charges and interest	48,195	19,681	67,876	50,107
Computer maintenance and support	-	35,716	35,716	27,759
Conferences, meetings and training	-	45,095	45,095	33,165
HFHC affiliation fees (Note 9)	40,000	169,648	209,648	177,510
Occupancy costs	-	250,583	250,583	239,339
Office and miscellaneous	-	89,922	89,922	89,777
Professional fees	11,401	25,368	36,769	58,328
Salaries and benefits (Note 10)	-	1,160,413	1,160,413	919,837
Supplies and equipment	-	10,125	10,125	23,371
Telephone and communications	-	18,034	18,034	15,142
Vehicle expenses	-	38,788	38,788	50,214
Waste disposal	-	9,838	9,838	10,949
	<u>99,596</u>	<u>1,940,587</u>	<u>2,040,183</u>	<u>1,774,173</u>
OPERATING INCOME (LOSS)	<u>650,121</u>	<u>(78,609)</u>	<u>571,512</u>	<u>226,512</u>
OTHER INCOME (EXPENSE)				
Amortization	-	(87,263)	(87,263)	(70,344)
Start up costs	-	(6,711)	(6,711)	-
Trillium grant	-	81,025	81,025	66,600
Donations in-kind	74,508	-	74,508	560,012
Net loss on change in unamortized mortgage discounts	(178,488)	-	(178,488)	(233,599)
	<u>(103,980)</u>	<u>(12,949)</u>	<u>(116,929)</u>	<u>322,669</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 546,141</u>	<u>\$ (91,558)</u>	<u>\$ 454,583</u>	<u>\$ 549,181</u>

HABITAT FOR HUMANITY NIAGARASTATEMENT OF NET ASSETSYEAR ENDED DECEMBER 31, 2016

	<u>Housing Fund</u>	<u>Operating Fund</u>		<u>2016</u>	<u>2015</u>
		<u>Invested in Fixed Assets</u>	<u>Unrestricted</u>		
BALANCE (DEFICIT), BEGINNING OF YEAR	\$ 3,344,608	\$ 379,437	\$ (455,983)	\$ 3,268,062	\$ 2,718,881
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	546,141	(87,263)	(4,295)	454,583	549,181
INVESTED IN FIXED ASSETS	-	41,458	(41,458)	-	-
BALANCE (DEFICIT), END OF YEAR	<u>\$ 3,890,749</u>	<u>\$ 333,632</u>	<u>\$ (501,736)</u>	<u>\$ 3,722,645</u>	<u>\$ 3,268,062</u>

HABITAT FOR HUMANITY NIAGARA**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 454,583	\$ 549,181
Add (deduct) items not affecting cash		
Amortization	87,263	70,344
Donations in-kind revenue, net of cost of sales	-	(341,947)
Mortgage discounts (net)	178,488	233,599
	<u>720,334</u>	<u>511,177</u>
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	(9,814)	(23,773)
Sales taxes recoverable	144,512	(34,877)
Prepaid expenses	(29,920)	11,883
Accounts payable and accrued charges	42,927	44,229
Deferred revenue	275	41,200
Cash flows from operating activities	<u>868,314</u>	<u>549,839</u>
FINANCING ACTIVITIES		
Issuance of bank loan	351,763	-
Repayments of bank loan	(60,450)	(72,000)
Issuance of long-term debt	100,000	-
Cash flows from (used in) financing activities	<u>391,313</u>	<u>(72,000)</u>
INVESTING ACTIVITIES		
Decrease (increase) in properties held for development (net)	182,241	(33,340)
Issuance of new mortgages receivable	(884,611)	(1,208,432)
Mortgage repayments received	425,892	176,078
Purchase of fixed assets	(41,458)	(222,179)
Cash flows used in investing activities	<u>(317,936)</u>	<u>(1,287,873)</u>
INCREASE (DECREASE) IN CASH FOR YEAR	941,691	(810,034)
CASH (DEFICIENCY), BEGINNING OF YEAR	(560,569)	249,465
CASH (DEFICIENCY), END OF YEAR	<u>\$ 381,122</u>	<u>\$ (560,569)</u>
Cash (deficiency) is represented by the following		
Cash and cash equivalents	\$ 646,122	\$ 14,437
Bank indebtedness	(265,000)	(575,006)
	<u>\$ 381,122</u>	<u>\$ (560,569)</u>

HABITAT FOR HUMANITY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

PURPOSE OF THE ORGANIZATION

Habitat For Humanity Niagara was incorporated on April 29, 1993 under the Corporations Act of Ontario as a not-for-profit organization and is a registered charity and is exempt from tax under paragraph 149(1)(f) of the Income Tax Act.

The primary objective of the Organization is to aid qualifying economically disadvantaged individuals by constructing or renovating homes and providing financing assistance through non-interest bearing mortgages to enable them to purchase the homes. The Organization also operates two ReStores, which offers new and used building and household materials for sale to the public. A third Restore will become operational in fiscal 2017.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

Revenue recognition

Revenue from home sales is recognized upon the occupancy of the home by the partner family.

Unrestricted donations and grants are recorded as revenue when received. Donations and grants received to fund future period expenditures are recorded as deferred revenue.

The Organization records only gifts in kind related to donated fixed assets and property held for development when fair value can be reasonably determined.

Contributed materials for resale are recorded as "ReStore sales" at the time those goods are sold as there is no certainty that all goods received of this nature will be sold.

Much of the work in the Organization is dependent on the services of volunteers. Since these services are not normally purchased by the Organization and because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Fund Accounting

The Operating Fund reports the assets, liabilities, revenues and expenses relating to the Organization's two ReStores and accounts for 100% of the Organization's general and administrative costs. The Operating fund also includes the assets, liabilities, revenues and expenses related to the Organization's fixed assets.

The Housing Fund reports the assets, liabilities, revenues and expenses relating to the Organization's building and renovation activities, including the maintenance of mortgages on previously sold homes. The Housing Fund only includes costs specifically attributed to the construction and renovation of homes and the maintenance of mortgages on previously sold homes as 100% of the Organization's general and administrative costs are reported in the Operating Fund.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and guaranteed income certificates with a maturity within the next twelve months.

Properties Held for Home Development

The properties held for development are recorded at the lower of cost and net realizable value with cost determined on a specific item basis.

HABITAT FOR HUMANITY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets and Amortization

Fixed assets are stated at cost. Amortization is provided on the diminishing-balance or straight-line method over the estimated useful lives of the assets as follows:

Computer	50% and 100%
Furniture and equipment	20%
Leasehold improvements	Straight-line over 10 years
Lift truck	30%
Vehicles	30%

Additions acquired during the year are amortized at one-half of the above rates.

Financial Instruments

Financial instruments are comprised of cash, accounts receivable, mortgages receivable, bank indebtedness, accounts payable and accrued charges and bank demand loan.

Financial assets and liabilities are initially measured at their fair market value and are subsequently measured at amortized cost.

Estimates

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

2. MORTGAGES RECEIVABLE

	<u>2016</u>		<u>2015</u>
	<u>Face Value</u>	<u>Amortized Cost</u>	<u>Amortized Cost</u>
1st mortgages receivable	\$ 4,363,961	\$ 3,357,947	\$ 3,129,702
2nd and 3rd mortgages receivable (forgivable)	630,104	-	-
2nd and 3rd mortgages receivable (non-forgivable)	<u>306,077</u>	<u>159,800</u>	<u>107,814</u>
	5,300,142	3,517,747	3,237,516
Current portion of 1st mortgages receivable	<u>(276,624)</u>	<u>(216,314)</u>	<u>(242,914)</u>
Balance, end of year	<u>\$ 5,023,518</u>	<u>\$ 3,301,433</u>	<u>\$ 2,994,602</u>

Principal repayments of 1st mortgages and non-forgivable 2nd and 3rd mortgages at face value are expected as follows:

Years ending December 31, 2017	\$ 276,624
2018	241,399
2019	241,399
2020	239,050
2021	235,080
Thereafter	<u>3,436,486</u>
	<u>\$ 4,670,038</u>

HABITAT FOR HUMANITY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

2. MORTGAGES RECEIVABLE (continued)

Total mortgages receivable represent the aggregate of mortgages on 42 properties (2015: 40 properties).

The 1st mortgages are non-interest bearing and are secured by a charge on specific property, repayable in monthly instalments with terms up to a maximum of 35 years. Monthly payments are set annually based on the partner family's income

Title on the 1st mortgages when registered have been put in the name of the Meridian Credit Union rather than Habitat. The 1st mortgages are an asset of Habitat and have been disclosed on the financial statements as an asset.

The 2nd and 3rd mortgages are non-interest bearing and are secured by a charge on specific property. Repayment is contingent upon the occurrence of certain events and may be forgiven upon full receipt of the 1st mortgage. The forgivable portion of any mortgage is valued at nil as the likelihood of collection is remote considering the forgivable feature. In the year that the forgivable portions are required to be paid, the previously forgivable portion will be recognized as mortgage realization.

Where 3rd mortgages are executed, a 2nd mortgage on the home is held by Niagara Regional Housing.

Mortgages receivable are a financial asset measured at amortized cost using the effective interest rate method. The amortized cost has been calculated using a discount rate equal to the current inflation rate of approximately 2%. As the Organization is not seeking a rate of return on its investment in mortgages receivable, the only concern is the impact of inflation on its future cash receipts from repayment of the mortgages receivable and therefore, the current inflation rate is considered to be an appropriate discount rate.

The fair value of mortgages can be summarized as follows:

	<u>2016</u>			<u>2015</u>
	<u>Face Value</u>	<u>Unamortized Discounts</u>	<u>Amortized Cost</u>	<u>Amortized Cost</u>
Balance, beginning of year	\$ 4,841,423	\$ (1,603,907)	\$ 3,237,516	\$ 2,438,761
Add : new 1st mortgages	784,926	(311,229)	473,697	888,002
: new 2nd & 3rd mortgages	99,685	(49,861)	49,824	19,388
Less : repayments	(360,674)	76,683	(283,991)	(133,575)
: recover forgivable 2nd mortgages	(65,218)	65,218	-	-
: changes to payment terms	-	40,701	40,701	24,940
	<u>458,719</u>	<u>(178,488)</u>	<u>280,231</u>	<u>798,755</u>
Balance, end of year	<u>\$ 5,300,142</u>	<u>\$ (1,782,395)</u>	<u>\$ 3,517,747</u>	<u>\$ 3,237,516</u>

HABITAT FOR HUMANITY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

3. PROPERTIES HELD FOR HOME DEVELOPMENT

	<u>2016</u>	<u>2015</u>
Afton Ave, Welland	\$ 205,897	\$ 204,200
Baker Road, Grimsby	228,545	-
Bell Street, Port Colborne	-	112,653
Bellevue Street, Niagara Falls	30,000	-
Crescent Road, Fort Erie	35,480	73,584
Grey Ave, Niagara Falls	75,237	74,353
Main Street East, Grimsby	-	248,243
Martin Street, Welland	-	89,539
Mitchell Street, Port Colborne	19,152	19,152
Pilkington Street, Thorold	1	1
Sauer Ave, Welland	48,638	-
Building materials	21,547	25,013
	<u>\$ 664,497</u>	<u>\$ 846,738</u>

4. FIXED ASSETS

	<u>December 31, 2016</u>			<u>2015</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer	\$ 122,557	\$ 101,622	\$ 20,935	\$ 22,627
Furniture and equipment	83,113	63,505	19,608	24,510
Leasehold improvements	514,639	261,433	253,206	281,276
Lift truck	24,270	19,513	4,757	5,086
Vehicles	118,848	83,722	35,126	45,938
	<u>\$ 863,427</u>	<u>\$ 529,795</u>	<u>\$ 333,632</u>	<u>\$ 379,437</u>

5. BANK INDEBTEDNESS

The Organization has authorized operating lines of credit totalling \$1,050,000 and a demand loan to a maximum of \$1,000,000 with the Meridian Credit Union which bear interest at prime plus 1.0 % and is secured by a general security agreement, assignment of various first mortgages receivable which at December 31, 2016 total \$2,453,572 (Face value = \$3,078,158), collateral mortgages totalling \$235,000 on the properties held for home development at Afton Avenue, Welland and Grey Avenue, Niagara Falls, and assignment of comprehensive general liability insurance and fire insurance.

HABITAT FOR HUMANITY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

6. BANK DEMAND LOAN

	2016	2015
Meridian Credit Union, demand loan, payable in principal monthly instalments totalling \$4,167, plus interest at prime plus 1.0%, due on demand.	\$ 952,000	\$ 660,687
Less amount due within one year	50,004	40,008
	\$ 901,996	\$ 620,679

The bank demand loan is secured together with the line of credit as described in note 5.

7. LONG-TERM DEBT

	2016	2015
Private loan Payable in three equal annual instalments commencing February 2018, 2019 and 2020, including interest at 2.5%	\$ 100,000	\$ -

This loan can be drawn to a maximum \$325,000 and is being used to finance the leasehold improvements at the new Grimsby Restore.

8. COMMITMENTS

The Organization leases 16,400 square feet at 150 Bunting Road, St. Catharines, Ontario under a ten (10) year lease that expires on June 30, 2020, 10,000 square feet at 2499 Highway 20 East, Fonthill, Ontario under a ten (10) year lease that expires on February 28, 2025, and 19,100 square feet at 185 South Service Road, Grimsby, Ontario under a ten year lease that expires on November 30, 2026. Minimum lease payments are as follows:

2017	\$ 204,146
2018	257,017
2019	261,950
2020	214,833
2021	169,725
Thereafter	821,487
	\$ 1,929,158

Common charges are paid in addition to the minimum lease payments. These payments are estimated to total \$123,750 for the 2017 year.

HABITAT FOR HUMANITY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

8. COMMITMENTS (continued)

The Organization leases a vehicle from Ryder Truck Rental Canada Ltd. under a five (5) year lease that expires in April, 2020. Minimum lease payments are as follows:

2017	\$	14,700
2018		14,700
2019		14,700
2020		<u>3,675</u>
	<u>\$</u>	<u>47,775</u>

Additional fees of \$0.068 per kilometre are paid in addition to the minimum lease payments. These payments are estimated to total \$2,040 for the 2017 year.

9. HABITAT FOR HUMANITY CANADA

The Organization is an affiliate of Habitat for Humanity Canada ("HFHC"). There is a covenant agreement between HFHC and all Canadian affiliates whereby HFHC provides administrative and marketing support, training opportunities and gift in kind coordination. Pursuant to its affiliate covenant agreement with HFHC, the Organization contributes a tithe for international work. Habitat also pays an affiliation fee consisting of an annual fee, 15-20% on all nationally procured gifts in kind used for homebuilding or Restore inventory, and a percentage of gross Restore outlet sales.

10. ALLOCATION OF EXPENSES

During the current year, salaries and benefits expenses have been allocated to the cost of properties held for development and fixed assets as follows:

	<u>2016</u>		<u>2015</u>
Bald Street, Welland	\$ 1,255	\$	18,060
Bell Street, Port Colborne	26,103		10,497
Caledonia Street, Niagara Falls	14,013		-
Crescent Road, Fort Erie	17,557		3,864
Division Street, Niagara Falls	-		14,441
Grey Ave, Niagara Falls	-		761
Martin Street, Welland	18,428		2,745
Myrtle Avenue, Welland	202		-
Tasker Street, St. Catharines	729		21,036
Leasehold improvements	-		<u>12,374</u>
	<u>78,287</u>		<u>83,778</u>
Allocated to cost of sales	<u>(78,287)</u>		<u>(57,624)</u>
 Total salaries and benefits allocated to assets	 <u>\$ -</u>	 <u>\$</u>	 <u>26,154</u>

HABITAT FOR HUMANITY NIAGARA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

11. FINANCIAL RISKS

The significant financial risks to which the Organization is exposed are credit risk, interest rate risk and liquidity risk. There have been no changes to risk exposures from the prior year.

Credit Risk Exposure

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable and mortgages receivable. Management believes that the Organization's first charge mortgage held on the related properties mitigates the risk of financial loss.

Interest Rate Risk Exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its bank indebtedness and demand loan, which bear interest at variable rates.

Liquidity Risk Exposure

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Organization's cash requirements. Additional cash requirements are met with the use of available bank borrowings as described in note 5.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

HABITAT FOR HUMANITY NIAGARA
SUPPLEMENTARY CORPORATE INFORMATION

DECEMBER 31, 2016

Habitat for Humanity Niagara is a registered charity, incorporated in Ontario without share capital on April 29, 1993.

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Peter McConnell	- Past Chair
Paul Miller	- Vice Chair
Jeff McLean	- Treasurer
Frank Demizio	- Secretary
Jonathan Fast	
Ross McCallum	
Cindi LoForti	
Chris Osborne	
Carl Ryan	
Stephanie Sabourin	
Dave Weins	

CHIEF EXECUTIVE OFFICER:

Alastair Davis

AUDITORS:

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