

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Financial Statements

Year Ended December 31, 2014

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

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Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Habitat for Humanity Heartland Ontario Inc.

We have audited the accompanying financial statements of Habitat for Humanity Heartland Ontario Inc., which comprise the statement of financial position as at December 31, 2014 and the statements of operations, changes in 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


In common with many charitable organizations, the organization derives revenue from donations and contributions, 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 and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, current assets and net assets. This issue also resulted in a qualification on the financial statements for the year ended December 31, 2013.

(continues)

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Habitat for Humanity Heartland Ontario Inc. as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

London, Canada
May 5, 2015


NPT LLP
Chartered Accountants
Licensed Public Accountants

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.**Statement of Financial Position****December 31, 2014**

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 444,888	\$ 481,970
Amounts receivable	41,920	47,507
Inventory (Note 4)	671,933	453,145
HST rebate recoverable	17,646	27,005
Prepaid expenses and deposits	49,670	25,134
Current portion of first mortgages receivable (Note 6)	273,840	187,042
	1,499,897	1,221,803
Capital assets (Note 5)	248,305	90,360
First mortgages receivable (Note 6)	2,899,923	1,766,591
	\$ 4,648,125	\$ 3,078,754
LIABILITIES AND NET ASSETS		
CURRENT		
Line of credit (Note 8)	\$ 20,000	\$ 120,000
Accounts payable and accrued liabilities	104,388	66,884
Deferred contributions (Note 9)	497,675	554,686
Current portion of long term debt (Note 11)	7,599	-
Demand loan (Note 8)	432,163	-
	1,061,825	741,570
Deferred contributions related to capital assets (Note 10)	37,500	52,500
Long term debt (Note 11)	100,946	-
	1,200,271	794,070
NET ASSETS	3,447,854	2,284,684
	\$ 4,648,125	\$ 3,078,754

LEASE COMMITMENTS (Note 13)

SECOND MORTGAGES RECEIVABLE (Note 7)

ON BEHALF OF THE BOARD_____
Director_____
Director

See accompanying notes to the financial statements.

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Statement of Changes in Net Assets

Year Ended December 31, 2014

	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 2,284,684	\$ 2,039,765
Excess of revenue over expenses	1,163,170	244,919
NET ASSETS - END OF YEAR	\$ 3,447,854	\$ 2,284,684

See accompanying notes to the financial statements.

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.**Statement of Operations****Year Ended December 31, 2014**

	2014	2013
REVENUE		
Schedule of ReStore Operations (<i>Schedule 1</i>)	\$ 1,904,442	\$ 1,365,618
Home sales (<i>Note 3</i>)	470,133	102,755
Donations, grants and other	368,347	258,551
Build donations	212,218	112,632
Fundraising revenue	177,321	144,185
Accretion income on mortgages (<i>Note 3</i>)	107,805	68,631
Other revenue (<i>Note 3</i>)	7,822	53,281
	3,248,088	2,105,653
EXPENSES		
Schedule of ReStore Operations (<i>Schedule 1</i>)	1,293,674	969,283
House costs - build (<i>Notes 3, 4</i>)	563,379	89,773
Salaries, wages and benefits	561,606	404,517
Fundraising expenses	146,079	107,115
Land costs - build (<i>Notes 3, 4</i>)	100,146	63,717
Office rent	32,240	31,898
Contributions to Habitat for Humanity Canada Inc.	29,068	8,023
Advertising, promotion & public relations	28,835	17,103
Office	21,914	27,707
Professional fees	19,459	14,063
Telephone	17,202	16,729
Vehicle	8,846	2,964
Amortization of capital assets	7,546	19,750
Committee	7,188	9,097
Volunteer expenses	7,133	1,509
Interest on long term debt	6,034	67
Repairs and maintenance	5,941	7,222
Bank charges	4,137	1,697
Insurance	2,875	3,268
Build acquisition and site management	166	21,707
International build	-	44,000
	2,863,468	1,861,209
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	384,620	244,444
OTHER ITEMS		
Gain on disposal of capital assets	-	475
Contribution of net assets received from Habitat for Humanity Stratford Perth (<i>Note 14</i>)	778,550	-
	778,550	475
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 1,163,170	\$ 244,919

See accompanying notes to the financial statements.

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.**Statement of Cash Flows****Year Ended December 31, 2014**

	2014	2013
OPERATING ACTIVITIES		
Cash receipts from customers, donors and other operations	\$ 2,745,891	\$ 2,474,029
Cash paid to suppliers, employees and others	(2,942,882)	(2,151,009)
Cash flow from (used by) operating activities	(196,991)	323,020
INVESTING ACTIVITIES		
Purchase of capital assets	(10,116)	(6,701)
Proceeds on disposal of capital assets	-	1,000
Cash flow used by investing activities	(10,116)	(5,701)
FINANCING ACTIVITIES		
Advances on (repayments of) line of credit (net)	(100,000)	95,000
Repayment of line of credit assumed from Stratford Perth (Note 14)	(155,000)	-
Advances from demand loan	432,163	-
Repayment of long term debt	(7,138)	-
Cash flow from financing activities	170,025	95,000
INCREASE (DECREASE) IN CASH	(37,082)	412,319
CASH - BEGINNING OF YEAR	481,970	69,651
CASH - END OF YEAR	\$ 444,888	\$ 481,970

Cash Flows - Supplemental Information**Cash receipts from customers, donors and other operations**

Donations received	\$ 502,377	\$ 865,248
ReStore income received	1,904,607	1,365,618
Mortgage payments and downpayments received	259,557	170,542
HST rebates received	79,350	72,621
	\$ 2,745,891	\$ 2,474,029

Cash paid to suppliers, employees and others

Expenses from operations	\$ 2,162,599	\$ 1,676,314
Purchase of land	469,777	147,855
Costs incurred in construction	229,593	248,691
Interest paid	10,922	1,689
HST paid on expenses	69,991	76,460
	\$ 2,942,882	\$ 2,151,009

See accompanying notes to the financial statements.

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

1. ORGANIZATION

The organization is incorporated, without share capital, under the Corporations Act of Ontario. On January 30, 2014 the organization filed an Application for Supplementary Letters Patent amending its name from Habitat for Humanity Oxford, Middlesex, Elgin Inc. to Habitat for Humanity Heartland Ontario Inc.

The primary objective of Habitat for Humanity Heartland Ontario Inc. is to advance the interest of the economically disadvantaged by providing, through constructing or renovating, safe, decent and affordable homes with an interest free mortgage. The prospective homeowners contribute "sweat equity" rather than a normal down payment.

The organization also operates 4 stores, with each operating under the name ReStore, for the sale of donated building materials and household furnishings the net proceeds of which are deployed to assist in the above objective.

Habitat for Humanity Heartland Ontario Inc. is a charitable organization registered under the Income Tax Act and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO are part of Canadian generally accepted accounting principles (GAAP).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition - Home Sales

Revenue is recognized on the sale of the house at the net present value of the expected future cash flows from the mortgage at that time. For homes sold in 2009 and beyond, the new homeowner provides a first mortgage at the time the house is sold. The first mortgage value is determined based on the selling price of the home (based on appraised value) less any downpayments made by the new homeowner.

For homes sold prior to 2009, revenue was recognized as follows: at the time a house is sold, the new homeowner provides a first mortgage, which is based on a formula that uses the cost of construction of the home. The home is then appraised and the difference between the appraised value and the first mortgage is the amount of value assigned to the second mortgage given by the homeowner at that time. As repayment of the second mortgage is contingent upon the occurrence of certain events, no revenue or asset is recorded in the accounts of the organization with respect to the second mortgages at the time of sale. Any amount that is subsequently realized will be recorded as income in the period received.

On an annual basis the deemed income earned (accretion), which is based upon the discount rate used to calculate the net present value, is included in income. The organization also recognizes changes in the net present value of each mortgage on an annual basis, based upon any changes to the expected future mortgage payments.

Revenue recognition - Other

The organization operates four retail stores known as the ReStore. Revenue from the ReStore is recognized when the customer takes possession of the goods and payment is received.

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HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

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

Revenue recognition - Contributions

The organization uses the deferral method of accounting for contributions. In accordance with this method, the organization recognizes donations and other revenue at the time it is received, unless the donation is externally restricted. Restricted donations or grants are recognized as revenue when the expenses to which the donation or grant is intended to fund is incurred. Restricted contributions related directly to capital assets are deferred and amortized into revenue on the same basis as the related capital asset.

Cash

Cash consists of cash on hand and on deposit, less cheques issued and outstanding at the reporting date.

Inventory

Inventory of land held for development and under development is valued at the lower of cost and net realizable value. Cost is determined as the acquisition cost of the property, plus carrying charges and development and construction expenses. Net realizable value is the estimated selling price of the property less selling expenses.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Building	20 years
Computer equipment	1-3 years
Fencing	10 years
Furniture and fixtures	5 years
Leasehold improvements	5 years
Office equipment	5 years
Store equipment	3 years
Vehicles	3-5 years

Donated land, building materials and services

Donated land and building materials for constructing homes, which would otherwise be paid for by Habitat for Humanity Heartland Ontario Inc., are included in the cost of the project at fair market value. The value of new and used materials donated to ReStore are not reflected in these financial statements. Net assets received from Habitat for Humanity Stratford Perth affiliate (as disclosed in note 14) have been recognized at fair value.

A substantial number of volunteers have made significant contributions of their time to the organization's program and supporting services. The value of this contributed time is not reflected in these statements.

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HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in revenue. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

4. INVENTORY

	2014	2013
Land inventory (18 lots; 2013 - 5 lots)	\$ 546,802	\$ 183,206
Homes under construction (3 homes; 2013 - 5 homes)	125,131	269,939
	\$ 671,933	\$ 453,145

Included in expenses are the costs associated with the construction of 4 homes (2013 - 1 home) sold during the year as well as the land cost for those homes.

Inventory includes build in progress costs associated with builds on Edmonton Street, London and Main Street, Woodstock (2 homes).

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 29,853	\$ -	\$ 29,853	\$ -
Building	159,463	13,677	145,786	-
Computer equipment	48,636	46,470	2,166	3,443
Fencing	5,655	1,257	4,398	-
Furniture and fixtures	245	-	245	-
Leasehold improvements	101,917	57,098	44,819	63,748
Office equipment	34,144	19,272	14,872	20,851
Store equipment	29,081	22,915	6,166	2,318
Vehicles	23,113	23,113	-	-
	\$ 432,107	\$ 183,802	\$ 248,305	\$ 90,360

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

6. FIRST MORTGAGES RECEIVABLE

The organization has a number of first mortgages on the houses they have sold. These mortgages are provided to the mortgagors on an interest free basis. The organization reviews the payment terms on an annual basis based on the mortgagor's income and may adjust the payments accordingly. However, mortgages are fully open without penalty for prepayment at the option of the mortgagor. The payments and dates below reflect the current payment by each mortgagor. The annual adjustments to the payments based on income will effect the actual term of the mortgage.

	2014
The expected repayments are as follows:	
2015	\$ 274,434
2016	268,519
2017	264,636
2018	262,913
2019	253,821
2020	250,644
2021	234,382
2022	224,906
2023	211,152
2024	197,221
2025	174,816
2026	155,208
2027	145,058
2028	129,594
2029	110,155
2030	203,231
2031	124,742
2032	77,883
2033	243,610
2034	157,183
2035	153,079
2036	253,342
Total face value of mortgages	4,370,529
Less: Present value discount	(1,196,766)
Net book value of first mortgages receivable	3,173,763
Less: Current portion of first mortgages receivable	(273,840)
Long term portion of first mortgages receivable	\$ 2,899,923

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

7. SECOND MORTGAGES RECEIVABLE

The organization holds a number of second mortgages on the houses they have sold. These second mortgages are non-interest bearing and have no set monthly repayment terms. The mortgage may be reduced if certain conditions are met as per the following terms listed from each mortgage:

For mortgages entered into prior to 2009, "provided the mortgagors have completed the 'sweat equity' required and have not been in default of any conditions of the mortgage during the term of the mortgage, 25% of the original principal amount will be forgiven after a period of 12 years. Thereafter mortgage balances outstanding are forgiven in one of two ways as specified in their individual mortgage documents:

1. An additional 12.5% of the mortgage is forgiven each year thereafter until the full amount of the mortgage is forgiven, so long as the mortgagors have not defaulted at any point during this time and they have continued to occupy the mortgaged premises as their principal place of residence; or
2. At maturity, the balance of the original principal amount then outstanding shall be deducted and the mortgage deemed to be paid in full at the maturity date provided the mortgagor have not defaulted at any point during this time and they have continued to occupy the mortgaged premises as their principal place of residence.

For 2009 and beyond, no new second mortgages will be issued.

As the cash flow to be received from these second mortgages cannot be reasonably determined given the nature of the terms of these mortgages, no revenue or asset is recognized at the time the mortgage is issued. Revenue, if any, from a second mortgage would be realized at such time as it is determined that the mortgage is or will be collected, and it is likely that the amount is collectible from the mortgagor.

Maturity dates and outstanding balances of the second mortgages are as follows:

2016	\$	8,750
2018		16,250
2019		30,000
2020		54,916
2021		34,944
Thereafter		<u>641,420</u>
	\$	<u>786,280</u>

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

8. CREDIT FACILITIES

The organization has the following credit facilities with Libro Credit Union:

1. A commercial term loan to finance development of 15 lot building sites on Forbes Street. It can be drawn to a maximum of \$750,000 over 5 draws, bearing interest at Libro prime plus 1.75%, repayable on demand. The organization has further agreed to make principal payment for \$60,000 per lot sold. The loan matures in December 2019. At December 31, 2014, \$432,163 was outstanding on this facility.
2. A commercial term loan to finance development of 15 lot building sites on Forbes Street. It can be drawn to a maximum of \$150,000 over 5 draws, bearing interest at Libro prime plus 1.75%, repayable on demand. The loan matures in December 2015. At December 31, 2014, no balance was outstanding on this facility.
3. An operating line of credit which can be drawn to a maximum of \$250,000. Interest is charged on any funds utilized at prime rate plus 1% per annum. The amount of the line of credit outstanding at December 31, 2014 was \$20,000 (2013 - \$120,000).

The Libro credit facilities are secured by a \$800,000 first collateral charge registered against certain land inventory (carrying value of \$449,521), a general security agreement covering amounts receivable, inventory, motor vehicles and equipment as well as an assignment of certain of the first mortgages receivable with a carrying value of \$343,116 (face value of \$433,917).

The organization is subject to externally imposed capital requirement related to the above financing. Specifically, the organization must maintain a minimum Debt Service Ratio of 1.5: 1, defined as current assets over current liabilities less demand loan. At December 31, 2014, the organization was in compliance with this covenant.

9. DEFERRED CONTRIBUTIONS

	2014	2013
Deferred build revenue	\$ 349,999	\$ 355,714
Deferred fundraising revenue - Jeans and Classics	68,176	31,472
Deferred grant revenue	79,500	167,500
	\$ 497,675	\$ 554,686

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2014	2013
Opening balance	\$ 52,500	\$ 67,500
Amounts amortized to revenue during the year	(15,000)	(15,000)
Balance - end of the year	\$ 37,500	\$ 52,500

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

11. LONG TERM DEBT

	2014	2013
Libro Credit Union mortgage bearing interest at 5.37% per annum, repayable in monthly blended payments of \$1,098. The loan matures on October 1, 2018 and is secured by land and building.	\$ 108,545	\$ -
Amounts payable within one year	(7,599)	-
	<u>\$ 100,946</u>	<u>\$ -</u>

Principal repayment terms are approximately:

2015	\$ 7,599
2016	8,012
2017	8,448
2018	<u>84,486</u>
	<u>\$ 108,545</u>

12. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides information about the organization's risk exposure and concentration at December 31, 2014. There have been no significant changes in the nature or concentration of the risk exposures from the prior year, unless otherwise noted.

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. The organization is exposed to credit risk from customers and mortgagors. In order to reduce its credit risk, the organization reviews a new customer's or mortgagor's credit history before extending credit and conducts regular reviews of its existing customers' credit performance and monitors its mortgagors' monthly payment history and their annual incomes. The organization also reduces credit risk by securing the mortgages receivable against the property that the mortgage was issued for, which allows the organization to recover the property in the case that the mortgagor defaults.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional information based on those forecasts. The organization also has additional credit available to draw on as required in the short-term, as disclosed in note 8.

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HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

12. FINANCIAL INSTRUMENTS *(continued)*

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the organization's earnings that arise from fluctuations of foreign exchange rates. The organization is not exposed to significant currency risk as it does not hold any financial instruments denominated in a foreign currency.

Interest rate risk

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 primarily through its mortgage receivables, mortgage payable, term loans and line of credit.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. In management's opinion, the organization is not exposed to significant other price risk.

13. LEASE COMMITMENTS

The organization has 4 leases with respect to its premises (Pacific Court administrative offices, Pacific Court ReStore, Adelaide St. ReStore and Woodstock ReStore), which expire in November 2016, February 2020 and August 2021. Future minimum lease payments as at December 31, 2014 are as follows:

2015	\$	253,263
2016		249,555
2017		163,317
2018		163,317
2019		163,317
Thereafter		164,195
		<hr/>
	\$	<u>1,156,964</u>

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.

Notes to Financial Statements

Year Ended December 31, 2014

14. ORGANIZATIONAL MATTERS

On January 1, 2014, the organization consolidated operations with the Habitat for Humanity Stratford Perth (HFH SP) affiliate. As a result of the consolidation, the organization has assumed HFH SP's operations and all of its assets and liabilities existing at the date of consolidation. The comparative figures presented in these financial statements for December 31, 2013 do not include the assets, liabilities, or operational results of HFH SP.

The fair value of the assets and liabilities acquired are as follows:

	2014
Current assets	\$ 8,423
Capital assets	193,033
First mortgages receivable	889,592
Current liabilities	(41,815)
Line of credit	(155,000)
Mortgage payable	(115,683)
<hr/>	
Contribution of net assets received	\$ 778,550

HABITAT FOR HUMANITY HEARTLAND ONTARIO INC.**Schedule of ReStore Operations***(Schedule 1)***Year Ended December 31, 2014**

	2014	2013
REVENUE		
Sales	\$ 1,878,291	\$ 1,355,390
Other revenue	26,151	10,228
	1,904,442	1,365,618
EXPENSES		
Salaries, wages and benefits	759,044	542,664
Rent	223,247	199,602
Vehicle	73,197	63,691
Utilities	41,419	28,078
Amortization of capital assets	37,621	11,329
Repairs and maintenance	37,199	36,448
Supplies and direct costs	26,355	11,223
Office	22,805	21,374
Contributions to Habitat for Humanity Canada Inc.	21,745	17,000
Advertising, promotion & public relations	16,444	13,201
Telephone	12,634	11,844
Volunteer expenses	7,500	5,890
Bank charges	6,783	176
Delivery and transportation	3,906	4,511
Insurance	3,775	2,252
	1,293,674	969,283
EXCESS OF REVENUE OVER EXPENSES	\$ 610,768	\$ 396,335

See accompanying notes to the financial statements.