

Statement of changes in Net Assets for the Year Ended December 31, 2020, explained

This document presents the “Changes in Net Assets” from the financial statement for OGHC prepared by our auditor, MNP, for 2020. The audited statement can be found on the “Budget and financial information” page on the OGHC website. You can link to this page from the Members Ony page. Net assets are the difference between OGHC’s total assets and total liabilities.

The “Report on changes in net assets” in the auditor’s report focuses on three categories of assets: membership shares, unrestricted, and accumulated forgiveness of Manitoba Housing and Renewal Corporation Loans. Previous audits had combined the unrestricted and the value of the forgiveness on the MHRC loan.

This report shows the changes in each of these categories during the period arising from various activities. The total value of OGHC’s net assets at the end of 2020 was \$3,709,225.

The total value of OGHC membership shares at the end of 2020. (For details, see Appendix 1.)

‘Unrestricted’ is OGHC’s accumulated surplus. (This does not include accumulated loan forgiveness.)

Each year that OGHC meets its commitment to provide 34 units of affordable housing, MHRC forgives a portion of a loan it made to OGHC. This column records the amount forgiven.

The top number in this column shows the total of OGHC’s net assets at the beginning of 2019. The bottom number shows it at the end of 2019.

	Membership Shares 2020	Unrestricted	Accumulated forgiveness of MHRC loans	2020	2019
Net assets, beginning of year	3,424,050	61,313	67,986	3,553,349	3,600,053
Excess (deficiency) of revenue over expenses	-	(646)	135,972	135,326	(46,704)
Issuance of member shares	20,550	-	-	20,550	-
Net assets, end of year	3,444,600	60,667	203,958	3,709,225	3,553,349

The net value of shares issued in a year.

The value of the membership shares at the end of the year.

OGHC’s net operating loss for 2020.

The value of OGHC’s accumulated surplus at end of the year. The sum of the figures above.

The top number in this column shows the total of OGHC’s net assets at the beginning of 2020. The bottom number shows it at the end of 2020.

Appendix 1: Membership shares

OGHC has authorized the sale of an unlimited number of common membership shares at \$50 par value per share. An individual must purchase one of these shares prior to becoming a member.

In addition, what were termed “unit contribution shares” were sold to members who were moving into the co-operative. The number of shares that had to be purchased depended on a number of factors

including size of unit and whether the suite was reserved for members who met government income limit rules.

When members leave, OGHC purchases the shares and sells them to new members. As a result, the total value of the shares will not increase over time. There can, however be small fluctuations if the purchase and redemption of shares takes place near the end of the year.

The following table outlines OGHC share values in 2020.

Type of share	2020	2019
Common member shares		
Balance, beginning of year	4,050	4,050
Unit Contribution Shares		
Balance, beginning of year	3,420,000	3,420,000
Share purchases and redemptions during the year (net)	20,550	-
Balance, end of year	3,440,550	3,420,000
Total value of membership shares	3,444,600	3,424,050