

Financial Statements of

**HABITAT FOR HUMANITY
SOUTHERN ALBERTA SOCIETY**

And Independent Auditor's Report thereon

Year ended December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Members of Habitat for Humanity Southern Alberta Society

Opinion

We have audited the financial statements of Habitat for Humanity Southern Alberta Society (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023;
- the statement of operations and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of Habitat for Humanity Southern Alberta Society as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 auditor's report.

We are independent of the Entity in accordance with the 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 opinion.



Emphasis of Matter – Restatement of Financial Statements

We draw attention to note 18 to the financial statements (note 18) which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 18 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

April 18, 2024

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	Note	2023	2022
			(Restated-note 18)
Assets			
Cash	3	\$ 12,274,077	\$ 9,719,269
Restricted cash		1,146,891	1,071,619
Investment	4	836,439	786,100
Accounts receivable		63,528	235,674
Prepaid expenses and deposits		206,666	330,589
Projects under development	5	1,847,651	4,134,714
Projects held for sale	6	1,195,373	3,256,820
First mortgages receivable, net of discount	7	29,645,025	31,550,978
PEAK second mortgages receivable	8(a)	1,322,295	1,473,342
High River second mortgages receivable	8(b)	260,682	284,824
Property and equipment	9	509,484	617,450
		\$ 49,308,111	\$ 53,461,379
Liabilities and Net Assets			
Accounts payable and accrued liabilities	10, 15	\$ 1,319,378	\$ 1,067,604
Operating loans	11	4,230,054	4,337,370
Deferred revenue	12, 18	4,391,980	4,714,566
PEAK program liability	13	2,464,578	2,531,081
High River program liability	14	260,682	284,824
		12,666,672	12,935,445
Net assets:			
Internally restricted	4	836,439	786,100
Unrestricted		35,805,000	39,739,834
		36,641,439	40,525,934
Commitments and contingencies	11, 16		
		\$ 49,308,111	\$ 53,461,379

See accompanying notes to financial statements.

On behalf of the Board:



Leland Corbett – Director



Lisa Smandych – Director

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Statement of Operations and Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

	Note	2023	2022
			(Restated-note 18)
Revenues:			
Sale of homes		\$ 10,238,404	\$ 3,956,316
ReStore sales		6,349,579	5,208,816
Fundraising revenue	17	2,156,287	1,413,520
Government grants	16, 17	2,601,831	802,447
Gifts-in-kind	15, 17	6,337,526	5,968,434
Interest and other		656,158	509,843
		<u>28,339,785</u>	<u>17,859,376</u>
Expenses:			
Cost of homes sold		8,922,813	3,324,994
ReStore expenses	15	4,530,053	3,874,506
Fundraising		457,120	472,847
ReStore donated goods for resale	17	6,154,696	5,792,094
Program delivery		1,259,998	1,337,382
General and administrative		1,636,359	1,658,947
Interest		312,830	200,149
		<u>23,273,869</u>	<u>16,660,919</u>
Excess of revenues over expenses before the following		5,065,916	1,198,457
Other revenue and expenses:			
Imputed interest income on mortgage receivable	7	402,716	251,360
Mortgage discount expenses	7	(9,233,758)	(2,708,784)
Amortization on property and equipment		(143,207)	(147,131)
Change in unrealized gain (loss) on investments		23,838	(65,664)
		<u>(8,950,411)</u>	<u>(2,670,219)</u>
Deficiency of revenues over expenses		(3,884,495)	(1,471,762)
Net assets, beginning of year		40,525,934	39,428,821
Adjustment to prior years	18	–	2,568,875
Net assets, end of year		\$ 36,641,439	\$ 40,525,934

See accompanying notes to financial statements.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
		(Restated-note 18)
Deficiency of revenue over expenses	\$ (3,884,495)	\$ (1,471,762)
Cash provided by (used in):		
Operations:		
Items not affecting cash from operations:		
Amortization on property and equipment	143,207	147,131
Realized gain on sale of investments	(13,212)	(10,254)
Change in unrealized (gain) loss on investments	(23,838)	65,664
Mortgage discount expense	9,233,758	2,708,784
Imputed interest income on mortgage receivable	(402,716)	(251,360)
Write down of projects held for sale	—	143,794
Loss on disposal of property and equipment	483	—
	5,053,187	1,331,997
Net change in non-cash balances:		
Accounts receivable	172,146	(10,772)
Prepaid expenses and deposits	123,923	6,676
Projects under development	2,287,063	(458,166)
Projects held for sale	2,061,447	(736,671)
First mortgages granted	(10,366,538)	(3,805,999)
First mortgages payments, buybacks, cancellations	3,441,449	3,659,817
PEAK second mortgages receivable	151,047	118,051
High River second mortgages receivable	24,142	22,386
Accounts payable and accrued liabilities	251,774	20,416
Deferred revenue	(322,586)	1,492,310
	2,877,054	1,640,045
Investing:		
Purchase of investments	(13,289)	(7,360)
Purchase of property and equipment	(35,724)	(265,559)
	(49,013)	(272,919)
Financing:		
Repayment of operating loan	(107,316)	(219,654)
PEAK program liability	(66,503)	(68,629)
High River program liability	(24,142)	(22,386)
	(197,961)	(310,669)
Increase in cash and restricted cash	2,630,080	1,056,457
Cash and restricted cash, beginning of year	10,790,888	9,734,431
Cash and restricted cash, end of year	\$ 13,420,968	\$ 10,790,888

See accompanying notes to financial statements.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements

Year ended December 31, 2023, with comparative information for 2022

Nature of operations:

Habitat for Humanity Southern Alberta Society (the "Society") was incorporated without share capital under the Societies Act of Alberta on August 15, 1990. The Society has received tax-exempt status as a registered charitable organization under the Canadian Income Tax Act.

The primary objective of the Society is to work within Southern Alberta to help families build strength, stability and independence through affordable home ownership by providing non-interest-bearing mortgages to enable them to purchase homes.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The Society has adopted a non-classified balance sheet presentation.

(b) Revenue recognition:

The Society follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Gifts-in-kind used in the operations of the Society are recorded when the value can be reasonably determined and the donated items would have otherwise been purchased.

ReStore revenue is recorded at the value for which the items are sold.

Revenue from sale of homes is recognized at fair market value when the homeowner signs the mortgage documents. The Society provides the homeowner an interest-free first mortgage in the amount of the sale proceeds. Second mortgages may be provided, when necessary, to maintain affordability for pre-approved homeowners. Family partner agreements signed prior to May 1, 2010, have, if applicable, forgivable second mortgages which are not recorded on the financial statements. Family partner agreements signed post May 1, 2010, have, if applicable, unforgivable second mortgages and are recorded as revenue at the time of home sale.

ReStore sales revenue is recognized when the customer purchases and pays for product.

PEAK administrative revenue is recognized as second mortgages are paid out by homeowners and the Society has received the funds.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 2

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Contributions restricted for the purchase of property and equipment are recognized as revenue in the amounts that match the amortization expense of the related property and equipment purchased with the contributions.

Donated land, inventory and material, which would otherwise be paid for by the Society, are recognized in the financial statements at fair market value when the value can be reasonably estimated.

Donated investments are recognized at fair value when received and sold by the Society.

(c) Cash:

Cash consists of amounts held on deposit with banks and amount held in interest-bearing accounts. The purpose for determining cash flows, cash consists of cash on deposit with banks and restricted cash held on deposit.

(d) Restricted cash:

Restricted cash is managed by the Society on behalf of Trico Homes Inc. and the Alberta Government, for the Public Essential and Key Workforce (PEAK) Mortgage Program. Funds are distributed in the form of non-repayable monthly mortgage subsidies and interest-free second mortgages for program clients.

(e) Investments:

Investments are carried at fair market value, which represents the last closing price, net of broker fees. Changes in unrealized gains and losses are disclosed in the statement of operations.

(f) Land held for sale:

Land held for sale is carried at the lower of cost and net realizable value. Cost consists of the original purchase price and applicable carrying charges.

(g) Projects held for sale and under development:

Projects held for sale are carried at the lower of cost and net realizable value.

Payments received from prospective homeowners under "tenancy-at-will" agreements are held by the Society to be applied against the outstanding mortgage balance upon sale of the home.

All direct costs related to projects are capitalized to projects under development. These costs include, but are not limited to, construction costs, property taxes and borrowing (financing) costs such as interest on debt specifically related to the land development inventory but exclude marketing and general and administrative overhead expenses.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 3

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(h) Mortgages receivable:

First mortgages are originally recognized at fair market value in the year of sale to the homeowners. In subsequent years, first mortgage receivables are recognized at amortized cost. The fair value of the first mortgage is determined by imputing a cost of borrowing at the prevailing market rate and is recognized over the term of the mortgage using the straight-line method. The mortgage discount expense represents the difference between the fair value, as calculated above, at the date the mortgage is entered into and the face value of the mortgage.

Second mortgages issued prior to May 1, 2010, represent the difference in value between the fair market value and the cost to build the home and are forgivable, subject to certain conditions, over a period of 20 to 25 years. In the normal course of business, it is not anticipated that any proceeds will be received from second mortgages for those family partnership agreements issued prior to May 1, 2010; thus, no value has been attributed to them in these financial statements. Second mortgages issued after May 1, 2010, if applicable, are no longer forgivable for those family partnership agreements and are recorded at the time of sale.

(i) Property and equipment:

Property and equipment is stated at cost, less accumulated amortization. Contributed property and equipment is recorded at fair market value at the date of contribution. If fair market value cannot be reasonably determined, the contributed property and equipment is recorded at a nominal value. Amortization is calculated over the estimated useful lives of the assets using the methods and rates indicated below. Rates applied in the year of purchase are calculated at one half of the stated rate:

Asset	Method and rate
Automotive and trailers	20% - 30% declining balance
Computer equipment	20% - 30% declining balance
Computer software	3 years straight line
Construction mobile equipment	20% - 30% declining balance
Construction tools and equipment	20% declining balance
Office equipment and furniture	20% declining balance
Leasehold improvements	Straight line over term of lease

The Society regularly reviews its property and equipment to eliminate obsolete items. Property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable and exceeds its fair value. When an item of property and equipment no longer contributes to the Society's ability to provide services, the carrying amount is written down to its fair value or replacement cost.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 4

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at amortized cost unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value other than investments.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Financial instruments and related risks are described in note 2(a).

(k) Use of 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates may include the value of donated items, the recoverability and useful life of property and equipment, the net realizable value of land and real estate held for sale and projects under development and the fair value of non-interest-bearing mortgages.

(l) Allocation of fundraising/general and administrative expenses:

The Society allocates facility expenses. A percentage of the Society's Chief Executive Officer, the Chief Financial Officer and the Senior Human Resource Specialist's salaries are allocated between programs based on functional responsibilities.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 5

Year ended December 31, 2023, with comparative information for 2022

2. Financial instruments and related risks:

(a) Financial assets and financial liabilities:

Financial instruments include cash, restricted cash, investments, accounts receivable, mortgages receivable, accounts payable and accrued liabilities, operating loans and line of credit.

Investments are stated at their fair value on a portfolio basis based on closing prices for publicly traded securities and quoted prices for fixed rate investments.

(b) Credit risk:

The Society is exposed to the risk that a homeowner may default on its contractual obligations. The Society is exposed to credit risk in the event of non-payment of mortgages receivable. The credit exposure for mortgage receivables is minimized by holding the properties as security. Collection risk on accounts receivable is not considered significant by the Society.

Cash and restricted cash are held in a chartered Canadian commercial bank.

(c) 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.

Interest rate risk arises from the Society's holdings of fixed income securities. As interest rates fluctuate, the fair value of these securities will be impacted.

The Society has available an operating line of credit, and term loans which bear interest based on the bank's prime rate. As the bank's prime rate fluctuates, the Society is exposed to interest rate risk.

(d) Liquidity risk:

Liquidity risk is the risk the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There have been no significant changes to the risk exposures from 2022.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 6

Year ended December 31, 2023, with comparative information for 2022

3. Restricted cash:

The Society records restricted cash as per the contractual agreements outlined in the Affordable Housing (PEAK) Program Grants dated May 15, 2010 (Milano), and April 29, 2015 (Viridian) for funds committed and expended for client properties as summarized below:

	2023	2022
Milano net committed funds remaining	\$ 26,870	\$ 26,870
Viridian net committed funds remaining	62,347	62,347
Sustainable funds remaining	1,053,066	968,521
Net interest and charges not transferred	4,608	13,881
Balance, end of year	\$ 1,146,891	\$ 1,071,619

4. Investments:

The Society invested \$250,000 with the Calgary Foundation in 2005 to fund commitments made under a ground lease agreement entered into for the purposes of a development project (note 16(b)) and is required to maintain a minimum balance of \$500,000. The fair market value of these investments at December 31, 2023 is \$836,439 (2022 – \$786,100) and cost at December 31, 2023 remains at \$318,700.

Income earned from the Calgary Foundation investment in 2023 amounted to \$26,501 (2022 – \$17,614).

5. Projects under development:

	Note	2023	2022
Balance, beginning of the year		\$ 4,134,714	\$ 3,676,548
Project costs during the year		3,845,994	3,043,835
		7,980,708	6,720,383
Less:			
Direct project costs expensed		(109,837)	(56,330)
Completed project costs transferred to projects held for sale	6	(6,023,220)	(2,529,339)
Balance, end of year		\$ 1,847,651	\$ 4,134,714

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 7

Year ended December 31, 2023, with comparative information for 2022

6. Projects held for sale:

Unit buybacks are valued at the mortgage amount outstanding at the time of repurchase. In 2023, there were 2 buybacks valued at \$558,000 (2022 – 5 buybacks valued at \$1,302,788). At the end of the fiscal year, if the mortgage value of the properties exceeds the market value, the properties are written down to their market value and included in program delivery on the statement of operations. In 2023, no property costs were lower than their market value and no write downs were required (2022 – 5 properties were written down by \$143,794).

	Note	2023	2022
Balance, beginning of year		\$ 3,256,820	\$ 2,663,943
Add:			
Costs of completed new projects transferred from projects under development	5	6,023,220	2,529,339
Project unit buybacks		558,000	1,302,788
Repairs on buybacks		44,932	257,057
		9,882,972	6,753,127
Less:			
Direct costs of projects sold during the year		(8,687,599)	(3,352,513)
Write down to net realizable value		–	(143,794)
Balance, end of year		\$ 1,195,373	\$ 3,256,820

7. First mortgages receivable:

In 2023, the Society entered into 31 new mortgages (2022 – 16). In total, there are 244 mortgages outstanding (2022 – 222). First mortgages are for 20 to 55-year terms and secured by the related land and building. New mortgages valued at \$10,366,538 (2022 – \$3,805,999) were issued during the year. A mortgage discount expense of \$9,233,758 (2022 – \$2,708,784) was recorded on new mortgages during the year using the prevailing market rate of interest at date of mortgage of which in 2023 ranged from 6.95% to 7.7% (2022 – 2.95% to 6.95%) per annum. Accretion of the mortgage discount is calculated over the period of the mortgage and was \$402,716 for 2023 (2022 – \$251,360).

	2023	2022
Gross mortgages receivable	\$ 47,546,559	\$ 40,621,470
Unamortized mortgage discounts	(17,901,534)	(9,070,492)
Present value of first mortgages receivable	\$ 29,645,025	\$ 31,550,978

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 8

Year ended December 31, 2023, with comparative information for 2022

7. First mortgages receivable (continued):

Annual mortgage repayments for 2023 totaled \$2,955,544 (2022 – \$2,615,460). Future net mortgage repayments expected are as follows:

2024	\$ 2,770,171
2025	2,591,814
2026	2,508,069
2027	2,434,923
2028	2,394,801
Thereafter	34,846,781

8. Second mortgages receivable:

(a) PEAK second mortgages are secured by the related land and building. These mortgages are non-interest bearing for the first 5 years, with interest accruing at 5% for Milano and 3% for York 29 and Viridian, compounded annually, thereafter. No payments are required unless the homeowner sells, rents or defaults on the designated housing unit.

In 2023, PEAK second mortgages were paid out for 1 Milano unit (2022 – 1 unit), 2 York29 units (2022 – 1 unit), 4 Viridian units (2022 – 6 units), and 2 Cochrane units (2022 – no units).

Second mortgage interest is the net amount of interest accrued and paid out for the year. These amounts have been included in the second mortgage receivable balance.

	2023	2022
PEAK balance, beginning of year	\$ 1,473,342	\$ 1,591,393
Milano payout	(35,605)	(36,224)
York 29 payout	(84,380)	(41,765)
Viridian payout	(44,854)	(74,247)
Cochrane payout	(9,000)	–
Partial Mortgage payments	–	(3,000)
Net change Milano interest	26,697	28,386
Net change Viridian interest	1,367	1,270
Net change York 29 interest	(5,272)	7,529
PEAK balance, end of year	\$ 1,322,295	\$ 1,473,342

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 9

Year ended December 31, 2023, with comparative information for 2022

8. Second mortgages receivable (continued):

- (b) High River second mortgages are secured by the related land and building. These mortgages are non-interest bearing for the first 5 years, with interest accruing at 3%, compounded annually, thereafter. No payments are required unless the homeowner sells, rents or defaults on the designated housing unit. In 2023, 1 High River unit (2022 – 1) second mortgage was paid out at a value of \$29,500. 8 High River units (2022 – 9 units) accrued net interest of \$5,358 (2022 – \$7,114).
- (c) The Society holds forgivable second mortgages dated prior to May 1, 2010, aggregating \$2,895,791 on 39 units (2022 – \$3,061,354 on 45 units) which expire at the end of the 25-to-50-year terms. As at December 31, 2023, \$nil forgivable second mortgages were recorded on the statement of financial position (2022 – \$nil) as none met the condition to be recognized as per note 1(h).

9. Property and equipment:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Automotive and trailers	\$ 285,312	\$ 201,947	\$ 83,365	\$ 97,053
Computer equipment	44,934	40,746	4,188	6,203
Computer software	177,472	163,666	13,806	2,792
Construction mobile equipment	23,013	22,240	773	1,368
Construction tools and equipment	13,151	6,001	7,150	6,548
Office equipment and furniture	106,611	97,572	9,039	11,473
Leasehold improvements	1,026,791	635,628	391,163	492,013
	\$ 1,677,284	\$ 1,167,800	\$ 509,484	\$ 617,450

10. Accounts payable and accrued liabilities:

Government remittances included in accounts payable and accrued liabilities which represent amounts payable for goods and services tax is \$62,482 (2022 – \$nil).

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 10

Year ended December 31, 2023, with comparative information for 2022

11. Credit facilities:

The Society has available a \$1,000,000 demand operating loan facility to be used for general operations. This facility bears interest at the bank's prime rate per annum, which was 7.2% at December 31, 2023 (2022 – 6.45%). The facility balance as of December 31, 2023, is \$nil (2022 – \$nil).

The Society has available a \$10,000,000 demand credit facility to be used as interim financing for the acquisition of land for residential purposes, interest and predevelopment costs, of which \$4,158,712 was utilized at December 31, 2023 (2022 – \$4,250,088). The facility is available by way of prime-based loans or by term loans. Interest expense related to the credit facilities for 2023 is \$312,829 (2022 – \$200,149).

Initial drawings are taken as a line of credit and bear interest at the bank's prime rate plus 0.75% per annum for the first two-year period. After two years of the advance, if the outstanding balance is not demanded by the lender, the outstanding amount of the loan is amortized over 18 years as a term loan, bearing interest at the bank's prime rate plus 0.5% per annum and monthly payments of principal and interest commence. The loan may be repaid in whole or in part at any time without penalty.

The Society has available a \$1,000,000 demand credit facility to be used for the issuance of letters of credit in support of municipal utility and other similar obligations. This facility accrues interest at the bank's prime rate plus 1% per annum if drawn. The facility balance as of December 31, 2023, is \$80,950 (2022 – \$653,439).

Security on these facilities consists of a general security agreement providing a security interest over all present and after acquired personal property and a floating charge on all lands.

The banking facilities available to the Society are subject to certain financial and non-financial covenants. As at December 31, 2023, the Society is in compliance with all such covenants. The next annual review date for any demand credit facilities is set for May 2024.

The Society purchased two vehicles in 2021 and obtained financing for each. Each loan bears interest of 1.99% annually and is amortized over 84 months. Interest expense related to the vehicle loan facilities for 2023 is \$1,592 (2022 – \$1,906).

	2023	2022
Term loans	\$ 4,158,712	\$ 4,250,088
Vehicle loans	71,342	87,282
Balance, end of year	\$ 4,230,054	\$ 4,337,370

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 11

Year ended December 31, 2023, with comparative information for 2022

11. Credit facilities (continued):

Assuming payment of the term loans are not demanded, principal payments for the term of the loans are as follows:

2024	\$	86,121
2025		93,927
2026		101,418
2027		109,508
2028		117,398
Thereafter		3,650,340

Future principal payments required under vehicle loans are due as follows:

2024	\$	16,257
2025		16,586
2026		16,920
2027		17,259
2028		4,320

12. Deferred revenue:

The Society received cash donations, grants, sponsorships, and gifts-in-kind during the year, which are deferred as the eligible expenditures, have not been incurred.

	2023	2022
		(Restated – note 18)
Balance, beginning of year	\$ 4,714,566	\$ 3,222,256
Amounts received	4,528,530	2,279,715
Amounts recognized as revenue in the year	(3,586,866)	(252,427)
CMHC grants recognized as revenue	(1,264,250)	(534,978)
Balance, end of year	\$ 4,391,980	\$ 4,714,566

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 12

Year ended December 31, 2023, with comparative information for 2022

13. PEAK program liability:

The PEAK program liability is comprised of the following amounts managed by the Society on behalf of Trico Homes Inc. and the Alberta Government:

	2023	2022
Restricted cash Milano Project	\$ 583,904	\$ 559,080
Interest receivable	262,402	235,704
Milano mortgages receivable	638,840	674,445
Milano program liability	1,485,146	1,469,229
Laredo Cochrane mortgages receivable	4,500	13,500
Laredo Cochrane program liability	4,500	13,500
Restricted cash York 29 Project	450,786	404,823
Interest receivable	61,005	66,278
York 29 mortgages receivable	293,370	377,750
York 29 program liability	805,161	848,851
Restricted cash Viridian Project	107,593	93,835
Interest receivable	3,321	1,954
Viridian mortgages receivable	58,857	103,712
Viridian program liability	169,771	199,501
Total PEAK program liability	\$ 2,464,578	\$ 2,531,081

As mortgages are repaid by homeowners, the funds repaid from the second mortgage, as well as any interest received, are distributed to the sustainability fund in accordance with the terms of the funding agreement.

The sustainability fund is to be used as follows: 50% to support future PEAK Homeownership Projects and 50% to support the Society's traditional build model through the Fund for Humanity.

14. High River program liability:

The High River program liability is managed by the Society on behalf of Rempel Homes and the Canadian Red Cross.

As second mortgages are repaid by homeowners, these funds, as well as any interest received, are distributed to the sustainability fund in accordance with the terms of the funding agreement. The funds accumulated in this sustainability fund will continue to accrue over time to help fund future initiatives of the Society.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 13

Year ended December 31, 2023, with comparative information for 2022

15. Related party transactions:

The Society is an affiliate of Habitat for Humanity Canada. Habitat for Humanity is a global partnership, and in recognition of this, each affiliate is committed to contribute at least 10% of its non-designated cash contributions to international work. All funds received have been designated for local operations and construction; therefore, the Society contributed a discretionary contribution of \$25,000 in 2023 (2022 – \$25,000). The Society's contribution assists Habitat for Humanity international work.

During the year, the Society paid ReStore royalties of \$253,984 (2022 – \$208,357) and affiliation fees of \$230,197 (2022 – \$265,173) to Habitat for Humanity Canada. In 2023, the Society received \$485,554 in cash donations, grants and sponsorships (2022 – \$608,211) in addition to \$438,542 of gifts-in-kind (2022 – \$479,301) from Habitat for Humanity Canada. The amount due at year-end to Habitat for Humanity Canada is \$129,258 (2022 – \$62,319) and included within accounts payable and accrued liabilities.

16. Commitments and contingencies:

- (a) The Society is committed to payments under operating leases for office and store space, furniture and computer equipment. The future minimum commitments are as follows:

2024	\$ 735,637
2025	516,794
2026	491,480
2027	430,215
2028	424,816
Thereafter	415,615

- (b) The Society has entered into a renewable 99-year ground lease ("Suncourt lease") with Home Space Society (formerly known as the Calgary Community Land Trust) for the purposes of the development of a 27-unit townhouse project. The Suncourt lease became effective July 1, 2003 with annual rental payments in the amount of \$20,000. The Suncourt lease provides for an adjustment every 30 years to the annual rental based on the lesser of 4% of the fair market value of the land under lease, excluding improvements, and \$60,000. The lease specifies that the Society must use the land solely and exclusively for the purposes of alleviating the problem of a lack of affordable housing for low-income families in Calgary, Alberta. The Society has committed to repurchase all units back from owners and may fund these commitments through the investment held with The Calgary Foundation (note 4). There were no unit buybacks in 2023 (2022 – 1 unit for \$143,500).

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 14

Year ended December 31, 2023, with comparative information for 2022

16. Commitments and contingencies (continued):

- (c) The Society entered into a renewable 99-year ground lease (“Sheftel lease”) with Home Space Society (formerly known as the Calgary Community Land Trust), for the purposes of the development of a 12-unit townhouse project in north-west Calgary. The Sheftel lease became effective February 25, 2008 with annual rental payments in the amount of \$10,000. The Sheftel lease provides for an adjustment every 15 years (Rent Adjustment Date) to the annual rental based on 4% of the fair market value of the land under lease, excluding improvements. The rent adjustment, effective as of February 25, 2023, is \$17,000. The Sheftel lease specifies that the Society must use the land solely and exclusively for the purpose of alleviating the problem of a lack of affordable housing for low-income families in Calgary, Alberta. Due to this specification, the Society has committed to repurchase all units back from owners and may fund these commitments through the investment held with The Calgary Foundation (note 4). There were no buybacks in 2023 and 2022.
- (d) The Society issues letters of credit through its financial institution to provide guarantees to certain vendors. The balance of outstanding letters of credit is \$80,950 (2022 – \$653,439).
- (e) Habitat for Humanity Canada secures funding for the Federation through the CMHC-HFHC National Housing Co-Investment Fund and the Black Family Fund (the “Fund”). These agreements provide for 20-year forgivable loans to assist with the financing of the construction of affordable owner-occupied units up to a maximum of eligible project costs as set out in each of the funding agreements. The loans are interest-free for so long as the conditions specified in the agreements are met and the loans are not in default. In addition, the loans are forgiven at a rate of one twentieth per year over 20 years beginning 12 months after the last Habitat Affiliate has completed its final drawdown. Refer to note 18 for further information with respect to the manner in which these loans are accounted for by the Society.
- (f) From time to time, the Society is involved in various claims and legal actions which occur in the ordinary course of operations. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and estimable. At the time of the financial statements preparation, there has been no resolution or indication that the settlement of any actions will result in any material liabilities.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 15

Year ended December 31, 2023, with comparative information for 2022

17. Fundraising revenue, gifts-in kind donations and grants:

	2023	2022
Fundraising revenue:		
Donations	\$ 753,239	\$ 816,791
Sponsorship and fundraising activities	564,491	463,657
Grants	838,557	133,072
Fundraising revenue	2,156,287	1,413,520
Government grants:		
Federal	1,271,831	562,447
Provincial	1,330,000	240,000
Government Grants	2,601,831	802,447
Gifts-in-kind donations:		
Construction & Miscellaneous	182,831	176,340
ReStore	6,154,696	5,792,094
Gifts-in-kind donations	6,337,527	5,968,434
	\$ 11,095,645	\$ 8,184,401

Donations are monetary gifts received and may be tax receipted under the Income Tax Act. In raising \$2,156,287 (2022 – \$1,413,520) in fundraising revenues, the Society incurred \$344,044 (2022 – \$335,559) in fundraising expenses for the purpose of soliciting contributions, which includes \$146,911 (2022 – \$120,000) for direct fundraising expenses and \$197,133 (2022 – \$215,559) for employee compensation and benefits. Grants are received from foundations and corporations.

Government grants consist of Government of Alberta affordable housing grants, CMHC Federal Co-Investment housing grants, CMHC Federal Black Family housing grants, and Government of Canada Summer jobs program grants.

Gifts-in-kind donations revenue is products donated to the Society for the purposes of ReStore, construction or fixed assets. ReStore gifts-in-kind are expensed in the year received.

In 2023, the Society changed the presentation of grant revenue. Non-government grants are now included in fundraising revenue and government grants are disclosed separately in the Statement of Operations. Refer to note 18 for further details.

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 16

Year ended December 31, 2023, with comparative information for 2022

18. Prior period restatement:

During the current year, the Society identified an error in the application of accounting guidance associated with forgivable loans. As such, the Society has changed its revenue recognition policy related to CMHC funding of forgivable loans. Previously, amounts received from CMHC were recorded as deferred revenue to be recognized as revenue when such loans were forgiven. To December 31, 2022, no such amounts had yet been recognized as revenue. The Society has retrospectively adopted a policy whereby such amounts are to be recognized as revenue when the related expenditures on projects under development are incurred.

As a result, revenue totaling \$2,568,875 was recorded as an adjustment to net assets as of January 1, 2022, for amounts expended on projects under development to December 31, 2021. In addition, \$534,978 was recognized as revenue in the 2022 fiscal year representing expenditures made during the year ended December 31, 2022 and recognition of revenue that had previously been deferred. These adjustments resulted in deferred revenue at December 31, 2022, decreasing by \$3,103,853.

These adjustments resulted in the following changes to the 2022 comparative financial statements:

	As previously reported December 31, 2022	Change in disclosure (note 17)	Prior year adjustment	Restated December 31, 2022
Statement of Financial Position:				
Deferred Revenue	\$ 7,818,419	\$ –	\$ (3,103,853)	\$ 4,714,566
Net Assets, unrestricted	36,635,981	–	3,103,853	39,739,834
Statement of operations and changes in net assets:				
Fundraising Revenue	1,280,448	133,072	–	1,413,520
Grants	400,541	(400,541)	–	–
Government Grants	–	267,469	534,978	802,447
Deficiency of revenue over expenses	(2,006,740)	–	(534,978)	(1,471,762)
Net assets, beginning of year	39,428,821	–	2,568,875	41,997,696
Net assets, end of year	37,422,081	–	3,103,853	40,525,934
Statement of cash flow:				
Deficiency of revenue over expenses	(2,006,740)	–	534,978	(1,471,762)
Deferred revenue	2,027,288	–	(534,978)	1,492,310

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 17

Year ended December 31, 2023

Provincial Affordable Housing Program- Milano Project:

Schedule 1
(unaudited)

For the purposes of the Affordable Housing Program, Grant Funding Dated May 15, 2010, Article 19, Paragraph C(ii), Schedule C, the following is the schedule of affordable housing PEAK program restricted grant. Recipients Reporting and Monitoring Requirements, as at December 31, 2023, for funds committed and expended for Client Properties as identified below:

Alberta housing grants	\$ 2,686,837	A	Committed funds returned to sustainable fund	\$ 77,751	J
Trico Contributions	816,446	B	Repayments returned to sustainable fund	1,905,817	L
Interest and bank charges	33	C	Less: continuing grants to departing clients	304,143	M
Less: administrative fees (64 units)	<u>256,000</u>	D	Less: back end administrative costs	260,478	N
Total initial funds available	<u>\$ 3,247,316</u>	E	Less: transfers to new AHOP projects/units	<u>861,913</u>	T
Current uncommitted funding E-G) (note 3)	<u>\$ 26,870</u>	F	Sustainable funds remaining (note 3)	<u>\$ 557,034</u>	S
			Net committed funds remaining (F+K) (note 3)	<u>\$ 26,870</u>	P
			Restricted cash remaining (note 13)	<u>\$ 583,904</u>	R

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 18

Year ended December 31, 2023

Provincial Affordable Housing Program- Milano Project (continued):

Schedule 1
(unaudited)

Unit	Funds committed by unit	Down payment funds disbursed by unit	Mortgage subsidy disbursed by unit	Committed funds undisbursed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 1	\$ 47,811	\$ 35,811	\$ 12,000	\$ -	\$ -	\$ -	\$ -
Unit 2	47,811	35,811	11,600	400	-	35,811	6,000
Unit 3	48,069	36,069	12,000	-	-	46,678	-
Unit 4	48,069	36,069	12,000	-	-	36,282	-
Unit 5	48,069	36,069	12,000	-	-	38,388	6,000
Unit 6	48,379	36,379	7,600	4,400	-	36,379	-
Unit 7	45,856	33,856	12,000	-	-	-	-
Unit 8	48,379	36,379	12,000	-	-	36,379	6,000
Unit 9	48,379	36,379	8,643	3,357	-	36,379	6,000
Unit 10	56,444	44,444	12,000	-	-	-	-
Unit 11	56,444	44,444	9,400	2,600	-	44,444	44,444
Unit 12	56,428	44,428	12,000	-	-	52,347	6,000
Unit 13	56,428	44,428	12,000	-	-	8,700	-
Unit 14	56,428	44,428	12,000	-	-	47,795	-
Unit 15	56,222	44,222	12,000	-	-	57,020	6,000
Unit 16	56,428	44,428	12,000	-	-	44,428	-
Unit 17	56,222	44,222	6,600	5,400	-	44,222	6,000
Unit 18	47,605	35,605	12,000	-	-	35,605	-
Unit 19	47,605	35,605	7,400	4,600	-	35,605	-
Unit 20	47,605	35,605	12,000	-	-	-	-
Unit 21	47,605	35,605	12,000	-	-	-	-
Unit 22	47,502	35,502	12,000	-	-	35,701	6,000
Unit 23	47,605	35,605	12,000	-	-	44,710	6,000
Unit 24	47,863	35,863	12,000	-	-	35,863	6,000
Unit 25	47,863	35,863	8,600	3,400	-	35,863	258

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 19

Year ended December 31, 2023

Provincial Affordable Housing Program- Milano Project (continued):

Schedule 1
(unaudited)

Unit	Funds committed by unit	Down payment funds disbursed by unit	Mortgage subsidy disbursed by unit	Committed funds undisbursed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 26	47,760	35,760	12,000	—	—	36,156	—
Unit 27	48,121	36,121	12,000	—	—	36,121	6,000
Unit 28	48,121	36,121	12,000	—	—	—	—
Unit 29	48,120	36,120	12,000	—	—	36,120	36,120
Unit 30	45,541	33,541	9,600	2,400	—	33,541	6,000
Unit 31	47,605	35,605	10,000	2,000	—	35,605	—
Unit 32	47,605	35,605	10,000	2,000	—	35,605	—
Unit 33	45,799	33,799	8,000	4,000	—	33,799	—
Unit 34	45,799	33,799	12,000	—	—	—	—
Unit 35	47,863	35,863	12,000	—	—	—	—
Unit 36	47,863	35,863	12,000	—	—	—	—
Unit 37	48,120	36,120	5,206	6,794	—	36,120	—
Unit 38	46,010	34,010	12,000	—	—	39,501	6,000
Unit 39	48,224	36,224	12,000	—	—	12,480	—
Unit 40	48,224	36,224	12,000	—	—	8,000	—
Unit 41	56,530	44,530	11,200	800	—	44,530	—
Unit 42	56,238	44,238	11,800	200	—	44,238	6,000
Unit 43	56,238	44,238	12,000	—	—	47,361	—
Unit 44	56,238	44,238	6,800	5,200	—	44,238	44,238
Unit 45	55,912	43,912	12,000	—	—	5,200	—
Unit 46	56,444	44,444	12,000	—	—	9,200	—
Unit 47	56,409	44,409	12,000	—	—	900	—
Unit 48	56,444	44,444	2,000	10,000	—	44,444	15,882
Unit 49	47,502	35,502	12,000	—	—	—	—
Unit 50	47,605	35,605	12,000	—	—	43,600	6,000
Unit 51	47,708	35,708	12,000	—	—	37,347	—

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 20

Year ended December 31, 2023

Provincial Affordable Housing Program- Milano Project (continued):

Schedule 1
(unaudited)

Unit	Funds committed by unit	Down payment funds disbursed by unit	Mortgage subsidy disbursed by unit	Committed funds undisbursed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 52	47,760	35,760	9,200	2,800	—	—	—
Unit 53	47,863	35,863	12,000	—	—	37,346	6,000
Unit 54	46,010	34,010	12,000	—	—	34,038	—
Unit 55	56,428	44,428	6,600	5,400	—	44,428	44,428
Unit 56	56,428	44,428	8,000	4,000	—	44,428	—
Unit 57	47,605	35,605	11,600	400	—	35,605	—
Unit 58	47,605	35,605	12,000	—	—	45,163	6,000
Unit 59	47,605	35,605	4,800	7,200	—	35,605	—
Unit 60	47,605	35,605	12,000	—	—	50,249	—
Unit 61	47,863	35,863	12,000	—	—	—	—
Unit 62	48,120	36,120	12,000	—	—	37,427	16,772
Unit 63	56,222	44,222	11,600	400	—	44,222	—
Unit 64	56,170	44,170	12,000	—	—	44,600	—
	\$ 3,220,446	\$ 2,452,446	\$ 690,249	\$ 77,751	\$ —	\$ 1,905,817	\$ 304,142
	G	H	I	J	K=G-H-I-J	L	M

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 21

Year ended December 31, 2023

Provincial Affordable Housing Program- York 29 Project:

Schedule 2
(unaudited)

For the purposes of the Affordable Housing Program, Grant Funding Dated Aug. 31, 2011, Article 20, Paragraph C(ii), Schedule C, the following is the schedule of affordable housing PEAK program restricted grant. Recipients Reporting and Monitoring Requirements, as at December 31, 2023, for funds committed and expended for Client Properties as identified below:

Alberta housing grants	\$ 1,485,000	A	Committed funds returned to sustainable fund	\$ 47,507	J
Trico Contributions	438,340	B	Repayments returned to sustainable fund	1,136,300	L
Interest and bank charges	0	C	Less: continuing grants to departing clients	77,468	M
Less: administrative fees earned (33 units)	<u>148,500</u>	D	Less: back end administrative costs	142,415	N
Total initial funds available	<u>\$ 1,774,840</u>	E	Less: transfers to new AHOP projects/units	<u>513,138</u>	T
Current uncommitted funding (E-G)	<u>\$ 0</u>	F	Sustainable funds remaining (note 3)	<u>\$ 450,786</u>	S
			Net committed funds remaining (F+K) (note 3)	<u>\$ 0</u>	P
			Restricted cash remaining (note 13)	<u>\$ 450,786</u>	R

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 22

Year ended December 31, 2023

Provincial Affordable Housing Program- York 29 Project (continued):

Schedule 2
(unaudited)

Unit	Funds committed by unit	Down payment funds disbursed by unit	Mortgage subsidy disbursed by unit	Committed funds undisbursed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 1	\$ 53,890	\$ 41,890	\$ 6,000	\$ 6,000	\$ -	\$ 41,890	\$ 17,468
Unit 2	53,890	41,890	12,000	-	-	42,441	-
Unit 3	54,090	42,090	12,000	-	-	46,904	6,000
Unit 4	54,090	42,090	7,800	4,200	-	42,090	6,000
Unit 5	53,595	41,595	12,000	-	-	46,942	6,000
Unit 6	54,040	42,040	12,000	-	-	50,174	-
Unit 7	53,145	41,145	12,000	-	-	-	-
Unit 8	52,945	40,945	7,400	4,600	-	40,945	6,000
Unit 9	54,240	42,240	12,000	-	-	-	-
Unit 10	52,895	40,895	5,093	6,907	-	40,895	-
Unit 11	54,090	42,090	12,000	-	-	47,700	6,000
Unit 12	54,090	42,090	12,000	-	-	-	-
Unit 13	54,340	42,340	11,000	1,000	-	50,752	-
Unit 14	54,090	42,090	12,000	-	-	47,161	6,000
Unit 15	54,340	42,340	12,000	-	-	-	-
Unit 16	53,145	41,145	12,000	-	-	41,148	-
Unit 17	53,945	41,945	12,000	-	-	-	-
Unit 18	53,765	41,765	10,400	1,600	-	47,240	6,000
Unit 19	53,145	41,145	7,200	4,800	-	41,145	-
Unit 20	53,595	41,595	12,000	-	-	41,595	-
Unit 21	53,145	41,145	11,400	600	-	41,145	-
Unit 22	53,765	41,765	12,000	-	-	-	-
Unit 23	53,765	41,765	12,000	-	-	45,810	6,000
Unit 24	53,845	41,845	11,000	1,000	-	41,845	-
Unit 25	53,765	41,765	9,600	2,400	-	41,765	-

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 23

Year ended December 31, 2023

Provincial Affordable Housing Program- York 29 Project (continued):

Schedule 2
(unaudited)

Unit	Funds committed by unit	Down payment funds disbursed by unit	Mortgage subsidy disbursed by unit	Committed funds undisbursed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 26	53,765	41,765	4,800	7,200	—	41,765	—
Unit 27	53,765	41,765	11,200	800	—	41,765	—
Unit 28	54,015	42,015	10,800	1,200	—	42,015	—
Unit 29	54,015	42,015	8,400	3,600	—	42,015	6,000
Unit 30	54,095	42,095	10,400	1,600	—	42,095	—
Unit 31	53,845	41,845	12,000	—	—	44,877	6,000
Unit 32	53,845	41,845	12,000	—	—	42,182	—
Unit 33	53,845	41,845	12,000	—	—	—	—
	\$ 1,774,840	\$ 1,378,840	\$ 348,493	\$ 47,507	\$ —	\$ 1,136,300	\$ 77,468
	G	H	I	J	K=G-H-I-J	L	M

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 24

Year ended December 31, 2023

Provincial Affordable Housing Program- Viridian Project:

Schedule 3
(unaudited)

For the purpose of the Affordable Housing Program Funding, MOA Dated April 29, 2015, Article 3.1, Paragraph (i), the following is the schedule of affordable housing PEAK program restricted grant. Recipients Reporting and Monitoring Requirements, as at December 31, 2023, for funds committed and expended for Client Properties as identified below:

Sustainability Fund	\$ 360,844	A	Committed funds returned to sustainable fund	\$ 0	J
Other Contributions	0	B	Repayments returned to sustainable fund	159,802	L
Interest and bank charges	0	C	Less: continuing grants to departing clients	14,185	M
Less: Administration fees (18 units)	<u>81,000</u>	D	Less: back end administrative costs	55,707	N
Total initial funds available	<u>\$ 279,844</u>	E	Less: transfers to new AHOP projects/units	<u>44,664</u>	T
Current uncommitted funding (E-G)	<u>\$ 62,347</u>	F	Sustainable funds remaining (note 3)	<u>\$ 45,246</u>	S
			Uncommitted and committed funds remaining (F+K) (note 3)	<u>\$ 62,347</u>	P
			Restricted cash remaining (note 13)	<u>\$ 107,593</u>	R

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

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Year ended December 31, 2023

Provincial Affordable Housing Program- Viridian Project (continued):

Schedule 3
(unaudited)

Unit	Funds committed by unit	Down payment funds disbursed by unit	Mortgage subsidy disbursed by unit	Committed funds undisbursed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 1	\$ 14,185	\$ 14,185	\$ -	\$ -	\$ -	\$ 14,185	\$ 14,185
Unit 2	12,069	12,069	-	-	-	3,000	-
Unit 3	9,747	9,747	-	-	-	10,329	-
Unit 4	13,875	13,875	-	-	-	-	-
Unit 5	11,652	11,652	-	-	-	12,128	-
Unit 6	11,192	11,192	-	-	-	11,192	-
Unit 7	11,161	11,161	-	-	-	11,161	-
Unit 8	10,160	10,160	-	-	-	-	-
Unit 9	13,677	13,677	-	-	-	13,677	-
Unit 10	13,687	13,687	-	-	-	13,687	-
Unit 11	13,687	13,687	-	-	-	13,712	-
Unit 12	12,445	12,445	-	-	-	-	-
Unit 13	13,308	13,308	-	-	-	-	-
Unit 14	12,474	12,474	-	-	-	12,553	-
Unit 15	12,871	12,871	-	-	-	12,871	-
Unit 16	9,938	9,938	-	-	-	9,938	-
Unit 17	8,674	8,674	-	-	-	8,674	-
Unit 18	12,695	12,695	-	-	-	12,695	-
	\$ 217,497	\$ 217,497	\$ -	\$ -	\$ -	\$ 159,802	\$ 14,185
	G	H	I	J	K=G-H-I-J	L	M

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 26

Year ended December 31, 2023

CMHC Coinvestment Forgivable Loan- Schedule of Project Costs:

Schedule 4
(unaudited)

This schedule itemizes the cash inflow and project costs of the 4 in progress projects that have received funding from CMHC from their inception up to and including December 31, 2023.

Description	2023 Funding		Total
	Brooks II 1 Door	Cornerstone 6 Doors	
Sources of cash inflow:			
Cash used from internal sources	\$ 234,434	\$ 883,701	1,118,135
Provincial grants	100,000	480,000	580,000
Federal grants (CMHC)	—	651,055	651,055
Gifts-in-kind (land or other build products)	5,693	42,771	48,464
Total cash inflow	340,127	2,057,527	2,397,654
Eligible expenses:			
Bought out units and cost of land	47,225	728,494	775,719
General construction expenses	7,201	98,558	105,759
Gifts-in-kind (land or build products)	5,693	42,771	48,464
Site preparation expenses	9,361	39,960	49,321
Concrete work	25,445	104,926	130,371
Roofing and exterior work	79,021	292,994	372,015
Interior costs	58,959	228,387	287,346
Electrical and mechanical costs	48,643	209,910	258,553
Final finishing costs	17,562	69,591	87,153
Project management cost	17,500	—	17,500
Post home construction expenses	10,042	84,051	94,093
Construction staff cost	13,475	157,885	171,360
Total eligible expenses	\$ 340,127	\$ 2,057,527	\$ 2,397,654

HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 27

Year ended December 31, 2023

CMHC Black Family Forgivable Loan- Schedule of Project Costs:

Schedule 4
(unaudited)

This schedule itemizes the cash inflow and project costs of the 3 in progress projects that have received funding from CMHC from their inception up to and including December 31, 2023.

Description	2023 Funding		Total
	Brooks II 1 Door	Cornerstone 5 Doors	
Sources of cash inflow:			
Cash used from internal sources	\$ 234,434	\$ 547,525	\$ 781,959
Provincial grants	100,000	480,000	580,000
Federal grants (CMHC)	–	651,055	651,055
Gifts-in-kind (land or other build products)	5,693	35,642	41,335
Total cash inflow	340,127	1,714,222	2,054,349
Eligible expenses:			
Bought out units and cost of land	47,225	607,079	654,304
General construction expenses	7,201	82,132	89,332
Gifts-in-kind (land or build products)	5,693	35,642	41,334
Site preparation expenses	9,361	33,300	42,662
Concrete work	25,445	87,438	112,884
Roofing and exterior work	79,021	244,162	323,184
Interior costs	58,959	190,323	249,282
Electrical and mechanical costs	48,643	174,925	223,567
Final finishing costs	17,562	57,992	75,554
Project management cost	17,500	–	17,500
Post home construction expenses	10,042	69,659	79,701
Construction staff cost	13,475	131,570	145,045
Total eligible expenses	\$ 340,127	\$ 1,714,222	\$ 2,054,349