

Financial Statements of

**HABITAT FOR HUMANITY  
SOUTHERN ALBERTA SOCIETY**

And Independent Auditors' Report thereon

Year ended December 31, 2019



KPMG LLP  
205 5th Avenue SW  
Suite 3100  
Calgary AB  
T2P 4B9  
Telephone (403) 691-8000  
Fax (403) 691-8008  
[www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' 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, 2019
- 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, 2019, 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.

***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.

***Auditors' 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 auditors' 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 auditors' 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 auditors' 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 22, 2020

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
<b>Assets</b>		
Cash	\$ 573,093	\$ 3,686,444
Restricted cash (note 3)	787,766	765,360
Investments (note 4)	692,240	616,420
Accounts receivable	399,571	286,676
Prepaid expenses and deposits	443,538	335,721
Projects under development (note 5)	5,942,889	3,545,429
Projects held for sale (note 6)	6,772,963	6,087,986
Land held to be donated (note 5)	–	169,377
Inventory for construction projects	1,696	3,036
First mortgages receivable (note 7)	35,457,621	34,126,332
PEAK second mortgages receivable (note 8)	2,038,549	2,018,057
High River second mortgages receivable (note 8)	295,000	295,000
Property and equipment (note 9)	428,309	396,914
	<b>\$ 53,833,235</b>	<b>\$ 52,332,752</b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued liabilities (note 10)	\$ 1,145,534	\$ 747,859
Evergreen term loan (note 11)	3,252,657	3,386,843
Evergreen line of credit (note 11)	1,570,692	–
Mortgage prepayments	1,829	4,652
Deferred revenue (note 12)	2,418,588	5,569,894
PEAK program liability (note 13)	2,825,706	2,782,840
High River program liability (note 14)	295,000	295,000
Reserve fund liability (note 15)	–	800
	<b>11,510,006</b>	<b>12,787,888</b>
Net assets:		
Internally restricted (note 4)	692,125	616,305
Unrestricted	41,631,104	38,928,559
	<b>42,323,229</b>	<b>39,544,864</b>
Commitments and contingencies (note 17)		
Subsequent events (note 20)		
	<b>\$ 53,833,235</b>	<b>\$ 52,332,752</b>

See accompanying notes to financial statements.

On behalf of the Board:



David Watson – Director



Kathy Bolton – Director

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Operations and Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
<b>Revenues:</b>		
Government grants (note 19)	\$ 2,609,156	\$ 422,485
Fundraising revenue (note 19)	3,383,222	1,996,126
Gifts-in-kind construction and miscellaneous (note 19)	197,604	316,085
Interest and Other	59,591	100,969
	<u>6,249,573</u>	<u>2,835,665</u>
<b>Build Program:</b>		
Home sales	4,796,460	2,887,944
Cost of homes sold	(4,695,774)	(2,736,140)
Other Build Costs	(387,362)	(88,417)
Drumheller land donation	(169,377)	-
Construction overhead and building operations	(598,667)	(654,162)
	<u>(1,054,720)</u>	<u>(590,775)</u>
<b>Support Programs:</b>		
Family and volunteer services	(1,297,553)	(1,000,809)
Habitat for Humanity Canada international tithe (note 16)	(25,000)	(25,000)
	<u>(1,322,553)</u>	<u>(1,025,809)</u>
<b>Restore Operations:</b>		
Restore sales	4,127,633	3,720,270
Restore donated goods for resale	4,689,958	4,151,335
Restore expenses	(3,143,242)	(2,889,652)
Restore donated goods for resale	(4,689,958)	(4,151,335)
	<u>984,391</u>	<u>830,618</u>
<b>Affordable Home Partnerships:</b>		
Partnership revenue	40,055	51,745
Partnership expenses	(2,967)	(815)
	<u>37,088</u>	<u>50,930</u>
<b>General and administrative:</b>		
General and administrative	(1,497,623)	(1,390,277)
Fund development (note 19)	(557,302)	(479,115)
Amortization on property and equipment	(120,040)	(87,788)
	<u>(2,174,965)</u>	<u>(1,957,180)</u>
Excess of revenues over expenses before the following:	2,718,814	143,449
Change in unrealized (loss) gain on investments	59,551	(28,232)
Excess of revenues over expenses	<u>2,778,365</u>	<u>115,217</u>
Net assets, beginning of year	39,544,864	39,429,647
Net assets, end of year	<u>\$ 42,323,229</u>	<u>\$ 39,544,864</u>

See accompanying notes to financial statements.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Excess of revenue over expenses	\$ 2,778,365	\$ 115,217
Cash provided by (used in):		
Operations:		
Items not affecting cash from operations:		
Amortization on property and equipment	120,040	87,788
Realized gain on sale of investments	(9,976)	(21,530)
Change in unrealized loss (gain) on investments	(59,551)	28,232
Gain on sale of property and equipment	–	(19,774)
	2,828,878	189,933
Net change in non-cash balances:		
Accounts receivable	(112,895)	1,097,249
Prepaid expenses and deposits	(107,817)	80,092
Projects under development	(2,397,460)	2,552,112
Projects held for sale	(684,977)	(3,880,335)
Land held to be donated	169,377	(169,377)
Inventory for construction purposes	1,340	12,191
First mortgages granted (note 7)	(4,809,097)	(2,760,162)
First mortgage payments, buybacks, cancellations	3,477,808	2,502,357
PEAK second mortgage receivables	(20,492)	(67,156)
Accounts payable and accrued liabilities	397,674	(52,543)
Mortgage prepayments	(2,823)	4,652
Reserve fund liability	(800)	800
Deferred revenue	(3,151,306)	4,732,951
	(4,412,590)	4,242,764
Investing:		
Purchase of investments	(6,292)	(4,703)
Proceeds on sale of property and equipment	–	21,500
Purchase of property and equipment	(151,435)	(109,919)
	(157,727)	(93,122)
Financing:		
Operating line of credit	–	(610,000)
Evergreen term loan	(134,186)	1,154,493
Evergreen line of credit	1,570,692	(1,268,454)
PEAK program liability	42,866	24,619
	1,479,372	(699,342)
Increase (decrease) in cash and restricted cash	(3,090,945)	3,450,300
Cash and restricted cash, beginning of year	4,451,804	1,001,504
Cash and restricted cash, end of year	\$ 1,360,859	\$ 4,451,804

See accompanying notes to financial statements.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Notes to Financial Statements

Year ended December 31, 2019, with comparative information for 2018

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### **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 such homes. Prospective homeowners contribute "sweat equity" before taking ownership.

The Society formed 1458573 Alberta Ltd. ("1458573") as a wholly owned subsidiary in April 2009 to provide retail services for the gift-in-kind donations received by the Society. As of January 1, 2014, the social enterprise moved to the Society and is operated by the Society. The funds raised from the sale of products are used to offset administration costs of the Society. On September 19, 2018 the Board of the Society approved the wind-up of 1458573 Alberta Ltd. There were no net assets to transfer to the Society. The wind-up was completed during 2018.

### **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.

Donations in kind are recorded at fair value when fair value can be reasonably determined and the donated items would have otherwise been purchased.

Revenue from sale of properties 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.



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 2

Year ended December 31, 2019, with comparative information for 2018

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

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

PEAK administrative revenue is recognized as the units are sold and the Society has received the purchase contract and down payment deposit from the program partner.

Donations for which the donor has specified a particular purpose are deferred and recognized when that purpose has been accomplished and expenses have been incurred.

Contributions restricted for the purchase of property and equipment is recognized at the time property and equipment is purchased.

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 market value when received by the Society.

Grants for which the grantor has specified a particular purpose are deferred and recognized when that purpose has been accomplished and expenses have been incurred.

### (c) Cash:

Cash includes consists of amounts held on deposit with banks and amount held in interest bearing accounts.

### (d) Restricted cash:

Restricted cash is managed by the Society on behalf of the Trico Charitable Foundation 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.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 3

Year ended December 31, 2019, with comparative information for 2018

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## 1. Significant accounting policies (continued):

(f) Land and real estate held for sale:

Land and real-estate held for sale is carried at the lower of cost and net realizable value.

(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. Projects under development are carried at cost.

(h) Inventory for construction projects:

Inventory consists of construction materials, and is valued at the lower of cost and net realizable value. Cost is determined on a specific item costing basis.

(i) Mortgages receivable:

Prior to the change in the National Mortgage Policy, projects were sold to homeowners at the cost of construction and financed by interest-free first mortgages. Second mortgages represented the difference in value between the fair market value and the cost to build the home and were forgivable, subject to certain conditions, over a period of 25 to 30 years. Second mortgages, if applicable, are no longer forgivable for those family partnership agreements issued after May 1, 2010. Post policy change, mortgage values are determined based on the appraised market value of the home. In the normal course, 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 is attributed to them in these financial statements.

(j) Property and equipment:

Property and equipment is stated at cost. Contributed property and equipment is recorded at fair market value at the date of contribution. If fair market value cannot be reasonably determined, such contributions are not recorded. Depreciation 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:

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 4

Year ended December 31, 2019, with comparative information for 2018

## 1. Significant accounting policies (continued):

### (j) Property and equipment (continued):

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

### (k) 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.

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.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 5

Year ended December 31, 2019, with comparative information for 2018

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## 1. Significant accounting policies (continued):

### (l) 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 fair value of donated items, the recoverability and useful life of property and equipment, the fair value of land and real estate held for sale and projects under development.

### (m) Allocation of fundraising/general administration expenses:

The Society allocates facility expenses between programs on the statement of operations based on number of personnel in each program. A percentage of the Society's Chief Executive Officer and Chief Financial Officer salaries are allocated between programs based on functional responsibilities.

### (n) Changes in accounting policies:

In March 2018, the Accounting Standards Board issued "Basis for Conclusions – Accounting Standards Improvements for Not-for-Profit Organizations" resulting in the introduction of new handbook sections in the Accounting Standards for Not-for-Profit Part III of the Handbook as follows:

#### (i) Section 4433:

Tangible capital assets held by not-for-profit organizations, which directs organizations to apply the accounting guidance of Section 3061, Property Plant and Equipment in Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at January 1, 2019.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 6

Year ended December 31, 2019, with comparative information for 2018

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## 1. Significant accounting policies (continued):

### (n) Changes in accounting policies (continued):

#### (ii) Section 4434:

Intangible assets held by not-for-profit organizations, which directs organizations to annually assess intangible assets, and where applicable to record an impairment expenses should the net carrying value be higher than the asset's fair value or replacement cost.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairment of intangible assets that existed as at January 1, 2019.

#### (iii) Section 4441:

Collections held by not-for-profit organizations, which defines a collection and directs organizations to record such assets on the statement of financial position at either cost or nominal value. It is anticipated that all collections will be accounted for using the same method, with the exception of organizations that opt to account for collections at cost, whereby the cost for certain collections either held or contributed cannot be determined. Such items are to be accounted for at a nominal value. In addition, collections are written down when there is evidence that the net carrying amount exceeds fair value.

Organizations are permitted to retrospectively capitalize collections at their cost or fair value at the date of acquisition, or fair value or replacement cost as at January 1, 2019, based on the most readily determinable value. In addition, an adjustment to opening net assets is permitted to recognize any partial impairment of the value of collections that existed as at January 1, 2019.

The above three amendments are effective for financial statements for fiscal years beginning on or after January 1, 2019. The implementation of these changes had no impact on the financial statements.

## 2. Financial instruments and related risks:

### (a) Fair value of financial assets and financial liabilities:

Financial instruments include cash, restricted cash, investments, accounts receivable, line of credit, accounts payable and accrued liabilities, deferred revenue, Evergreen term loan and Evergreen line of credit. These financial instruments approximate their carrying value because of their short-term nature or interest rates being comparable to market rates.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 7

Year ended December 31, 2019, with comparative information for 2018

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## 2. Financial instruments and related risks (continued):

### (a) Fair value of financial assets and financial liabilities (continued):

The fair market value of mortgages receivable are not determinable, as no comparable market exists. 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.

Cash is 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, evergreen term loan, and evergreen line of credit which bear interest at the bank's prime rate. As the bank's prime rate will fluctuate, 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 changes to the risk exposures from 2018.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 8

Year ended December 31, 2019, with comparative information for 2018

### 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), June 7, 2011 (Laredo Cochrane), August 31, 2011 (York 29), and April 29, 2015 (Viridian) for funds committed and expended for client properties as summarized below:

	2019	2018
Milano net committed funds remaining (Schedule 1)	\$ 26,870	\$ 26,870
York 29 net committed funds remaining (Schedule 2)	–	2,600
Viridian net committed funds remaining (Schedule 3)	62,347	62,347
Sustainable funds remaining (Schedule 3)	697,941	672,967
Net interest and charges not transferred	608	576
Balance, end of year	\$ 787,766	\$ 765,360

### 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 17(b)) and has revised its contribution commitment to 20% of the monthly mortgage payments received in relation to the project until the total investment reaches \$500,000. The Society is not required to make a contribution to the repurchase fund as it has reached its target balance. The fair market value of these investments at December 31, 2019 is \$692,125 (2018 - \$616,305) and cost at December 31, 2019 remains at \$318,700. In 2019, the Society held unrestricted investments with a fair market value of \$115 (2018 - \$115). Net income earned from the Calgary Foundation investment in 2019 amounted to \$16,269 (2018 - \$26,234). During the year end December 31, 2019, the Society earned interest and dividend income on its investments of \$16,210 (2018 - \$14,124).

	2019	2018
Calgary Foundation - repurchase fund	\$ 692,125	\$ 616,305
Other investments	115	115
Balance, end of year	\$ 692,240	\$ 616,420

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 9

Year ended December 31, 2019, with comparative information for 2018

## 5. Projects under development:

	2019	2018
Balance, beginning of the year	\$ 3,545,429	\$ 6,097,541
Project costs during the year	5,559,489	2,601,978
	9,104,918	8,699,519
Less:		
Direct project cost expensed	(42,660)	(30,162)
Land cost transferred to land held for donation	–	(169,377)
Completed project costs transferred to projects held for sale (note 6)	(3,119,369)	(4,954,551)
Balance, end of year	\$ 5,942,889	\$ 3,545,429

During the year, the Society capitalized interest of \$2,659 (2018 - \$4,543) to projects under development.

During the year, land held for donation of \$nil (2018 - \$169,377) was donated to the Town of Drumheller.

## 6. Projects held for sale:

Project unit buybacks are valued at the mortgage amount outstanding at the time of repurchase. The 2019 buybacks were valued at \$2,273,855 (2018 - \$1,424,747). At the end of the fiscal year, if the mortgage value of the properties exceed the market value, the properties are written down to their market value. In 2019, 9 properties were written down by \$226,013 to their net realizable value (2018 - \$nil).

	2019	2018
Balance, beginning of year	\$ 6,087,986	\$ 2,207,651
Add:		
Costs of completed new projects transferred from projects under development (note 5)	3,119,369	4,954,551
Project unit buybacks	2,273,855	1,424,747
Repairs on buybacks	213,540	237,177
	11,694,750	8,824,126
Less:		
Direct costs of projects sold during the year	(4,695,774)	(2,736,140)
Write down to net realizable value	(226,013)	–
Balance, end of year	\$ 6,772,963	\$ 6,087,986



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 10

Year ended December 31, 2019, with comparative information for 2018

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## 7. First mortgages receivable:

First mortgages are for 20 to 55 year terms and secured by the related land and building. New mortgages valued at \$4,815,339 (2018 - \$2,871,866) were issued during the year. Annual mortgage repayments for 2019 totaled \$1,702,509 (2018 - \$1,448,069).

Net mortgage repayments expected are as follows:

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2020	\$ 1,695,498
2021	1,670,462
2022	1,646,284
2023	1,581,355
2024	1,561,720
Thereafter	27,269,020

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The Society holds forgivable second mortgages dated prior to May 1, 2010, aggregating \$3,248,496 on 50 units (2018 - \$3,519,053 on 55 units) which expire at the end of the 25 to 50 year terms. As at 2019 and 2018, there are no unforgivable second mortgages recorded on the statement of financial position.

## 8. Second mortgages receivable:

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, compounded annually, thereafter. No payments are required unless the homeowner sells, rents or defaults on the designated housing unit. A mortgage reduction of \$6,000 is available if the second mortgage is repaid within 10 years of the original mortgage adjustment date. In 2019, 25 Milano units (2018 – 26 units) accrued interest totaling \$43,631 (2018 - \$49,782). In 2019, 16 York 29 units (2018-14 units) accrued interest of \$23,315 (2018 - \$16,508). These amounts have been included in the second mortgage receivable balance.

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.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 11

Year ended December 31, 2019, with comparative information for 2018

## 9. Property and equipment:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Automotive and trailers	\$ 209,503	\$ 120,891	\$ 88,612	\$ 35,949
Computer equipment	79,601	75,191	4,410	6,300
Computer software	156,438	59,854	96,584	84,453
Construction mobile equipment	52,762	48,566	4,196	5,995
Construction tools and equipment	14,975	8,901	6,074	54
Office equipment and furniture	100,533	88,491	12,042	8,795
Leasehold improvements	577,635	361,244	216,391	255,368
	\$ 1,191,447	\$ 763,138	\$ 428,309	\$ 396,914

## 10. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$71,362 (2018 - \$35,736 receivable), which includes amounts payable for Goods and Services Tax.

## 11. Credit facilities:

	2019	2018
Evergreen term loan	\$ 3,252,657	\$ 3,386,843
Evergreen line of credit	1,570,692	–
Balance, end of year	\$ 4,823,349	\$ 3,386,843

The Society has available a \$1,000,000 demand operating loan facility to be used for general operations. This facility bears interest at bank's prime rate per annum (2018 – bank's prime rate). The facility balance as of December 31, 2019 is \$nil (2018 - \$nil).

The Society has available a \$10,000,000 demand Evergreen credit facility to be used as interim financing for the acquisition of land for residential purpose, interest and predevelopment costs, of which \$4,823,349 was utilized at December 31, 2019 (2018 - \$3,386,843). The facility is available by way of prime based loans or by series loans.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 12

Year ended December 31, 2019, with comparative information for 2018

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## 11. Credit facilities (continued):

Initial drawings are taken as a line of credit and bear interest at bank's prime rate plus 0.75% 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 Evergreen loan is amortized over 18 years as a term loan, bearing interest at bank's prime rate plus 0.5% and monthly payments of principal and interest commence. The loan may be prepaid in whole or in part at any time without penalty.

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

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2020	\$ 138,594
2021	145,299
2022	208,871
2023	218,564
2024	228,056
Thereafter	\$ 3,883,965

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The Society also 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 bank's prime rate plus 1% per annum if drawn.

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, 2019, the Society is in compliance with all such covenants. The next annual review date for any demand credit facilities are set for May 31, 2020.

Included in construction overhead and building operations on the statement of operations is \$150,567 (2018 - \$140,781) related to interest expense on the credit facilities.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 13

Year ended December 31, 2019, with comparative information for 2018

## 12. Deferred revenue:

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

	2019	2018
Balance, beginning of year	\$ 5,569,894	\$ 836,943
Amounts received	1,899,778	5,323,883
Amounts recognized as revenue in the year	(5,051,084)	(590,932)
Balance, end of year	\$ 2,418,588	\$ 5,569,894

## 13. PEAK program liability:

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

	2019	2018
Restricted cash Milano Project	\$ 443,804	\$ 421,680
Interest receivable	170,456	126,825
Milano mortgages receivable	921,957	966,481
Milano program liability	1,536,217	1,514,986
Laredo Cochrane mortgages receivable	13,500	13,500
Laredo Cochrane program liability	13,500	13,500
Restricted cash York 29 Project	281,007	280,757
Interest receivable	47,545	24,230
York 29 mortgages receivable	667,593	669,523
York 29 program liability	996,145	974,510
Restricted cash Viridian Project	62,347	62,347
Viridian mortgages receivable	217,497	217,497
Viridian program liability	279,844	279,844
Total PEAK program liability	\$ 2,825,706	\$ 2,782,840

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 14

Year ended December 31, 2019, with comparative information for 2018

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## **13. PEAK program liability (continued):**

As mortgages are repaid by homeowners, the funds repaid from the second mortgage, as well as any interest received, is 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, is 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.

## **15. Reserve fund liability:**

In 2016, the Society set up a reserve fund for multi-family projects that will require a condominium corporation. When a project is complete, the condominium corporation is registered and reserve funds are transferred to the condominium corporation's account.

## **16. 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 2019 (2018 - \$25,000).

The Society's contribution assists Habitat for Humanity International's work. During the year, the Society paid ReStore royalties of \$163,541 (2018 - \$144,438) and, affiliation fees of \$161,617 (2018 - \$131,813) to Habitat for Humanity Canada. In 2019, the Society received \$311,828 in cash donations, grants and sponsorships (2018 - \$231,954) in addition to \$363,531 of gifts-in-kind (2018 - \$256,728) from Habitat for Humanity Canada. The amount due at year-end to Habitat for Humanity Canada is \$49,599 (2018 - \$60,082) and included within accounts payable and accrued liabilities.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 15

Year ended December 31, 2019, with comparative information for 2018

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## 17. 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:

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2020	\$ 716,061
2021	633,902
2022	572,548
2023	579,272
2024	251,101
Thereafter	1,578,254

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- (b) The Society has entered into a renewable 99-year ground lease (the "lease") for the purposes of the development of a 27 unit (Suncourt) townhouse project. The lease became effective July 1, 2003 with annual rental payments in the amount of \$20,000. The 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. There were 2 unit buybacks in 2019 for \$91,309 and \$91,492, respectively (2018 – 1 unit for \$86,309) (note 4).
- (c) The Society entered into a renewable 99 year ground lease ("Sheftel Lease") with the Calgary Community Land Trust, for the purposes of the development of a 12 unit townhouse project in north-west Calgary. The lease became effective February 25, 2008 with annual rental payments in the amount of \$10,080. The 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 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. There was 1 unit buyback in 2019 for \$182,000, (2018 - two units for a \$160,455 and \$185,500, respectively) (note 4).
- (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 \$757,439 (2018 - \$491,539).
- (e) From time to time, the Company 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 16

Year ended December 31, 2019, with comparative information for 2018

## 18. CMHC National Housing Co-Investment Fund:

In 2019, the Society was approved for funding under the CHMC National Co-Investment Fund. This note itemizes the cash inflow and project costs of the two approved projects from their inception up to and including December 31, 2019.

Included in cash used from internal sources are unrestricted funds of \$764,882, which have been temporarily allocated to these projects for expenses incurred. These funds will be replaced with the restricted funds when received from CMHC. This will allow the unrestricted funds to be used for other projects.

	Total	Silvercreek (7 units)	Radisson I (4 units)
<b>Sources of cash inflow:</b>			
Cash used from internal sources	\$ 1,003,832	\$ 521,303	\$ 482,529
Municipal grants	93,373	47,088	46,285
Provincial grants	990,000	630,000	360,000
Gift-in-kind (land or other build products)	84,312	33,440	50,872
	2,171,517	1,231,831	939,686
<b>Eligible expenses:</b>			
Bought out units and cost of land	722,260	333,606	388,654
General construction expenses	83,819	53,311	30,508
Gift-in-kind (land or other build products)	84,312	33,440	50,872
Site preparation expenses	124,978	77,608	47,370
Concrete work	150,570	65,708	84,862
Roofing and exterior work	382,020	217,307	164,713
Interior costs	297,042	198,555	98,487
Electrical and mechanical costs	180,601	87,788	92,813
Final finishing costs	125,069	98,671	26,398
Project management costs	50,146	42,341	7,805
Post home construction expenses	—	—	—
Other construction site expenses	—	—	—
Construction staff cost	188,597	78,543	110,054
	\$ 2,389,414	\$ 1,286,878	\$ 1,102,536

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 17

Year ended December 31, 2019, with comparative information for 2018

## 19. Fundraising revenue, gift-in kind donations and grants:

	2019	2018
Donations	\$ 1,404,829	\$ 875,193
Grants	327,549	2,038,339
Sponsorship and Fundraising Activities	935,341	915,927
Deferred fundraising revenue recognized 2019	1,833,333	–
Fundraising Revenue deferred to future periods	(1,117,830)	(1,833,333)
Fundraising Revenue	3,383,222	1,996,126
Government Grants	869,517	2,802,892
Deferred Government grants recognized 2019	2,380,407	–
Government Grants deferred to future periods	(640,768)	(2,380,407)
Government Grants	2,609,156	422,485
Gifts-in-kind donations	197,604	316,085
	\$ 6,189,982	\$ 2,734,696

Donations are monetary gifts received and may be tax receipted under the Income Tax Act. Other fundraising revenue includes sponsorships and special events. In raising \$2,667,719 (2018 - \$3,829,459) in fundraising revenues, the Society incurred \$557,302 (2018 - \$479,115) in fundraising expenses for the purpose of soliciting contributions, which includes \$319,909 (2018 - \$190,856) for direct fundraising expenses and \$237,393 (2018 - \$288,259) for employee compensation and benefits.

In 2019, fundraising revenues deferred to future periods were \$1,117,830 (2018 - \$1,833,333) and government grant revenues deferred to future periods were \$640,768 (2018 - \$2,380,407).

Gifts-in-kind donations revenue is products donated to the Society for the purposes of construction or fixed assets. Government Grants are mainly Government of Alberta affordable housing funding.

## 20. Subsequent events:

- Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian government, enacting emergency measures to combat the spread of the virus. These measures include implementation of travel bans, self-imposed quarantine periods and social distancing which are causing material disruption to businesses globally and in Canada, resulting in an economic slowdown.

In addition, the Society operates in Southern Alberta. Alberta has been impacted by the significant drop in commodity prices and equity markets have reacted with the biggest decline experienced in more than a decade. In response, the Bank of Canada quickly reduced their key interest rate.



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 18

Year ended December 31, 2019, with comparative information for 2018

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## **20. Subsequent events (continued):**

The current challenging economic climate may lead to adverse changes in cash flows, value of assets held for sale, working capital levels, covenants and/or debt balances, which may also have a direct impact on the Society's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Society's operations is not known at this time.

- b) Subsequent to December 31, 2019, the Society entered into a loan agreement with Habitat for Humanity Canada through the CMHC-HFHC National Housing Co-Investment Fund Agreement in the amount of \$764,882. This agreement will provide for a 20-year forgivable loan 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 the agreement. The agreement is to fund new projects initiated in 2019. Subsequent annual addendums for additional funds will be issued for approved projects in 2020 and 2021. The loan is interest-free for so long as the conditions specified in the agreement are met and the loan is not in default.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 19

Year ended December 31, 2019, with comparative information for 2018

## 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, 2019, 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	1,559,615	L
Interest and bank charges	33	C	Less: continuing grants to departing clients	274,142	M
Less: administrative fees (64 units)	<u>256,000</u>	D	Less: back end administrative costs	181,063	N
Total initial funds available	<u>\$ 3,247,316</u>	E	Less: transfers to new AHOP projects/units	<u>765,227</u>	T
Current uncommitted funding E-G) (note 3)	<u>\$ 26,870</u>	F	Sustainable funds remaining (note 3)	<u>\$ 416,934</u>	S
			Net committed funds remaining (F+K) (note 3)	<u>\$ 26,870</u>	P
			Restricted cash remaining (note 13)	<u>\$ 443,804</u>	R

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 20

Year ended December 31, 2019, with comparative information for 2018

## 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	—	—	—	—
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	—	—	—	—
Unit 14	56,428	44,428	12,000	—	—	47,795	—
Unit 15	56,222	44,222	12,000	—	—	—	—
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	—	—	—	—
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

Notes to Financial Statements, page 21

Year ended December 31, 2019, with comparative information for 2018

## 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	—	—	10,000	—
Unit 39	48,224	36,224	12,000	—	—	—	—
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	—	—	—	—
Unit 46	56,444	44,444	12,000	—	—	7,200	—
Unit 47	56,409	44,409	12,000	—	—	—	—
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	—	—	—	—
Unit 51	47,708	35,708	12,000	—	—	37,347	—

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 22

Year ended December 31, 2019, with comparative information for 2018

## 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	Undisbursed and returned to the sustainable fund	Committed funds remaining by unit	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	—	—	—	—
Unit 59	47,605	35,605	4,800	7,200	—	35,605	—
Unit 60	47,605	35,605	12,000	—	—	—	—
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	\$ —	\$ 1,559,615	\$ 274,142
	G	H	I	J	K=G-H-I-J	L	M

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 23

Year ended December 31, 2019, with comparative information for 2018

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## Provincial Affordable Housing Program- York 29 Project:

Schedule 2

(unaudited)

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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, 2019, 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	714,241	L
Interest and bank charges	-	C	Less: continuing grants to departing clients	35,468	M
Less: administrative fees earned (33 units)	<u>148,500</u>	D	Less: back end administrative costs	77,997	N
Total initial funds available	<u>\$ 1,774,840</u>	E	Less: transfers to new AHOP projects/units	<u>367,276</u>	T
Current uncommitted funding (E-G)	<u>\$ -</u>	F	Sustainable funds remaining (note 3)	<u>\$ 281,007</u>	S
			Net committed funds remaining (F+K) (note 3)	<u>\$ -</u>	P
			Restricted cash remaining (note 13)	<u>\$ 281,007</u>	R

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 24

Year ended December 31, 2019, with comparative information for 2018

## 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	-	-	-	-
Unit 4	54,090	42,090	7,800	4,200	-	42,090	6,000
Unit 5	53,595	41,595	12,000	-	-	-	-
Unit 6	54,040	42,040	12,000	-	-	-	-
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	-	-	-	-
Unit 12	54,090	42,090	12,000	-	-	-	-
Unit 13	54,340	42,340	11,000	1,000	-	-	-
Unit 14	54,090	42,090	12,000	-	-	-	-
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	-	-	-
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	-	-	-	-
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

Notes to Financial Statements, page 25

Year ended December 31, 2019, with comparative information for 2018

## 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	–	–	5,500	–
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	\$ –	\$ 714,241	\$ 35,468
	G	H	I	J	K=G-H-I-J	L	M



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 26

Year ended December 31, 2019, with comparative information for 2018

## 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, 2019, for funds committed and expended for Client Properties as identified below:

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 27

Year ended December 31, 2019, with comparative information for 2018

## 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	\$ -	\$ -	\$ -	\$ -	\$ -
Unit 2	12,069	12,069	-	-	-	-	-
Unit 3	9,747	9,747	-	-	-	-	-
Unit 4	13,875	13,875	-	-	-	-	-
Unit 5	11,652	11,652	-	-	-	-	-
Unit 6	11,192	11,192	-	-	-	-	-
Unit 7	11,161	11,161	-	-	-	-	-
Unit 8	10,160	10,160	-	-	-	-	-
Unit 9	13,677	13,677	-	-	-	-	-
Unit 10	13,687	13,687	-	-	-	-	-
Unit 11	13,687	13,687	-	-	-	-	-
Unit 12	12,445	12,445	-	-	-	-	-
Unit 13	13,308	13,308	-	-	-	-	-
Unit 14	12,474	12,474	-	-	-	-	-
Unit 15	12,871	12,871	-	-	-	-	-
Unit 16	9,938	9,938	-	-	-	-	-
Unit 17	8,674	8,674	-	-	-	-	-
Unit 18	12,695	12,695	-	-	-	-	-
	\$ 217,497	\$ 217,497	\$ -	\$ -	\$ -	\$ -	\$ -
	G	H	I	J	K=G-H-I-J	L	M