

Financial Statements of

**HABITAT FOR HUMANITY  
SOUTHERN ALBERTA SOCIETY**

Year ended December 31, 2018



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## 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, 2018;
- the statement of operations and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended
- the 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, 2018, 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 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.

***Other Information***

Management is responsible for the other information. Other information comprises:

the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Annual Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

***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

April 24, 2019  
Calgary, Canada

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Assets</b>		
Cash	\$ 3,686,444	\$ 194,051
Restricted cash (note 3)	765,360	807,453
Investments (note 4)	616,420	618,418
Accounts receivable	286,676	1,383,925
Prepaid expenses and deposits	335,721	415,813
Projects under development (note 5)	3,545,429	6,097,541
Projects held for sale (note 6)	6,087,986	2,207,651
Land held to be donated (note 5)	169,377	–
Inventory for construction projects	3,036	15,227
First mortgages receivable (note 7)	34,126,332	33,868,527
PEAK second mortgages receivable (note 8)	2,018,057	1,950,901
High River second mortgages receivable (note 8)	295,000	295,000
Property and equipment (note 9)	396,914	376,510
	<u>\$ 52,332,752</u>	<u>\$ 48,231,017</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued liabilities (note 10)	\$ 747,859	\$ 800,402
Operating line of credit (note 11)	–	610,000
Evergreen term loan (note 11)	3,386,843	2,232,350
Evergreen line of credit (note 11)	–	1,268,454
Mortgage prepayments	4,652	–
Deferred revenue (note 12)	5,569,894	836,943
PEAK program liability (note 13)	2,782,840	2,758,221
High River program liability (note 14)	295,000	295,000
Reserve fund liability (note 15)	800	–
	<u>12,787,888</u>	<u>8,801,370</u>
Net assets:		
Internally restricted (note 4)	616,305	618,303
Unrestricted	38,928,559	38,811,344
	<u>39,544,864</u>	<u>39,429,647</u>
Commitments and contingencies (note 17)		
	<u>\$ 52,332,752</u>	<u>\$ 48,231,017</u>

See accompanying notes to financial statements.

On behalf of the Board:



Anubhav Chaitanya – Director



Todd Cook – Director

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Operations and Changes in Net Assets

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
<b>Revenues:</b>		
Government grants (note 18)	\$ 422,485	\$ 2,375,951
Fundraising revenue (note 18)	1,996,126	1,891,314
Gifts-in-kind construction and Miscellaneous (note 18)	316,085	380,799
Interest and Other	100,969	76,593
	<u>2,835,665</u>	<u>4,724,657</u>
<b>Build Program:</b>		
Home sales	2,887,944	5,701,163
Cost of homes sold	(2,824,557)	(5,800,055)
Construction overhead and building operations	(654,162)	(353,717)
	<u>(590,775)</u>	<u>(452,609)</u>
<b>Support Programs:</b>		
Family and volunteer services	(1,000,809)	(838,482)
Habitat for Humanity Canada international tithe	(25,000)	(25,000)
	<u>(1,025,809)</u>	<u>(863,482)</u>
<b>Restore Operations:</b>		
Restore sales	3,720,270	3,390,718
Restore donated goods for resale	4,151,335	3,796,972
Restore expenses	(2,889,652)	(2,677,054)
Restore donated goods for resale	(4,151,335)	(3,796,972)
	<u>830,618</u>	<u>713,664</u>
<b>Affordable Home Partnerships:</b>		
Partnership revenue	51,745	299,146
Partnership expenses	(815)	(686)
	<u>50,930</u>	<u>298,460</u>
<b>General and administrative:</b>		
General and administrative	(1,390,277)	(1,442,993)
Fund development (note 18)	(479,115)	(518,243)
Amortization on property and equipment	(87,788)	(57,103)
	<u>(1,957,180)</u>	<u>(2,018,339)</u>
Excess of revenues over expenses before the following:	143,449	2,402,351
Change in unrealized (loss) gain on investments	(28,232)	32,001
Excess of revenues over expenses	<u>115,217</u>	<u>2,434,352</u>
Net assets, beginning of year	39,429,647	36,995,295
Net assets, end of year	<u>\$ 39,544,864</u>	<u>\$ 39,429,647</u>

See accompanying notes to financial statements.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Excess of revenue over expenses	\$ 115,217	\$ 2,434,352
Cash provided by (used in):		
Operations:		
Items not affecting cash from operations:		
Amortization on property and equipment	87,788	57,103
Realized gain on sale of investments	(21,530)	(19,057)
Change in unrealized loss (gain) on investments	28,232	(32,001)
Gain on sale of property and equipment	(19,774)	(5,974)
	189,933	2,434,423
Net change in non-cash balances:		
Accounts receivable	1,097,249	(1,337,866)
Prepaid expenses and deposits	80,092	(18,085)
Projects under development	2,552,112	491,969
Projects held for sale	(3,880,335)	226,527
Land and Real Estate for Sale	(169,377)	–
Inventory for construction purposes	12,191	18,142
First mortgages granted (note 7)	(2,760,162)	(5,548,632)
First mortgage payments, buybacks, cancellations	2,502,357	2,245,941
PEAK second mortgage receivables	(67,156)	408,287
Accounts payable and accrued liabilities	(52,543)	201,255
Mortgage prepayments	4,652	(19,905)
Reserve fund liability	800	(2,520)
	(490,187)	(900,464)
Investing:		
Purchase of investments	(4,703)	(5,289)
Proceeds on sale of property and equipment	21,500	11,550
Purchase of property and equipment	(109,919)	(266,483)
	(93,122)	(260,222)
Financing:		
Operating line of credit	(610,000)	610,000
Evergreen term loan	1,154,493	(102,312)
Evergreen line of credit	(1,268,454)	–
PEAK program liability	24,619	(400,749)
Deferred revenue	4,732,951	202,715
	\$4,033,609	309,654
Increase (decrease) in cash and restricted cash	3,450,300	(851,032)
Cash and restricted cash, beginning of year	1,001,504	1,852,536
Cash and restricted cash, end of year	\$ 4,451,804	\$ 1,001,504

See accompanying notes to financial statements.



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Notes to Financial Statements

Year ended December 31, 2018, with comparative information for 2017

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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 in advancing the interests of the economically disadvantaged, by constructing or renovating homes for low income families and 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 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, 2018, with comparative information for 2017

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## 1. Significant accounting policies (continued):

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

Habitat for Humanity Canada changed the national mortgage policy effective May 1, 2010, whereby the home will be sold to the partner family at fair market value. Prior to this policy change, home sale proceeds reflected the actual costs of land and construction.

Second mortgages are provided, when necessary, for the amount between fair value and cost. 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.

Affordable home partnership 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 are recognized as revenue when a commitment occurs and the amount has a strong likelihood of receipt.

### (c) 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.

### (d) 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, 2018, with comparative information for 2017

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## 1. Significant accounting policies (continued):

(e) 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.

(f) 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.

(g) 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.

(h) 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.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 4

Year ended December 31, 2018, with comparative information for 2017

## 1. Significant accounting policies (continued):

### (i) 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:

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	5-10 years straight line

### (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 cost or 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, 2018, with comparative information for 2017

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## 1. Significant accounting policies (continued):

### (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 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.

### (l) 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.

## 2. Financial instruments and related risks:

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

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

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.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 6

Year ended December 31, 2018, with comparative information for 2017

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

### (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 2017.

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

	2018	2017
Milano net committed funds remaining (note 20)	\$ 26,870	\$ 26,870
York 29 net committed funds remaining (note 21)	2,600	4,200
Viridian net committed funds remaining (note 22)	62,347	124,525
Sustainable funds remaining (note 20, 21 and 22)	672,967	651,726
Net interest and charges not transferred	576	132
Balance, end of year	\$ 765,360	\$ 807,453

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 7

Year ended December 31, 2018, with comparative information for 2017

## 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, 2018 is \$616,305 (2017 - \$618,303) and cost at December 31, 2018 remains at \$318,700. In 2018, the Society held unrestricted investments with a fair market value of \$115 (2017 - \$115). Net income earned from the Calgary Foundation investment in 2018 amounted to \$26,234 (2017 - \$24,346).

	2018	2017
Calgary Foundation - repurchase fund	\$ 616,305	\$ 618,303
Other investments	115	115
Balance, end of year	\$ 616,420	\$ 618,418

During the year end December 31, 2018, the Society earned interest and dividend income on its investments of \$14,124 (2017 - \$14,144).

## 5. Projects under development:

	2018	2017
Balance, beginning of the year	\$ 6,097,541	\$ 6,589,510
Project costs during the year	2,601,978	3,375,307
	8,699,519	9,964,817
Less:		
Direct project cost expensed	(30,162)	(86,541)
Land cost transferred to land held for donation	(169,377)	-
Completed project costs transferred to projects held for sale (note 6)	(4,954,551)	(3,780,735)
Balance, end of year	\$ 3,545,429	\$ 6,097,541

During the year, the Society capitalized interest of \$4,543 (2017 - \$34,055) to projects. As at December 31, 2018, the Society has classified \$169,377 as land held to be donated to the community.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 8

Year ended December 31, 2018, with comparative information for 2017

## 6. Projects held for sale:

Project unit buybacks include repayments of mortgage amounts received from homeowners in the amount of \$1,424,747 (2017 - \$1,356,210).

	2018	2017
Balance, beginning of year	\$ 2,207,651	\$ 2,434,178
Add:		
Costs of completed new projects transferred from projects under development (note 5)	4,954,551	3,780,735
Project unit buybacks	1,424,747	1,356,210
Repairs on buybacks	237,177	-
	8,824,126	7,571,123
Less:		
Direct costs of projects sold during the year	(2,736,140)	(5,363,472)
Balance, end of year	\$ 6,087,986	\$ 2,207,651

## 7. First mortgages receivable:

Non-interest bearing first mortgages are for 20 to 55 year terms and secured by the related land and building. New mortgages valued at \$2,871,866 (2017 - \$5,548,632) were issued during the year. Annual mortgage repayments for 2018 totaled \$1,448,069 (2017 - \$1,104,778).

Net mortgage repayments expected are as follows:

2019	\$ 1,486,935
2020	1,449,986
2021	1,418,862
2022	1,407,637
2023	1,364,415
Thereafter	26,959,973

The Society holds forgivable second mortgages dated prior to May 1, 2010, aggregating \$3,519,053 on 55 units (2017 - \$3,545,553 on 56 units) which expire at the end of the 25 to 50 year terms. As at 2018 and 2017, there are no unforgivable second mortgages recorded on the statement of financial position.



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 9

Year ended December 31, 2018, with comparative information for 2017

## 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 2018, 26 Milano units (2017 – 26 units) accrued interest totaling \$49,782 (2017 - \$38,103). In 2018, 14 York units (2017-12 units) accrued interest of \$16,508 (2017 - \$7,722). 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. In 2015, 10 High River homeowners received second mortgages for a total of \$295,000.

## 9. Property and equipment:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Automotive and trailers	\$ 134,859	\$ 98,910	\$ 35,949	\$ 40,942
Computer equipment	79,601	73,301	6,300	9,000
Computer software	101,344	16,891	84,453	–
Construction mobile equipment	52,762	46,767	5,995	10,522
Construction tools and equipment	8,274	8,220	54	67
Office equipment and furniture	94,971	86,176	8,795	10,994
Leasehold improvements	568,201	312,833	255,368	304,985
	\$ 1,040,012	\$ 643,098	\$ 396,914	\$ 376,510

## 10. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances receivable of \$35,736 (2017 - \$46,312 payable), which includes amounts payable for GST.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 10

Year ended December 31, 2018, with comparative information for 2017

## 11. Credit facilities:

	2018	2017
Operating Line of Credit	\$ -	\$ 610,000
Evergreen term loan	3,386,843	2,232,350
Evergreen line of credit	-	1,268,454
Balance, end of year	\$ 3,386,843	\$ 4,110,804

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 (2017 – bank's prime rate). The facility balance as of December 31, 2018 is \$nil (2017 - \$610,000).

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 pre-development costs, of which \$3,386,843 was utilized as at December 31, 2018 (2017 - \$3,500,804). The facility is available by way of prime based loans or by series loans.

After two years of the advance, if the outstanding balance is not demanded by the lender, the outstanding amount of the Evergreen term loan is amortized over 18 - 20 years, 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:

2019	\$ 132,179
2020	137,849
2021	144,613
2022	151,271
2023	158,298
Thereafter	2,662,632

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. The Society issues letters of credit through its financial institution to provide guarantees to certain vendors. The balance of outstanding letters of credit is \$491,539 (2017 - \$556,539).

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.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 11

Year ended December 31, 2018, with comparative information for 2017

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## 11. Credit facilities (continued):

The banking facilities available to the Society are subject to certain financial and non-financial covenants. As at December 31, 2018, the Society is in compliance with all such covenants. The next annual review date for any demand credit facilities are set for May 31, 2019.

Included in Construction Overhead and Building Operations on the statement of operations is \$140,781 (2017 - \$107,438) related to interest expense on the credit facilities.

## 12. Deferred revenue:

The Society received cash donations, grants, sponsorships and gift-in-kind during the year which have been deferred for future use.

	2018	2017
Balance, beginning of year	\$ 836,943	\$ 634,228
Amounts received	5,323,883	257,622
Amounts recognized as revenue in the year	(590,932)	(54,907)
Balance, end of year	\$ 5,569,894	\$ 836,943

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 12

Year ended December 31, 2018, with comparative information for 2017

## 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:

	2018	2017
Restricted cash Milano Project (note 20)	\$ 421,680	\$ 420,480
Interest receivable	126,825	77,044
Milano mortgages receivable	966,481	966,481
Milano program liability	1,514,986	1,464,005
Restricted cash Laredo Cochrane Project	—	—
Laredo Cochrane mortgages receivable	13,500	13,500
Laredo Cochrane program liability	13,500	13,500
Restricted cash York 29 Project (note 21)	280,757	262,316
Interest receivable	24,230	7,722
York 29 mortgages receivable	669,523	712,835
York 29 program liability	974,510	982,873
Restricted cash Viridian Project (note 22)	62,347	124,525
Deferred administration fees	—	—
Viridian mortgages receivable	217,497	173,318
Viridian program liability	279,844	297,843
Total PEAK program liability	\$ 2,782,840	\$ 2,758,221

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.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 13

Year ended December 31, 2018, with comparative information for 2017

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## **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 Fund for Humanity 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 the future condominium corporation that will oversee the management of the Pineridge Project. The corporation will be registered once the project is complete. These funds will be transferred to the condominium corporation at that time.

## **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 2018 (2017 - \$25,000). The Society's contribution assists Habitat for Humanity International's work. During the year, the Society paid ReStore royalties of \$144,438 (2017 - \$125,818) and, affiliation fees of \$131,813 (2017 - \$129,166) to Habitat for Humanity Canada. In 2018, the Society received \$231,954 in cash donations, grants and sponsorships (2017 - \$275,330) in addition to \$256,728 of gifts-in-kind (2017 - \$339,453) from Habitat for Humanity Canada. The amount due at year end to Habitat for Humanity Canada is \$60,082 (2017 - \$60,775) and included within accounts payable and accrued liabilities.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 14

Year ended December 31, 2018, with comparative information for 2017

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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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2019	\$ 632,031
2020	703,651
2021	621,493
2022	560,139
2023	571,320
Thereafter	2,142,304

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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 was 1 unit buyback in 2018 for \$86,309 (2017 - two units 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 were 2 unit buybacks in 2018 for \$160,455 and \$185,500 respectively, (2017 - one unit for \$192,500) (note 4).

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 15

Year ended December 31, 2018, with comparative information for 2017

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

	2018	2017
Donations	\$ 875,193	\$ 805,855
Grants	2,038,339	210,141
Sponsorship and Fundraising Activities	915,927	875,318
Receipts	3,829,459	1,891,314
Deferred Revenue	(1,833,333)	—
Fundraising Revenue	\$ 1,996,126	\$ 1,891,314
Government Grants	2,802,892	2,375,951
Deferred Government Grants	(2,380,407)	—
Government Grants	422,485	2,375,951
Gifts-in-kind donations	316,085	380,799
	\$ 2,734,696	\$ 4,648,064

Donations are monetary gifts received and may be tax receipted under the Income Tax Act. Other fundraising revenue includes sponsorships and special events. In 2018, \$1,833,333 of fundraising revenue (2017 - \$nil) and \$2,380,407 of Provincial grant revenue (2017 - \$nil) was deferred. In raising \$3,829,458 (2017 - \$1,891,314) in fundraising revenues, the Society incurred \$479,115 (2017 - \$518,243) in fundraising expenses for the purpose of soliciting contributions, which includes \$190,856 (2017 - \$180,278) for direct fundraising expenses and \$288,259 (2017 - \$337,964) for employee compensation and benefits.

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.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 16

Year ended December 31, 2018, with comparative information for 2017

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## 19. Provincial affordable housing grants:

In accordance with the Affordable Housing Grants Funding Agreement dated April 11, 2016, Article 5, Paragraph D(ii), regarding the release of the final 10% funding holdback, during 2018, the Society completed 8 units out of 24 units pertaining to this agreement (8 units completed in 2017). The completed properties and related costs as of the end of 2018 are as follows:

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Unit 17	\$	238,550
Unit 10		238,550
Unit 11		238,550
Unit 12		238,550
Unit 13		285,361
Unit 14		285,361
Unit 15		285,361
Unit 16		285,361
	\$	2,095,644

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In accordance with the Affordable Housing Grants Funding Agreement dated July 8, 2016, Article 4, Paragraph (c), regarding the release of the final 1% funding holdback, during 2018, the Society completed 1 out of 9 units pertaining to this agreement (4 units completed in 2017). The completed property and related costs as of the end of 2018 are as follows:

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Unit 7	\$	218,811
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In accordance with the Affordable Housing Grants Funding Agreement dated December 15, 2016, Article 3, Paragraph 1 (c) (ii), regarding the release of the final 5% funding holdback, during December 31, 2018, the Habitat for Humanity Southern Alberta Society completed 9 of the 14 units pertaining to this agreement. The completed properties and related costs as of the end of 2018 are as follows:

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Unit 1	\$	218,811
Unit 2		218,811
Unit 3		218,811
Unit 4		282,228
Unit 5		282,228
Unit 6		282,228
Unit 7		282,228
Unit 8		282,228
Unit 14		285,998
	\$	2,353,571

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# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 17

Year ended December 31, 2018, with comparative information for 2017

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## 19. Provincial affordable housing grants (continued):

In accordance with the Affordable Housing Grants Funding Agreement dated January 12, 2018, Article 3, Paragraph 1(b), regarding the release of the final 10% funding holdback, during December 31, 2018, the Habitat for Humanity Southern Alberta Society completed 1 of the 14 units pertaining to this agreement. The completed property and related costs as of the end of 2018 are as follows:

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Unit 1	\$ 285,998	\$ 240,803
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# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 18

Year ended December 31, 2018, with comparative information for 2017

## 20. Provincial Affordable Housing Program - Milano Project:

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, 2018, 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	1,504,868	L
Interest and bank charges	33	C	Less: continuing grants to departing clients	268,142	M
Less: administrative fees (64 units)	<u>256,000</u>	D	Less: back end administrative costs	171,452	N
Total initial funds available	<u>\$ 3,247,316</u>	E	Less: transfers to new AHOP projects/units	<u>748,215</u>	T
Current uncommitted funding E-G) (note 3)	<u>\$ 26,870</u>	F	Sustainable funds remaining (note 3)	<u>\$ 394,810</u>	S
Net committed funds remaining (F+K) (note 3)	<u>\$ 26,870</u>	P	Restricted cash remaining (note 13)	<u>\$ 421,680</u>	R

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 19

Year ended December 31, 2018, with comparative information for 2017

## 20. Provincial Affordable Housing Program - Milano Project (continued):

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	-	-	-	-
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 20

Year ended December 31, 2018, with comparative information for 2017

## 20. Provincial Affordable Housing Program - Milano Project (continued):

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	—	—	4,800	—
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 21

Year ended December 31, 2018, with comparative information for 2017

## 20. Provincial Affordable Housing Program - Milano Project (continued):

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	\$ —	\$ 1,504,868	\$ 268,142
	G	H	I	J	K=G-H-I-J	L	M

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 22

Year ended December 31, 2018, with comparative information for 2017

## 21. Provincial Affordable Housing Program – York 29 Project:

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, 2018, for funds committed and expended for Client Properties as identified below:

Alberta housing grants	\$ 1,485,000	A	Committed funds returned to sustainable fund	\$ 44,907	J
Trico Contributions	438,340	B	Repayments returned to sustainable fund	711,141	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	77,413	N
Total initial funds available	<u>\$ 1,774,840</u>	E	Less: transfers to new AHOP projects/units	<u>365,011</u>	T
Current uncommitted funding (E-G)	<u>\$ -</u>	F	Sustainable funds remaining (note 3)	<u>\$ 278,157</u>	S
			Net committed funds remaining (F+K) (note 3)	<u>\$ 2,600</u>	P
			Restricted cash remaining (note 13)	<u>\$ 280,757</u>	R

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 23

Year ended December 31, 2018, with comparative information for 2017

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

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 24

Year ended December 31, 2018, with comparative information for 2017

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

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	—	—	2,400	—
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	\$ 44,907	\$ 2,600	\$ 711,141	\$ 35,468
	G	H	I	J	K=G-H-I-J	L	M



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 25

Year ended December 31, 2018, with comparative information for 2017

## 22. Provincial Affordable Housing Program - Viridian Project:

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, 2018, for funds committed and expended for Client Properties as identified below:

Sustainability Fund	\$ 360,844	A	Committed funds returned to sustainable fund	\$ -	J
Less: Administration fees (10 units)	<u>45,000</u>	B	Repayments returned to sustainable fund	-	L
Total initial funds available	<u>\$ 315,844</u>	C	Less: continuing grants to departing clients	-	M
Less: Administration fees (8 units)	36,000	D	Less: back end administrative costs	-	N
Current uncommitted funding (C-D-G)	<u>\$ 62,347</u>	E	Less: transfers to new AHOP projects/units	<u>-</u>	T
			Sustainable funds remaining (note 3)	<u>\$ -</u>	S
			Uncommitted and committed funds remaining (E+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 26

Year ended December 31, 2018, with comparative information for 2017

## 22. Provincial Affordable Housing Program - Viridian Project (continued):

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

# **HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY**

Notes to Financial Statements, page 27

Year ended December 31, 2018, with comparative information for 2017

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## **23. Presentation**

Some comparative figures have been restated to be consistent with current year presentation.