

Financial Statements of

**HABITAT FOR HUMANITY  
SOUTHERN ALBERTA SOCIETY**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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## INDEPENDENT AUDITOR'S REPORT

To the Members of Habitat for Humanity Southern Alberta Society

### *Opinion*

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

- the statement of financial position as at December 31, 2022
- 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, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our auditor's report.



We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Calgary, Canada

April 19, 2023

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Cash	\$ 9,719,269	\$ 8,726,192
Restricted cash (note 3)	1,071,619	1,008,239
Investments (note 4)	786,100	834,150
Accounts receivable	235,674	224,902
Prepaid expenses and deposits	330,589	337,265
Projects under development (note 5)	4,134,714	3,676,548
Projects held for sale (note 6)	3,256,820	2,663,943
First mortgages receivable (note 7)	31,550,978	33,862,220
PEAK second mortgages receivable (note 8)	1,473,342	1,591,393
High River second mortgages receivable (note 8)	284,824	307,210
Property and equipment (note 9)	617,450	499,022
	<u>\$ 53,461,379</u>	<u>\$ 53,731,084</u>

## Liabilities and Net Assets


Accounts payable and accrued liabilities (notes 10 and 16)	\$ 1,067,604	\$ 1,047,188
Operating loans (note 11)	4,337,370	2,986,332
Line of credit (note 11)	—	1,570,692
Deferred revenue (notes 12 and 13)	7,818,419	5,791,131
PEAK program liability (note 14)	2,531,081	2,599,710
High River program liability (note 15)	284,824	307,210
	<u>16,039,298</u>	<u>14,302,263</u>
Net assets:		
Internally restricted (note 4)	786,100	834,150
Unrestricted	36,635,981	38,594,671
	<u>37,422,081</u>	<u>39,428,821</u>


Commitments and contingencies (note 17)

	<u>\$ 53,461,379</u>	<u>\$ 53,731,084</u>
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See accompanying notes to financial statements.

On behalf of the Board:

  
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David Barber – Director

  
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Lisa Smandych – Director

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Operations and Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenues:		
Sale of homes	\$ 3,956,316	\$ 6,584,609
ReStore sales	5,208,816	5,047,776
Fundraising revenue (note 18)	1,280,448	941,862
Grants (note 18)	400,541	1,668,380
Gifts-in-kind (note 18)	5,968,434	6,357,317
Interest and other	509,843	348,035
	<u>17,324,398</u>	<u>20,947,979</u>
Expenses:		
Cost of homes sold	3,324,994	6,306,144
Program delivery	1,337,382	1,265,840
ReStore donated goods for resale (note 18)	5,792,094	6,261,107
ReStore expenses	3,874,506	3,675,068
Fundraising	472,847	359,772
General and administrative	1,658,947	1,420,713
Interest	200,149	138,435
	<u>16,660,919</u>	<u>19,427,079</u>
Excess of revenues over expenses before the following:	663,479	1,520,900
Other revenue and expenses:		
Imputed interest income on mortgage receivable (note 7)	251,360	173,701
Mortgage discount expense (note 7)	(2,708,784)	(3,895,307)
Amortization on property and equipment	(147,131)	(121,146)
Change in unrealized (loss) gain on investments	(65,664)	55,739
	<u>(2,670,219)</u>	<u>(3,787,013)</u>
Deficiency of revenues over expenses	(2,006,740)	(2,266,113)
Net assets, beginning of year	39,428,821	41,694,934
Net assets, end of year	<u>\$ 37,422,081</u>	<u>\$ 39,428,821</u>

See accompanying notes to financial statements.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Deficiency of revenue over expenses	\$ (2,006,740)	\$ (2,266,113)
Cash provided by (used in):		
Operations:		
Items not affecting cash from operations:		
Amortization on property and equipment	147,131	121,146
Realized gain on sale of investments	(10,254)	(31,594)
Change in unrealized loss (gain) on investments	65,664	(55,739)
Mortgage discount expense	2,708,784	3,895,307
Imputed interest income on mortgage receivable	(251,360)	(173,701)
Write down of projects held for sale	143,794	18,235
Gain on sale of property and equipment	—	(690)
	797,019	1,506,851
Net change in non-cash balances:		
Accounts receivable	(10,772)	(72,030)
Prepaid expenses and deposits	6,676	100,671
Projects under development	(458,166)	25,730
Projects held for sale	(736,671)	3,896,306
Land held for sale	—	370,000
First mortgages granted	(3,805,999)	(6,480,652)
First mortgages payments, buybacks, cancellations	3,659,817	3,001,401
PEAK second mortgages receivable	118,051	304,226
High River second mortgages receivable	22,386	(8,948)
Accounts payable and accrued liabilities	20,416	(217,812)
Deferred revenue	2,027,288	259,191
	1,640,045	2,684,934
Investing:		
Purchase of investments	(7,360)	(6,642)
Proceeds on sale of property and equipment	—	735
Purchase of property and equipment	(265,559)	(313,657)
	(272,919)	(319,564)
Financing:		
Repayment of operating loan	(219,654)	(204,332)
Proceeds from operating loan	—	114,469
PEAK program liability	(68,629)	(163,318)
High River program liability	(22,386)	8,948
	(310,669)	(244,233)
Increase in cash and restricted cash	1,056,457	2,121,137
Cash and restricted cash, beginning of year	9,734,431	7,613,294
Cash and restricted cash, end of year	\$ 10,790,888	\$ 9,734,431

See accompanying notes to financial statements.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

## Notes to Financial Statements

Year ended December 31, 2022, with comparative information for 2021

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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 homes.

### 1. Significant accounting policies:

#### (a) Basis of presentation:

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

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

#### (b) Revenue recognition:

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

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

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

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



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 2

Year ended December 31, 2022, with comparative information for 2021

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## 1. Significant accounting policies (continued):

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

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

PEAK administrative revenue is recognized as 2nd mortgages are paid out by homeowners and the Society has received the funds.

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

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

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

### (c) Cash:

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

### (d) Restricted cash:

Restricted cash is managed by the Society on behalf of 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.

### (f) Land held for sale:

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 3

Year ended December 31, 2022, with comparative information for 2021

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## 1. Significant accounting policies (continued):

### (g) Projects held for sale and under development:

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

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

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

### (h) Mortgages receivable:

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

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 4

Year ended December 31, 2022, with comparative information for 2021

## 1. Significant accounting policies (continued):

### (i) Property and equipment:

Property and equipment is stated at cost, less accumulated amortization. Contributed property and equipment is recorded at fair market value at the date of contribution. If fair market value cannot be reasonably determined, 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	Straight line over term of lease

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

### (j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value.

All other financial instruments are subsequently recorded at amortized cost unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value other than investments.

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 5

Year ended December 31, 2022, with comparative information for 2021

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## 1. Significant accounting policies (continued):

### (j) Financial instruments (continued):

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.

### (k) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates may include the value of donated items, the recoverability and useful life of property and equipment, the net realizable value of land and real estate held for sale and projects under development and the fair value of non-interest-bearing mortgages.

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

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

### (m) Government assistance:

Government assistance related to current expenses and revenues is included in the determination of deficiency of revenues over expenses for the period. Government assistance related to capital expenditures is recorded as a reduction of the cost of the related item of property and equipment.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 6

Year ended December 31, 2022, with comparative information for 2021

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## 2. Financial instruments and related risks:

### (a) Financial assets and financial liabilities:

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

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

### (b) Credit risk:

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

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

### (c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

### (d) Liquidity risk:

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

There have been no other changes to the risk exposures from 2021.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 7

Year ended December 31, 2022, with comparative information for 2021

### 3. Restricted cash:

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

	2022	2021
Milano net committed funds remaining	\$ 26,870	\$ 26,870
Viridian net committed funds remaining	62,347	62,347
Sustainable funds remaining	968,521	919,101
Net interest and charges not transferred	13,881	(79)
Balance, end of year	\$ 1,071,619	\$ 1,008,239

### 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, 2022 is \$786,100 (2021 – \$834,150) and cost at December 31, 2022 remains at \$318,700.

Income earned from the Calgary Foundation investment in 2022 amounted to \$17,614 (2021 – \$41,035).

	2022	2021
Calgary Foundation - repurchase fund	\$ 786,100	\$ 834,150
Balance, end of year	\$ 786,100	\$ 834,150

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 8

Year ended December 31, 2022, with comparative information for 2021

## 5. Projects under development:

	2022	2021
Balance, beginning of the year	\$ 3,676,548	\$ 3,702,278
Project costs during the year	3,043,835	1,671,533
	6,720,383	5,373,811
Less:		
Direct project costs expensed	(56,330)	(112,930)
Completed project costs transferred to projects held for sale (note 6)	(2,529,339)	(1,584,333)
Balance, end of year	\$ 4,134,714	\$ 3,676,548

During the year, the Society capitalized interest of \$nil (2021 – \$23,473) to projects under development.

## 6. Projects held for sale:

Project unit buybacks are valued at the mortgage amount outstanding at the time of repurchase. In 2022, there were 5 buybacks valued at \$1,302,788 (2021 – 3 buybacks valued at \$467,809). At the end of the fiscal year, if the mortgage value of the properties exceeds the market value, the properties are written down to their market value. In 2022, 5 properties were written down by \$143,794 to their net realizable value (2021 – 2 properties were written down by \$18,235) and is included in program delivery on the statement of operations.

	2022	2021
Balance, beginning of year	\$ 2,663,943	\$ 6,578,484
Add:		
Costs of completed new projects transferred from projects under development (note 5)	2,529,339	1,584,333
Project unit buybacks	1,302,788	467,809
Repairs on buybacks	257,057	169,927
	6,753,127	8,800,553
Less:		
Direct costs of projects sold during the year	(3,352,513)	(5,976,555)
Direct costs of properties sold to the market	–	(141,820)
Write down to net realizable value	(143,794)	(18,235)
Balance, end of year	\$ 3,256,820	\$ 2,663,943

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 9

Year ended December 31, 2022, with comparative information for 2021

## 7. First mortgages receivable:

In 2022, the Society entered into 16 new mortgages (2021 – 25). In total there are 222 mortgages outstanding (2021 – 223). First mortgages are for 20 to 55-year terms and secured by the related land and building. New mortgages valued at \$3,805,999 (2021 – \$6,480,652) were issued during the year. A mortgage discount expense of \$2,708,784 (2021 – \$3,895,307) was recorded on new mortgages during the year using an average imputed interest rate at date of mortgage of 4.57% (2021 – 2.95%) per annum. Amortization of the mortgage discount is calculated over the period of the mortgage and was \$251,360 for 2022 (2021 – \$173,701).

	2022	2021
Gross mortgages receivable	\$ 40,621,470	\$ 40,475,287
Unamortized mortgage discounts	(9,070,492)	(6,613,067)
Present value of first mortgages receivable	\$ 31,550,978	\$ 33,862,220

Annual mortgage repayments for 2022 totaled \$2,615,460 (2021 – \$2,714,643). Future net mortgage repayments expected are as follows:

2023	\$ 2,151,843
2024	2,074,952
2025	2,009,981
2026	1,921,478
2027	1,877,780
Thereafter	30,585,436

The Society holds forgivable second mortgages dated prior to May 1, 2010, aggregating \$3,061,354 on 45 units (2021 – \$3,148,474 on 47 units) which expire at the end of the 25 to 50 year terms. As at December 31, 2022, no unforgivable second mortgage was recorded on the statement of financial position (2021 – \$29,125).

## 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.



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 10

Year ended December 31, 2022, with comparative information for 2021

## 8. Second mortgages receivable (continued):

In 2022, PEAK second mortgages were paid out for 1 Milano unit (2021 – 3 units) at a value of \$36,224 (2021 – \$115,896), 1 York 29 unit (2021 – 4 units) at a value of \$41,765 (2021 – \$167,540) and 6 Viridian units (2021 – 1 unit) at a value of \$74,247 (2021 – \$11,192). One Viridian unit was partially paid at a value of \$3,000.

Second mortgage interest is the net amount of interest accrued and paid out for the year. In 2022, 18 Milano units (2021 – 19 units) accrued net interest totaling \$28,386 (2021 – \$8,032), 9 York 29 units (2021 – 10 units) accrued net interest of \$7,529 (2021 – \$4,128), and 9 Viridian units (2021 – 5) accrued interest totaling \$1,270 (2021 – \$683). These amounts have been included in the second mortgage receivable balance.

	2022	2021
PEAK balance, beginning of year	\$ 1,591,393	\$ 1,895,619
Milano payout	(36,224)	(115,896)
York 29 payout	(41,765)	(167,540)
Viridian payout	(74,247)	(11,192)
Mortgage payments	(3,000)	–
Net change Milano interest	28,386	8,032
Net change Viridian interest	1,270	683
Net change York 29 interest	7,529	(4,128)
Foreclosure	–	(14,185)
PEAK balance, end of year	\$ 1,473,342	\$ 1,591,393

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 2022, 1 High River unit (2021 – nil) second mortgage was paid out at a value of \$29,500. 9 High River units (2021 – 10 units) accrued net interest of \$7,114 (2021 – \$8,948).

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 11

Year ended December 31, 2022, with comparative information for 2021

## 9. Property and equipment:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Automotive and trailers	\$ 268,663	\$ 171,610	\$ 97,053	\$ 138,861
Computer equipment	89,030	82,827	6,203	9,491
Computer software	162,022	159,230	2,792	13,398
Construction mobile equipment	52,763	51,395	1,368	2,057
Construction tools and equipment	19,300	12,752	6,548	8,212
Office equipment and furniture	106,611	95,138	11,473	7,707
Leasehold improvements	1,026,791	534,778	492,013	319,296
	\$ 1,725,180	\$ 1,107,730	\$ 617,450	\$ 499,022

## 10. Accounts payable and accrued liabilities:

Government remittances included in accounts payable and accrued liabilities which represent amounts payable for goods and services tax is \$nil (2021 – \$35,177).

## 11. Credit facilities:

The Society has available a \$1,000,000 demand operating loan facility to be used for general operations. This facility bears interest at the bank's prime rate per annum, which was 6.45% at December 31, 2022 (2021 – 2.45%). The facility balance as of December 31, 2022 is \$nil (2021 – \$nil).

The Society has available a \$10,000,000 demand credit facility to be used as interim financing for the acquisition of land for residential purpose, interest and predevelopment costs, of which \$4,250,088 was utilized at December 31, 2022, (2021 – \$4,454,116). The facility is available by way of prime-based loans or by term loans. Interest expense related to the credit facilities for 2022 is \$200,149 (2021 – \$138,435).

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 12

Year ended December 31, 2022, with comparative information for 2021

## 11. Credit facilities (continued):

The Society has available a \$1,000,000 demand credit facility to be used for the issuance of letters of credit in support of municipal utility and other similar obligations. This facility accrues interest at bank's prime rate plus 1% per annum if drawn. The facility balance as of December 31, 2022, is \$653,439 (2021 – \$757,439).

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

The banking facilities available to the Society are subject to certain financial and non-financial covenants. As at December 31, 2022, the Society is in compliance with all such covenants. The next annual review date for any demand credit facilities is set for May 2023.

The Society purchased two vehicles in 2021 and obtained financing for each. Each loan bears interest of 1.99% annually and is amortized over 84 months. Interest expense related to the vehicle loan facilities for 2022 is \$1,906 (2021 – \$1,640).

	2022	2021
Term loans	\$ 4,250,088	\$ 2,883,424
Vehicle loans	87,282	102,908
Operating loans	4,337,370	2,986,332
Line of credit	–	1,570,692
<b>Balance, end of year</b>	<b>\$ 4,337,370</b>	<b>\$ 4,557,024</b>

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

2023	\$ 102,351
2024	108,234
2025	117,156
2026	125,875
2027	135,244
Thereafter	3,661,228

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 13

Year ended December 31, 2022, with comparative information for 2021

## 11. Credit facilities (continued):

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

2023	\$	15,940
2024		16,256
2025		16,586
2026		16,919
2027		17,259
Thereafter		4,322

## 12. Deferred revenue:

The Society received cash donations, grants, sponsorships, and gift-in-kind during the year, which are deferred as the eligible expenditures, have not been incurred. The deferred revenue balances include externally restricted contributions detailed in note 13.

	2022	2021
Balance, beginning of year	\$ 5,791,131	\$ 5,531,940
Amounts received	2,279,715	1,742,843
Amounts recognized as revenue in the year	(252,427)	(1,483,652)
Balance, end of year	\$ 7,818,419	\$ 5,791,131

## 13. CMHC-HFHC National Housing Funds:

Habitat for Humanity Canada secured funding for the Federation through the CMHC-HFHC National Housing Co-Investment Fund and the Black Family Fund (the "Fund"). These agreements provide for 20-year forgivable loans to assist with the financing of the construction of affordable owner-occupied units up to a maximum of eligible project costs as set out in each of the funding agreements.

The loans are interest-free for so long as the conditions specified in the agreements are met and the loans are not in default. The loans are forgiven at a rate of one twentieth per year over 20 years beginning 12 months after the last Habitat Affiliate agreement has completed its final drawdown.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 14

Year ended December 31, 2022, with comparative information for 2021

## 13. CMHC-HFHC National Housing Funds (continued):

	2022	2021
Balance, beginning of year	\$ 2,568,875	\$ 2,110,177
Amounts received	891,629	458,698
Balance, end of year	\$ 3,460,504	\$ 2,568,875

The balance of the amount received from the Fund is included in deferred revenue (note 12).

## 14. 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:

	2022	2021
Restricted cash Milano Project	\$ 559,080	\$ 552,840
Interest receivable	235,704	207,318
Milano mortgages receivable	674,445	710,669
Milano program liability	1,469,229	1,470,827
Laredo Cochrane mortgages receivable	13,500	13,500
Laredo Cochrane program liability	13,500	13,500
Restricted cash York 29 Project	404,823	386,454
Interest receivable	66,278	58,749
York 29 mortgages receivable	377,750	419,515
York 29 program liability	848,851	864,718
Restricted cash Viridian Project	93,835	69,024
Interest receivable	1,954	682
Viridian mortgages receivable	103,712	180,959
Viridian program liability	199,501	250,665
Total PEAK program liability	\$ 2,531,081	\$ 2,599,710

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 15

Year ended December 31, 2022, with comparative information for 2021

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## 14. 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.

## 15. 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.

## 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 2022 (2021 – \$25,000). The Society's contribution assists Habitat for Humanity international work.

During the year, the Society paid ReStore royalties of \$208,357 (2021 – \$202,250) and affiliation fees of \$265,173 (2021 – \$176,427) to Habitat for Humanity Canada. In 2022, the Society received \$608,211 in cash donations, grants and sponsorships (2021 – \$243,903) in addition to \$479,301 of gifts-in-kind (2021 – \$426,905) from Habitat for Humanity Canada. The amount due at year-end to Habitat for Humanity Canada is \$62,319 (2021 – \$88,639) and included within accounts payable and accrued liabilities.

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 16

Year ended December 31, 2022, with comparative information for 2021

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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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2023	\$ 745,153
2024	728,279
2025	508,767
2026	490,419
2027	422,188
Thereafter	831,735

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- (b) The Society has entered into a renewable 99-year ground lease ("Suncourt lease") with Home Space Society (formerly known as the Calgary Community Land Trust) for the purposes of the development of a 27-unit townhouse project. The Suncourt lease became effective July 1, 2003 with annual rental payments in the amount of \$20,000. The Suncourt lease provides for an adjustment every 30 years to the annual rental based on the lesser of 4% of the fair market value of the land under lease, excluding improvements, and \$60,000. The lease specifies that the Society must use the land solely and exclusively for the purposes of alleviating the problem of a lack of affordable housing for low-income families in Calgary, Alberta. The Society has committed to repurchase all units back from owners and may fund these commitments through the investment held with The Calgary Foundation (note 4). There was 1 unit buyback in 2022 for \$143,500 (2021 – 2 units for \$136,500 and \$86,309, respectively).
- (c) The Society entered into a renewable 99-year ground lease ("Sheftel lease") with Home Space Society (formerly known as the Calgary Community Land Trust), for the purposes of the development of a 12-unit townhouse project in north-west Calgary. The Sheftel lease became effective February 25, 2008 with annual rental payments in the amount of \$17,000. The Sheftel lease provides for an adjustment every 15 years (Rent Adjustment Date) to the annual rental based on 4% of the fair market value of the land under lease, excluding improvements. The Sheftel lease specifies that the Society must use the land solely and exclusively for the purpose of alleviating the problem of a lack of affordable housing for low-income families in Calgary, Alberta. Due to this specification, the Society has committed to repurchase all units back from owners and may fund these commitments through the investment held with The Calgary Foundation (note 4). There were no buybacks in 2022 and 2021.
- (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 \$653,439 (2021 – \$757,439).

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 17

Year ended December 31, 2022, with comparative information for 2021

## 17. Commitments and contingencies (continued):

- (e) From time to time, the Society is involved in various claims and legal actions which occur in the ordinary course of operations. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and estimable. At the time of the financial statements preparation, there has been no resolution or indication that the settlement of any actions will result in any material liabilities.

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

	2022	2021
Donations	\$ 816,791	\$ 780,264
Sponsorship and fundraising activities	463,657	161,598
Fundraising revenue	1,280,448	941,862
Grants	133,072	354,776
Government grants:		
Federal	27,469	108,554
Provincial	240,000	962,050
Municipal	—	243,000
Grants	400,541	1,668,380
Gifts-in-kind donations:		
Construction & Miscellaneous	176,340	96,210
ReStore	5,792,094	6,261,107
Gifts-in-kind donations	5,968,434	6,357,317
	\$ 7,649,423	\$ 8,967,559

Donations are monetary gifts received and may be tax receipted under the Income Tax Act. In raising \$1,280,448 (2021 – \$941,862) in fundraising revenues, the Society incurred \$335,559 (2021 – \$359,772) in fundraising expenses for the purpose of soliciting contributions, which includes \$120,000 (2021 – \$198,059) for direct fundraising expenses and \$215,559 (2021 – \$161,714) for employee compensation and benefits.

Grants are received from foundations, corporations and government. Government grants are mainly Government of Alberta affordable housing.



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Notes to Financial Statements, page 18

Year ended December 31, 2022, with comparative information for 2021

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## 18. Fundraising revenue, gifts-in kind donations and grants (continued):

The Government of Canada created a program called the Canada Emergency Wage Subsidy ("CEWS") to provide wage assistance to companies who experienced a decrease in revenues resulting from the COVID-19 outbreak. During the fiscal 2022, the Society did not meet the eligibility requirements and received \$nil (2021 – \$75,164). The entire amount has been recognized as grants on the statement of operations.

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 19

Year ended December 31, 2022

## 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, 2022, 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	1,851,667	L
Interest and bank charges	33	C	Less: continuing grants to departing clients	304,142	M
Less: administrative fees (64 units)	256,000	D	Less: back end administrative costs	246,705	N
Total initial funds available	<u>\$ 3,247,316</u>	E	Less: transfers to new AHOP projects/units	<u>846,361</u>	T
Current uncommitted funding E-G) (note 3)	\$ 26,870	F	Sustainable funds remaining (note 3)	\$ 532,210	S
			Net committed funds remaining (F+K) (note 3)	\$ 26,870	P
			Restricted cash remaining (note 14)	\$ 559,080	R

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 20

Year ended December 31, 2022

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 21

Year ended December 31, 2022

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

Schedule 1  
(unaudited)

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 22

Year ended December 31, 2022

## 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 undispensed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 52	47,760	35,760	9,200	2,800	-	-	-
Unit 53	47,863	35,863	12,000	-	-	37,346	6,000
Unit 54	46,010	34,010	12,000	-	-	34,038	-
Unit 55	56,428	44,428	6,600	5,400	-	44,428	44,428
Unit 56	56,428	44,428	8,000	4,000	-	44,428	-
Unit 57	47,605	35,605	11,600	400	-	35,605	-
Unit 58	47,605	36,605	12,000	-	-	45,163	6,000
Unit 59	47,605	35,605	4,800	7,200	-	35,605	-
Unit 60	47,605	35,605	12,000	-	-	-	-
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	\$ -	\$ 1,851,667	\$ 304,142
	G	H	I	J	K=G-H-I-J	L	M

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 23

Year ended December 31, 2022

## Provincial Affordable Housing Program- York 29 Project:

Schedule 2  
(unaudited)

For the purposes of the Affordable Housing Program, Grant Funding Dated Aug. 31, 2011, Article 20, Paragraph C(ii), Schedule C, the following is the schedule of affordable housing PEAK program restricted grant. Recipients Reporting and Monitoring Requirements, as at December 31, 2022, for funds committed and expended for Client Properties as identified below:

Alberta housing grants	\$	1,485,000	A	Committed funds returned to sustainable fund	\$	47,507	J
Trico Contributions		438,340	B	Repayments returned to sustainable fund		1,035,375	L
Interest and bank charges		0	C	Less: continuing grants to departing clients		77,468	M
Less: administrative fees earned (33 units)		<u>148,500</u>	D	Less: back end administrative costs		125,143	N
Total initial funds available	\$	<u>1,774,840</u>	E	Less: transfers to new AHOP projects/units		<u>475,448</u>	T
Current uncommitted funding (E-G)	\$	<u>0</u>	F	Sustainable funds remaining (note 3)	\$	<u>404,823</u>	S
				Net committed funds remaining (F+K) (note 3)	\$	<u>0</u>	P
				Restricted cash remaining (note 14)	\$	<u>404,823</u>	R

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 24

Year ended December 31, 2022

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

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 25

Year ended December 31, 2022

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

Schedule 2  
(unaudited)

Unit	Funds committed by unit	Down payment funds disbursed by unit	Mortgage subsidy disbursed by unit	Committed funds undisbursed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 26	53,765	41,765	4,800	7,200	-	41,765	-
Unit 27	53,765	41,765	11,200	800	-	41,765	-
Unit 28	54,015	42,015	10,800	1,200	-	42,015	-
Unit 29	54,015	42,015	8,400	3,600	-	42,015	6,000
Unit 30	54,095	42,095	10,400	1,600	-	42,095	-
Unit 31	53,845	41,845	12,000	-	-	44,877	6,000
Unit 32	53,845	41,845	12,000	-	-	42,182	-
Unit 33	53,845	41,845	12,000	-	-	-	-
	\$ 1,774,840	\$ 1,378,840	\$ 348,493	\$ 47,507	\$ -	\$ 1,035,375	\$ 77,468
	G	H	I	J	K=G-H-I-J	L	M



# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 26

Year ended December 31, 2022

## 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, 2022, 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	114,287	L
Interest and bank charges	-	C	Less: continuing grants to departing clients	14,185	M
Less: Administration fees (18 units)	81,000	D	Less: back end administrative costs	37,376	N
Total initial funds available	<u>\$ 279,844</u>	E	Less: transfers to new AHOP projects/units	<u>31,238</u>	T
Current uncommitted funding (E-G)	<u>\$ 62,347</u>	F	Sustainable funds remaining (note 3)	<u>\$ 31,488</u>	S
			Uncommitted and committed funds remaining (F+K) (note 3)	<u>\$ 62,347</u>	P
			Restricted cash remaining (note 14)	<u>\$ 93,835</u>	R

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 27

Year ended December 31, 2022

**Provincial Affordable Housing Program - Viridian Project (continued):** Schedule 3  
(unaudited)

Unit	Funds committed by unit	Down payment funds disbursed by unit	Mortgage subsidy disbursed by unit	Committed funds undisbursed and returned to the sustainable fund	Committed funds remaining by unit	Funds repaid by clients, returned to sustainable fund	Continuing grants to departing clients
Unit 1	\$ 14,185	\$ 14,185	-	-	-	14,185	\$ 14,185
Unit 2	12,069	12,069	-	-	-	3,000	-
Unit 3	9,747	9,747	-	-	-	-	-
Unit 4	13,875	13,875	-	-	-	-	-
Unit 5	11,652	11,652	-	-	-	12,128	-
Unit 6	11,192	11,192	-	-	-	11,192	-
Unit 7	11,161	11,161	-	-	-	11,161	-
Unit 8	10,160	10,160	-	-	-	-	-
Unit 9	13,677	13,677	-	-	-	13,677	-
Unit 10	13,687	13,687	-	-	-	13,687	-
Unit 11	13,687	13,687	-	-	-	13,712	-
Unit 12	12,445	12,445	-	-	-	-	-
Unit 13	13,308	13,308	-	-	-	-	-
Unit 14	12,474	12,474	-	-	-	-	-
Unit 15	12,871	12,871	-	-	-	12,871	-
Unit 16	9,938	9,938	-	-	-	-	-
Unit 17	8,674	8,674	-	-	-	8,674	-
Unit 18	12,695	12,695	-	-	-	-	-
	\$ 217,497	\$ 217,497	-	-	-	\$ 114,287	\$ 14,185
	G	H	I	J	K=G-H-I-J	L	M

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 28

Year ended December 31, 2022

## CMHC Coinvestment Forgivable Loan - Schedule of Project Costs:

Schedule 4  
(unaudited)

This schedule itemizes the cash inflow and project costs of the 4 in progress projects that have received funding from CMHC from their inception up to and including December 31, 2022.

Description	2022 Funding				Total
	Silvercreek Phase 2 7Dr	Brooks 1Dr	Silvercreek Phase 3 4Dr	Silvercreek Phase 4 4Dr	
<b>Sources of cash inflow:</b>					
Cash used from internal sources	\$ 384,828	\$ 134,011	\$ 481,667	\$ 401,614	\$ 1,402,120
Provincial grants	700,000	170,000	360,000	320,000	1,550,000
Federal grants (CMHC)	535,106	-	59,442	79,256	673,804
Gifts-in-kind (land or other build products)	44,949	35,623	45,856	19,604	146,032
<b>Total cash inflow</b>	<b>1,664,883</b>	<b>339,634</b>	<b>946,965</b>	<b>820,474</b>	<b>3,771,956</b>
<b>Eligible expenses:</b>					
Bought out units and cost of land	226,099	-	130,748	130,342	487,189
General construction expenses	221,297	16,660	136,598	128,766	503,321
Gifts-in-kind (land or build products)	44,949	35,623	45,856	19,604	146,032
Site preparation expenses	42,657	5,105	25,390	21,097	94,249
Concrete work	110,432	23,684	33,640	36,702	204,458
Roofing and exterior work	251,178	90,570	175,597	157,494	674,839
Interior costs	188,410	67,826	121,216	105,714	483,166
Electrical and mechanical costs	169,375	50,719	100,793	89,238	410,125
Final finishing costs	81,150	15,902	41,662	39,887	178,601
Project management cost	34,238	17,500	17,544	17,544	86,826
Post home construction expenses	73,363	200	15,615	-	89,178
Construction staff cost	221,735	15,845	102,306	74,086	413,972
<b>Total eligible expenses</b>	<b>\$ 1,664,883</b>	<b>\$ 339,634</b>	<b>\$ 946,965</b>	<b>\$ 820,474</b>	<b>\$ 3,771,956</b>

# HABITAT FOR HUMANITY SOUTHERN ALBERTA SOCIETY

Schedules, page 29

Year ended December 31, 2022

## CMHC Black Family Forgivable Loan- Schedule of Project Costs:

Schedule 4  
(unaudited)

This schedule itemizes the cash inflow and project costs of the 3 in progress projects that have received funding from CMHC from their inception up to and including December 31, 2022.

Description	2022 Funding				Total
	Brooks 1Dr	Silvercreek Phase 3 4Dr	Silvercreek Phase 4 4Dr		
<b>Sources of cash inflow:</b>					
Cash used from internal sources	\$ 134,011	\$ 481,667	\$ 401,614	\$ 1,017,292	
Provincial grants	170,000	360,000	320,000	850,000	
Federal grants (CMHC)	—	59,442	79,256	138,698	
Gifts-in-kind (land or other build products)	42,743	45,856	19,604	108,203	
<b>Total cash inflow</b>	<b>346,754</b>	<b>946,965</b>	<b>820,474</b>	<b>2,114,193</b>	
<b>Eligible expenses:</b>					
Bought out units and cost of land	4,695	130,748	130,342	265,785	
General construction expenses	11,965	136,598	128,766	277,329	
Gifts-in-kind (land or build products)	42,743	45,856	19,604	108,203	
Site preparation expenses	5,105	25,390	21,097	51,592	
Concrete work	23,684	33,640	36,702	94,026	
Roofing and exterior work	90,570	175,597	157,494	423,661	
Interior costs	67,826	121,216	105,714	294,756	
Electrical and mechanical costs	50,719	100,793	89,238	240,750	
Final finishing costs	15,902	41,662	39,887	97,451	
Project management cost	17,500	17,544	17,544	52,588	
Post home construction expenses	200	15,615	—	15,815	
Construction staff cost	15,845	102,306	74,086	192,237	
<b>Total eligible expenses</b>	<b>\$ 346,754</b>	<b>\$ 946,965</b>	<b>\$ 820,474</b>	<b>\$ 2,114,193</b>	