

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

**Consolidated Financial Statements and Supplementary Information
For the Years Ended June 30, 2021 and 2020
With Independent Auditor's Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**
Consolidated Financial Statements and Supplementary Information
For the Years Ended June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Habitat for Humanity New York City and
Westchester County, Inc. and Affiliates

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Habitat for Humanity New York City and Westchester County, Inc. and Affiliates (Habitat NYC and Westchester), formerly known as Habitat for Humanity New York City, Inc., which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

80 Pine Street
New York, NY 10005
T +1 212 709 4500
F +1 212 709 4680
mitchelltitus.com



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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Habitat for Humanity New York City and Westchester County, Inc. and Affiliates as of June 30, 2021 and 2020, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Mitchell Titus, LLP". The signature is written in a cursive, flowing style.

November 30, 2021

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**
Consolidated Statements of Financial Position
As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents - Note 4	\$ 4,426,617	\$ 3,153,146
Investments - Note 4	-	12,038
Accounts receivable, net	2,412,254	1,899,033
Contributions receivable - Note 6	75,450	212,657
Mortgages receivable - Note 5	315,862	325,329
CDFI loans receivable, net - Note 7	405,724	59,400
Projects under development, net - Note 8	20,174,192	7,023,758
ReStore inventory	15,820	17,088
Prepaid expenses and other assets	166,510	173,977
Total current assets	<u>27,992,429</u>	<u>12,876,426</u>
<i>Non-current assets</i>		
Restricted cash	178,433	245,648
Homeowners' escrow and reserve funds	30,611	53,463
Accounts receivable, net	-	141,078
Mortgages receivable, net - Note 5	2,834,062	3,114,802
CDFI loans receivable, net - Note 7	251,322	530,048
Projects under development - Note 8	2,684,008	36,008,699
Property and equipment, net - Note 9	161,186	225,850
Security deposit	29,766	29,766
Total non-current assets	<u>6,169,388</u>	<u>40,349,354</u>
Total assets	<u>\$ 34,161,817</u>	<u>\$ 53,225,780</u>

The accompanying notes are an integral part of these consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**
Consolidated Statements of Financial Position (*continued*)
As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES AND NET ASSETS		
<i>Current liabilities</i>		
Accounts payable and accrued expenses	\$ 2,567,051	\$ 2,517,273
Loans payable-project related - Note 11	13,366,285	9,383,242
Loans payable-other - Note 11	500,000	-
Recoverable grant liability - Note 11	40,000	40,000
Deferred revenue - Note 10	1,951,235	2,417,564
Deferred rent - Note 15	29,336	25,868
Lines of credit - Note 11	3,500,000	5,000,000
Total current liabilities	<u>21,953,907</u>	<u>19,383,947</u>
<i>Non-current liabilities</i>		
Recoverable grant liability, net - Note 11	37,405	73,028
Deferred rent - Note 15	12,170	41,506
Loans payable-project related - Note 11	-	21,293,870
Loans payable-other - Note 11	1,294,827	769,214
Total non-current liabilities	<u>1,344,402</u>	<u>22,177,618</u>
Total liabilities	<u>23,298,309</u>	<u>41,561,565</u>
<i>Net assets</i>		
<i>Without donor restrictions</i>		
Board-designated - Note 12	200,000	200,411
Undesignated	9,106,790	8,849,059
<i>Non-controlling interest - Note 13</i>	1,027,882	1,863,760
Total without donor restrictions	<u>10,334,672</u>	<u>10,913,230</u>
<i>With donor restrictions - Note 13</i>	528,836	750,985
Total net assets	<u>10,863,508</u>	<u>11,664,215</u>
Total liabilities and net assets	<u>\$ 34,161,817</u>	<u>\$ 53,225,780</u>

The accompanying notes are an integral part of these consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

Consolidated Statement of Activities

For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE AND RECLASSIFICATIONS			
<i>Support</i>			
Contributions (including in-kind contributions of \$624,745 and contributed services of \$216,704)	\$ 2,930,973	\$ 498,183	\$ 3,429,156
Government support	1,738,429	69,955	1,808,384
Special events	612,109	-	612,109
<i>Revenue</i>			
<i>Sale of housing units</i>			
Proceeds from sales	11,094,352	-	11,094,352
Government subsidies - Note 11	13,506,681	-	13,506,681
ReStore sales	577,093	-	577,093
Investment return	76,253	-	76,253
Mortgage discount amortization	292,901	-	292,901
Other income	549,428	14,894	564,322
Total support and revenue	31,378,219	583,032	31,961,251
Net assets released from restrictions - Note 13	805,181	(805,181)	-
Total support, revenue and reclassifications	32,183,400	(222,149)	31,961,251
EXPENSES			
<i>Program services</i>			
Cost of housing units sold - Note 8	23,896,767	-	23,896,767
Personnel and other expenses	5,088,094	-	5,088,094
Total program services	28,984,861	-	28,984,861
<i>Supporting services</i>			
Management and general	2,234,355	-	2,234,355
Fundraising	1,542,742	-	1,542,742
Total supporting services	3,777,097	-	3,777,097
Total expenses	32,761,958	-	32,761,958
Change in net assets	(578,558)	(222,149)	(800,707)
Net assets, at beginning of year	10,913,230	750,985	11,664,215
Net assets, at end of year	\$ 10,334,672	\$ 528,836	\$ 10,863,508

The accompanying notes are an integral part of these consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**
Consolidated Statement of Activities (*continued*)
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE AND RECLASSIFICATIONS			
<i>Support</i>			
Contributions (including in-kind contributions of \$518,626 and contributed services of \$239,361)	\$ 2,828,793	\$ 397,592	\$ 3,226,385
Government support	-	399,795	399,795
Special events, net	788,024	750	788,774
<i>Revenue</i>			
<i>Sale of housing units</i>			
Proceeds from sales	2,130,237	-	2,130,237
Government subsidies - Note 11	1,723,564	-	1,723,564
ReStore sales	505,550	-	505,550
Investment return	31,900	-	31,900
Mortgage discount amortization	303,708	-	303,708
Other income	472,858	34,894	507,752
Total support and revenue	8,784,634	833,031	9,617,665
Net assets released from restrictions - Note 13	690,329	(690,329)	-
Total support, revenue and reclassifications	9,474,963	142,702	9,617,665
EXPENSES			
<i>Program services</i>			
Cost of housing units sold - Note 8	3,545,437	-	3,545,437
Personnel and other expenses	5,239,167	-	5,239,167
Total program services	8,784,604	-	8,784,604
<i>Supporting services</i>			
Management and general	1,864,996	-	1,864,996
Fundraising	1,290,757	-	1,290,757
Total supporting services	3,155,753	-	3,155,753
Total expenses	11,940,357	-	11,940,357
Change in net assets	(2,465,394)	142,702	(2,322,692)
Net assets, at beginning of year	13,378,624	608,283	13,986,907
Net assets, at end of year	\$ 10,913,230	\$ 750,985	\$ 11,664,215

The accompanying notes are an integral part of these consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fundraising</u>	
<i>Cost of housing units sold</i>				
Projects under development - Note 8	\$ 23,896,767	\$ -	\$ -	\$ 23,896,767
<i>Personnel expenses</i>				
Salaries and wages	1,839,318	828,611	673,518	3,341,447
Payroll taxes and fringe benefits - Note 14	444,888	148,750	141,989	735,627
Total personnel costs	2,284,206	977,361	815,507	4,077,074
<i>Other expenses</i>				
Professional fees	80,123	289,876	74,313	444,312
Occupancy costs - Note 15	320,758	61,507	48,219	430,484
Insurance	164,898	31,523	910	197,331
Office expenses	121,389	12,031	21,243	154,663
Computer maintenance and software	93,967	54,765	74,319	223,051
Advertising	745	143,878	2,333	146,956
Staff training and education	8,182	2,942	1,246	12,370
Home owner education, credit reports	13,950	-	-	13,950
Postage	6,422	2,141	2,043	10,606
Common charges	20,641	6,957	5,963	33,561
Printing and duplicating	-	559	-	559
Fundraising and other events	1,031	3,838	137,497	142,366
Repairs and maintenance	632,130	4,586	-	636,716
Telephone	51,064	14,123	13,074	78,261
Travel and meetings	5,729	8,702	234	14,665
Direct mail and newsletters - printing, supplies, postage and delivery	-	12,773	246,982	259,755
Depreciation and amortization - Note 9	19,872	76,391	-	96,263
HFHI fees	-	25,000	-	25,000
ReStore cost of sales	577,093	-	-	577,093
ReStore sales tax	43,288	-	-	43,288
Interest expense and financing fees	20,791	442,879	-	463,670
Bad debt	-	57,550	-	57,550
Projects under development reserve - Note 8	29,578	-	-	29,578
Loan-loss reserve - Note 7	-	3,558	-	3,558
Warranty reserve	570,478	-	-	570,478
Miscellaneous	21,759	1,415	98,859	122,033
Total other expenses	2,803,888	1,256,994	727,235	4,788,117
	<u>\$ 28,984,861</u>	<u>\$ 2,234,355</u>	<u>\$ 1,542,742</u>	<u>\$ 32,761,958</u>

The accompanying notes are an integral part of these consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**
Consolidated Statement of Functional Expenses (*continued*)
For the Year Ended June 30, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
<i>Cost of housing units sold</i>				
Projects under development - Note 8	\$ 3,545,437	\$ -	\$ -	\$ 3,545,437
<i>Personnel expenses</i>				
Salaries and wages	1,976,638	684,236	532,005	3,192,879
Payroll taxes and fringe benefits - Note 14	556,999	144,937	134,797	836,733
Total personnel costs	2,533,637	829,173	666,802	4,029,612
<i>Other expenses</i>				
Professional fees	110,983	267,578	168,703	547,264
Occupancy costs - Note 15	347,491	64,429	51,197	463,117
Insurance	106,689	39,083	-	145,772
Office expenses	172,491	18,801	40,821	232,113
Computer maintenance and software	123,993	36,158	60,419	220,570
Advertising	2,612	134,620	-	137,232
Staff training and education	19,168	2,366	1,414	22,948
Home owner education, credit reports	4,189	-	-	4,189
Postage	6,688	1,950	2,642	11,280
Common charges	5,753	1,669	1,522	8,944
Printing and duplicating	84	5,518	1,047	6,649
Fundraising and other events	3,392	-	31,913	35,305
Repairs and maintenance	312,667	1,295	-	313,962
Telephone	51,810	7,759	9,902	69,471
Travel and meetings	42,229	9,621	18,160	70,010
Direct mail and newsletters - printing, supplies, postage and delivery	-	-	166,053	166,053
Tithe	116,410	-	671	117,081
Depreciation and amortization - Note 9	19,871	62,904	-	82,775
HFHI fees	-	25,000	-	25,000
ReStore cost of sales	484,019	-	-	484,019
ReStore sales tax	34,062	-	-	34,062
Interest expense and financing fees	15,050	288,793	-	303,843
Projects under development reserve - Note 8	462,817	-	-	462,817
Loan-loss reserve - Note 7	-	3,681	-	3,681
Warranty reserve	250,303	-	-	250,303
Miscellaneous	12,759	64,598	69,491	146,848
Total other expenses	2,705,530	1,035,823	623,955	4,365,308
	\$ 8,784,604	\$ 1,864,996	\$ 1,290,757	\$ 11,940,357

The accompanying notes are an integral part of these consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FROM OPERATING ACTIVITIES		
Change in net assets	\$ (800,707)	\$ (2,322,692)
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operations</i>		
Depreciation and amortization	96,263	82,775
Realized and unrealized gain on investments	(1,682)	(1,824)
Mortgage discount amortization	(292,901)	(303,708)
Projects under development reserve	29,578	462,817
Loan discount amortization	4,377	-
Warranty reserve	570,478	250,303
Loan-loss reserve	3,558	3,681
<i>Changes in operating assets and liabilities</i>		
Accounts receivable	(372,143)	(485,388)
Contributions receivable	137,207	117,341
Prepaid expenses and other assets	7,467	85,205
Family members' savings plan contributions, homeowners' escrow and reserve funds	22,852	(47,211)
Projects under development	20,144,679	(3,483,932)
ReStore inventory	1,268	(2,284)
Security deposit	-	(1,879)
Accounts payable and accrued expenses	(520,700)	(1,742,145)
Deferred revenue	(466,329)	(221,730)
Deferred rent	(25,868)	(12,792)
Net cash provided by (used in) operating activities	<u>18,537,397</u>	<u>(7,623,463)</u>
CASH FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(31,599)	-
Collections on mortgages receivable	583,108	563,415
Collections on CDFI loans	950,844	22,091
CDFI loans issued	(1,022,000)	(100,000)
Sale of investments	13,720	-
Donation of investments	-	(10,214)
Net cash provided by investing activities	<u>494,073</u>	<u>475,292</u>

The accompanying notes are an integral part of these consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**
Consolidated Statements of Cash Flows *(continued)*
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FROM FINANCING ACTIVITIES		
(Repayments)/Proceeds from recoverable grant	\$ (40,000)	\$ 40,000
Net (repayments)/Borrowings under line of credit	(1,500,000)	1,500,000
Net (repayments)/Borrowings under construction loans	(17,310,827)	6,874,918
Proceeds from Paycheck Protection Program	769,215	769,214
Forgiveness under Paycheck Protection Program	(1,538,429)	-
Net borrowings under other loans	<u>1,794,827</u>	<u>-</u>
Net cash (used in) provided by financing activities	<u>(17,825,214)</u>	<u>9,184,132</u>
 Net increase in cash, restricted cash and cash equivalents	 1,206,256	 2,035,961
 Cash, restricted cash and cash equivalents, beginning of year	 <u>3,398,794</u>	 <u>1,362,833</u>
Cash, restricted cash and cash equivalents, end of year	<u>\$ 4,605,050</u>	<u>\$ 3,398,794</u>
 <i>Cash at end of year consisted of</i>		
Unrestricted cash and cash equivalents	\$ 4,426,617	\$ 3,153,146
Restricted cash	<u>178,433</u>	<u>245,648</u>
Total	<u>\$ 4,605,050</u>	<u>\$ 3,398,794</u>
 Interest charged to projects under development	 <u>\$ 298,087</u>	 <u>\$ 405,280</u>
Interest charged on line of credit	<u>\$ 266,991</u>	<u>\$ 278,128</u>

The accompanying notes are an integral part of these consolidated financial statements.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 1 ORGANIZATION

Habitat for Humanity New York City and Westchester County, Inc. (Habitat NYC and Westchester), formerly known as Habitat for Humanity New York City, Inc., transforms lives and New York City by building quality homes for families in need and uniting all New Yorkers around the cause of affordable housing. Habitat NYC and Westchester's work includes the new construction of multi-family homes, rehabilitation of single- and multi-family homes, and community improvement projects, including painting and rehabilitating community and senior centers. Habitat NYC and Westchester also advocates for housing policies that benefit low-income people. Generally, each housing project is undertaken under a separate entity organized under the New York State Private Housing Finance Law and New York State Not-for-Profit Corporation Law, with Habitat NYC and Westchester being the sole member. Habitat NYC and Westchester's housing projects are undertaken by the following entities:

- Habitat for Humanity Housing Development Fund Company (HDFC)
- Hart Lafayette Housing Development Fund Corporation (Hart-Lafayette)
- Habitat for Humanity St. John's Housing Development Fund Corporation (St. John's)
- Habitat for Humanity Bed-Stuy Homes HDFC (Bed-Stuy I)
- Habitat for Humanity Bed-Stuy Homes II HDFC (Bed-Stuy II)
- Habitat for Humanity Bed-Stuy Homes III HDFC (Bed-Stuy III)
- Habitat for Humanity Bed-Stuy Homes IV HDFC (Bed-Stuy IV)
- Habitat for Humanity Bed-Stuy Homes V HDFC (Bed-Stuy V)
- Habitat for Humanity Bed-Stuy Homes VI HDFC (Bed-Stuy VI)
- Habitat for Humanity Dean Street Housing Development Fund Corporation (Dean Street)
- Habitat for Humanity Latent Thomas Boyland Street Housing Development Fund Corporation (Latent)
- Habitat for Humanity Almat Tilden Street Housing Development Fund Corporation (Almat Tilden HDFC)
- Habitat for Humanity Queens Phase II Housing Development Fund Corporation (Queens Phase II)
- Ralph Avenue I Housing Development Fund Corporation (Ralph Avenue I)
- HFH NYC GC LLC (GC)
- Habitat for Humanity Compliance LLC
- Habitat Latent LLC (Latent LLC)
- Habitat Tilden Street LLC (Tilden Street LLC)
- Habitat for Humanity NYC Fund Inc.
- 839 Tilden Street Housing Development Fund Corporation (839 Tilden Street)
- Habitat Net Zero LLC (Net Zero LLC)
- Habitat Net Zero Homes Housing Development Fund Corporation (Habitat Net Zero Homes HDFC)
- Habitat New Lots LLC (New Lots LLC)
- Habitat Passive Housing Development Fund Corporation (Passive HDFC)
- Stevenson Homeownership Housing Development Fund Corporation
- Habitat Mosaic Brooklyn LLC
- New York City Habitat for Humanity, Inc.
- Westchester County Habitat for Humanity, Inc.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 1 ORGANIZATION *(continued)*

Habitat NYC and Westchester and HDFC are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and have been classified as publicly supported organizations as described in Code Sections 509(a)(1) and 170(b)(a)(vi). Further, Hart-Lafayette, Bed-Stuy I, Bed-Stuy II, Bed-Stuy III, Bed-Stuy IV, Bed-Stuy V, Bed-Stuy VI, St. John's, Queens Phase II, Latent, Almat Tilden, Ralph Avenue I, 839 Tilden Street, and Dean Street are exempt from federal income taxes under Section 501(c)(4) of the Code.

GC is a domestic single-member limited liability company (SMLLC) set up in the state of New York to act as a general contractor on some Habitat NYC and Westchester construction projects. Latent LLC and Tilden Street LLC are for-profit entities set up to sell units from the SEED and Sydney projects, respectively. Habitat for Humanity NYC Fund, Inc. has applied for the tax-exempt status under Section 501(c)(3) of the Code.

On January 19, 2016, Habitat NYC and Westchester formed Tilden Street LLC for the purpose of constructing and selling 57 affordable housing units for the Sydney House project. On May 11, 2016, Habitat NYC and Westchester and Almat Group LLC executed an Operating Agreement for Tilden Street LLC, which provides Habitat NYC and Westchester with a 51% ownership interest and Almat Group LLC with a 49% ownership interest. On May 12, 2016, Habitat for Almat Tilden HDFC acquired title for the land and improvements for the Sydney House project and executed a Nominee Agreement with Tilden Street LLC that provides Tilden Street LLC with the authority to make decisions on behalf of Almat Tilden HDFC. Additionally, on the same date, Habitat NYC and Westchester originated a Sponsor Mortgage and Note in the amount of \$1,969,000 for which Tilden Street LLC and Almat Tilden HDFC were collectively the mortgagor. The Sponsor Mortgage and Note were repaid on November 22, 2016.

On April 1, 2015, Habitat NYC and Westchester and Latent Productions LLC executed a Joint Venture Agreement (JVA) for the purposes of constructing and selling 25 units of affordable housing for the SEED project. The JVA provides Habitat NYC and Westchester with a 65% ownership interest and Latent Productions LLC with a 35% ownership interest in a special-purpose entity formed for the project.

On March 22, 2016, Habitat Passive HDFC was formed to acquire title for the land and improvements for the Glenmore-Jersey project upon Construction Closing. A Nominee Agreement will be executed between New Lots LLC and Passive HDFC, providing New Lots LLC authority to make decisions on behalf of Habitat Passive HDFC.

On February 12, 2018, Habitat NYC and Westchester formed 839 Tilden Street Housing Development Fund Corporation for the purpose of setting up the entity as a cooperative. Upon permanent conversion of the Sydney House project, the property will be deeded to this entity and it will be a cooperative owner issuing shares to eligible buyers.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 1 ORGANIZATION *(continued)*

Habitat NYC and Westchester contributes to HFHI's tithing and stewardship programs. Tithe contributions amounted to approximately \$0 and \$117,000 in fiscal years 2021 and 2020, respectively, while stewardship contributions amounted to \$25,000 in each of fiscal years 2021 and 2020.

On February 9, 2017, Habitat NYC and Westchester formed Habitat for Humanity NYC Fund, Inc. (the Fund) for the purpose of promoting community development and homeownership and to expand the availability of affordable housing by providing financing and technical assistance and other educational and development services. The Fund applied for Community Development Financial Institution (CDFI) designation from the U.S. Department of the Treasury.

On December 3, 2018, Habitat NYC and Westchester formed Habitat Net Zero LLC for the purpose of constructing and selling 16 affordable single-family homes for the Net Zero project. Habitat NYC and Westchester is the sole member and sponsor of this entity.

On January 3, 2019, Habitat NYC and Westchester formed Habitat New Lots LLC for the purpose of constructing and selling 12 affordable housing units for the Glenmore-Jersey project. Habitat NYC and Westchester is the sole member and sponsor of this entity. This entity was terminated on February 9, 2021, and the activities of the Glenmore-Jersey project were transferred to Habitat Mosaic Brooklyn LLC.

On February 7, 2019, Habitat Net Zero Homes HDFC was formed to acquire title for the land and improvements for the Net Zero project upon Construction Closing. A Nominee Agreement will be executed between Net Zero LLC and Habitat Net Zero Homes HDFC providing Net Zero LLC authority to make decisions on behalf of Habitat Net Zero Homes HDFC.

On September 19, 2020, Habitat NYC and Westchester was awarded by Habitat for Humanity International the geographic service area of Westchester County. This gives Habitat NYC and Westchester the opportunity to expand its footprint to now include Westchester County as part of Habitat NYC and Westchester.

On September 21, 2020, Habitat NYC and Westchester formed Stevenson Homeownership Housing Development Fund Corporation for the purpose of constructing and selling 58 affordable co-operative units for the Stevenson Commons project. This project is led by Camber Property Group. Habitat NYC and Westchester is the sole member and sponsor of this entity.

On May 19, 2021, Habitat NYC and Westchester formed Habitat Mosaic Brooklyn LLC for the purpose of constructing and selling 46 affordable housing units for the Mosaic project. Habitat NYC and Westchester is the sole member and sponsor of this entity.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 1 ORGANIZATION *(continued)*

On June 25, 2021, New York City Habitat for Humanity, Inc. was formed to work with low-income people, primarily in New York City and surrounding areas, to help them create a better human habitat in which to live and work.

On June 25, 2021, Westchester County Habitat for Humanity, Inc. was formed to work with low-income people, primarily in Westchester County, New York and surrounding areas, to help them create a better human habitat in which to live and work.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements consist of the accounts of Habitat for Humanity New York City and Westchester County, Inc. and Affiliates (collectively, Habitat NYC and Westchester), and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). All intercompany account balances and transactions have been eliminated, except for those involving non-controlling interest.

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Net Asset Classifications

Habitat NYC and Westchester's net assets have been presented and classified as without donor restrictions and with donor restrictions based on the existence or absence of donor-imposed restrictions. Habitat NYC and Westchester does not have endowment net assets.

Without donor restrictions—Resources that are not subject to donor restrictions. These amounts may be designated by the Board of Directors (the Board), or management at the Board's direction, to cover any purposes determined by Habitat NYC and Westchester.

With donor restrictions—Funds that Habitat NYC and Westchester may use in accordance with donors' restrictions for specific purposes or upon the passage of time (see Note 13).

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net Asset Classifications *(continued)*

Non-controlling interest—The equity in Latent LLC and Tilden Street LLC not attributable, directly or indirectly, to Habitat NYC and Westchester (see Note 13).

As Controlling and Managing Member of the partnerships with Almat Group LLC and Latent Productions LLC (the Partners), Habitat NYC and Westchester consolidates the partnerships into its financial statements. The non-controlling interest portion of net assets reflects the amount due to the Partners at the end of the life of the project.

Revenue Recognition

Contributions—All unconditional contributions are recorded at fair value as revenue when received.

The fair value of long-term contributions receivable is measured based on the present value of future cash flows, with consideration given to the expected possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants. Fair value measurements also consider donors' credit risk.

All contributions are considered available for general use unless restricted specifically by the donor. Habitat NYC and Westchester records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time. When donor restrictions expire (*i.e.*, when a time or purpose restriction is fulfilled), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

Government subsidies—Certain housing projects of Habitat NYC and Westchester receive government subsidies and capital project funds awarded by the State of New York and City of New York or for the sale of property received from the State of New York or its agencies (the State) and the City of New York or its agencies (the City) at substantially below fair value. Agencies of the State include the New York State Affordable Housing Corporation (AHC). Agencies of the City include the New York City Department of Housing Preservation and Development (HPD). Generally, the ability to utilize these subsidies is subject to the requirement that housing units are sold only to qualified purchasers, primarily families that do not exceed household income levels prescribed under the terms of the government subsidies.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed Services

All of Habitat NYC and Westchester's Board members have volunteered their time to serve on the Board of Directors. There are partner families (prospective qualified purchasers) and other volunteers who have donated significant time to Habitat NYC and Westchester in project construction and its related programs. The value of this contributed time is not reflected in these consolidated financial statements since these services do not meet the following criteria for recognition under U.S. GAAP: (a) create or enhance nonfinancial assets or (b) require specialized skills provided by individuals possessing those skills, and (c) would typically need to be purchased if they were not provided by donation.

Functional Allocation of Expenses

Costs that are specifically identifiable to programs and supporting services (to fundraising or to management and general) are charged directly to such functions. Costs incurred for both programs and supporting services are allocated based on certain factors deemed reasonable by management.

Cash and Cash Equivalents

Habitat NYC and Westchester considers money market investments and certificates of deposits with a maturity of three months or less on the date of acquisition to be cash equivalents.

Habitat NYC and Westchester maintains its cash in bank deposit accounts that may exceed federally insured limits. Habitat NYC and Westchester has not experienced any losses in such accounts. As of June 30, 2021, approximately 95% of unrestricted and restricted cash was held by two financial institutions.

Restricted cash consists primarily of funds set aside by Habitat NYC and Westchester for projects under development and deposits required under the terms of various project funding agreements.

Allowance for Doubtful Accounts

Habitat NYC and Westchester evaluates the collectability of accounts receivable and contributions receivable and provides an allowance for any losses based on collection history and other factors determined by management. Write-offs are charged against the allowance. There was no allowance for uncollectible accounts on accounts and contributions receivable as of June 30, 2021 and 2020, as all accounts and contributions receivable were determined to be fully collectible.

Loan-Loss Reserve

Habitat NYC and Westchester establishes a loan-loss reserve of 5% related to the Fund's loan receivable balance.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Mortgages Receivable

Mortgages receivable do not bear interest and are reported at present value, using a discount rate of 8%.

Management considers a loan to be delinquent or past due if a borrower fails to make a contractually scheduled principal payment that is over 120 days past due. Habitat NYC and Westchester's management periodically reviews mortgage balances to determine whether an allowance for bad debts should be established for any amounts determined to be unrecoverable. Factors considered by management include principal collections experience, collateral value, borrowers' financial conditions, and other factors.

Habitat NYC and Westchester considers a loan to be impaired when it is "probable" that repayment obligations due according to the contractual terms will not be met. The term "probable" is used consistently within Accounting Standards Codification (ASC) 450, *Contingencies*. In this instance, the mortgage carrying value is written down by management, if deemed necessary, based on their review of the collateral and other considerations. The receivables are collateralized by mortgage liens on the underlying housing units.

ReStore Inventory

The ReStore is set up to receive donated construction materials, home furnishings, tools, and similar items. Habitat NYC and Westchester stores and sells these goods to the public at discount prices, which generates income for its programs and makes discounted material available for the public. These contributions amounted to \$575,825 and \$486,303 for the years ended June 30, 2021 and 2020, respectively, and are recorded upon receipt at their estimated realizable value as in-kind contributions in the accompanying consolidated statements of activities.

Projects under Development

Projects under development are recorded at the lower of cost or net realizable value. Project costs include expenditures to acquire properties or, if purchased at below fair value, the fair value at the time of receipt, environmental reviews and other activities to prepare the properties for construction, project construction costs, and interest and fees incurred to finance the projects.

The total cost of development is funded by proceeds from the sale of the housing units, government subsidies for the housing project, and project-restricted private contributions. Projects under development reserves are recognized as program expense and amounted to \$29,578 and \$462,817 for the years ended June 30, 2021 and 2020, respectively.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property and Equipment

Property and equipment are carried at cost or, if donated, at fair value at the time of receipt. Property and equipment other than leasehold improvements are depreciated on the straight-line basis over the respective estimated useful lives of the assets, which range from three to five years. Leasehold improvements are amortized over the term of the related lease or the estimated useful life of the improvements, whichever is shorter.

Rent Expense

Rent expense is recorded on the straight-line basis over the term of the lease. The difference between rental payments made under the leases and rent expense calculated on the straight-line basis is recorded as prepaid rent or deferred rent liability.

Income Taxes

As described in Note 1, Habitat NYC and Westchester and HDFC are exempt from federal income taxes. They are also exempt from state income taxes. The GC is filed as part of Habitat NYC and Westchester's tax returns as a disregarded entity. Tilden Street LLC and Latent LLC are pass-through entities and Habitat NYC and Westchester is not expected to pay taxes from sales proceeds. All other entities that comprise Habitat NYC and Westchester were established to be tax-exempt organizations under Code Sections 501(c)(3) and 501(c)(4).

Management evaluated Habitat NYC and Westchester's tax positions and concluded that, as of June 30, 2021, there were no uncertain tax positions taken or expected to be taken. Accordingly, no interest or penalties related to uncertain tax positions have been accrued in the accompanying consolidated financial statements.

Habitat NYC and Westchester is subject to audits by taxing jurisdictions; however, no audits for any tax periods are currently in progress. Management believes that Habitat NYC and Westchester is no longer subject to income tax examinations by federal, state, or local tax authorities for years ended on or prior to June 30, 2017.

COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which could negatively impact activities of the Habitat NYC and Westchester. Other financial impacts could occur though such potential implications are unknown at this time. No adjustments or provisions were made in these consolidated financial statements related to COVID-19. There were no other subsequent events to recognize in these consolidated financial statements.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Reclassification

Certain line items in the June 30, 2020, consolidated financial statements have been reclassified to conform to the June 30, 2021, presentation.

NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

Habitat NYC and Westchester receives contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Habitat NYC and Westchester manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Habitat NYC and Westchester maintains current financial assets, less current liabilities at a minimum of 30 days operating expenses. Habitat NYC and Westchester targets a year-end balance of reserves of undesignated net assets without donor restrictions to meet 15 to 30 days of expected expenditures. To achieve these targets, Habitat NYC and Westchester forecasts future cash flows and monitors its liquidity quarterly, and its reserves annually. During the year ended June 30, 2021, the level of liquidity and reserves was managed within the policy requirements.

Financial assets held by Habitat NYC and Westchester and the amounts of those financial assets that could readily be made available over the next 12 months to meet general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Total financial assets	\$ 10,721,291	\$ 9,435,493
<i>Long-term financial assets</i>		
Receivables not due within the next 12 months	<u>(3,085,384)</u>	<u>(3,785,928)</u>
Net financial assets after donor-imposed restrictions	7,635,907	5,649,565
Net assets without donor restrictions: Board-designated funds*	(200,000)	(200,411)
Net assets with donor restrictions not due within the next 12 months	<u>(302,408)</u>	<u>(326,879)</u>
Financial assets available to meet cash needs for general expenditures over the next 12 months	<u><u>\$ 7,133,499</u></u>	<u><u>\$ 5,122,275</u></u>

*The Board-designated funds can be undesignated if needed to cover general expenditures.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 4 FAIR VALUE MEASUREMENTS

Habitat NYC and Westchester accounts for fair value measurements under the accounting standard that establishes a hierarchy for the inputs used to measure fair value based on the nature of the data input, which generally range from quoted prices for identical instruments in a principal trading market (Level 1) to estimates determined using related market data (Level 3). Multiple inputs may be used to measure fair value.

Level 1: Measurements that are most observable are based on quoted prices of identical instruments obtained from principal markets in which they are traded. Closing prices are both readily available and representative of fair value. Market transactions occur with sufficient frequency and volume to ensure liquidity.

Level 2: Measurements that are derived indirectly from observable inputs or from quoted prices from markets that are less liquid. Measurements may consider inputs that other market participants would use in valuing a portfolio, quoted market prices for similar securities, interest rates, credit risks and others.

Level 3: Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations.

The following tables provide the fair value hierarchy of Habitat NYC and Westchester's investments at June 30, 2021 and 2020. There are no other assets or liabilities that are required to be measured at fair value.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>June 30, 2021</i>				
Interest-bearing cash and cash equivalents	\$ 1,052,217	\$ -	\$ -	\$ 1,052,217
Total	<u>\$ 1,052,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,052,217</u>
<i>June 30, 2020</i>				
Interest-bearing cash and cash equivalents	\$ 1,866,011	\$ -	\$ -	\$ 1,866,011
Common stock	12,038	-	-	12,038
Total	<u>\$ 1,878,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,878,049</u>

The investment return in the consolidated statements of activities consisted of interest and dividend income of \$74,571 and \$30,076 during fiscal years 2021 and 2020, respectively, and an unrealized gain on investments of \$1,682 and \$1,824 during fiscal years 2021 and 2020, respectively.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 5 MORTGAGES RECEIVABLE

Prior to 2008, Habitat NYC and Westchester originated interest-free mortgages to finance the sale of housing units to qualified purchasers. Discounted at an annual rate of 8%, mortgage receivables at June 30, 2021 and 2020, consisted of the following:

	June 30, 2021							
	Past Due					Not Yet Due		Total
	1-30 days	31-60 days	61-90 days	91-120 days	Over 120 days	Current Portion	Noncurrent Portion	
Face amount	\$ 24,185	\$ 15,197	\$ 12,588	\$ 9,462	\$ 98,898	\$ 419,796	\$ 4,225,180	\$ 4,805,306
Unamortized discount	-	-	-	-	-	(264,264)	(1,391,118)	(1,655,382)
Net present value of mortgage receivable	\$ 24,185	\$ 15,197	\$ 12,588	\$ 9,462	\$ 98,898	\$ 155,532	\$ 2,834,062	\$ 3,149,924

	June 30, 2020							
	Past Due					Not Yet Due		Total
	1-30 days	31-60 days	61-90 days	91-120 days	Over 120 days	Current Portion	Noncurrent Portion	
Face amount	\$ 25,587	\$ 13,692	\$ 9,782	\$ 8,069	\$ 109,556	\$ 433,071	\$ 4,788,658	\$ 5,388,415
Unamortized discount	-	-	-	-	-	(274,428)	(1,673,856)	(1,948,284)
Net present value of mortgage receivable	\$ 25,587	\$ 13,692	\$ 9,782	\$ 8,069	\$ 109,556	\$ 158,643	\$ 3,114,802	\$ 3,440,131

Commencing in 2008, Habitat NYC and Westchester discontinued financing sales as its primary method of providing homeowners' financing and partnered with the State of New York Mortgage Agency (SONYMA) such that banks originate mortgage loans to qualified purchasers. The mortgages are then purchased by SONYMA. However, on a limited basis, Habitat NYC and Westchester has provided financing sales for homes when SONYMA mortgages were not feasible.

The housing units were sold to the Family Partners at below-market values and, therefore, the estimated realizable value of the housing units that secure delinquent mortgages generally exceed the delinquent mortgages receivable. The value of the mortgages receivable with amounts over 120 days past due totaled approximately \$715,000 and \$623,000 at June 30, 2021 and 2020, respectively (net of unamortized discount of approximately \$189,000 and \$171,000 at June 30, 2021 and 2020, respectively), and averaged approximately \$669,000 and \$678,000 at June 30, 2021 and 2020, respectively (net of unamortized discount of \$180,000 and \$202,000 at June 30, 2021 and 2020, respectively). There is no interest accrued on overdue amounts as these mortgages are non-interest bearing.

NOTE 6 CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2021 and 2020, are due to be collected in one year or less and amounted to \$75,450 and \$212,657, respectively.

Contributions receivable due more than one year after inception are recorded at fair value using present value techniques at a rate of 5%. As of June 30, 2021 and 2020, there were no contributions receivable due in more than one year.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 7 CDFI LOANS RECEIVABLE

As of June 30, 2021 and 2020, CDFI loans receivable consists of four loans to third parties, with an outstanding balance, net of loan-loss reserve, of \$657,046 and \$589,448, respectively. The Fund established a 5% loan-loss reserve on the outstanding loan balance, amounting to \$34,581 and \$31,024 for the years ended June 30, 2021 and 2020, respectively.

NOTE 8 PROJECTS UNDER DEVELOPMENT

The activity in projects under development during the years ended June 30, 2021 and 2020, consisted of:

Project	Balance at July 1, 2020	Fiscal Year 2021 Activity		Balance at June 30, 2021
		Additions	Sales and Adjustments	
Constellation (formerly Brownsville)	\$ 138,830	\$ 88,013	\$ 30,000	\$ 256,843
Glemore Jersey	299,517	-	(299,517)	-
Net Zero	751,706	224,569	-	976,275
Mosaic (formerly Weeksville)	184,057	551,574	269,517	1,005,148
Queens Phase II	2,020,404	435,248	-	2,455,652
Sydney	24,935,640	1,406,361	(20,309,840)	6,032,161
SEED	9,306,616	960,465	-	10,267,081
Dean Street	6,916,654	32,449	(4,420,625)	2,528,478
Haven Green	392,332	53,410	-	445,742
Total	44,945,756	3,752,089	(24,730,465)	23,967,380
Projects under development - Dean Street reserve	(1,385,814)	(40,282)	833,698	(592,398)
Projects under development - Queens Phase II reserve	(527,486)	-	10,704	(516,782)
Net	<u>\$ 43,032,456</u>	<u>\$ 3,711,807</u>	<u>\$ (23,886,063)</u>	<u>\$ 22,858,200</u>

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 8 PROJECTS UNDER DEVELOPMENT *(continued)*

Project	Balance at July 1, 2019	Fiscal Year 2020 Activity		Balance at June 30, 2020
		Additions	Sales and Adjustments	
Brownsville	\$ 117,293	\$ 21,538	\$ -	\$ 138,831
Glenmore-Jersey	290,053	9,464	-	299,517
Net Zero	622,427	129,279	-	751,706
Weeksville (formerly 249 Hart)	130,347	53,710	-	184,057
Queens Phase II	4,291,097	856,533	(3,127,226)	2,020,404
Sydney	21,178,560	3,757,080	-	24,935,640
SEED	7,584,792	1,721,824	-	9,306,616
Dean Street	7,329,992	110,795	(524,133)	6,916,654
Haven Green	273,488	118,844	-	392,332
Total	41,818,049	6,779,067	(3,651,359)	44,945,757
Projects under development - Dean Street reserve	(1,556,404)	-	170,590	(1,385,814)
Projects under development - Queens Phase II reserve	-	(527,486)	-	(527,486)
Net	\$ 40,261,645	\$ 6,251,581	\$ (3,480,769)	\$ 43,032,457

NOTE 9 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
<i>Cost</i>		
Furniture and equipment	\$ 355,057	\$ 355,057
Office and leasehold improvements	746,413	714,814
Total	1,101,470	1,069,871
Less: Accumulated depreciation and amortization	(940,284)	(844,021)
Property and equipment, net	\$ 161,186	\$ 225,850

Depreciation expense for the years ended June 30, 2021 and 2020, was \$96,263 and \$82,775, respectively.

NOTE 10 DEFERRED REVENUE

Deferred revenue represents government grants and subsidies for projects under development, which will be recognized as revenue when the related housing units are sold to qualified purchasers. Deferred revenue at June 30, 2021 and 2020, consisted of the following:

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 10 DEFERRED REVENUE (continued)

	<u>2021</u>	<u>2020</u>
<i>Dean Street project government subsidies</i>		
City	\$ 115,332	\$ 322,930
AHC	200,000	560,000
HPD	<u>544,000</u>	<u>1,523,200</u>
Total Dean Street project government subsidies	859,332	2,406,130
Habitat House Party Gala	3,500	10,000
Sydney deferred developer fee	811,789	-
Landlord Ambassador Flexible Financing Program (Fund)	271,131	-
Other	<u>5,483</u>	<u>1,434</u>
	<u>\$ 1,951,235</u>	<u>\$ 2,417,564</u>

Certain projects under development receive subsidies from New York City in the form of loan grants, capital project funds, or the sale of property at substantially below-market value for the project sites. The subsidies are encumbered by various loan agreements and related security instruments, which require repayment of the subsidies to the City in the event of Habitat NYC and Westchester's default on its construction obligations and sale of the units to the qualified purchasers. Habitat NYC and Westchester's obligations under the agreements are further collateralized by the projects under development.

Government Subsidies

Dean Street

Subsidies received are deferred and recognized as income as the housing units are sold to qualified buyers pursuant to the terms of the underlying agreements with the City. At June 30, 2021 and 2020, the deferred project subsidy consisted of \$115,332 and \$322,930, respectively, for the various properties acquired from the City for the Dean Street project at a nominal price of \$4 under a land disposition agreement and deed executed on June 26, 2014. Collectively, the properties had an appraised value of \$346,000.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 10 DEFERRED REVENUE *(continued)*

Government Subsidies *(continued)*

Dean Street (continued)

Under various agreements executed on June 26, 2014, Habitat NYC and Westchester also expects to receive additional subsidies in the form of a construction loan grant, amounting to \$1,632,000 from the City through the HPD; \$600,000 in a conditional grant from the State of New York AHC and a permanent, non-interest-bearing loan of \$670,859 from the New York State Housing Trust Fund Corporation (HTF) to finance a portion of the construction cost of the Dean Street project. The construction loan grant and conditional grant will be available in the form of advances in accordance with the order of disbursement and requisition process, among other requirements, which are set forth in the memorandum of understanding dated June 26, 2014, among Habitat NYC and Westchester, HPD, and AHC. As of June 30, 2021, Habitat NYC and Westchester received \$600,000 from AHC, \$1,632,000 from HPD, of which \$400,000 was from AHC, \$1,088,000 from HPD and \$536,688 from HTF were recognized as government subsidies through the year ended June 30, 2021.

On December 7, 2013, Habitat NYC and Westchester was awarded an \$18,000 grant by New York State Energy Research and Development Authority (NYSERDA) for receiving green energy certifications for the construction of the Dean Street homes. NYSERDA disbursed this award to Habitat NYC and Westchester during fiscal years 2018 and 2017. An additional \$9,000 was disbursed during fiscal year 2019.

Government Subsidies – Funding Commitments

Mosaic

Habitat NYC and Westchester received from HPD two funding commitments dated July 6, 2017, and February 10, 2017, in the amounts not to exceed \$1,000,000 and \$300,000, respectively, for the construction of approximately 12 housing units in Brooklyn, New York.

Habitat NYC and Westchester received from The Council of The City of New York a funding commitment dated November 20, 2018, for an amount not to exceed \$800,000 in capital funding.

Habitat NYC and Westchester received from the Office of the Brooklyn Borough President a funding commitment dated August 1, 2019, for an amount not to exceed \$285,000 in capital funding.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

NOTE 10 DEFERRED REVENUE (continued)

Government Subsidies – Funding Commitments (continued)

Net Zero

On October 27, 2020, Habitat NYC and Westchester received from The Council of The City of New York a funding commitment letter for an amount not to exceed \$200,000 in capital funding.

NOTE 11 DEBT

Loans Payable-Project Related

Loans payable as of June 30, 2021, are as follows:

	Balance at July 1, 2020	Additional Borrowings/ Draws	Payments/ Releases from sales	Balance at June 30, 2021
On February 23, 2017, HPD provided a forgivable loan of \$2,550,000 to be drawn down. The loan is secured by co-second priority mortgages on the property of the Queens Phase II project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	\$ 451,077	\$ 57,460	\$ -	\$ 508,537
On February 23, 2017, AHC provided a loan of \$800,000 to be drawn down. The loan is secured by co-second priority mortgages on the property of the Queens Phase II project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	70,834	-	-	70,834
On February 23, 2017, CPC provided a loan of \$1,713,549 to be drawn down. The loan is secured by third priority mortgages on the property of the Queens Phase II project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	142,794	-	-	142,794
On February 10, 2017, CPC provided a loan of \$2,680,000 to be drawn down. The loan bears interest calculated daily using the LIBOR plus 5.30% per annum, due August 10, 2020. The loan was extended through February 1, 2022. The loan is secured by a first mortgage on the property of the SEED project.	2,168,145	415,946	-	2,584,091
On February 10, 2017, CPC provided a forgivable loan of \$3,222,400 to be drawn down. The loan is secured by fourth mortgages on the property of the SEED project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	3,222,400	-	-	3,222,400
On February 10, 2017, HPD provided a forgivable loan of \$1,750,000 to be drawn down. The loan is secured by second mortgages on the property of the SEED project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	1,575,480	174,520	-	1,750,000
On February 10, 2017, AHC provided a forgivable loan of \$1,000,000 to be drawn down. The loan is secured by third mortgages on the property of the SEED project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	850,990	149,010	-	1,000,000
On February 22, 2018, JPMorgan Chase Bank, N.A. provided a loan of \$8,269,134 to be drawn down. The loan bears interest calculated daily using the LIBOR plus 2.85% per annum, due July 22, 2020. The loan was extended through January 22, 2021. The loan is secured by a first priority mortgages on the property of the Sydney House project.	6,550,392	1,718,742	(8,269,134)	-
On February 22, 2018, HPD, has provided a forgivable loan of \$13,405,000 to be drawn down. The loan is secured by co-second priority mortgages on the property of the Sydney House project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	13,405,000	-	(9,877,369)	3,527,631
On February 28, 2018, AHC provided a loan of \$2,240,000 to be drawn down. The loan is secured by co-second priority mortgages on the property of the Sydney House project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	2,240,000	-	(1,680,002)	559,998
Total	30,677,112	\$ 2,515,678	\$ (19,826,505)	13,366,285
Less: Current portion	(9,383,242)			(13,366,285)
Long-term portion	\$ 21,293,870			\$ -

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 11 DEBT *(continued)*

Loans Payable-Project Related *(continued)*

As of June 30, 2021, Habitat NYC and Westchester was in compliance with its loan covenants with CPC and JPMorgan Chase Bank, N.A. (the Bank).

The terms and conditions do not require Habitat NYC and Westchester to utilize cash to repay the obligations from HPD, AHC, and CPC forgivable loans. Moreover, there are no scheduled maturities of the related debt, since Habitat NYC and Westchester is relieved of an obligation to repay the loan upon transfer of the property to a qualified buyer. Interest on these loans that was capitalized in 2021 and 2020 amounted to \$295,379 and \$405,280, respectively.

Loans Payable-Other

On July 17, 2020, Habitat NYC and Westchester entered into a loan agreement with Habitat for Humanity International's mortgage lending program to accelerate and access its capital invested in the Sydney House project in advance of the Sydney House unit sales. This transaction provided \$2,100,000 to Habitat NYC and Westchester, with the option of drawing down the remaining approximate \$500,000 once 50% of the \$2,100,000 has been repaid. The loan bears interest at 4.75% and matures on September 30, 2023. Interest expense in 2021 amounted to \$95,594. The loan was repaid in full on June 25, 2021.

On August 19, 2020, the Fund entered into a five-year loan agreement with a bank for \$500,000. The loan bears interest at 3% and matures on July 19, 2025. The loan balance as of June 30, 2021 amounted to \$500,000. Interest expense in 2021 amounted to \$13,167.

On October 30, 2020, Habitat NYC and Westchester entered into a loan agreement with a bank to access up to \$800,000 of its equity invested in Habitat Net Zero Homes HDFC project. This is a three-year loan bearing interest at 5%. The loan will be repaid upon sales of the Habitat Net Zero Homes HDFC units. The loan balance as of June 30, 2021 amounted to \$644,827. Interest expense in 2021 amounted to \$24,814.

On June 1, 2021, Habitat NYC and Westchester entered into a loan agreement with a bank to finance the pre-development costs up to \$1,500,000 related to the Mosaic project. This is a one-year loan bearing interest at 6.5%. The loan will be repaid at permanent closing of the project. The loan balance as of June 30, 2021 amounted to \$500,000. Interest expense that was capitalized in 2021 amounted to \$2,708.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 11 **DEBT** *(continued)*

Economic Injury Disaster Loan

On July 6, 2020, Habitat NYC and Westchester received a \$150,000 loan from the U.S. Small Business Administration under the Economic Injury Disaster Loan Program in accordance with the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This loan is a 30-year, 2.75% loan, to be repaid beginning July 6, 2021. Interest expense in 2021 amounted to \$4,068.

Paycheck Protection Program

On April 26, 2020, Habitat NYC and Westchester was granted a forgivable loan under the Paycheck Protection Program (PPP) in accordance with the CARES Act. The amount applied for and received amounted to \$769,214. This loan will become eligible for forgiveness and be considered a government grant, provided Habitat NYC and Westchester utilizes the proceeds for qualified expenses. Habitat NYC and Westchester has elected to account for this funding in accordance with FASB ASC 470, *Debt*, until such time as the conditions to release the obligation have been met and the loan is approved for forgiveness by the Small Business Administration lender. Full loan forgiveness was granted on April 30, 2021, and was recorded as government support in the accompanying consolidated statements of activities.

On January 28, 2021, Habitat NYC and Westchester was granted a second forgivable loan under the PPP in accordance with the CARES Act. The amount applied for and received amounted to \$769,215. This loan will become eligible for forgiveness and be considered a government grant, provided Habitat NYC and Westchester utilizes the proceeds for qualified expenses. Habitat NYC and Westchester has elected to account for this funding in accordance with FASB ASC 470, *Debt*, until such time as the conditions to release the obligation have been met and the loan is approved for forgiveness by the Small Business Administration lender. Loan forgiveness may be applied for any time within 10 months after the last day of the covered period. Any portion of the loan not forgiven will convert into a five-year, 1% loan. Full loan forgiveness was granted on September 21, 2021, and was recorded as government support in the accompanying consolidated statements of activities.

Recoverable Grant Liability

On November 15, 2017, the Fund entered into a recoverable interest-free grant agreement with Deutsche Bank Americas Foundation (the Foundation), whereby the Foundation will provide \$40,000 annually for three years starting November 25, 2017. The Fund is required to repay the funds in three installments of \$40,000 each due November 15, 2020, 2021, and 2022, respectively. The Fund received \$120,000 as of June 30, 2021 from the Foundation and has reported the recoverable grant liability at present value net of unamortized discount of \$2,595 and \$6,972, as of June 30, 2021 and 2020, respectively, using a discount rate of 5%. The Fund repaid the first installment of \$40,000 during fiscal year 2021.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 11 DEBT *(continued)*

Lines of Credit

On February 4, 2016, Habitat NYC and Westchester entered into a loan agreement (the Agreement) with the bank, whereby the bank provided Habitat NYC and Westchester with a revolving line of credit (the Facility) in the amount of \$2,000,000 (the Facility Commitment). The Facility originally ended on February 4, 2017 (the Facility Expiration Date), and was renewed by the Bank prior to the Facility Expiration Date. The Facility was increased to the amount of \$5,000,000, during the year ended June 30, 2019. During fiscal years ended June 30, 2021 and 2020, Habitat NYC and Westchester renewed the Facility. The renewed Facility has an expiration date of May 10, 2022. The Facility bears interest calculated daily using the London Interbank Offered Rate (LIBOR) plus 4.85% as of June 30, 2021 and 4.766% as of June 30, 2020. The loan balance as of June 30, 2021 and 2020, amounted to \$3,500,000 and \$5,000,000, respectively. Interest expense in 2021 and 2020 amounted to \$261,391 and \$278,128, respectively.

On October 7, 2019, the Fund entered into a loan agreement with a bank for a line of credit of \$2,500,000. The loan bears interest at 3%. The line of credit expired on October 7, 2021 and was renewed for another year, with an expiration date of October 1, 2022. The loan balance as of June 30, 2021 and 2020, amounted to \$0. Interest expense in 2021 and 2020 amounted to \$5,600 and \$0, respectively.

NOTE 12 BOARD-DESIGNATED NET ASSETS

The Board of Directors authorized management to establish a Board-designation of net assets in the amount of up to \$1,000,000 to provide a source of funds in times of general economic downturn and meet cash flow requirements as needed. This reserve enables Habitat NYC and Westchester to avoid dramatic year-to-year program changes that might arise due to uncertainties associated with government grants and private funding streams.

Habitat NYC and Westchester has invested its Board-designated fund to provide a predictable stream of funding while preserving the purchasing power of the funds, utilizing a fixed-income strategy to accomplish this objective. As of June 30, 2021 and 2020, Board-designated net assets amounted to \$200,000 and \$200,411, respectively. Interest income related to the Board-designated fund amounted to approximately \$100 and \$400 in 2021 and 2020, respectively. The Board's policy is to appropriate such income to support Habitat NYC and Westchester's activities. As of June 30, 2021, the Board has not established a spending rate policy for the Board-designated fund.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 13 NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions include those funds received or promised specifically for construction and development, rehabilitation, and other purposes, which have not yet been spent in fulfillment of those donor restrictions, as well as time-restricted grants.

The activity in net assets with donor restrictions is as follows:

	Balance, at June 30, 2020	Fiscal Year 2021 Activity		Balance, at June 30, 2021
		Additions	Releases from Restrictions	
<i>Projects</i>				
Net Zero	\$ -	\$ 162,451	\$ 162,451	\$ -
Sydney	-	17,955	17,955	-
<i>Other</i>				
Disaster Response	310,879	-	25,000	285,879
Advocacy	-	15,000	15,000	-
ReStore	18,135	52,000	48,815	21,320
Global Village	16,529	-	-	16,529
Preservation	-	215,000	215,000	-
Community Land Trust	67,451	14,894	31,561	50,784
Real Estate/Construction	4,205	-	4,205	-
Emergency Housing Relief Fund	65,592	92,278	10,000	147,870
Loan Fund	243,194	-	243,194	-
COVID Mortgage Relief Time	-	13,454	7,000	6,454
	25,000	-	25,000	-
Total	\$ 750,985	\$ 583,032	\$ 805,181	\$ 528,836
	Balance, at June 30, 2019	Fiscal Year 2020 Activity		Balance, at June 30, 2020
		Additions	Releases from Restrictions	
<i>Projects</i>				
Queens Phase II	\$ -	\$ 210	\$ 210	\$ -
Net Zero	-	7,500	7,500	-
Sydney	-	24,795	24,795	-
<i>Other</i>				
Disaster Response	310,879	-	-	310,879
ReStore	65,824	-	47,689	18,135
Global Village	8,700	8,500	671	16,529
Preservation	-	200,750	200,750	-
Community Land Trust	10,883	84,684	28,116	67,451
Real Estate/Construction	-	10,000	5,795	4,205
Emergency Housing Relief Fund	-	71,592	6,000	65,592
Loan Fund	111,997	400,000	268,803	243,194
Time	100,000	25,000	100,000	25,000
Total	\$ 608,283	\$ 833,031	\$ 690,329	\$ 750,985

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 13 NET ASSETS (continued)

Non-Controlling Interest

The balance of the non-controlling interest attributed to Tilden Street LLC totaled \$469,244 and \$1,405,145 at June 30, 2021 and 2020, respectively. The balance of the non-controlling interest attributed to Latent LLC totaled \$558,638 and \$458,615 at June 30, 2021 and 2020, respectively.

The changes in non-controlling net asset amounts are summarized as follows for the years ended June 30:

	<u>Controlling Interest</u>	<u>Non-controlling Interest</u>	<u>Total Net Assets Without Donor Restrictions</u>
Balance, at June 30, 2019	\$ 11,611,060	\$ 1,767,564	\$ 13,378,624
Change in net assets	<u>(2,561,590)</u>	<u>96,196</u>	<u>(2,465,394)</u>
Balance, at June 30, 2020	9,049,470	1,863,760	10,913,230
Change in net assets	<u>257,320</u>	<u>(835,878)</u>	<u>(578,558)</u>
Balance, at June 30, 2021	<u>\$ 9,306,790</u>	<u>\$ 1,027,882</u>	<u>\$ 10,334,672</u>

NOTE 14 EMPLOYEE BENEFIT PLAN

Habitat NYC and Westchester has a 403(b) defined contribution retirement plan. Employees become eligible to contribute to the plan upon employment. Participating employees may contribute any amount up to the maximum IRS annual contribution limits. Matching contributions by Habitat NYC and Westchester are discretionary. There were no matching contributions made during the years ended June 30, 2021 and 2020.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Leases

Habitat NYC and Westchester has an operating lease for its office space that expires on March 21, 2022. Annual payments amounted to \$265,000 and \$306,000 for the years ended June 30, 2021 and 2020, respectively.

Habitat NYC and Westchester entered into a 10-year operating lease agreement for its ReStore space that expires on September 15, 2025. Annual payments amounted to \$81,855 and \$75,850 for the years ended June 30, 2021 and 2020, respectively.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 15 COMMITMENTS AND CONTINGENCIES *(continued)*

Leases *(continued)*

Rent expense was approximately \$361,000 and \$400,000 for the years ended June 30, 2021 and 2020, respectively. The cumulative difference between rent expense and amounts paid in accordance with the terms of the lease amounted to \$26,503 and \$37,374 as of June 30, 2021 and 2020, respectively, and has been reflected as deferred rent liability in the accompanying consolidated statements of financial position. Additionally, \$75,000 in lease upgrade incentives were recorded during fiscal year ended June 30, 2018, which are being amortized over the term of the lease. The unamortized amounts are \$15,000 and \$30,000 as of June 30, 2021 and 2020, respectively.

Habitat NYC and Westchester entered into a non-cancellable, 39-month operating lease agreement for office equipment, which commenced in March 2020 and expires in May 2023. Payments are \$994 per month.

Habitat NYC and Westchester entered into a non-cancellable, 36-month operating lease agreement for office equipment, which commenced in May 2020 and expired in April 2023. Payments amounted to \$191 per month.

Approximate future minimum lease payments related to the operating leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 250,500
2023	104,000
2024	84,700
2025	83,400
2026	17,400
	<u>\$ 540,000</u>

NOTE 16 FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated based on departmental headcounts include occupancy, depreciation and amortization, professional services, office expenses, computer maintenance and software, and insurance. Salaries and wages, payroll taxes and benefits are based upon both time and effort. All other expenses are directly charged to its proper function based upon the nature and classification of the expense.

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 17 SUBSEQUENT EVENTS

Habitat NYC and Westchester evaluates events occurring after the date of the consolidated financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the consolidated financial statements. Such evaluation was performed through November 30, 2021, the date the consolidated financial statements were approved for issuance.

On July 6, 2021, Habitat NYC and Westchester received from the Office of the Bronx Borough President a funding commitment letter for an amount not to exceed \$1,000,000 in capital funding of the Stevenson Commons project.

On July 9, 2021, Habitat NYC and Westchester received from the Office of the Queens Borough President a funding commitment letter for an amount not to exceed \$400,000 to support the construction of the Net Zero project.

During fiscal year 2022, Habitat NYC and Westchester was notified that \$200,000 from the Queens Borough President was allocated in the capital funding budget in support of the Net Zero project.

Subsequent to fiscal year end, Habitat NYC and Westchester entered into a two-year operating lease agreement for its Westchester location, effective September 1, 2020, which expires on October 31, 2023. Future lease payments are included in the future minimum lease payments schedule in Note 15.

On August 2, 2021, Habitat NYC and Westchester created Habitat NYC and Westchester Restores LLC to capture the activity of the Restore operations.

SUPPLEMENTARY SCHEDULES

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
Consolidating Schedule of Financial Position
As of June 30, 2021
(With Consolidated Totals as of June 30, 2020)

	Habitat for Humanity NYC, Inc.	Westchester Habitat for Humanity, Inc.	Habitat for Humanity HDFC	Habitat for Humanity Dean Street HDFC	Habitat for Humanity Queens Phase II HDFC	Habitat Latent LLC	AG Habitat Tilden Street LLC	Habitat for Humanity NYC Fund Inc.	Habitat Net Zero LLC	Habitat Mosaic Brooklyn LLC	Consolidating Eliminations	Consolidated Total 2021	Consolidated Total 2020
ASSETS													
<i>Current assets</i>													
Cash and cash equivalents	\$ 2,420,300	\$ -	\$ 16,522	\$ -	\$ 135	\$ 1,973	\$ 325,584	\$ 1,662,103	\$ -	\$ -	\$ -	\$ 4,426,617	\$ 3,153,148
Investments	-	-	-	-	-	-	-	-	-	-	-	-	12,038
Accounts receivable	250,908	-	69,869	-	1,064,270	705,884	2,131,986	203,551	-	-	(2,014,214)	2,412,254	1,899,033
Contributions receivable	75,450	-	-	-	-	-	-	-	-	-	-	75,450	212,657
Due from affiliates	5,561,335	4,709	-	-	-	-	-	-	-	-	(5,566,044)	-	-
Mortgages receivable	-	-	94,178	-	-	-	-	221,684	-	-	-	315,862	325,329
CDFI loans receivable, net	-	-	-	-	-	-	-	405,724	-	-	-	405,724	59,400
Projects under development, net	-	-	-	1,936,080	1,938,870	10,267,081	6,032,161	-	-	-	-	20,174,192	7,023,758
ReStore inventory	15,820	-	-	-	-	-	-	-	-	-	-	15,820	17,988
Prepaid expenses and other assets	166,510	-	-	-	-	-	-	-	-	-	-	166,510	173,977
Total current assets	8,490,323	4,709	180,569	1,936,080	3,003,275	10,974,938	8,489,731	2,493,062	-	-	(7,580,258)	27,992,429	12,876,426
<i>Non-current assets</i>													
Restricted cash	5,916	-	-	172,517	-	-	-	-	-	-	-	178,433	245,648
Homeowners' escrow and reserve funds	30,611	-	-	-	-	-	-	-	-	-	-	30,611	53,463
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	141,078
Mortgages receivable, net	17,940	-	1,059,839	-	-	-	-	1,756,283	-	-	-	2,834,062	3,114,802
CDFI loans receivable, net	-	-	-	-	-	-	-	251,322	-	-	-	251,322	530,948
Projects under development	702,586	-	-	-	-	-	-	-	-	-	-	2,684,008	38,008,699
Property and equipment, net	161,186	-	-	-	-	-	-	-	976,274	1,005,148	-	161,186	225,850
Security deposit	29,766	-	-	-	-	-	-	-	-	-	-	29,766	29,766
Total non-current assets	948,005	-	1,059,839	172,517	-	-	-	2,007,605	976,274	1,005,148	-	6,169,388	40,349,354
Total assets	\$ 9,438,328	\$ 4,709	\$ 1,240,408	\$ 2,108,597	\$ 3,003,275	\$ 10,974,938	\$ 8,489,731	\$ 4,500,667	\$ 976,274	\$ 1,005,148	\$ (7,580,258)	\$ 34,161,817	\$ 53,225,780
LIABILITIES AND NET ASSETS													
<i>Current liabilities</i>													
Accounts payable and accrued expenses	\$ 652,978	\$ 3,753	\$ -	\$ 177,248	\$ 239,452	\$ 822,338	\$ 500,687	\$ 3,042	\$ 18,320	\$ 149,233	\$ -	\$ 2,567,051	\$ 2,517,273
Due to affiliates	-	-	1,240,408	780,686	1,350,289	1,029,971	1,835,035	30,000	957,954	355,915	(7,580,258)	-	-
Loans payable-project related	-	-	-	-	722,165	8,556,491	4,087,629	-	-	-	-	13,366,285	9,383,242
Loans payable-other	-	-	-	-	-	-	-	-	-	500,000	-	500,000	-
Recoverable grant liability	-	-	-	-	-	-	-	-	-	-	-	40,000	40,000
Deferred revenue	3,500	-	-	859,332	-	-	811,789	276,614	-	-	-	1,951,235	2,417,564
Deferred rent	29,336	-	-	-	-	-	-	-	-	-	-	29,336	25,868
Lines of credit	3,500,000	-	-	-	-	-	-	-	-	-	-	3,500,000	5,000,000
Total current liabilities	4,185,814	3,753	1,240,408	1,817,266	2,311,906	10,408,800	7,235,140	349,656	976,274	1,005,148	(7,580,258)	21,953,907	19,383,947
<i>Non-current liabilities</i>													
Recoverable grant liability, net	-	-	-	-	-	-	-	37,405	-	-	-	37,405	73,028
Deferred rent	12,170	-	-	-	-	-	-	-	-	-	-	12,170	41,506
Loans payable-project related	-	-	-	-	-	-	-	-	-	-	-	-	21,293,870
Loans payable-other	794,827	-	-	-	-	-	-	500,000	-	-	-	1,294,827	769,214
Total non-current liabilities	806,997	-	-	-	-	-	-	537,405	-	-	-	1,344,402	22,177,618
Total liabilities	4,992,811	3,753	1,240,408	1,817,266	2,311,906	10,408,800	7,235,140	887,061	976,274	1,005,148	(7,580,258)	23,298,309	41,561,565
<i>Net assets</i>													
<i>Without donor restrictions</i>													
Board-designated	200,000	-	-	-	-	-	-	-	-	-	-	200,000	200,411
Undesignated	3,716,681	956	-	291,331	691,369	7,500	785,347	3,613,606	-	-	-	9,106,790	8,849,059
Non-controlling interest	-	-	-	-	-	558,638	469,244	-	-	-	-	1,027,882	1,863,760
Total without donor restrictions	3,916,681	956	-	291,331	691,369	566,138	1,254,591	3,613,606	-	-	-	10,334,672	10,913,230
<i>With donor restrictions</i>													
With donor restrictions	528,836	-	-	-	-	-	-	-	-	-	-	528,836	750,985
Total net assets	4,445,517	956	-	291,331	691,369	566,138	1,254,591	3,613,606	-	-	-	10,863,508	11,664,215
Total liabilities and net assets	\$ 9,438,328	\$ 4,709	\$ 1,240,408	\$ 2,108,597	\$ 3,003,275	\$ 10,974,938	\$ 8,489,731	\$ 4,500,667	\$ 976,274	\$ 1,005,148	\$ (7,580,258)	\$ 34,161,817	\$ 53,225,780

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
Consolidating Schedule of Activities
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Habitat for Humanity NYC, Inc.	Westchester Habitat for Humanity, Inc.	Habitat for Humanity HDFC	Habitat for Humanity Dean Street HDFC	Habitat for Humanity Queens Phase II HDFC	Habitat Latent LLC	AG Habitat Tilden Street LLC	Habitat for Humanity NYC Fund Inc.	Habitat Net Zero LLC	Habitat Mosaic Brooklyn LLC	Consolidating Eliminations	Consolidated Total 2021	Consolidated Total 2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:													
SUPPORT, REVENUE AND RECLASSIFICATIONS													
<i>Support</i>													
Contributions (including in-kind contributions of \$624,745 and contributed services of \$216,704)	\$ 2,708,971	\$ 6,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,911	\$ -	\$ -	\$ -	\$ 2,930,973	\$ 2,828,793
Government support	1,538,429	-	-	-	-	-	-	200,000	-	-	-	1,738,429	-
Special events	612,109	-	-	-	-	-	-	-	-	-	-	612,109	788,024
<i>Revenue</i>													
<i>Sale of housing units</i>													
Proceeds from sales	-	-	-	1,637,614	-	-	9,456,738	-	-	-	-	11,094,352	2,130,237
Government subsidies	-	-	-	1,949,313	-	-	11,557,368	-	-	-	-	13,506,681	1,723,564
ReStore sales	577,093	-	-	-	-	-	-	-	-	-	-	577,093	505,550
Investment return	9,818	-	-	-	-	-	-	66,435	-	-	-	76,253	31,900
Mortgage discount amortization	-	-	124,283	-	-	-	-	168,518	-	-	-	292,901	303,708
Other income	532,705	-	-	-	-	-	-	16,723	-	-	-	549,428	472,858
Total support and revenue	5,979,125	6,091	124,283	3,586,927	-	-	21,014,106	667,687	-	-	-	31,378,219	8,784,634
Net assets released from restrictions	561,987	-	-	-	-	-	-	243,194	-	-	-	805,181	690,329
Total support, revenue and reclassifications	6,541,112	6,091	124,283	3,586,927	-	-	21,014,106	910,881	-	-	-	32,183,400	9,474,963
EXPENSES													
<i>Program services</i>													
Cost of housing units sold	-	-	-	3,586,927	-	-	20,309,840	-	-	-	-	23,896,767	3,545,437
Personnel and other expenses	3,833,117	-	124,283	-	-	-	-	294,816	-	-	835,878	5,088,094	5,239,167
Total program services	3,833,117	-	124,283	3,586,927	-	-	20,309,840	294,816	-	-	835,878	28,984,861	8,784,604
<i>Supporting services</i>													
Management and general	2,167,957	5,135	-	-	-	-	-	61,263	-	-	-	2,234,355	1,864,996
Fundraising	1,542,742	-	-	-	-	-	-	-	-	-	-	1,542,742	1,290,757
Total supporting services	3,710,699	5,135	-	-	-	-	-	61,263	-	-	-	3,777,097	3,155,753
Total expenses	7,543,816	5,135	124,283	3,586,927	-	-	20,309,840	356,079	-	-	835,878	32,761,958	11,940,357
Change in net assets without donor restrictions before change in non-controlling interest	(1,002,704)	956	-	-	-	-	704,266	554,802	-	-	(835,878)	(578,558)	(2,465,394)
Change in non-controlling interest	-	-	-	-	-	100,023	(935,901)	-	-	-	835,878	-	-
Change in net assets without donor restrictions	(1,002,704)	956	-	-	-	100,023	(231,635)	554,802	-	-	-	(578,558)	(2,465,394)
Net assets without donor restrictions before change in non-controlling interest, at beginning of year	4,919,385	-	-	291,331	691,369	466,115	1,486,226	3,058,804	-	-	-	10,913,230	13,378,624
Net assets without donor restrictions, at end of year	3,916,681	956	-	291,331	691,369	566,138	1,254,591	3,613,606	-	-	-	10,334,672	10,913,230
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS													
Contributions	498,183	-	-	-	-	-	-	-	-	-	-	498,183	397,592
Government subsidies	69,955	-	-	-	-	-	-	-	-	-	-	69,955	399,795
Special Events	-	-	-	-	-	-	-	-	-	-	-	-	750
Other income, net	14,894	-	-	-	-	-	-	-	-	-	-	14,894	34,894
Net assets released from restrictions	(561,987)	-	-	-	-	-	-	(243,194)	-	-	-	(805,181)	(690,329)
Change in net assets with donor restrictions	21,045	-	-	-	-	-	-	(243,194)	-	-	-	(222,149)	142,702
Net assets with donor restrictions, at beginning of year	507,791	-	-	-	-	-	-	243,194	-	-	-	750,985	608,283
Net assets with donor restrictions, at end of year	528,836	-	-	-	-	-	-	-	-	-	-	528,836	750,985
Total net assets, at end of year	\$ 4,445,517	\$ 956	\$ -	\$ 291,331	\$ 691,369	\$ 566,138	\$ 1,254,591	\$ 3,613,606	\$ -	\$ -	\$ -	\$ 10,863,508	\$ 11,664,215

