HABITAT FOR HUMANITY CHICAGO, INC.

Financial Statements

June 30, 2017

HABITAT FOR HUMANITY CHICAGO, INC.

Table of Contents

BARNES, GIVENS & BARNES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
200 EAST EVERGREEN AVENUE, SUITE 117
MOUNT PROSPECT, ILLINOIS 60056-3240
224-764-2442 FAX: 224-764-2448
bgbcpas.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Habitat for Humanity Chicago, Inc.

We have audited the accompanying consolidated ýnancial statements of Habitat for Humanity Chicago, Inc. (an Illinois not-for-profit corporation) and affiliate (collectively, the ñOrganizationò), which comprise of the consolidated statement of financial position as of June 30, 2017, and the related consolidated statement of activities, and cash þows for the year then ended, and the related notes to the consolidated ýnancial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated ýnancial 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 ýnancial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated ýnancial statements based on our audit. We conducted our audit 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 ýnancial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditorôs judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entityôs preparation and fair presentation of the combined 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 entityôs 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 combined financial statements.

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

BARNES
GIVENS
BARNES

Opinion

In our opinion, the consolidated ýnancial statements referred to above present fairly, in all material respects, the ýnancial position of Habitat for Humanity Chicago, Inc. as of June 30, 2017, and the results of its operations and its cash þows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois
September 15, 2017

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statement of Financial Position
June 30, 2017

ASSETS

Current Assets		
Cash and cash equivalents	$	427,539
Accounts receivable		7,262
Contributions receivable		460,217
Mortgages receivable - net - short term		60,458
Prepaid expenses		29,173
Construction in progress		714,137
Note receivable ï short-term		3,192
Intangible assets		12,647
Total Current Assets		1,714,625
Fixed Assets		
Equipment and furniture		65,551
Cars and trucks		48,922
Less: accumulated depreciation		(67,490)
Total Fixed Assets		46,983
Non-Current Assets		
Mortgages receivable ï net ï long-term		1,051,474
Note receivable ï long-term		86,709
Intangible assets		9,263
Total Non-Current Assets		1,147,446
Total Assets	$	2,909,054

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statement of Financial Position
June 30, 2017

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	$	121,634
Deferred revenue		6,243
Notes payable - current, net		33,277
Total Current Liabilities		161,154
Long-Term Liabilities		
Notes payable - long-term, net		504,978
Total Long-Term Liabilities		504,978
Total Liabilities		666,132
Net Assets		
Unrestricted		1,793,523
Temporarily restricted		449,399
Total Net Assets		2,242,922
Total Liabilities and Net Assets	$	2,909,054

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statement of Activities
For the Year Ended June 30, 2017

Support and Revenue		
Individuals	$	1,071,117
Corporations and foundations		762,069
Nonprofit and religious organizations		62,185
In-kind donations		315,157
Sales of homes		716,000
Cost of home sales		(716,000)
Special events income		222,637
Special events expense		(70,918)
Resale store income		220,501
Resale store expense		(7,550)
Interest		490
Mortgage interest amortization		89,278
Recovery of mortgage receivable		67,825
Gain on foreclosure		28,194
Miscellaneous		11,477
Total Support and Revenue		2,772,462
Operating Expenses		
Program services		2,372,419
Management and general		227,604
Fundraising		311,653
Total Operating Expenses		2,911,676
Increase (Decrease) in Net Assets/Net Income (Loss)		(139,214)
Net Assets - Beginning of Year		2,382,136
Net Assets - End of Year	$	2,242,922

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2017

Cash Flows from Operating Activities		
Change in net assets	$	(139,214)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation		9,571
(Increase) decrease in:		
Accounts receivable		(6,867)
Contribution receivable		(176,731)
Prepaid expenses		34,946
Note receivable		3,192
Security deposit		(12,647)
Construction in progress		320,889
Increase (decrease) in:		
Accounts payable		(14,027)
Deferred revenue		6,243
Net Cash Provided by (Used in) Operating Activities		25,355
Cash Flows from Financing Activities		
Loan principal payments		(24,678)
Net Cash Provided by (Used in) Financing Activities		(24,678)
Cash Flows from Investing Activities		
Purchase of fixed assets		(38,590)
Purchase of intangible assets		(9,263)
Change in mortgages receivable - net		(313,043)
Net Cash Provided by (Used in) Investing Activities		(360,896)
Net Increase (Decrease) in Cash		(360,219)
Cash at Beginning of Year		787,758
Cash at End of Year	$	427,539

Note A – Organization and Nature of Activities

Habitat for Humanity Chicago, Inc. (ñHFHCò) was incorporated in July 2002 as a not-for-profit organization in order to sponsor projects in the metropolitan Chicago, Illinois area, ranging from rehabilitation of existing housing to construction of new housing to providing people of modest means the opportunity of home ownership. HFHC is an affiliate of Habitat for Humanity International, Inc. (ñHFHIò).

In 2006, HFHC merged operations of two other HFHI affiliates: Uptown Habitat for Humanity (Uptown) and Pilsen/Little Village Habitat for Humanity. As part of the merger, HFHC accepted the assets and assumed the liabilities of these affiliates. Nearly all the assets and liabilities of the affiliated organizations had been transferred to HFHC by June 30, 2008.

Winthrop Habitat Limited Partnership (ñWinthropò) was formed as a Limited Partnership under the laws of the State of Illinois, on December 30, 1992, for the purpose of construction and operating a rental housing project. The Project consists of 18 units located in Chicago, Illinois, and is currently operating under the name of 5530 N. Winthrop, IHDA Development No. HTF-149.

Winthrop had one General Partner, Winthrop Habitat Development Corporation, which has a 1% interest, and one Limited Partner, Habitat for Humanity Chicago which had a 99% interest. Effective August 17, 2015, all of the assets and liabilities of Winthrop have been transferred to the Winthrop Apartments Cooperative and HFHC has recorded a loss on transfer of $318,789, which was HFHCõs investment in Winthrop at the time of transfer.

HFHC Funding Company I, LLC (ñHFHC Fundingò) was incorporated in January 2016 as a limited liability company, and has taken title of a basket of mortgages receivable that have assigned as collateral for a Note Payable to PNC. HFHC Funding is a wholly owned subsidiary of HFHC.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of HFHC and HFHC Funding (collectively, the ñOrganizationò) have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Note B – Summary of Significant Accounting Policies (continued)

Basis of Consolidation

HFHC is engaged in the sponsorship of projects in the metropolitan Chicago, Illinois area, ranging from rehabilitation of existing housing to construction of new housing to providing people of modest means the opportunity of home ownership. In addition, HFHC has a wholly owned subsidiary, HFHC Funding, created for the purpose of collateralizing a note from PNC Bank.

The accompanying consolidated financial statements include the accounts of Habitat for Humanity Chicago and its wholly owned subsidiary, after eliminating all intercompany transactions.

Basis of Presentation

Information regarding the financial position and activities of the Organization are reported in three classes of net assets as applicable: unrestricted, temporarily restricted, and permanently restricted. These classes of net assets are based on the existence or absence of externally (donor) imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted Net Assetsð Unrestricted net assets are not subject to donor-imposed stipulations. They include all activities of the Organization as it currently does not receive any restricted resources. Board designated amounts are part of unrestricted net assets.
- Temporarily Restricted Net Assetsð Temporarily restricted net assets are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Organization (purpose restrictions).
- Permanently Restricted Net Assetsð Permanently restricted net assets are subject to the restrictions imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income can be expended.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and activities and the related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Note B – Summary of Significant Accounting Policies (continued)

Revenue and Cost Recognition

The Organization recognizes revenue from all homebuilding activities at the closing of the sale. During construction, all direct material and labor costs and those indirect costs, including insurance and real estate taxes, related to acquisition and construction are capitalized. Capitalized costs are charged to earnings upon closing. Selling, general and administrative costs are charged to expenses as incurred.

Mortgage Note Agreements contain provisions so that the Organization is entitled to a portion of the economic appreciation (the ñShared Appreciationò) of a mortgage property, if such property is sold, or if the related mortgage is defaulted on or entirely repaid, prior to a date established in the mortgage note agreement. This date is generally the tenth or fifteenth anniversary of the mortgage note. Shared appreciation is defined as the difference between the fair market value of the property sold before the end of the mortgage term or on a defaulted mortgage and is recognized upon collection from sale of the mortgage to a third party or resale of the underlying property.

Cash and Cash Equivalents

Cash equivalents are considered to be highly liquid depository accounts with a maturity of less than one year. Deposits held in all non-interest bearing transactional bank accounts and interest-bearing accounts are aggregated by entity and are fully insured up to $250,000.

Construction in Progress

The land costs, materials, supplies, holding costs, and labor costs associated with each property are capitalized until the property is sold. At that time, the Organization recognizes revenue. The Organization also evaluates and adjusts the value of the property based upon the perceived fair market value of property at the time of measurement.

Mortgages Receivable, Present Value Discount and Allowance for Doubtful Accounts

As part of its program services, the Organization sells new homes at a price which may be below the cost of construction and the market value of the homes. In connection with these sales, the Organization provides financing to the buyers through interest-free mortgages with a repayment term ranging from 15 to 30 years. Collateral for each of the loans is the property associated with the loan. The mortgages also have a shared appreciation provision which is effective if the owners sell the property before a stipulated date. Each mortgage balance is adjusted to present value using the imputed interest method, and the initial discount valuation is amortized over the life of the loan.

Note B – Summary of Significant Accounting Policies (continued)

Mortgages Receivable, Present Value Discount and Allowance for Doubtful Accounts (continued)

The Organization uses the allowance method to estimate uncollectible mortgages receivable. Management reviews all individual mortgage receivable balances that exceed ninety (90) days from payment due date and based on the assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. The Organization recognized bad debt expenses related to mortgage receivables of $58,115 for the year ended June 30, 2017.

Fixed Assets

The Organization capitalizes all expenditures of $500 or more for property and equipment. Items are stated at cost if purchased and at their estimated fair market value if donated. Depreciation expense is recognized as a cost of rendering services and included as an element of expense in the Organizationô s operations. Depreciation is computed under the straight-line method of depreciation and is treated as an expense. Assets are being depreciated over an estimated life of five years. Depreciation expense was $9,572 for the year ended June 30, 2017.

Functional Allocation of Expenses

In the Schedule of Functional Expenses, all expenses are allocated to the appropriate programs and supporting services on the basis of actual expense. Certain expenses that are joint among all programs are allocated evenly across all of the programs.

Donated Materials and Services

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed legal services of $166,852 were recognized as revenue for the year ended June 30, 2017. Contributed goods to be used for fund raising purposes for use in the construction program, new office and other operational uses of $145,520 were recognized as revenue for the year ended June 30, 2017. Numerous volunteers have donated significant amounts of time to the Organization. However, no amounts have been reflected in the financial statements for those services.

<u>Note C - Income Taxes</u>

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organizationôs tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization recognizes the amount of taxes payable or refundable annually. Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax-basis carrying amounts. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the enactment date occurs. A valuation allowance is provided for deferred tax assets if it is more likely than not that temporary differences will not be realized.

Effective January 1, 2009, the Organization adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes.* That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The cumulative effect of this change in accounting principle had no effect on the Organizationôs financial statements. The FASB has determined that a non-profit organization asserting that it is tax exempt is an uncertain tax position challengeable by the IRS.

In assessing the recognition of deferred tax assets, management considers whether it is more likely than not that some portion of or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the period in which deferred tax assets are deductible, management believes it is more likely than not that the Organization would realize the benefits of deductible temporary differences, net of existing valuation allowances.

The Organization recognizes interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in the accompanying statement of activities.

Note C - Income Taxes (continued)

The Organization did not experience a significant increase or decrease in the total amounts of unrecognized tax benefits during the fiscal year ended June 30, 2017. Income tax returns filed by the Organization are subject to examination by tax authorities until November 15, 2020.

Management believes that the Organization has appropriate support for all positions taken on its tax returns and that the annual tax provision includes amounts sufficient to pay any assessments of tax, interest, and penalties. Nonetheless, any amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued for each year.

The Organization files Form 990, Return of Organization Exempt from Income Tax with the Federal government.

Management has determined that the Organization has no income tax liability as of June 30, 2017.

Note D – Mortgages Receivable

As of June 30, 2017, the following details the mortgages receivable:

	2017
Total mortgages receivables before adjustments	$ 2,925,235
Less: unamortized discount	(1,665,529)
Less: allowance for uncollectible accounts	(138,100)
Less: allowance for past due escrow balances	(9,674)
Net Mortgages Receivable	$ 1,111,932
Amounts due in:	
Less than one year	$ 139,077
One to two years	139,077
Two to three years	139,077
Three to four years	139,077
Four to five years	139,077
Five years and beyond	2,229,850
	$ 2,925,235

Discount rates range from four percent to eight percent.

Note E – Notes Receivable

On August 17, 2015, the Organization transferred 100% of its partnership interest in Winthrop to the Winthrop Apartments Cooperative. The outstanding receivable balance of $95,753 from Winthrop as of June 30, 2015 has been converted to an installment note, payable over 84 months with a final payment of outstanding principle on August 1, 2022 at 0% interest. The outstanding balance at June 30, 2017 is $89,901.

Note F– Leases

The Organization currently leases office space under a seven year lease expiring on November 30, 2023. The monthly rent is $6,324 with a four percent annual increase.

In addition, as described in Note J, the Organization has entered into an agreement with Habitat for Humanity of Northern Fox Valley (ñHFHNFVò) as a party to the lease of a resale store that opened in November 2014. The Organization is joint and severally liable for lease payments, but the agreement is the HFHNFV will be making the lease payments through the first term of the lease. The lease is effective through August 31, 2019 with two optional five year extensional periods.

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases in effect as of June 30, 2017 are as follows:

Year Ended June 30,	Office Space	Resale Store
2018	$ 77,655	$ 304,629
2019	80,761	310,722
2020	83,991	51,957
2021	87,351	-
2022	90,845	-
Thereafter	134,486	-
	$ 555,089	$ 667,308

Note G – Long-Term Debt

During the fiscal years ended June 30, 2007 and 2006, assets and liabilities of two affiliated Habitat organizations were transferred to the Organization.

Two loans transferred had been provided to the former Habitat organization and one loan remains from the Illinois Housing Development Authority (ñIHDAò) in the original amount of $590,000. The loans are non-interest bearing and are due on demand. As of June 30, 2017, $229,444 remains payable to Illinois Housing Development Authority.

On January 29, 2016, HFHC established HFHC Funding and has assigned a basket of mortgages receivable with a value of $629,685 on December 31, 2015 as means of collateral for a Note Payable to PNC Bank. At the closing date, the HFHC received $448,699 and will repay the $629,685 with payments of mortgages receivable quarterly. The loan has an interest rate of 3%. As of June 30, 2017, $421,793 remains payable to PNC Bank.

As of June 30, 2017, the following details the notes payable:

	2017
Note payable to IHDA	$ 229,444
Note payable to PNC Bank	421,793
Less: unamortized discount	(112,982)
Net Notes Payable	$ 538,255

As of June 30, 2017, the amount required to be paid on the notes payable for each of the next five fiscal years and thereafter are as follows:

2018	$ 50,290
2019	49,853
2020	49,417
2021	48,107
Thereafter	453,570
Less: unamortized discount	(112,982)
Net Notes Payable	$ 538,255

Note H – Temporarily Restricted Net Assets

Temporarily restricted net assets of $449,399 are available solely for the purpose of building affordable housing. The amount of $454,079 was released from restricted funds for building affordable housing during the year ended June 30, 2017 as the Organization fulfilled the donor-imposed restrictions.

Note I – Retirement Plan

The Organization has a 401(k) Plan, which allows eligible employees to defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. At the discretion of management, the Organization may make matching contributions. The Organization did not make any matching contributions to the plan as of June 30, 2017.

Note J – Significant Agreements

The Organization and Habitat for Humanity of Northern Fox Valley (ñHFHNFVò) have entered into an agreement which holds that HFHNFV will open and operate a ReStore in Chicago, Illinois with the expectation that the store will generate net profits for both HFHNFV and the Organization and that eventually the Organization will acquire the ReStore from HFHNFV. The Organization will have the right from and after December 31, 2017 through December 30, 2022 to purchase the Chicago ReStore. Net proceeds from the ReStore will be distributed solely to HFHNFV to reimburse its investment until the unreimbursed investments of HFHNFV and the Organization are equal. Thereafter, net profits will be distributed equally between HFHNFV and the Organization. For the year ended June 30, 2017, net proceeds from the ReStore of $220,501 were distributed to the Organization.

Note K – Subsequent Events

Thr Organization has determined that no material events or transactions occurred subsequent to June 30, 2017 and through the date of the independent auditorsô report, the date the financial statements were available for issuance, that would require adjustments to and/or additional disclosure to the financial statements.

SUPPLEMENTARY INFORMATION

BARNES, GIVENS & BARNES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
200 EAST EVERGREEN AVENUE, SUITE 117
MOUNT PROSPECT, ILLINOIS 60056-3240
224-764-2442 FAX: 224-764-2448
bgbcpas.com

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Habitat for Humanity Chicago, Inc.

We have audited the consolidated financial statements of Habitat for Humanity Chicago, Inc. (the ñOrganizationò) as of and for the year ended June 30 2017, and our report thereon dated September 15, 2017, which expressed an unmodified opinion on those financial statements, appears on page 1-2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 18 to 21 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the net assets, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. The Schedule of Functional Expenses ï Habitat for Humanity Chicago on page 17 is also presented for purpose of additional analysis and is not a required part of the consolidated financial statements. The consolidating and other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit 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 consolidating information on pages 18 to 21 and the supplementary information on page 17 are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois
September 15, 2017

BARNES
GIVENS
BARNES

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Schedule of Functional Expenses - Habitat for Humanity Chicago
For the Year Ended June 30, 2017

	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	$ 677,005	$ 99,493	$ 215,257	$ 991,755
Dues and Subscriptions	300	442	-	742
Insurance	46,059	7,645	5,729	59,433
Marketing	1,210	-	12,154	13,364
Payroll Taxes	50,927	7,179	16,878	74,984
Supplies	5,330	3,492	1,375	10,197
Telephone and Internet	1,720	574	574	2,868
Postage and Shipping	4,722	595	14,776	20,093
Professional Services	196,876	11,500	-	203,376
Auto Expense	6,536	-	254	6,790
Rent	32,392	11,478	11,478	55,348
Travel	11,848	1,510	1,889	15,247
Construction Costs	34,583	-	-	34,583
Contract Labor	81,161	750	7,985	89,896
Dedications	10,070	-	-	10,070
Family Services Implementation	74,711	-	-	74,711
Equipment Repairs	1,176	831	546	2,553
Bank Fees	-	5,522	8,633	14,155
Depreciation	6,700	957	1,914	9,571
Bad Debt Expense - mortgages	32,887	-	-	32,887
Bad Debt Expense - escrows	25,228	-	-	25,228
Construction in Process Write-Down	471,085	-	-	471,085
Technology	18,863	71,734	8,591	99,188
Interest Expense	429,436	-	-	429,436
Training	5,308	770	3,378	9,456
Tithe	125,000	-	-	125,000
Utilities	2,202	723	-	2,925
Miscellaneous	2,721	2,409	242	5,372
Total Expenses	$ 2,356,056	$ 227,604	$ 311,653	$ 2,890,313

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Financial Position
June 30, 2017

	HFHC	HFHC Funding Co. LLC	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	$ 427,539	$ -	$ -	$ 427,539
Accounts receivable	7,262	-	-	7,262
Contribution receivable	460,217	-	-	460,217
Mortgages receivable, net - short-term	46,834	13,624	-	60,458
Prepaid expenses	29,173	-	-	29,173
Construction in progress	714,137	-	-	714,137
Note receivable - short-term	3,192	-	-	3,192
Security deposit	12,647	-	-	12,647
Due from affiliate	152,916	-	(152,916)	-
Investment in subsidiary	6,470	-	(6,470)	-
Total Current Assets	1,860,387	13,624	(159,386)	1,714,625
Fixed Assets				
Equipment and furniture	65,551	-	-	65,551
Cars and trucks	48,922	-	-	48,922
Less: Accumulated depreciation	(67,490)	-	-	(67,490)
Total Fixed Assets	46,983	-	-	46,983
Non-Current Assets				
Mortgages receivable, net - long-term	483,918	567,556	-	1,051,474
Note receivable - long-term	86,709	-	-	86,709
Intangible assets	9,263	-	-	9,263
Total Non-Current Assets	579,890	567,556	-	1,147,446
Total Assets	$ 2,487,260	$ 581,180	$ (159,386)	$ 2,909,054

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Financial Position
June 30, 2017

	HFHC	HFHC Funding Co. LLC	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	$ 121,634	$ -	$ -	$ 121,634
Deferred revenue	6,243	-	-	6,243
Due to parent	-	152,916	(152,916)	-
Notes payable - current, net	33,277	-	-	33,277
Total Current Liabilities	161,154	152,916	(152,916)	161,154
Long-Term Liabilities				
Notes payable - long-term, net	83,184	421,794	-	504,978
Total Long-Term Liabilities	83,184	421,794	-	504,978
Total Liabilities	244,338	574,710	(152,916)	666,132
Net Assets				
Unrestricted net assets	1,793,523	-	-	1,793,523
Temporarily restricted net assets	449,399	-	-	449,399
Partners' equity in LLC	-	6,470	(6,470)	-
Total Net Assets	2,242,922	6,470	(6,470)	2,242,922
Total Liabilities and Net Assets	$ 2,487,260	$ 581,180	$ (159,386)	$ 2,909,054

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Activities/Loss
For the Year Ended June 30, 2017

	HFHC Unrestricted	HFHC Restricted	HFHC Funding Co. LLC	Eliminations	Total
Support and Revenue					
Individuals	$ 992,067	$ 79,050	$ -	$ -	$ 1,071,117
Corporations and foundations	633,532	128,537	-	-	762,069
Nonprofit and religious organizations	35,396	26,789	-	-	62,185
In-kind donations	315,157	-	-		315,157
Sales of homes	716,000	-	-	-	716,000
Cost of home sales	(716,000)	-	-	-	(716,000)
Special events income	222,637	-	-	-	222,637
Special events expense	(70,918)	-	-	-	(70,918)
Resale store income	220,501	-	-	-	220,501
Resale store expense	(7,550)	-	-	-	(7,550)
Interest	490	-	-	-	490
Mortgage interest amortization	71,842	-	17,436	-	89,278
Recovery of mortgage receivable	67,825	-	-	-	67,825
Gain on foreclosure	28,194	-	-	-	28,194
Miscellaneous	11,477	-	-	-	11,477
Total	2,520,650	234,376	17,436	-	2,772,462
Net assets released from restriction	454,079	(454,079)	-	-	-
Total Support and Revenue	2,974,729	(219,703)	17,436	-	2,772,462
Operating Expenses					
Program services	2,356,056	-	16,363	-	2,372,419
Management and general	227,604	-	-	-	227,604
Fundraising	311,653	-	-	-	311,653
Total Operating Expenses	2,895,313	-	16,363	-	2,911,676
Increase (Decrease) in Net Assets Before Net Income (Loss) of Subsidiary - LLC	79,416	(219,703)	1,073	-	(139,214)
Net Income (Loss) of Subsidiary - LLC	1,073	-	(1,073)	-	-
Increase (Decrease) in Net Assets	80,489	(219,703)	-	-	(139,214)
Net Assets - Beginning of Year	1,713,034	669,102	-	-	2,382,136
Net Assets - End of Year	$ 1,793,523	$ 449,399	$ -	$ -	$ 2,242,922

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Cash Flows
For the Year Ended June 30, 2017

	HFHC	HFHC Funding Co. LLC	Total
Cash Flows from Operating Activities			
Change in net assets	$ (140,287)	$ 1,073	$ (139,214)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	9,571	-	9,571
(Increase) decrease in:			
Accounts receivable	(6,867)	-	(6,867)
Contribution receivable	(176,731)	-	(176,731)
Prepaid expenses	34,946	-	34,946
Note receivable	3,192	-	3,192
Security deposit	(12,647)	-	(12,647)
Construction in progress	320,889	-	320,889
Increase (decrease) in:			
Accounts payable	(14,027)	-	(14,027)
Deferred revenue	6,243	-	6,243
Net Cash Provided by (Used in) Operating Activities	24,282	1,073	25,355
Cash Flows from Financing Activities			
Loan proceeds/principal payments - net	(9,982)	(14,696)	(24,678)
Net Cash Provided by (Used in) Financing Activities	(9,982)	(14,696)	(24,678)
Cash Flows from Investing Activities			
Purchase of fixed assets	(38,590)	-	(38,590)
Purchase of intangible assets	(9,263)	-	(9,263)
Due to/from affiliate	19,884	(19,884)	-
Change in mortgages receivable - net	(346,550)	33,507	(313,043)
Net Cash Provided by (Used in) Investing Activities	(374,519)	13,623	(360,896)
Net Increase (Decrease) in Cash	(360,219)	-	(360,219)
Cash at Beginning of Year	787,758	-	787,758
Cash at End of Year	$ 427,539	$ -	$ 427,539