HABITAT FOR HUMANITY CHICAGO, INC.

Financial Statements

June 30, 2021 and 2020

HABITAT FOR HUMANITY CHICAGO, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Habitat for Humanity Chicago, Inc.

We have audited the accompanying consolidated financial statements of Habitat for Humanity Chicago, Inc. (an Illinois not-for-profit corporation) and related entity (collectively, the "Organization"), which comprise of the consolidated statement of financial position as of June 30, 2021 and 2020, and 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 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 financial 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 financial 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 financial 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 auditor's 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 entity's 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 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 combined financial statements.

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 financial position of Habitat for Humanity Chicago, Inc. as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information on pages 23 to 30 is also presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois
September 24, 2021

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY

Consolidated Statements of Financial Position

June 30, 2021 ad 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,546,237	$ 1,017,358
Accounts receivable	35,000	74,497
Contributions receivable	422,206	320,522
Mortgages receivable - short-term, net	81,010	76,097
Donated materials inventory	154,167	149,311
Prepaid expenses	69,037	51,350
Construction in progress	1,153,400	438,729
Note receivable - short term	3,192	3,192
Security deposit	37,645	39,591
Total Current Assets	3,501,894	2,170,647
Fixed Assets		
Equipment and furniture	84,541	84,541
Cars and trucks	80,463	48,922
Less: accumulated depreciation	(118,383)	(104,480)
Total Fixed Assets	46,621	28,983
Non-Current Assets		
Mortgages receivable - long-term, net	1,758,914	1,636,834
Note receivable - long-term	74,474	77,400
Intangible assets	9,222	17,127
Total Non-Current Assets	1,842,610	1,731,361
Total Assets	$ 5,391,125	$ 3,930,991

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 336,941	$ 330,063
Deferred revenue	-	-
Notes payable - current, net	138,758	221,828
Total Current Liabilities	475,699	551,891
Long-Term Liabilities		
Notes payable - long-term, net	2,725,558	1,648,715
Total Long-Term Liabilities	2,725,558	1,648,715
Total Liabilities	3,201,257	2,200,606
Net Assets		
Net assets without donor restrictions	2,169,868	1,672,017
Net assets with donor restrictions	20,000	58,368
Total Net Assets	2,189,868	1,730,385
Total Liabilities and Net Assets	$ 5,391,125	$ 3,930,991

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY

Consolidated Statements of Activities

For the Years Ended June 30, 2021 and 2020

	2021	2020
Support and Revenue		
Individuals	$ 951,822	$ 983,416
Corporations and foundations	637,890	965,852
Nonprofit and religious organizations	118,416	107,990
In-kind donations	120,136	181,252
Sales of homes	379,800	1,115,000
Cost of home sales	(412,381)	(1,385,548)
Special events income	721,900	497,252
Special events expense	(30,838)	(56,702)
Resale store income	1,539,788	810,107
Resale store expense	(1,422,447)	(841,596)
Interest	1,410	10,691
Mortgage interest amortization	107,550	90,316
Gain on foreclosure	-	100
Forgiveness of debt	711,214	-
Miscellaneous	9,679	12,607
Total Support and Revenue	3,433,939	2,490,737
Operating Expenses		
Program services	2,023,754	2,132,793
Management and general	316,538	306,759
Fundraising	634,164	678,060
Total Operating Expenses	2,974,456	3,117,612
Increase (Decrease) in Net Assets/Net Income (Loss)	459,483	(626,875)
Net Assets - Beginning of Year	1,730,385	2,357,260
Net Assets - End of Year	$ 2,189,868	$ 1,730,385

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Statement of Functional Expenses - Habitat for Humanity Chicago
For the Year Ended June 30, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	$ 804,778	$ 152,079	$ 406,343	$ 1,363,200
Payroll taxes	69,799	12,051	34,576	116,426
Dues and subscriptions	2,554	22,578	1,377	26,509
Insurance	47,385	8,519	19,742	75,646
Marketing	2,418	669	13,720	16,807
Supplies	1,482	4,476	765	6,723
Telephone and internet	2,529	508	934	3,971
Printing and postage	6,591	515	63,253	70,359
Professional services	110,410	65,779	-	176,189
Auto expense	4,354	-	-	4,354
Rent	41,715	10,478	17,463	69,656
Travel	28,349	50	381	28,780
Construction costs	32,846	-	-	32,846
Contract labor	86,450	-	5,578	92,028
Dedications	726	-	-	726
Neighborhood projects	40,105	-	-	40,105
Equipment and maintenance	873	(60)	362	1,175
Bank fees	127	2,574	45,806	48,507
Depreciation and amortization	-	21,808	-	21,808
Notes payable amortization	9,684	-	-	9,684
Mortgage discount	212,327	-	-	212,327
Bad debt expense - escrows	2,017	-	-	2,017
Construction in process write-down	379,212	-	-	379,212
Outside services	8,250	2,213	-	10,463
Technology	28,710	8,871	21,832	59,413
Interest expense	-	2	-	2
Training	4,208	1,449	922	6,579
Tithe	67,000	-	-	67,000
Utilities	2,662	619	1,110	4,391
Miscellaneous	15,061	1,360	-	16,421
Total Functional Expenses	$ 2,012,622	$ 316,538	$ 634,164	$ 2,963,324

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Statement of Functional Expenses - Habitat for Humanity Chicago
For the Year Ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	$ 679,793	$ 177,617	$ 392,058	$ 1,249,468
Payroll taxes	52,761	14,697	29,171	96,629
Dues and subscriptions	726	1,117	129	1,972
Insurance	84,740	8,577	10,593	103,910
Marketing	2,623	144	109,674	112,441
Supplies	5,106	13,304	1,697	20,107
Telephone and internet	1,745	2,127	495	4,367
Printing and postage	10,271	597	51,882	62,750
Professional services	132,643	27,940	-	160,583
Auto expense	2,461	-	-	2,461
Rent	52,925	16,098	16,098	85,121
Travel	40,713	1,712	1,254	43,679
Construction costs	57,628	-	-	57,628
Contract labor	93,275	3,480	19,990	116,745
Dedications	761	-	-	761
Neighborhood projects	22,742	-	-	22,742
Equipment and maintenance	1,893	4,213	3,971	10,077
Bank fees	245	795	26,638	27,678
Depreciation and amortization	-	21,033	-	21,033
Notes payable amortization	9,684	-	-	9,684
Mortgage discount	571,647	-	-	571,647
Bad debt expense - escrows	1,000	-	-	1,000
Construction in process write-down	132,602	-	-	132,602
Outside services	14,900	2,950	-	17,850
Technology	27,944	7,905	10,527	46,376
Interest expense	-	14	-	14
Training	1,263	966	2,709	4,938
Tithe	115,000	-	-	115,000
Utilities	3,525	1,174	1,174	5,873
Miscellaneous	601	299	-	900
Total Functional Expenses	$ 2,121,217	$ 306,759	$ 678,060	$ 3,106,036

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	$ 459,483	$ (626,875)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	21,808	21,033
(Increase) decrease in:		
Accounts receivable	39,497	(13,003)
Contributions receivable	(101,684)	(119,163)
Donated materials inventory	(4,856)	(149,311)
Prepaid expenses	(17,687)	(27,077)
Note receivable	2,926	3,192
Security deposit	1,946	(26,944)
Construction in progress	(714,671)	(104,895)
Increase (decrease) in:		
Accounts payable	6,878	219,193
Deferred revenue	-	(3,204)
Net Cash Provided by (Used in) Operating Activities	(306,360)	(827,054)
Cash Flows from Financing Activities		
Loan proceeds/principal payments - net	993,773	277,647
Net Cash Provided by (Used in) Financing Activities	993,773	277,647
Cash Flows from Investing Activities		
Purchase of fixed assets	(31,541)	(18,992)
Purchase of intangible assets	-	257,565
Change in mortgages receivable - net	(126,993)	(333,297)
Net Cash Provided by (Used in) Investing Activities	(158,534)	(94,724)
Net Increase (Decrease) in Cash and Cash Equivalents	528,879	(644,131)
Cash and Cash Equivalents - Beginning of Year	1,017,358	1,661,489
Cash and Cash Equivalents - End of Year	$ 1,546,237	$ 1,017,358

* * * * * * *

	2021	2020
Supplemental Disclosure of Cash Flow Information -		
Cash paid during the year for:		
Income tax	$ -	$ -
Interest	$ 11,132	$ 11,576

Note A – Organization and Nature of Activities

Habitat for Humanity Chicago, Inc. ("HFHC") was incorporated in July 2002 as a not-for-profit organization and is an affiliate of Habitat for Humanity International, Inc. ("HFHI"). While HFHI assists with information resources, financial support in the form of loans and grants, technical support, and national partnerships, HFHC is an independently operated and governed entity. 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.

HFHC is committed to a world where everyone has a decent place to live. HFHC focuses its efforts in Chicago working for the betterment of all residents through developing physical and social assets to strengthen neighborhoods. Its primary program is an affordable homeownership program in which homes are built with buyers who complete classes and volunteer hours on their home and their neighbors' homes. The home are sold at no profit and financed with affordable loans.

HFHC strives to open homeownership opportunities to more Chicagoans through its Homebuyer University – a public program that introduces participants to all aspects of purchasing a home from financial planning and credit to assessing homes and neighborhoods to the responsibilities of homeownership. HFHC also operates programs that drive investments into its priority neighborhoods through small grants that build and enhance community assets while connecting neighbors.

Winthrop Habitat Limited Partnership ("Winthrop") 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. HTF149. 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 HFHC's investment in Winthrop at the time of transfer. Winthrop continues to operate as a limited equity cooperative providing affordable housing with technical assistance provided by HFHC.

HFHC Funding Company I, LLC ("HFHC Funding") 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. In August 2018, HFHC Funding has taken an additional basket of mortgages receivable that have been assigned as collateral for a Note Payable to Northern Trust. In September 2020, HFHC Funding has taken an additional basket of mortgages receivable that have been assigned as collateral for a second Note Payable to Northern Trust. HFHC Funding is a wholly owned subsidiary of HFHC.

Note A – Organization and Nature of Activities

Effective November 1, 2019, the ReStore located at 6040 N. Pulaski, Chicago, Illinois and operated by Habitat for Humanity of Northern Fox Valley has been assumed by the HFHC. This option to assume the ReStore was agreed to an original ReStore agreement between these two entities dated April 9, 2013. It was further affirmed in a Memorandum of Understanding dated June 13, 2018. HFHC gave formal notice of its intent to assume the ReStore on October 31, 2018 meeting the minimum one-year notice requirement. Both parties have in place a mutually agreeable management and transition plan. Habitat Northern Fox Valley will continue to receive 50% of the net profits from this ReStore as part of a revenue sharing agreement that is deemed to expire on January 1, 2023. These profits are shared monthly.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

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

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 notes from PNC and Northern Trust Banks.

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

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 "Shared Appreciation") 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 $-0- and $1,000 for the years ended June 30, 2021 and 2020, respectively.

Donated Materials Inventory

The Organization records inventories at net realizable value. Net realizable value is based on the selling price.

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 Organization'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 $13,903 and $13,128 for the years ended June 30, 2021 and 2020, respectively.

Intangible Assets

Intangible assets are valued at cost and are amortized over their useful lives of three years. Amortization expense was $7,905 for each of the years ended June 30, 2021 and 2020, respectively.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. If the governing board were to designate from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, those funds would also fall under this category.

Note B – Summary of Significant Accounting Policies (continued)

Net Assets (continued)

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses

In the Statement 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 $105,711 and $130,025 were recognized as revenue for the years ended June 30, 2021 and 2020, respectively. Contributed goods to be used for fund raising purposes for use in the construction program, new office and other operational uses of $14,425 and $51,227 were recognized as revenue for the years ended June 30, 2021 and 2020, respectively. Numerous volunteers have donated significant amounts of time to the Organization. However, no amounts have been reflected in the financial statements for those services.

New Accounting Standards

FASB has issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU No. 2018-08 is intended to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of contribution accounting guidance, or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. ASU No. 2018-08 is effective for fiscal years beginning after December 15, 2018, for transactions in which the entity serves as a resource recipient, and for fiscal years beginning after December 15, 2019, for transactions in which the entity serves as a resource provider. The Organization has adopted this ASU for the year ended June 30, 2021.

Note B – Summary of Significant Accounting Policies (continued)

New Accounting Standards (continued)

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers, as amended by ASU No. 2015-14, which supersedes or replaces nearly all USGAAP revenue recognition guidance. This standard establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point in time, and will expand disclosures about revenue. ASU No. 2014-09, as amended, is effective for nonpublic companies for annual reporting periods beginning after December 15, 2018 and interim periods within the annual period beginning after December 15, 2019. Management is currently assessing the impact of this new standard.

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), to increase the transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. ASU No. 2016-02, as amended by ASU No. 2019-10, is effective for nonpublic entities for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021. ASU No. 2016-02 originally specified a modified retrospective transition method which requires the entity to initially apply the new leases standard at the beginning of the earliest period presented in the financial statements. In July 2018, FASB issued ASU No. 2018-11, Leases (Topic 842): Targeted Improvements, providing a second, optional transition method which allows the entity to apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Management is currently assessing the impact of this new standard.

COVID-19 Impact

Management has evaluated the impact of the COVID-19 pandemic and have concluded that the net effect on the HFHC's financial position, results of its operations and cash flows wasn't significantly adversely affected. HFHC took a number of actions in order to ensure the long-term people, financial, and systems health for the organization.

Management established new financial planning processes to allow for better forecasting and the ability to make decisions and alter plans months ahead. This planning incorporated all business units' income and expenses allowing the organization to retain staff and amend plans throughout the year. It also sought and secured two PPP loans, which were forgiven, and helped sustain the organization.

Note B – Summary of Significant Accounting Policies (continued)

COVID-19 Impact (continued)

Management amended the fundraising plan, including reducing corporate revenue and transitioning some special events to virtual due to the inability to host in person volunteers and events throughout much of the year. The ReStore initially planned for a loss of revenue based on the concerns regarding the pandemic. However, the ReStore ended up profitable 10 of 12 months despite 1) closing the ReStore from March to June, 2) operating with reduced hours, and 3) greatly reduced volunteer numbers. The ReStore is a social enterprise in which donated new and used building supplies and home goods are sold to generate revenue.

Management amended construction plans to ensure had funds to move forward and executed a plan for 11 homes under construction throughout year. The construction site closed to volunteers from March to September and then again in November to May. This reduction of labor slowed new home construction progress and negatively impacted fundraising since many volunteers sponsor or fundraise in support of their build days.

The Affordable Homeownership Program continued but saw a slowdown in program participants' ability to complete their volunteer hours and attend classes. This resulted in fewer closings during the fiscal year. The mortgage portfolio remained largely healthy throughout the year. Borrowers that ran into payment concerns were granted deferrals and connected to mortgage relief assistance. Homeownership education programs transitioned to a virtual learning environments with the continued focus on preparing people for homeownership. The Neighborhood Grants Initiative continued with neighbors applying for and completing social and physical improvement projects in their communities.

Overall, Management considers the donor and volunteer base strong and dedicated, which allowed the Organization to adapt and manage through the COVID-19 pandemic.

Note C - Income Taxes

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 Organization's 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 files Form 990, Return of Organization Exempt from Income Tax with the Federal government. The Organization also files Form AG990-IL, Illinois Charitable Organization Annual Report with the Attorney General of the State of Illinois. Management has determined that the Organization has no income tax liability as of June 30, 2021.

Note C - Income Taxes (continued)

The Organization has evaluated its tax positions and determined it has no uncertain tax positions at June 30, 2021. The Organization's 2018-2020 tax years are open for examination by the IRS and State of Illinois. Should the Organization's tax-exempt status be challenged in the future, all years since inception could be subject to review by the IRS.

Note D – Mortgages Receivable

As of June 30, 2021 and 2020, the following details the mortgages receivable:

	2021	2020
Total mortgages receivables before adjustments	$ 4,503,196	$ 4,336,797
Less: unamortized discount	(2,659,010)	(2,553,146)
Less: allowance for uncollectible accounts	-	-
Less: allowance for past due escrow balances	(4,262)	(70,720)
Net Mortgages Receivable	$ 1,839,924	$ 1,712,931
Amounts due in:		
Less than one year	$ 196,601	$ 183,653
One to two years	196,601	183,653
Two to three years	196,601	183,653
Three to four years	196,601	183,653
Four to five years	196,601	183,653
Five years and beyond	3,520,191	3,418,532
	$ 4,503,196	$ 4,336,797

Discount rates range from four percent to eight percent.

Note E – Intangibles

At June 30, 2021 and 2020, intangible assets of $9,222 and $17,127 on the statement of financial position consist of the following:

	As of June 30, 2021		As of June 30, 2020	
	Carrying Value	Accumulated Amortization	Carrying Value	Accumulated Amortization
Website Redesign	$ 39,523	$ 30,301	$ 39,523	$ 22,396
Net Balance		$ 9,222		$ 17,127

This asset is being amortized over the useful life of 3 years.

Note F – 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, 2021 and 2020 is $77,666 and $80,592, respectively.

Note G– 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 K, the Organization has entered into an agreement with Habitat for Humanity of Northern Fox Valley ("HFHNFV") 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 which was effective through August 31, 2019. Effective September 1, 2019, the Organization signed a ten-year lease extension for the resale store located at 6040-44 N. Pulaski Road, in Chicago, Illinois.

Note G– Leases (continued)

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases in effect as of June 30, 2021 are as follows:

Year Ended June 30,	Office Space	Resale Store
2022	$ 96,970	$ 329,740
2023	104,979	336,335
2024	44,382	344,862
2025	-	350,283
2026	-	356,922
Thereafter	-	1,210,055
	$ 246,331	$ 2,928,197

Note H – 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 ("IHDA") in the original amount of $590,000. The loans are non-interest bearing and are due on demand. As of June 30, 2021 and 2020, $120,777 and $140,444 remains payable to Illinois Housing Development Authority, respectively.

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, 2021 and 2020, $361,676 and $376,627 remains payable to PNC Bank, respectively.

On September 5, 2018, HFHC Funding entered into an agreement with The Northern Trust Company and has assigned a basket of mortgages receivable with a value of $1,168,891 on August 30, 2018 as means of collateral for a Note Payable to The Northern Trust Company. On September 5, 2018, HFHC received $1,221,491 and will repay the $1,168,891 with payments of mortgages receivable monthly. The loan has an interest rate of 0%. As of June 30, 2021 and 2020, $1,094,141 and $1,093,620 remains payable to Northern Trust Bank, respectively.

Note H – Long-Term Debt (continued)

On September 17, 2020, HFHC Funding entered into an agreement with The Northern Trust Company and has assigned a basket of mortgages receivable with a value of $1,430,056 on August 30, 2020 as means of collateral for a Note Payable to The Northern Trust Company. On September 17, 2020, HFHC received $1,486,856 and will repay the $1,430,056 with payments of mortgages receivable monthly. The loan has an interest rate of 0%. As of June 30, 2021 and 2020, $1,385,087 and $-0- remains payable to Northern Trust Bank, respectively.

On April 30, 2020, HFHC was granted a loan from Cornerstone Bank in the aggregate amount of $336,282, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a Note dated April 20, 2020 issued by the Cornerstone Bank, matures on April 20, 2022 and bears interest at a rate of 1.0% per annum, payable monthly commencing on November 6, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. HFHC's first PPP forgivable loan of $336,282 was officially forgiven on November 20, 2020. HFHC was also granted a second PPP forgivable loan of $374,932 on February 8, 2021 and this loan was officially forgiven on June 14, 2021.

As of June 30, 2021 and 2020, the following details the notes payable:

	2021	2020
Note payable to IHDA	$ 120,777	$ 140,444
Note payable to PNC Bank	361,676	376,627
Note payable to Northern Trust 1	1,049,141	1,093,620
Note payable to Northern Trust 2	1,385,088	-
Note payable to Cornerstone - PPP	-	336,282
Other	21,880	7,500
Less: unamortized discount	(74,246)	(83,930)
Net Notes Payable	$ 2,864,316	$ 1,870,543

Note H – Long-Term Debt (continued)

As of June 30, 2021, the amount required to be paid on the notes payable for each of the next five fiscal years and thereafter are as follows:

2022	$ 145,868
2023	146,738
2024	148,118
2025	145,125
2026	146,947
Thereafter	2,205,766
Less: unamortized discount	(74,246)
Net Notes Payable	$ 2,864,316

Note I – Net Assets with Donor Restrictions

Net assets with donor restrictions of $20,000 are available solely for the purpose of building affordable housing. The amount of $667,234 was released from restricted funds for building affordable housing during the year ended June 30, 2021 as the Organization fulfilled the donor-imposed restrictions.

Net assets with donor restrictions of $58,638 are available solely for the purpose of building affordable housing. The amount of $837,155 was released from restricted funds for building affordable housing during the year ended June 30, 2020 as the Organization fulfilled the donor-imposed restrictions.

Note J – 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. During the years ended June 30, 2021 and 2020, the Organization made matching contributions to the plan of $38,572 and $35,700, respectively.

Note K – Significant Agreements

The Organization and Habitat for Humanity of Northern Fox Valley ("HFHNFV") 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 years ended June 30, 2021 and 2020, net proceeds from the ReStore of $197,637 and $124,133 were distributed to the Organization, respectively. Effective November 1, 2019, the Organization has taken over control of the ReStore and is now obligated to share 50% of the net profits from this ReStore as part of a revenue sharing agreement with HFHNFV through January 1, 2023. For the year ended June 30, 2021 and 2020, net proceeds from the ReStore of $197,637 and $66,105 were distributed to HFHNFV, respectively.

Note L—Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts with donor-imposed purpose and time restrictions.

	2021	2020
Financial assets, at year-end:		
Cash and cash equivalents	$ 1,546,237	$ 1,017,358
Accounts receivable	35,000	74,497
Contributions receivable	422,206	320,522
Note receivable – short term	3,192	3,192
Less contractual or donor-imposed restrictions:		
Donor restrictions for specific purposes	(20,000)	(58,368)
Financial assets available to meet cash needs for general expenditure within one year	$ 1,986,635	$ 1,357,201

Note M – Concentration of Custodial Risk

Financial instruments that potentially subject the Organization to concentration of custodial risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At June 30, 2021 and 2020, the Organization had $1,262,674 and $737,849 in excess of FDIC insured limit.

Note N – Donated Services

Other than the amounts noted in Note B, there have been no amounts reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program and support service.

Note O – Subsequent Events

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in disruption to the Organization's donors, volunteers and revenue streams (including attendance at future events), and a decline in value of the Organization's marketable securities.

Other than the matters noted above, the Organization has determined that no material events or transactions occurred subsequent to June 30, 2021 and through the date of the independent auditor's 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

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Financial Position
June 30, 2021

	HFHC	HFHC Funding Co. LLC	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,546,237	$ -	$ -	$ 1,546,237
Accounts receivable	35,000	-	-	35,000
Contributions receivable	422,206	-	-	422,206
Mortgages receivable - short-term, net	34,296	46,714	-	81,010
Donated materials inventory	154,167	-	-	154,167
Prepaid expenses	69,037	-	-	69,037
Construction in progress	1,153,400	-	-	1,153,400
Note receivable - short-term	3,192	-	-	3,192
Security deposit	37,645	-	-	37,645
Due from parent	-	1,767,743	(1,767,743)	-
Investment in subsidiary	132,727	-	(132,727)	-
Total Current Assets	3,587,907	1,814,457	(1,900,470)	3,501,894
Fixed Assets				
Equipment and furniture	84,541	-	-	84,541
Cars and trucks	80,463	-	-	80,463
Less: accumulated depreciation	(118,383)	-	-	(118,383)
Total Fixed Assets	46,621	-	-	46,621
Non-Current Assets				
Mortgages receivable - long-term, net	644,739	1,114,175	-	1,758,914
Note receivable - long-term	74,474	-	-	74,474
Intangible assets, net of amortization	9,222	-	-	9,222
Total Non-Current Assets	728,435	1,114,175	-	1,842,610
Total Assets	$ 4,362,963	$ 2,928,632	$ (1,900,470)	$ 5,391,125

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Financial Position
June 30, 2021

	HFHC	HFHC Funding Co. LLC	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	$ 336,941	$ -	$ -	$ 336,941
Deferred revenue	-	-	-	-
Due to affiliate	1,767,743	-	(1,767,743)	-
Notes payable - current, net	22,408	116,350	-	148,212
Total Current Liabilities	2,127,092	116,350	(1,767,743)	485,153
Long-Term Liabilities				
Notes payable - long-term, net	46,003	2,679,555	-	2,716,104
Total Long-Term Liabilities	46,003	2,679,555	-	2,716,104
Total Liabilities	2,173,095	2,795,905	(1,767,743)	3,201,257
Net Assets				
Net assets without donor restrictions	2,169,868	-	-	2,169,868
Net assets with donor restrictions	20,000	-	-	20,000
Partners' equity in LLC	-	132,727	(132,727)	-
Total Net Assets	2,189,868	132,727	(132,727)	2,189,868
Total Liabilities and Net Assets	$ 4,362,963	$ 2,928,632	$ (1,900,470)	$ 5,391,125

See Independent Auditors' Report

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Financial Position
June 30, 2020

	HFHC	HFHC Funding Co. LLC	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,017,358	$ -	$ -	$ 1,017,358
Accounts receivable	74,497	-	-	74,497
Contributions receivable	320,522	-	-	320,522
Mortgages receivable, net - short-term	49,746	26,351	-	76,097
Inventory	149,311	-		149,311
Prepaid expenses	51,350	-	-	51,350
Construction in progress	438,729	-	-	438,729
Note receivable - short-term	3,192	-	-	3,192
Security deposit	39,591	-	-	39,591
Due from parent	-	918,303	(918,303)	-
Investment in subsidiary	71,163	-	(71,163)	-
Total Current Assets	2,215,459	944,654	(989,466)	2,170,647
Fixed Assets				
Equipment and furniture	84,541	-	-	84,541
Cars and trucks	48,922	-	-	48,922
Less: accumulated depreciation	(104,480)	-	-	(104,480)
Total Fixed Assets	28,983	-	-	28,983
Non-Current Assets				
Mortgages receivable, net - long-term	1,040,078	596,756	-	1,636,834
Note receivable - long-term	77,400	-	-	77,400
Intangible assets, net of amortization	17,127	-	-	17,127
Total Non-Current Assets	1,134,605	596,756	-	1,731,361
Total Assets	$ 3,379,047	$ 1,541,410	$ (989,466)	$ 3,930,991

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY

Consolidating Statement of Financial Position

June 30, 2020

	HFHC	HFHC Funding Co. LLC	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	$ 330,063	$ -	$ -	$ 330,063
Deferred revenue	-	-	-	-
Due to affiliate	918,303	-	(918,303)	-
Notes payable - current, net	159,441	62,387	-	221,828
Total Current Liabilities	1,407,807	62,387	(918,303)	551,891
Long-Term Liabilities				
Notes payable - long-term, net	240,855	1,407,860	-	1,648,715
Total Long-Term Liabilities	240,855	1,407,860	-	1,648,715
Total Liabilities	1,648,662	1,470,247	(918,303)	2,200,606
Net Assets				
Net assets without donor restrictions	1,672,017	-	-	1,672,017
Net assets with donor restrictions	58,368	-	-	58,368
Partners' equity in LLC	-	71,163	(71,163)	-
Total Net Assets	1,730,385	71,163	(71,163)	1,730,385
Total Liabilities and Net Assets	$ 3,379,047	$ 1,541,410	$ (989,466)	$ 3,930,991

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Activities/Loss
For the Year Ended June 30, 2021

	HFHC Unrestricted	HFHC Restricted	HFHC Funding Co. LLC	Eliminations	Total
Support and Revenue					
Individuals	$ 854,453	$ 97,369	$ -	$ -	$ 951,822
Corporations and foundations	203,087	434,803	-	-	637,890
Nonprofit and religious organizations	21,722	96,694	-	-	118,416
In-kind donations	120,136	-	-		120,136
Sales of homes	379,800	-	-	-	379,800
Cost of home sales	(412,381)	-	-	-	(412,381)
Special events income (including $18,965 of In-kind donations)	721,900	-	-	-	721,900
Special events expense	(30,838)	-	-	-	(30,838)
Resale store income	1,539,788	-	-	-	1,539,788
Resale store expense	(1,422,447)	-	-	-	(1,422,447)
Interest	1,410	-	-	-	1,410
Mortgage interest amortization	34,854	-	72,696	-	107,550
Recovery of mortgage receivable	-	-	-	-	-
Forgiveness of debt	711,214	-	-	-	711,214
Miscellaneous	9,679	-	-	-	9,679
Total	2,732,377	628,866	72,696	-	3,433,939
Net assets released from restriction	667,234	(667,234)	-	-	-
Total Support and Revenue	3,399,611	(38,368)	72,696	-	3,433,939
Operating Expenses					
Program services	2,012,622	-	11,132	-	2,023,754
Management and general	316,538	-	-	-	316,538
Fundraising	634,164	-	-	-	634,164
Total Operating Expenses	2,963,324	-	11,132	-	2,974,456
Increase (Decrease) in Net Assets Before Net Income (Loss) of Subsidiary - LLC	436,287	(38,368)	61,564	-	459,483
Net Income (Loss) of Subsidiary - LLC	61,564	-	(61,564)	-	-
Increase (Decrease) in Net Assets	497,851	(38,368)	-	-	459,483
Net Assets - Beginning of Year	1,672,017	58,368	-	-	1,730,385
Net Assets - End of Year	$ 2,169,868	$ 20,000	$ -	$ -	$ 2,189,868

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Activities/Loss
For the Year Ended June 30, 2020

	HFHC Unrestricted	HFHC Restricted	HFHC Funding Co. LLC	Eliminations	Total
Support and Revenue					
Individuals	$ 939,553	$ 43,863	$ -	$ -	$ 983,416
Corporations and foundations	458,824	507,028	-	-	965,852
Nonprofit and religious organizations	107,990	-	-	-	107,990
In-kind donations	181,252	-	-		181,252
Sales of homes	1,115,000	-	-	-	1,115,000
Cost of home sales	(1,385,548)	-	-	-	(1,385,548)
Special events income (including $18,965 of In-kind donations)	497,252	-	-	-	497,252
Special events expense	(56,702)	-	-	-	(56,702)
Resale store income	810,107	-	-	-	810,107
Resale store expense	(841,596)	-	-	-	(841,596)
Interest	10,691	-	-	-	10,691
Mortgage interest amortization	49,468	-	40,848	-	90,316
Recovery of mortgage receivable	-	-	-	-	-
Gain on foreclosure	100	-	-	-	100
Miscellaneous	12,607	-	-	-	12,607
Total	1,898,998	550,891	40,848	-	2,490,737
Net assets released from restriction	837,155	(837,155)	-	-	-
Total Support and Revenue	2,736,153	(286,264)	40,848	-	2,490,737
Operating Expenses					
Program services	2,121,217	-	11,576	-	2,132,793
Management and general	306,759	-	-	-	306,759
Fundraising	678,060	-	-	-	678,060
Total Operating Expenses	3,106,036	-	11,576	-	3,117,612
Increase (Decrease) in Net Assets Before Net Income (Loss) of Subsidiary - LLC	(369,883)	(286,264)	29,272	-	(626,875)
Net Income (Loss) of Subsidiary - LLC	29,272	-	(29,272)	-	-
Increase (Decrease) in Net Assets	(340,611)	(286,264)	-	-	(626,875)
Net Assets - Beginning of Year	2,012,628	344,632	-	-	2,357,260
Net Assets - End of Year	$ 1,672,017	$ 58,368	$ -	$ -	$ 1,730,385

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Cash Flows
For the Year Ended June 30, 2021

	HFHC	HFHC Funding Co. LLC	Total
Cash Flows from Operating Activities			
Change in net assets	$ 397,919	$ 61,564	$ 459,483
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation and amortization	21,808	-	21,808
(Increase) decrease in:			
Accounts receivable	39,497	-	39,497
Contribution receivable	(101,684)	-	(101,684)
Donated materials inventory	(4,856)		(4,856)
Prepaid expenses	(17,687)	-	(17,687)
Note receivable	2,926	-	2,926
Security deposit	1,946		1,946
Construction in progress	(714,671)	-	(714,671)
Increase (decrease) in:			
Accounts payable	6,878	-	6,878
Deferred revenue	-	-	-
Net Cash Provided by (Used in) Operating Activities	(367,924)	61,564	(306,360)
Cash Flows from Financing Activities			
Loan proceeds/principal payments - net	(331,885)	1,325,658	993,773
Net Cash Provided by (Used in) Financing Activities	(331,885)	1,325,658	993,773
Cash Flows from Investing Activities			
Purchase of fixed assets	(31,541)	-	(31,541)
Due to/from parent	849,440	-	849,440
Due to/from affiliate	-	(849,440)	(849,440)
Change in mortgages receivable - net	410,789	(537,782)	(126,993)
Net Cash Provided by (Used in) Investing Activities	1,228,688	(1,387,222)	(158,534)
Net Increase (Decrease) in Cash	528,879	-	528,879
Cash at Beginning of Year	1,017,358	-	1,017,358
Cash at End of Year	$ 1,546,237	$ -	$ 1,546,237

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Cash Flows
For the Year Ended June 30, 2020

	HFHC	HFHC Funding Co. LLC	Total
Cash Flows from Operating Activities			
Change in net assets	$ (656,147)	$ 29,272	$ (626,875)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation and amortization	21,033	-	21,033
(Increase) decrease in:			
Accounts receivable	(13,003)	-	(13,003)
Contribution receivable	(119,163)	-	(119,163)
Donated materials inventory	(149,311)	-	(149,311)
Prepaid expenses	(27,077)	-	(27,077)
Note receivable	3,192	-	3,192
Security deposit	(26,944)		(26,944)
Construction in progress	(104,895)	-	(104,895)
Increase (decrease) in:			
Accounts payable	219,193	-	219,193
Deferred revenue	(3,204)	-	(3,204)
Net Cash Provided by (Used in) Operating Activities	(856,326)	29,272	(827,054)
Cash Flows from Financing Activities			
Loan proceeds/principal payments - net	333,800	(56,153)	277,647
Net Cash Provided by (Used in) Financing Activities	333,800	(56,153)	277,647
Cash Flows from Investing Activities			
Purchase of fixed assets	(18,992)	-	(18,992)
Assumption of ReStore	257,565	-	257,565
Due to/from parent	3,188	-	3,188
Due to/from affiliate	-	(3,188)	(3,188)
Change in mortgages receivable - net	(363,366)	30,069	(333,297)
Net Cash Provided by (Used in) Investing Activities	(121,605)	26,881	(94,724)
Net Increase (Decrease) in Cash	(644,131)	-	(644,131)
Cash at Beginning of Year	1,661,489	-	1,661,489
Cash at End of Year	$ 1,017,358	$ -	$ 1,017,358