HABITAT FOR HUMANITY CHICAGO, INC.

Financial Statements

June 30, 2022 and 2021

HABITAT FOR HUMANITY CHICAGO, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Habitat for Humanity Chicago, Inc.

Opinion
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 comprises the consolidated statement of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 23, 2022

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,970,389	$ 1,546,237
Accounts receivable	32,533	35,000
Contributions receivable	823,450	422,206
Mortgages receivable - short-term, net	93,133	81,010
Donated materials inventory	118,923	154,167
Prepaid expenses	40,881	69,037
Construction in progress	1,680,465	1,153,400
Note receivable - short term	3,192	3,192
Security deposit	38,110	37,645
Total Current Assets	7,801,076	3,501,894
Fixed Assets		
Equipment and furniture	100,789	84,541
Cars and trucks	80,463	80,463
Less: accumulated depreciation	(133,370)	(118,383)
Total Fixed Assets	47,882	46,621
Non-Current Assets		
Mortgages receivable - long-term, net	2,021,757	1,758,914
Note receivable - long-term	72,081	74,474
Intangible assets	1,317	9,222
Total Non-Current Assets	2,095,155	1,842,610
Total Assets	$ 9,944,113	$ 5,391,125

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 368,512	$ 336,941
Notes payable - current, net	150,661	138,758
Total Current Liabilities	519,173	475,699
Long-Term Liabilities		
Notes payable - long-term, net	3,211,852	2,725,558
Total Long-Term Liabilities	3,211,852	2,725,558
Total Liabilities	3,731,025	3,201,257
Net Assets		
Net assets without donor restrictions	5,440,768	2,169,868
Net assets with donor restrictions	772,320	20,000
Total Net Assets	6,213,088	2,189,868
Total Liabilities and Net Assets	$ 9,944,113	$ 5,391,125

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY

Consolidated Statements of Activities

For the Years Ended June 30, 2022 and 2021

	2022	2021
Support and Revenue		
Individuals	$ 4,434,110	$ 951,822
Corporations and foundations	1,891,714	637,890
Nonprofit and religious organizations	241,886	118,416
In-kind donations	112,295	120,136
Sales of homes	944,835	379,800
Special events income	803,842	721,900
Special events expense	(43,702)	(30,838)
ReStore income	1,525,049	1,539,788
Interest	2,051	1,410
Mortgage interest amortization	116,465	107,550
Gain on foreclosure	-	-
Forgiveness of debt	-	711,214
Miscellaneous	116,095	9,679
Total Support and Revenue	10,144,640	5,268,767
Operating Expenses		
Program services	5,023,810	3,858,582
Management and general	335,767	316,538
Fundraising	761,843	634,164
Total Operating Expenses	6,121,420	4,809,284
Increase (Decrease) in Net Assets/Net Income (Loss)	4,023,220	459,483
Net Assets - Beginning of Year	2,189,868	1,730,385
Net Assets - End of Year	$ 6,213,088	$ 2,189,868

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Statement of Functional Expenses - Habitat for Humanity Chicago
For the Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	$ 987,833	$ 163,424	$ 487,609	$ 1,638,866
Payroll taxes	84,416	13,361	40,421	138,198
Dues and subscriptions	500	5,441	11,000	16,941
Insurance	60,225	19,376	25,092	104,693
Marketing	4,729	234	7,265	12,228
Supplies	621	1,243	364	2,228
Telephone and internet	2,803	477	959	4,239
Printing and postage	7,495	707	83,974	92,176
Professional services	124,119	67,461	-	191,580
Auto expense	2,917	-	-	2,917
Rent	58,185	14,545	24,242	96,972
Travel	24,828	5,190	3,313	33,331
Construction costs	63,528	-	-	63,528
Contract labor	56,979	-	-	56,979
Dedications	448	-	-	448
Family services implementation	41	-	-	41
Neighborhood projects	45,860	-	-	45,860
Global village trip	-	-	-	-
Equipment and maintenance	848	253	357	1,458
Bank fees	-	4,287	41,514	45,801
Depreciation and amortization	-	21,870	-	21,870
Notes payable amortization	9,684	-	-	9,684
Mortgage discount	554,997	-	-	554,997
Bad debt expense - escrows	-	-	-	-
Construction in process write-down	76,421	-	-	76,421
Outside services	15,667	2,800	-	18,467
Technology	33,053	9,755	23,418	66,226
Interest expense	-	137	-	137
Training	34,616	4,141	10,522	49,279
Tithe	100,000	-	-	100,000
Utilities	4,305	1,076	1,793	7,174
Cost of home sales	941,470	-	-	941,470
ReStore expenses	1,708,851	-	-	1,708,851
Miscellaneous	7,693	(11)	-	7,682
Total Functional Expenses	$ 5,013,132	$ 335,767	$ 761,843	$ 6,110,742

See Accompanying Notes to Financial Statements

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
Family services implementation	-	-	-	-
Neighborhood projects	40,105	-	-	40,105
Global village trip	-	-	-	-
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
Cost of home sales	412,381	-	-	412,381
ReStore expenses	1,422,447	-	-	1,422,447
Miscellaneous	15,061	1,360	-	16,421
Total Functional Expenses	$ 3,847,450	$ 316,538	$ 634,164	$ 4,798,152

See Accompanying Notes to Financial Statements

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	$ 4,023,220	$ 459,483
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	22,891	21,808
(Increase) decrease in:		
Accounts receivable	2,467	39,497
Contributions receivable	(401,244)	(101,684)
Donated materials inventory	35,244	(4,856)
Prepaid expenses	28,156	(17,687)
Note receivable	2,393	2,926
Security deposit	(465)	1,946
Construction in progress	(527,065)	(714,671)
Increase (decrease) in:		
Accounts payable	31,571	6,878
Net Cash Provided by (Used in) Operating Activities	3,217,168	(306,360)
Cash Flows from Financing Activities		
Loan proceeds/principal payments - net	498,196	993,773
Net Cash Provided by (Used in) Financing Activities	498,196	993,773
Cash Flows from Investing Activities		
Purchase of fixed assets	(16,246)	(31,541)
Purchase of intangible assets	-	-
Change in mortgages receivable - net	(274,966)	(126,993)
Net Cash Provided by (Used in) Investing Activities	(291,212)	(158,534)
Net Increase (Decrease) in Cash and Cash Equivalents	3,424,152	528,879
Cash and Cash Equivalents - Beginning of Year	1,546,237	1,017,358
Cash and Cash Equivalents - End of Year	$ 4,970,389	$ 1,546,237

* * * * * * *

	2022	2021
Supplemental Disclosure of Cash Flow Information -		
Cash paid during the year for:		
Income tax	$ -	$ -
Interest	$ 10,678	$ 11,132

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, September 2020 and January 2021, HFHC Funding has taken additional baskets of mortgages receivable that have been assigned as collateral for a 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 has adopted Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606), as amended. The standard contains principles that an organization applies to determine the measurement of revenue and the timing of when it is recognized. The adoption of this accounting pronouncement did not result in significant changes in the timing of the Organization's revenue recognition.

The Organization recognizes contributions of cash, securities and in-kind assets when received.

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.

Note B – Summary of Significant Accounting Policies (continued)

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. 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-for the years ended June 30, 2022 and 2021, 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 $14,986 and $13,903 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, 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:

Note B – Summary of Significant Accounting Policies (continued)

Net Assets (continued)

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.

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 $112,295 and $105,711 were recognized as revenue for the years ended June 30, 2022 and 2021, respectively. Contributed goods to be used for fund raising purposes for use in the construction program, new office and other operational uses of $8,025 and $14,425 were recognized as revenue for the years ended June 30, 2022 and 2021, 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

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.

Note B – Summary of Significant Accounting Policies (continued)

New Accounting Standards (continued)

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 evaluated the impact of the COVID-19 pandemic and concluded that the net effect on the Organization's financial position, results of its operations, and cash flows wasn't significantly adversely affected for the years ending June 30, 2022 and 2021.

In fiscal year 2021, the Organization took actions 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 to help sustain the organization, which were both forgiven in full during the year ending June 30, 2021.

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 2020 and 2021.

The Organization operates a ReStore which is a social enterprise at which donated new and used building supplies and home goods are sold to generate revenue. The ReStore maintained profitability, even with 1) closing the ReStore from March to June 2020, 2) operating with reduced hours, and 3) greatly reduced volunteer numbers. Coming through the pandemic labor shortages and fewer volunteers increased labor costs. Going forward, recruiting volunteers will be a central focus in the coming years with a goal of stabilizing and/or reducing labor costs.

Note B – Summary of Significant Accounting Policies (continued)

COVID-19 Impact (continued)

Programmatic activities were amended throughout both fiscal years. The construction site closed to volunteers from March to September of 2020 and then again in November 2020 to May 2021. 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, which works in conjunction with construction activities, continued but saw a slowdown in program participants' ability to complete their volunteer hours and attend classes, resulting in fewer closings. In 2022, the Affordable Homeownership Program returned to normal operations.

The mortgage portfolio remained largely healthy. Borrowers that ran into payment concerns were granted deferrals and connected to mortgage relief assistance. Homeownership education programs transitioned to and continue to be virtual in service to preparing participants for homeownership. The Neighborhood Grants Initiative maintained normal activity with neighbors applying for and completing social and physical improvement projects in their communities.

The competitive labor market has created new challenges attracting and retaining staff to keep up with growth. Supply chain issues have caused home construction costs to rise. At the same time, the sellers' home market increased home values creating more equity for homeowners. For the year ending June 30, 2022, volunteerism, construction schedules, programs, and fundraising have stabilized to pre-pandemic levels.

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, 2022. The Organization has evaluated its tax positions and determined it has no uncertain tax positions at June 30, 2022. The Organization's 2019-2021 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, 2022 and 2021, the following details the mortgages receivable:

	2022	2021
Total mortgages receivables before adjustments	$ 5,216,692	$ 4,503,196
Less: unamortized discount	(3,093,804)	(2,659,010)
Less: allowance for uncollectible accounts	-	-
Less: allowance for past due escrow balances	(7,998)	(4,262)
Net Mortgages Receivable	$ 2,114,890	$ 1,839,924

	2022	2021
Amounts due in:		
Less than one year	$ 226,177	$ 196,601
One to two years	226,177	196,601
Two to three years	226,177	196,601
Three to four years	226,177	196,601
Four to five years	226,177	196,601
Five years and beyond	4,085,807	3,520,191
	$ 5,216,692	$ 4,503,196

Discount rates range from four percent to eight percent.

Note E – Intangibles

At June 30, 2022 and 2021, intangible assets of $1,317 and $9,222 on the statement of financial position consist of the following:

	As of June 30, 2022		As of June 30, 2021	
	Carrying Value	Accumulated Amortization	Carrying Value	Accumulated Amortization
Website Redesign	$ 39,523	$ 38,206	$ 39,523	$ 30,301
Net Balance		$ 1,317		$ 9,222

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 principal on August 1, 2022 at 0% interest. As of August 1, 2022, a balance remained in the amount of $73,677. As such, the installment note was extended until December 31, 2022. A new installment note, payable over 60 months, is planned to be executed by January 2023, in which a final payment of outstanding principal would be due Dec 2027 at 0% interest. The outstanding balance at June 30, 2022 and 2021 is $75,273 and $77,666, 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.

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases in effect as of June 30, 2022 are as follows:

Year Ended June 30,	Office Space	Resale Store
2023	$ 104,979	$ 336,335
2024	44,382	344,862
2025	-	350,283
2026	-	356,922
2027	-	424,936
Thereafter	-	785,119
	$ 149,361	$ 2,598,457

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 remaining loan is non-interest bearing and is due on demand. As of June 30, 2022 and 2021, $101,111 and $120,777 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, 2022 and 2021, $346,271 and $361,676 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, 2022 and 2021, $1,011,506 and $1,049,141 remains payable to Northern Trust Bank, respectively.

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, 2022 and 2021, $1,335,622 and $1,385,087 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.

Note H – Long-Term Debt (continued)

On January 27, 2022, HFHC Funding entered into an agreement with The Northern Trust Company and has assigned a basket of mortgages receivable with a value of $619,752 on December 31, 2021 as means of collateral for a Note Payable to The Northern Trust Company. On January 27, 2022, HFHC received $619,752 and will repay with payments of mortgages receivable monthly. The loan has an interest rate of 0%. As of June 30, 2022 and 2021, $612,557 and $-0- remains payable to Northern Trust Bank, respectively. The loan comes with a covenant that states that Organization shall maintain a reserve equal to at least 15% of the total outstanding balances of all mortgages sold or securitized by that Organization to any bank or financial institution, which contain a repurchase obligation. This reserve may be comprised of any combination of the following items (1) a segregated account, comprised of cash, (2) a board restricted line of credit, or (3) performing, unencumbered mortgage loan receivables. As of the year ending June 30, 2022, the Organization was in compliance with this covenant.

As of June 30, 2022 and 2021, the following details the notes payable:

	2022	2021
Note payable to IHDA	$ 101,111	$ 120,777
Note payable to PNC Bank	346,271	361,676
Notes payable to Northern Trust	2,959,684	2,434,229
Other	20,008	21,880
Less: unamortized discount	(64,561)	(74,246)
Net Notes Payable	$ 3,362,513	$ 2,864,316

As of June 30, 2022, the amount required to be paid on the notes payable for each of the next five fiscal years and thereafter are as follows:

2023	$ 167,455
2024	167,089
2025	166,712
2026	166,712
2027	168,534
Thereafter	2,590,572
Less: unamortized discount	(64,561)
Net Notes Payable	$ 3,362,513

Note I – Net Assets with Donor Restrictions

During the years ended June 30, 2022 and 2021, net assets with donor restrictions of $772,320 and $20,000, respectively, were available solely for the purpose of building affordable housing. The amount of $1,432,637 and $667,234 was released from restricted funds for building affordable housing as the Organization fulfilled the donor-imposed restrictions during the years ended June 30, 2022 and 2021, respectively.

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, 2022 and 2021, the Organization made matching contributions to the plan of $48,356 and $38,572, respectively.

Note K – Significant Agreements

Effective April 9, 2013, the Organization entered into an agreement with Habitat for Humanity of Northern Fox Valley (“HFHNFV”) to open and operate a ReStore in Chicago, Illinois with the expectation of generating net profits for both HFHNFV and the Organization, and that the Organization will eventually acquire the ReStore from HFHNFV. According to the terms of the agreement, net proceeds from the ReStore were distributed solely to HFHNFV to reimburse its initial investment until the investments of HFHNFV and the Organization was equal; this occurred in September 2016. Thereafter, monthly net profits were distributed equally between HFHNFV and the Organization. Effective November 1, 2019, the Organization assumed control of the ReStore and continues to share 50% of the net profits from this ReStore as part of a revenue sharing agreement with HFHNFV through January 1, 2023. On January 1, 2023, there will be a final buyout due to HFHNFV in the amount of $100,000. For the years ended June 30, 2022 and 2021, net proceeds from the ReStore of $140,040 and $197,637, respectively, were distributed to both the Organization and HFHNFV.

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.

Note L—Liquidity and Availability of Financial Assets

	2022	2021
Financial assets, at year-end:		
Cash and cash equivalents	$ 4,970,389	$ 1,546,237
Accounts receivable	32,533	35,000
Contributions receivable	823,450	422,206
Note receivable – short term	3,192	3,192
Less contractual or donor-imposed restrictions:		
Donor restrictions for specific purposes	(772,320)	(20,000)
Financial assets available to meet cash needs for general expenditure within one year	$ 5,057,244	$ 1,986,635

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, 2022 and 2021, the Organization had $4,514,517 and $1,262,674 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 - MacKenzie Scott Gift

In March of 2022, the Organization was one of 84 U.S. Habitat for Humanity affiliate organizations selected to receive a portion of the $436 million donation from author and philanthropist, MacKenzie Scott. The Organization's portion of this transformative gift was $2.5 million which will help further our vision of a world where everyone has equitable access to a safe, decent, and affordable place to call home. The gift was designated as an unrestricted individual donation, with a requirement of three subsequent years of annual reporting.

Note P – 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, 2022 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, 2022

	HFHC	HFHC Funding Co. LLC	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	$ 4,970,389	$ -	$ -	$ 4,970,389
Accounts receivable	32,533	-	-	32,533
Contributions receivable	823,450	-	-	823,450
Mortgages receivable, net - short-term	35,980	57,153	-	93,133
Inventory	118,923	-		118,923
Prepaid expenses	40,881	-	-	40,881
Construction in progress	1,680,465	-	-	1,680,465
Note receivable - short-term	3,192	-	-	3,192
Security deposit	38,110	-	-	38,110
Due from parent	-	2,149,763	(2,149,763)	-
Investment in subsidiary	201,183	-	(201,183)	-
Total Current Assets	7,945,106	2,206,916	(2,350,946)	7,801,076
Fixed Assets				
Equipment and furniture	100,789	-	-	100,789
Cars and trucks	80,463	-	-	80,463
Less: accumulated depreciation	(133,370)	-	-	(133,370)
Total Fixed Assets	47,882	-	-	47,882
Non-Current Assets				
Mortgages receivable, net - long-term	721,534	1,300,223	-	2,021,757
Note receivable - long-term	72,081	-	-	72,081
Intangible assets, net of amortization	1,317	-	-	1,317
Total Non-Current Assets	794,932	1,300,223	-	2,095,155
Total Assets	$ 8,787,920	$ 3,507,139	$ (2,350,946)	$ 9,944,113

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Financial Position
June 30, 2022

	HFHC	HFHC Funding Co. LLC	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	$ 368,512	$ -	$ -	$ 368,512
Due to affiliate	2,149,763	-	(2,149,763)	-
Notes payable - current, net	12,724	137,937	-	150,661
Total Current Liabilities	2,530,999	137,937	(2,149,763)	519,173
Long-Term Liabilities				
Notes payable - long-term, net	43,833	3,168,019	-	3,211,852
Total Long-Term Liabilities	43,833	3,168,019	-	3,211,852
Total Liabilities	2,574,832	3,305,956	(2,149,763)	3,731,025
Net Assets				
Net assets without donor restrictions	5,440,768	-	-	5,440,768
Net assets with donor restrictions	772,320	-	-	772,320
Partners' equity in LLC	-	201,183	(201,183)	-
Total Net Assets	6,213,088	201,183	(201,183)	6,213,088
Total Liabilities and Net Assets	$ 8,787,920	$ 3,507,139	$ (2,350,946)	$ 9,944,113

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
Due to parent	1,767,743	-	(1,767,743)	-
Notes payable - current, net	31,862	116,350	-	148,212
Total Current Liabilities	2,136,546	116,350	(1,767,743)	485,153
Long-Term Liabilities				
Notes payable - long-term, net	36,549	2,679,555	-	2,716,104
Total Long-Term Liabilities	36,549	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

HABITAT FOR HUMANITY CHICAGO, INC. AND RELATED ENTITY
Consolidating Statement of Activities/Loss
For the Year Ended June 30, 2022

	HFHC Unrestricted	HFHC Restricted	HFHC Funding Co. LLC	Eliminations	Total
Support and Revenue					
Individuals	$ 3,988,800	$ 445,310	$ -	$ -	$ 4,434,110
Corporations and foundations	390,487	1,501,227	-	-	1,891,714
Nonprofit and religious organizations	3,466	238,420	-	-	241,886
In-kind donations	112,295	-	-		112,295
Sales of homes	944,835	-	-	-	944,835
Special events income (including $8,025 of In-kind donations)	803,842	-	-	-	803,842
Special events expense	(43,702)	-	-	-	(43,702)
ReStore income	1,525,049	-	-	-	1,525,049
Interest	2,051	-	-	-	2,051
Mortgage interest amortization	37,331	-	79,134	-	116,465
Recovery of mortgage receivable	-	-	-	-	-
Gain on foreclosure	-	-	-	-	-
Miscellaneous	116,095	-	-	-	116,095
Total	7,880,549	2,184,957	79,134	-	10,144,640
Net assets released from restriction	1,432,637	(1,432,637)	-	-	-
Total Support and Revenue	9,313,186	752,320	79,134	-	10,144,640
Operating Expenses					
Program services	5,023,132	-	10,678	-	5,023,810
Management and general	335,767	-	-	-	335,767
Fundraising	761,843	-	-	-	761,843
Total Operating Expenses	6,110,742	-	10,678	-	6,121,420
Increase (Decrease) in Net Assets Before Net Income (Loss) of Subsidiary - LLC	3,202,444	752,320	68,456	-	4,023,220
Net Income (Loss) of Subsidiary - LLC	68,456	-	(68,456)	-	-
Increase (Decrease) in Net Assets	3,370,900	752,320	-	-	4,123,220
Net Assets - Beginning of Year	2,169,868	20,000	-	-	2,189,868
Net Assets - End of Year	$ 5,440,768	$ 772,320	$ -	$ -	$ 6,213,088

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
Special events income (including $18,965 of In-kind donations)	721,900	-	-	-	721,900
Special events expense	(30,838)	-	-	-	(30,838)
ReStore income	1,539,788	-	-	-	1,539,788
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	4,567,205	628,866	72,696	-	5,268,767
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	3,847,450	-	11,132	-	3,858,582
Management and general	316,538	-	-	-	316,538
Fundraising	634,164	-	-	-	634,164
Total Operating Expenses	4,798,152	-	11,132	-	4,809,284
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 Cash Flows
For the Year Ended June 30, 2022

	HFHC	HFHC Funding Co. LLC	Total
Cash Flows from Operating Activities			
Change in net assets	$ 3,954,764	$ 68,456	$ 4,023,220
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation and amortization	22,891	-	22,891
(Increase) decrease in:			
Accounts receivable	2,467	-	2,467
Contribution receivable	(401,244)	-	(401,244)
Inventory	35,244	-	35,244
Prepaid expenses	28,156	-	28,156
Note receivable	2,393	-	2,393
Security deposit	(465)		(465)
Construction in progress	(527,065)	-	(527,065)
Increase (decrease) in:			
Accounts payable	31,571	-	31,571
Net Cash Provided by (Used in) Operating Activities	3,148,712	68,456	3,217,168
Cash Flows from Financing Activities			
Loan proceeds/principal payments - net	(11,855)	510,051	498,196
Net Cash Provided by (Used in) Financing Activities	(11,855)	510,051	498,196
Cash Flows from Investing Activities			
Purchase of fixed assets	(16,246)	-	(16,246)
Assumption of ReStore	-	-	-
Due to/from parent	382,020	-	382,020
Due to/from affiliate	-	(382,020)	(382,020)
Change in mortgages receivable - net	(78,479)	(196,487)	(274,966)
Net Cash Provided by (Used in) Investing Activities	287,295	(578,507)	(291,212)
Net Increase (Decrease) in Cash and Cash Equivalents	3,424,152	-	3,424,152
Cash at Beginning of Year	1,546,237	-	1,546,237
Cash at End of Year	$ 4,970,389	$ -	$ 4,970,389

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:			
Deferred revenue	6,878	-	6,878
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 and Cash Equivalents	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