FINANCIAL STATEMENTS

Years Ended June 30, 2016 and 2015

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ANDERSON & WHITNEY

A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

Board of Directors
Greeley Area Habitat for Humanity, Inc.
Greeley, Colorado

Report on the Financial Statements

We have audited the accompanying statements of financial position of Greeley Area Habitat for Humanity, Inc. (the Organization), a Colorado nonprofit corporation, as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greeley Area Habitat for Humanity, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Anderson + Whitney, P.C.

December 5, 2016

GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30	2016	2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 882,083	$ 664,650
Restricted cash:		
Homeowners escrow accounts	11,875	14,429
Habitat North HOA	11,642	11,698
Home Depot gift card	3,964	-
Receivables:		
Current portion of mortgages, net of discount	123,746	110,892
Grants	116,053	-
Prepaid expenses and other assets	6,465	6,736
Homes under construction	306,733	363,549
Total Current Assets	1,462,561	1,171,954
Property and Equipment:		
Land and land improvements - Habitat North HOA	142,207	142,207
Land - Resource Center	24,289	24,289
Building - Resource Center	135,133	135,133
ReStore equipment and fixtures	103,275	103,275
Equipment and vehicles	47,242	66,804
	452,146	471,708
Less: Accumulated Depreciation	213,554	217,210
Total Property and Equipment	238,592	254,498
Other Assets:		
Mortgages receivable, net of discount and current portion	2,351,165	2,106,945
Land development costs (North)	106,211	244,211
Land development costs (Crestview)	89,165	-
Vacant lots	-	25,000
Security deposit	5,000	5,000
Total Other Assets	2,551,541	2,381,156
TOTAL ASSETS	$ 4,252,694	$ 3,807,608

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GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF FINANCIAL POSITION - Continued

June 30	2016	2015
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 28,547	$ 24,380
Escrow accounts homeowners	9,144	11,673
Payroll and other liabilities	57,048	56,020
Accrued warranty liability	6,000	4,000
Deferred grant revenue	10,000	14,183
Deposit for computers	570	570
Total Liabilities	111,309	110,826
NET ASSETS		
Unrestricted:		
Undesignated	870,125	685,579
Investment in mortgages receivable	2,474,911	2,217,837
Board Designated	647,228	726,526
Temporarily Restricted	149,121	66,840
Total Net Assets	4,141,385	3,696,782
TOTAL LIABILITIES AND NET ASSETS	$ 4,252,694	$ 3,807,608

See Accompanying Notes to Financial Statements.

GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF ACTIVITIES

	2016		
Years Ended June 30	Unrestricted	Temporarily Restricted	Total
Revenue:			
Home sales	$ 643,340	$ -	$ 643,340
Mortgage discount amortization	89,479	-	89,479
ReStore sales	630,524	-	630,524
Contributions:			
Corporate	94,401	-	94,401
Individual	40,930	-	40,930
Foundations	67,005	149,121	216,126
Churches	2,926	-	2,926
Civic groups	4,270	-	4,270
Donated construction materials and services	96,533	-	96,533
Special events	13,040	-	13,040
Grants	640,720	-	640,720
Net assets released from restrictions	66,840	(66,840)	-
Total Revenue	2,390,008	82,281	2,472,289
Expenses:			
Home Construction	1,230,690	-	1,230,690
Family Support	62,785	-	62,785
ReStore	477,934	-	477,934
Fund raising	103,967	-	103,967
Management and general	215,358	-	215,358
Total Expenses	2,090,734	-	2,090,734
Change in Net Assets from Operations	299,274	82,281	381,555
Other Income and Expense:			
Oil and gas royalties	32,155	-	32,155
Miscellaneous	5,115	-	5,115
Homeowners' Association, net	2,778	-	2,778
Gain (loss) on disposal of property and equipment	23,000	-	23,000
Return of grant funds	-	-	-
Total Other Income and Expense, Net	63,048	-	63,048
Change in Net Assets	362,322	82,281	444,603
Net Assets, Beginning of Year	3,629,942	66,840	3,696,782
Net Assets, End of Year	$3,992,264	$ 149,121	4,141,385

See Accompanying Notes to Financial Statements.

2015		
Unrestricted	Temporarily Restricted	Total
$ 504,179	$ -	$ 504,179
100,471	-	100,471
633,868	-	633,868
68,399	-	68,399
84,438	31,840	116,278
130,505	35,000	165,505
5,573	-	5,573
12,065	-	12,065
44,732	-	44,732
9,948	-	9,948
320,041	-	320,041
117,305	(117,305)	-
2,031,524	(50,465)	1,981,059
957,952	-	957,952
59,476	-	59,476
418,101	-	418,101
98,460	-	98,460
200,633	-	200,633
1,734,622	-	1,734,622
296,902	(50,465)	246,437
116,827	-	116,827
2,194	-	2,194
(1,059)	-	(1,059)
(3,890)	-	(3,890)
(30,770)	-	(30,770)
83,302	-	83,302
380,204	(50,465)	329,739
3,249,738	117,305	3,367,043
$3,629,942	$ 66,840	$3,696,782

GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

	2016					
Year Ended June 30	Home Construction	Family Support	ReStore	Fund Raising	Management and General	Total
Personnel Costs:						
Salaries and wages	$ 93,765	$ 45,901	$266,176	$ 65,605	$ 121,287	$ 592,734
Employee fringe benefits	13,659	6,273	11,639	4,191	12,750	48,512
Payroll taxes	6,999	3,544	30,659	5,242	10,049	56,493
Total Personnel Costs	114,423	55,718	308,474	75,038	144,086	697,739
Advertising	-	-	8,921	-	6,430	15,351
Discounts on mortgages issued	250,318	-	-	-	-	250,318
Board meetings	-	-	-	-	270	270
Cost of homes transferred to homeowners	835,395	-	-	-	-	835,395
Credit card processing	-	-	10,038	-	-	10,038
Depreciation	-	2,703	14,037	-	7,901	24,641
Dues	-	-	-	-	18,393	18,393
Food and amenities	4,786	-	1,038	1,440	119	7,383
Grant application fees	-	-	-	12,252	-	12,252
Insurance	7,295	-	10,601	-	1,954	19,850
Office supplies	-	1,611	7,029	1,753	7,990	18,383
Other costs	-	920	360	1,398	2,145	4,823
Postage	-	-	-	10,720	-	10,720
Printing	-	1,763	-	-	-	1,763
Professional fees	-	-	-	-	13,010	13,010
Purchased inventory sold	-	-	45,549	-	-	45,549
Rent	-	-	41,184	-	-	41,184
Repair and maintenance	-	-	5,477	-	2,252	7,729
Dues paid to HOA	1,350	-	-	-	-	1,350
Telephone	-	-	5,478	-	3,352	8,830
Tithe - Habitat International	5,554	-	-	-	-	5,554
Training and education	-	70	-	1,366	369	1,805
Utilities and trash removal	-	-	6,437	-	4,080	10,517
Vehicle expenses	6,340	-	13,311	-	3,007	22,658
Warranty costs	5,229	-	-	-	-	5,229
	$1,230,690	$ 62,785	$477,934	$103,967	$ 215,358	$2,090,734

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GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - Continued

	2015					
Year Ended June 30	Home Construction	Family Support	ReStore	Fund Raising	Management and General	Total
Personnel Costs:						
Salaries and wages	$ 89,654	$ 43,809	$231,975	$ 66,628	$ 123,219	$ 555,285
Employee fringe benefits	12,354	5,586	2,109	5,725	9,527	35,301
Payroll taxes	6,763	3,253	27,994	4,459	10,178	52,647
Total Personnel Costs	108,771	52,648	262,078	76,812	142,924	643,233
Advertising	-	-	5,757	-	895	6,652
Discounts on mortgages issued	196,916	-	-	-	-	196,916
Board meetings	-	-	-	-	277	277
Cost of homes transferred to homeowners	625,417	-	-	-	-	625,417
Credit card processing	-	-	10,121	-	-	10,121
Depreciation	-	2,703	20,545	-	10,949	34,197
Dues	-		-	-	12,625	12,625
Food and amenities	3,942	-	922	813	4,015	9,692
Fundraising events	-	-	-	4,891	-	4,891
Grant application fees	-	-	-	7,125	-	7,125
Insurance	6,305	-	10,870	-	853	18,028
Office supplies	-	1,629	11,483	511	4,097	17,720
Other costs	-	816	370	-	940	2,126
Postage	-	-	-	6,726	535	7,261
Printing	-	1,519	-	-	-	1,519
Professional fees	-	-	-	-	8,107	8,107
Purchased inventory sold	-	-	30,112	-	-	30,112
Rent	-	-	37,440	-	-	37,440
Repair and maintenance	-	-	6,448	-	3,845	10,293
Dues paid to HOA	1,795	-	-	-	-	1,795
Telephone	-	-	3,522	-	3,149	6,671
Tithe - Habitat International	11,180	-	-	-	-	11,180
Training and education	-	161	656	1,582	3,196	5,595
Utilities and trash removal	-	-	6,694	-	4,226	10,920
Vehicle expenses	2,941	-	11,083	-	-	14,024
Warranty costs	685	-	-	-	-	685
	$ 957,952	$ 59,476	$418,101	$ 98,460	$ 200,633	$1,734,622

See Accompanying Notes to Financial Statements.

GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30	2016	2015
Cash Flows from Operating Activities:		
Cash received from contributions, grants, and other funding sources	$ 1,558,495	$ 1,495,563
Cash paid to employees and suppliers	(1,521,796)	(1,485,684)
Interest received	371	401
Interest paid	-	-
Net Cash Provided (Used) by Operating Activities	37,070	10,280
Cash Flows from Investing Activities:		
Payments received on mortgages receivable	225,427	249,446
Sale of property, equipment and vehicles	14,000	
Insurance proceeds received for asset	-	6,240
Proceeds from sale of vacant lots	34,000	-
Acquisition of property, equipment and vehicles	(3,899)	(25,717)
Additional land development costs (Crestview)	(89,165)	-
Net Cash Provided by Investing Activities	180,363	229,969
Cash Flows from Financing Activities	-	-
Net Increase in Cash	217,433	240,249
Cash, Beginning of Year	664,650	424,401
Cash, End of Year	$ 882,083	$ 664,650

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GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF CASH FLOWS - Continued

Years Ended June 30	2016	2015
Reconciliation of Change in Net Assets to Net Cash from Operating Activities:		
Change in net assets	$ 444,603	$ 329,739
Adjustments:		
Depreciation	24,641	34,197
New mortgages transferred to homeowners, net of discount	(393,022)	(302,263)
Amortization of mortgage discounts	(89,479)	(100,471)
(Gain) Loss on disposal of asset	(23,000)	3,890
Donated Equipment	(4,836)	-
(Increase) decrease in:		
Restricted cash	(1,354)	3,999
Prepaid expenses and other	271	(4,611)
Grants receivable	(116,053)	19,754
Construction in progress	56,816	(94,367)
Land development costs (North)	138,000	109,250
Increase (decrease) in:		
Accounts payable	4,167	(7,834)
Accrued expenses	1,028	1,925
Accrued warranty liability	2,000	(500)
Deferred grant revenue	(4,183)	14,183
Escrow accounts	(2,529)	3,389
Net Cash Provided (Used) by Operating Activities	$ 37,070	$ 10,280
Noncash Financing and Investing Activities:		
Mortgage notes issued at time of home transfer	$ 643,340	$ 499,179
Discounts on new mortgages issued	(250,318)	(196,916)

See Accompanying Notes to Financial Statements.