

GREELEY AREA HABITAT
FOR HUMANITY, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2017 and 2016

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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, 2017 and 2016, 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.

Board of Directors
Greeley Area Habitat for Humanity, Inc.
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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, 2017 and 2016, 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.

January 11, 2018

GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,199,008	\$ 882,083
Restricted cash:		
Homeowners escrow accounts	19,390	11,875
Habitat North HOA	12,335	11,642
Gift cards	8	3,964
Receivables:		
Current portion of mortgages, net of discount	116,694	123,746
Grants	41,260	116,053
ReStore inventory	17,862	6,465
Homes under construction	168,629	306,733
Total Current Assets	1,575,186	1,462,561
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	101,981	103,275
Equipment and vehicles	40,988	47,242
	444,598	452,146
Less: Accumulated Depreciation	215,593	213,554
Total Property and Equipment	229,005	238,592
Other Assets:		
Mortgages receivable, net of discount and current portion	2,217,194	2,351,165
Land development costs (North)	-	77,050
Land development costs (Crestview)	452,856	89,165
Other assets	29,161	29,161
Security deposit	5,000	5,000
Total Other Assets	2,704,211	2,551,541
TOTAL ASSETS	\$ 4,508,402	\$ 4,252,694

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GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF FINANCIAL POSITION - Continued

June 30	2017	2016
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 35,346	\$ 28,547
Escrow accounts homeowners	16,512	9,144
Payroll and other liabilities	38,462	57,048
Accrued warranty liability	6,000	6,000
Deferred grant revenue	-	10,000
Deposit for computers	570	570
Total Current Liabilities	96,890	111,309
NET ASSETS		
Unrestricted:		
Undesignated	875,543	870,125
Investment in mortgages receivable	2,333,888	2,474,911
Board Designated	1,136,491	647,228
Temporarily Restricted	65,590	149,121
Total Net Assets	4,411,512	4,141,385
TOTAL LIABILITIES AND NET ASSETS	\$ 4,508,402	\$ 4,252,694

See Accompanying Notes to Financial Statements.

GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30	2017		
	Unrestricted	Temporarily Restricted	Total
Revenue:			
Home sales	\$ 925,709	\$ -	\$ 925,709
Mortgage discount amortization	93,907	-	93,907
Gain on sale of mortgages	269,963	-	269,963
ReStore sales	510,116	-	510,116
Contributions:			
Corporate	118,052	-	118,052
Individual	32,129	-	32,129
Foundations	49,710	65,590	115,300
Churches	58,800	-	58,800
Civic groups	4,000	-	4,000
Donated construction materials and services	130,846	-	130,846
Special events	56,527	-	56,527
Grants	183,275	-	183,275
Net assets released from restrictions	149,121	(149,121)	-
Total Revenue	2,582,155	(83,531)	2,498,624
Expenses:			
Home Construction	1,450,558	-	1,450,558
Family Support	60,119	-	60,119
ReStore	459,163	-	459,163
Fund raising	80,191	-	80,191
Management and general	221,650	-	221,650
Total Expenses	2,271,681	-	2,271,681
Change in Net Assets from Operations	310,474	(83,531)	226,943
Other Income and Expense:			
Oil and gas royalties	38,304	-	38,304
Miscellaneous	4,191	-	4,191
Homeowners' Association, net	689	-	689
Gain (loss) on disposal of property and equipment	-	-	-
Total Other Income and Expense, Net	43,184	-	43,184
Change in Net Assets	353,658	(83,531)	270,127
Net Assets, Beginning of Year	3,992,264	149,121	4,141,385
Net Assets, End of Year	\$4,345,922	\$ 65,590	4,411,512

See Accompanying Notes to Financial Statements.

2016		
Unrestricted	Temporarily Restricted	Total
\$ 643,340	\$ -	\$ 643,340
89,479	-	89,479
-	-	-
630,524	-	630,524
94,401	-	94,401
40,930	-	40,930
67,005	149,121	216,126
2,926	-	2,926
4,270	-	4,270
96,533	-	96,533
13,040	-	13,040
640,720	-	640,720
66,840	(66,840)	-
<u>2,390,008</u>	<u>82,281</u>	<u>2,472,289</u>
1,228,008	-	1,228,008
62,785	-	62,785
477,934	-	477,934
103,967	-	103,967
215,358	-	215,358
<u>2,088,052</u>	<u>-</u>	<u>2,088,052</u>
<u>301,956</u>	<u>82,281</u>	<u>384,237</u>
32,155	-	32,155
5,115	-	5,115
96	-	96
23,000	-	23,000
<u>60,366</u>	<u>-</u>	<u>60,366</u>
362,322	82,281	444,603
<u>3,629,942</u>	<u>66,840</u>	<u>3,696,782</u>
<u>\$3,992,264</u>	<u>\$ 149,121</u>	<u>\$4,141,385</u>

GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30	2017					Total
	Home Construction	Family Support	ReStore	Fund Raising	Management and General	
Personnel Costs:						
Salaries and wages	\$ 89,202	\$ 42,868	\$226,289	\$ 40,790	\$ 123,346	\$ 522,495
Employee fringe benefits	17,028	6,115	16,951	4,515	13,962	58,571
Payroll taxes	7,654	4,151	17,437	3,330	10,246	42,818
Total Personnel Costs	113,884	53,134	260,677	48,635	147,554	623,884
Advertising	-	-	6,938	-	3,830	10,768
Discounts on mortgages issued	377,668	-	-	-	-	377,668
Board meetings	-	-	-	-	897	897
Cost of homes transferred to homeowners	925,686	-	-	-	-	925,686
Credit card processing	-	-	8,484	-	-	8,484
Depreciation	-	2,703	2,156	-	9,917	14,776
Dues	-	-	-	-	19,339	19,339
Food and amenities	5,277	-	1,211	313	10	6,811
Grant application fees	-	-	-	11,897	-	11,897
Insurance	8,087	-	10,510	-	2,526	21,123
Office supplies	-	1,557	14,972	1,370	8,731	26,630
Other costs	-	518	-	1,429	1,051	2,998
Special Events	-	-	-	10,115	-	10,115
Postage	-	-	-	5,441	-	5,441
Printing	-	2,207	-	-	-	2,207
Professional fees	-	-	-	-	18,617	18,617
Purchased inventory sold	-	-	59,151	-	-	59,151
Rent	-	-	41,184	-	-	41,184
Repair and maintenance	-	-	25,478	-	1,025	26,503
Dues paid to HOA	420	-	-	-	-	420
Telephone	-	-	5,871	-	3,786	9,657
Tithe - Habitat International	10,605	-	-	-	-	10,605
Training and education	-	-	-	991	581	1,572
Utilities and trash removal	-	-	8,094	-	3,786	11,880
Vehicle expenses	8,113	-	14,437	-	-	22,550
Warranty costs	818	-	-	-	-	818
	\$1,450,558	\$ 60,119	\$459,163	\$ 80,191	\$ 221,650	\$2,271,681
Percentage of total expenses	63.9%	2.6%	20.2%	3.5%	9.8%	100%

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GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - Continued

Year Ended June 30	2016					Total
	Home Construction	Family Support	ReStore	Fund Raising	Management and General	
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	199	2,145	3,624
Special Events	-	-	-	1,199	-	1,199
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	2,547	-	-	-	-	2,547
	\$1,228,008	\$ 62,785	\$477,934	\$103,967	\$ 215,358	\$2,088,052
Percentage of total expenses	58.8%	3.0%	22.9%	5.0%	10.3%	100%

See Accompanying Notes to Financial Statements.

GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30	2017	2016
Cash Flows from Operating Activities:		
Cash received from contributions, grants, and other funding sources	\$ 1,189,032	\$ 1,558,495
Cash paid to employees and suppliers	(1,561,612)	(1,521,796)
Interest received	261	371
Interest paid	-	-
Net Cash Provided (Used) by Operating Activities	(372,319)	37,070
Cash Flows from Investing Activities:		
Payments received on mortgages receivable	234,768	225,427
Proceeds from sale of mortgages receivable	818,167	-
Sale of property, equipment and vehicles	-	14,000
Proceeds from sale of vacant lots	-	34,000
Acquisition of property, equipment and vehicles	-	(3,899)
Additional land development costs (Crestview)	(363,691)	(89,165)
Net Cash Provided by Investing Activities	689,244	180,363
Cash Flows from Financing Activities	-	-
Net Increase in Cash	316,925	217,433
Cash, Beginning of Year	882,083	664,650
Cash, End of Year	\$ 1,199,008	\$ 882,083

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GREELEY AREA HABITAT FOR HUMANITY, INC.

STATEMENTS OF CASH FLOWS - Continued

Years Ended June 30	2017	2016
Reconciliation of Change in Net Assets to Net Cash from		
Operating Activities:		
Change in net assets	\$ 270,127	\$ 444,603
Adjustments:		
Depreciation	14,776	24,641
New mortgages transferred to homeowners, net of discount	(548,041)	(393,022)
Amortization of mortgage discounts	(93,907)	(89,479)
(Gain) Loss on disposal of asset	-	(23,000)
(Gain) Loss on sale of mortgage receivable	(269,963)	-
Donated Equipment	(5,190)	(4,836)
(Increase) decrease in:		
Restricted cash	(4,252)	(1,354)
ReStore inventory	(11,397)	271
Grants receivable	74,793	(116,053)
Construction in progress	138,104	56,816
Land development costs (North)	77,050	138,000
Increase (decrease) in:		
Accounts payable	6,799	4,167
Accrued expenses	(18,586)	1,028
Accrued warranty liability	-	2,000
Deferred grant revenue	(10,000)	(4,183)
Escrow accounts	7,368	(2,529)
Net Cash Provided (Used) by Operating Activities	\$ (372,319)	\$ 37,070
Noncash Financing and Investing Activities:		
Mortgage notes issued at time of home transfer	\$ 925,709	\$ 643,340
Discounts on new mortgages issued	(377,668)	(250,318)

See Accompanying Notes to Financial Statements.