



**Hartford Area Habitat for Humanity,
Inc.**

Financial Statements

June 30, 2020



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Financial Statement Summary



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Audit Plan and Execution

▶ Objectives

- Conduct an independent audit of Hartford Area Habitat's financial statements in accordance with auditing standards generally accepted in the United States of America.
- Provide the Audit Committee independent assurance as to whether or not Hartford Area Habitat's financial statements as of and for the year ended June 30, 2020 are presented fairly, in all material respects, in accordance with U.S. Generally Accepted Accounting Principles.
- Ensure that the Audit Committee is kept appropriately informed of the Hartford Area Habitat's financial reporting matters and compliance with professional standards.



Auditors' Report

▶ Independent Auditors' Report

- Management's Responsibility for the Financial Statements
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- Audit Opinion



Statements of Financial Position

	2020	2019	\$
Assets			
Cash unrestricted and restricted	1,868,011	1,453,927	\$ 414,084
Mortgage notes receivable, net	6,399,022	6,686,313	\$ (287,291)
Inventory	996,455	1,005,654	(9,199)
Property plant and equipment, net	720,361	732,887	(12,526)
Investments in partnership	0	0	-
Other assets	136,021	310,762	(174,741)
	<u>10,119,870</u>	<u>10,189,543</u>	<u>(69,673)</u>
Total assets	<u>\$ 10,119,870</u>	<u>\$ 10,189,543</u>	<u>\$ (69,673)</u>
Liabilities and Net Assets			
Debt, net	925,628	1,155,924	(230,296)
Refundable advance	263,032	0	263,032
Other liabilities	298,422	283,044	15,378
Total liabilities	<u>1,487,082</u>	<u>1,438,968</u>	<u>48,114</u>
Without donor restrictions	8,480,276	8,519,424	(39,148)
With donor restrictions	152,512	231,151	(78,639)
Total net assets	<u>8,632,788</u>	<u>8,750,575</u>	<u>(117,787)</u>
Total liabilities and net assets	<u>10,119,870</u>	<u>10,189,543</u>	<u>(69,673)</u>



Statements of Activities

	2020	2019	\$
Operating Revenues:			
Property transferred to homeowners	1,492,380	873,288	619,092
Contributions and grants	1,541,495	1,867,190	(325,695)
ReStore	888,906	1,013,016	(124,110)
Other revenue	760,963	580,942	180,021
Total operating revenues	<u>4,683,744</u>	<u>4,334,436</u>	<u>349,308</u>
Operating Expenses:			
Affordable housing program	3,602,837	2,901,515	701,322
ReStore	860,169	859,823	346
General and administration	116,564	141,965	(25,401)
Fundraising	221,961	355,794	(133,833)
Total operating expenses	<u>4,801,531</u>	<u>4,259,097</u>	<u>542,434</u>
Change in net assets from operations	<u>(117,787)</u>	<u>75,339</u>	<u>(193,126)</u>
Other Change in Net Assets			
NMTC benefit	<u>-</u>	<u>723,000</u>	<u>(723,000)</u>
Change in net assets	(117,787)	798,339	(916,126)
Net assets, beginning of year	<u>8,750,575</u>	<u>7,952,236</u>	<u>798,339</u>
Net assets, end of year	<u><u>8,632,788</u></u>	<u><u>8,750,575</u></u>	<u><u>(117,787)</u></u>



Significant Footnote Disclosures

- ▶ The footnotes are an integral part of the financial statements
- ▶ Adoption of ASU 2014-09, *Revenue from Contracts with Customers*, disclosed in Note 2
- ▶ Mortgage Notes Receivable disclosed in Note 6
- ▶ Long-Term Debt disclosed in Note 8
- ▶ Risk and Uncertainties related to COVID-19 in Note 14
- ▶ Refundable Advance related to Paycheck Protection Program (PPP) in Note 15



Emerging Accounting and Reporting Issues

- ▶ ASU 2016-02, *Leases* – effective for year ending June 30, 2022



Other Matters

- ▶ Communication with Those Charged with Governance
- ▶ Form 990 – Filing deadline is November 15th



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