AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Financial Statements and Supplementary Information as of and for the Years Ended December 31, 2016 and 2015 and Independent Auditors' Report

MAXWELL & LOCKE & RITTER

AUSTIN HABITAT FOR HUMANITY, INC.

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MAXWELL LOCKE & RITTER LLP
Accountants and Consultants
An Affiliate of CPAmerica International
tel (512) 370 3200 fax (512) 370 3250
www.mlrpc.com

Austin: 401 Congress Avenue, Suite 1100
Austin, TX 78701

Round Rock: 411 West Main Street, Suite 300
Round Rock, TX 78664

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Austin Habitat for Humanity, Inc.:

We have audited the accompanying consolidated financial statements of Austin Habitat for Humanity, Inc. and its affiliates, Austin Neighborhood Alliance for Habitat, Inc. and HomeBase Texas (nonprofit organizations) (collectively, the "Organization") which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 consolidated financial statements. The procedures selected depend on the auditors' 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 consolidated 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 consolidated 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 consolidated financial position of the Organization as of December 31, 2016 and 2015, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying consolidating schedules of financial position and activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities. 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Maxwell Locke + Ritter LLP

Austin, Texas
July 14, 2017

AUSTIN HABITAT FOR HUMANITY, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 518,911	$ 159,120
Restricted cash - NMTCs	71,659	98,648
Restricted cash - capital campaign	301,150	151,983
Marketable investments	391,791	340,793
Accounts receivable	329,738	416,551
Pledges receivable, net	170,125	123,917
Grants receivable	-	112,659
Mortgages receivable, current portion, net	366,907	340,273
ReStore inventory	529,738	529,497
Construction in progress	551,469	1,126,996
Prepaid expenses and other	290,421	329,042
Total current assets	3,521,909	3,729,479
LAND HELD FOR DEVELOPMENT	3,247,376	1,531,053
MORTGAGES RECEIVABLE, long-term portion, net	8,700,955	7,988,396
NOTES RECEIVABLE, net	527,803	77,231
INVESTMENTS IN JOINT VENTURES	2,429,247	2,429,247
PROPERTY AND EQUIPMENT, net	9,810,021	9,624,732
INTANGIBLES, net	79,821	97,744
TOTAL ASSETS	$ 28,317,132	$ 25,477,882
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 201,252	$ 263,107
Accrued expenses	538,992	183,989
Deferred revenue	123,275	-
Capital lease obligation, current portion	32,269	-
Mortgage payable, current portion	29,637	25,390
Long-term debt, current portion, net of debt issuance costs	141,590	143,596
Total current liabilities	1,067,015	616,082
ESCROW AND CUSTODIAL LIABILITY	-	295,476
CAPITAL LEASE OBLIGATION	292,647	-
MORTGAGE PAYABLE, long-term portion	1,216,075	1,067,646
FORGIVABLE LOANS	895,274	1,171,093
LONG-TERM DEBT, net of debt issuance costs	8,160,052	8,435,525
Total liabilities	11,631,063	11,585,822
NET ASSETS:		
Unrestricted	16,073,377	13,644,726
Temporarily restricted	566,826	213,615
Permanently restricted	45,866	33,719
Total net assets	16,686,069	13,892,060
TOTAL LIABILITIES AND NET ASSETS	$ 28,317,132	$ 25,477,882

See notes to consolidated financial statements.

AUSTIN HABITAT FOR HUMANITY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS:				
Contributions and other:				
Contributions and grants	$ 4,544,461	390,379	-	4,934,840
Gain on exchange of land transaction	1,152,188	-	-	1,152,188
Investment income	24,668	-	-	24,668
Partnership income	24,266	-	-	24,266
In-kind professional services and other	12,400	-	-	12,400
Other revenue	435,135	-	12,147	447,282
Net assets released from restrictions	37,168	(37,168)	-	-
Total contributions and other	6,230,286	353,211	12,147	6,595,644
ReStore revenues:				
In-kind contributions of inventory	1,511,844	-	-	1,511,844
ReStore sales of donated inventory	1,511,844	-	-	1,511,844
Donated inventory expense	(1,511,844)	-	-	(1,511,844)
ReStore sales of purchased inventory	1,363,800	-	-	1,363,800
ReStore cost of goods sold	(827,755)	-	-	(827,755)
Total ReStore revenues, net	2,047,889	-	-	2,047,889
Low-cost housing revenues:				
Home sales	1,993,000	-	-	1,993,000
In-kind contributions of labor and construction materials	812,191	-	-	812,191
Total low-cost housing revenues	2,805,191	-	-	2,805,191
Total revenues and net assets released from restrictions	11,083,366	353,211	12,147	11,448,724
EXPENSES:				
Low-cost housing program	5,751,144	-	-	5,751,144
ReStore program	1,535,559	-	-	1,535,559
Fundraising	819,238	-	-	819,238
Management and general	548,774	-	-	548,774
Total expenses	8,654,715	-	-	8,654,715
CHANGE IN NET ASSETS	2,428,651	353,211	12,147	2,794,009
NET ASSETS, beginning of year	13,644,726	213,615	33,719	13,892,060
NET ASSETS, end of year	$ 16,073,377	566,826	45,866	16,686,069

See notes to consolidated financial statements.

AUSTIN HABITAT FOR HUMANITY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS:				
Contributions and other:				
Contributions and grants	$ 3,199,465	199,407	-	3,398,872
Gain on sale of property and equipment	199,923	-	-	199,923
Investment income	15,112	-	-	15,112
Partnership income	24,266	-	-	24,266
In-kind professional services and other	5,960	-	-	5,960
Other revenue	221,176	-	11,788	232,964
Net assets released from restrictions	107,362	(107,362)	-	-
Total contributions and other	3,773,264	92,045	11,788	3,877,097
ReStore revenues:				
In-kind contributions of inventory	783,534	-	-	783,534
ReStore sales of donated inventory	783,534	-	-	783,534
Donated inventory expense	(783,534)	-	-	(783,534)
ReStore sales of purchased inventory	725,128	-	-	725,128
ReStore cost of goods sold	(437,007)	-	-	(437,007)
Total ReStore revenues, net	1,071,655	-		1,071,655
Low-cost housing revenues:				
Home sales	1,514,962	-	-	1,514,962
In-kind contributions of labor and construction materials	642,922	-	-	642,922
Total low-cost housing revenues	2,157,884	-	-	2,157,884
Total revenues and net assets released from restrictions	7,002,803	92,045	11,788	7,106,636
EXPENSES:				
Low-cost housing program	4,692,580	-	-	4,692,580
ReStore program	885,288	-	-	885,288
Fundraising	520,104	-	-	520,104
Management and general	647,069	-	-	647,069
Total expenses	6,745,041	-	-	6,745,041
CHANGE IN NET ASSETS	257,762	92,045	11,788	361,595
NET ASSETS, beginning of year	13,386,964	121,570	21,931	13,530,465
NET ASSETS, end of year	$ 13,644,726	213,615	33,719	13,892,060

See notes to consolidated financial statements.

AUSTIN HABITAT FOR HUMANITY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 2,794,009	$ 361,595
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in allowance for uncollectible pledges receivable	19,125	-
Mortgages receivable discount	297,285	191,233
Amortization - mortgages receivable discount	(384,100)	(377,459)
Noncash interest expense	9,610	20,559
Depreciation expense	249,017	33,920
Amortization expense - intangibles	17,923	17,923
Unrealized gain on investments	(11,862)	(15,112)
Gain on sale of property and equipment	-	(199,923)
Gain on exchange of land transaction	(1,152,188)	-
Donated land held for development	(798,000)	-
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	86,813	(25,863)
Pledges receivable	(65,333)	(123,917)
Grants receivable	112,659	56,761
Notes receivable	(450,572)	(77,231)
Mortgages receivable	(652,378)	343,300
ReStore inventory	(241)	(16,438)
Construction in progress	575,527	(65,918)
Prepaid expenses and other	38,621	950,012
Land held for development	256,677	178,157
Accounts payable	(61,855)	(34,655)
Accrued expenses	355,003	40,730
Deferred revenue	123,275	-
Escrow and custodial liability	(295,476)	-
Forgivable loans	(275,819)	(158,007)
Net cash provided by operating activities	787,720	1,099,667
CASH FLOWS FROM INVESTING ACTIVITIES:		
Restricted cash - NMTCs	26,989	26,545
Restricted cash - capital campaign	(149,167)	(151,983)
Net (purchases) sales of investments	(39,136)	37,699
Purchases of property and equipment	(97,421)	(3,781,478)
Proceeds from the sale of property and equipment	-	2,600
Net cash used in investing activities	(258,735)	(3,866,617)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds on line of credit	-	144,247
Payments on long-term debt	(287,089)	(148,695)
Principal payments on capital lease obligation	(34,781)	-
Proceeds on loans payable - mortgages	152,676	65,679
Net cash (used in) provided by financing activities	(169,194)	61,231
NET CHANGE IN CASH AND CASH EQUIVALENTS	359,791	(2,705,719)
CASH AND CASH EQUIVALENTS, beginning of year	159,120	2,864,839
CASH AND CASH EQUIVALENTS, end of year	$ 518,911	$ 159,120
Supplemental disclosure of cash flow information:		
Interest paid on notes payable	$ 202,889	$ 205,856
Noncash addition to land held for development from land exchange transaction	$ 1,175,000	$ -
Property and equipment acquired through capital lease	$ 359,697	$ -

See notes to consolidated financial statements.

1. ORGANIZATION

Austin Habitat for Humanity, Inc. ("AHFH") is a nonprofit, affordable housing developer dedicated to the elimination of substandard housing in Austin, Texas. It is affiliated with Habitat for Humanity International, Inc. ("HFHI") based in Americus, Georgia. AHFH was incorporated in 1985 under the laws of the State of Texas. While adhering to the policies and procedures prescribed by HFHI, AHFH exists as a separate corporation with its own Board of Directors. Local policies, strategies, operations, and fundraising are the responsibility of each U.S. Habitat affiliate.

Austin Neighborhood Alliance for Habitat, Inc., (the "Alliance") is a non-profit corporation formed to support AHFH. The Alliance receives federal financial assistance to acquire land and develop infrastructure for homes.

HomeBase Texas ("HomeBase") is a non-profit corporation that provides affordable homeownership opportunities to homeowners that meet a higher family income threshold than those served by AHFH. During 2014, HomeBase became a Community Development Financial Institution ("CDFI") as certified by the U.S. Department of the Treasury. This certification allows HomeBase access to financial and technical award assistance from the CDFI Fund through the CDFI Program to support an organization's established community development financing programs.

The Alliance's and HomeBase's financial statements are consolidated into the financial statements of AHFH because AHFH has control over and an economic interest in the Alliance and HomeBase. AHFH and its affiliates, the Alliance and HomeBase are collectively referred to as the Organization.

To be considered for home ownership, families must be low-income families who demonstrate a need for better housing, an ability to make mortgage payments, and a willingness to work in partnership with AHFH. The partnership consists, in part, of each family completing 300 hours of "sweat equity" and meeting monthly mortgage payments. AHFH acquires the land, finds and qualifies the families, raises the funding, finds and supervises construction volunteers, builds the houses, and funds the mortgages. Houses are sold resulting in either a no interest or zero profit on the mortgage. By policy of HFHI, AHFH may accept government support for land, infrastructure improvements and construction.

AHFH also operates a ReStore in Austin. The ReStore program provides access to quality building materials, new and used, household goods, clothing, etc., to the general public to help them create a better human habitat in which to live and work. The ReStore receives donated materials, purchases items, and sells them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The consolidated financial statements are presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Classification of Net Assets - The consolidated financial statements report information regarding the Organization's consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

> <u>Unrestricted net assets</u> **-** Net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.
>
> <u>Temporarily restricted net assets</u> **-** Net assets are subject to donor imposed stipulations, which limit their use by the Organization to a specific purpose and/or the passage of time.
>
> <u>Permanently restricted net assets</u> **-** Net assets are subject to donor-imposed stipulations, which require them to be maintained permanently by the Organization.

Use of Estimates - The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements - The Organization measures and discloses fair value measurements in accordance with the authoritative literature. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

> Level 1 **-** Inputs based on quoted market prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
>
> Level 2 **-** Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
>
> Level 3 **-** Unobservable inputs that reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value: 1) market approach **-** uses prices generated by market transactions involving identical or comparable assets or liabilities, 2) cost approach **-** uses the amount that currently would be required to replace the service capacity of an asset (replacement cost), and 3) income approach **-** uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted Cash-NMTC - As a condition of the loan agreements with HFHI-SA NMTC VI, LLC and CCM Community Development XXVII, LLC, the holders of the promissory notes AHFH secured through its investment in two New Market Tax Credit ("NMTC") programs (see Note 8), AHFH established separate bank accounts for a segregated portion of the business, which are under the control of the lenders and in which the lenders have a lien and a security interest. The accounts are for the benefit of the lenders and are maintained and administered for the lenders for the purpose of receiving and disbursing certain amounts related to the NMTC transactions.

Marketable Investments - Investments are carried at fair market value based on quoted market prices. Any changes in market value are reported in the consolidated statements of activities as unrealized gains or losses.

Accounts Receivable - Accounts receivable are recorded at the amount the Organization expects to collect on outstanding balances. The Organization has not recorded an allowance for uncollectible accounts receivables at December 31, 2016 or 2015 because management estimated all balances to be collectible.

Pledges Receivable - Pledges receivable are recorded at the amount the Organization expects to receive from donors. Promises to give are recorded at fair value if expected to be collected in one year and at net present value if expected to be collected in more than one year. Although the Organization has not experienced material uncollectible amounts in the past, an allowance for uncollectible pledges receivable has been established. The allowance at December 31, 2016 and 2015, was $19,125 and $0, respectively. The Organization did not record a net present value discount on pledges receivable as of December 31, 2016 and 2015 as management considered the amount to be insignificant.

Grants Receivable - Grants receivable are recorded at the amount the Organization expects to receive from grantors. The Organization has not recorded an allowance for uncollectible grant receivables at December 31, 2016 or 2015 because management estimated all balances to be collectible.

Notes Receivable - Notes receivable are a non-amortizing repayable second lien due in 30-35 years at 0% interest. The second lien is attached to a home sale to qualified applicants under the HomeBase Texas program. The first lien is provided for by a traditional third party lender. The second lien is due and payable between 30-35 years to allow for the first lien to have been paid off and provides the subsidy to allow the sale to meet the affordability requirements of the HomeBase Texas program. Due to the notes being non-interest bearing they are discounted based upon prevailing market interest rates. The Organization has not recorded an allowance for uncollectible notes receivables at December 31, 2016 or 2015 because management estimated all balances to be collectible.

Home Sales and Mortgages Receivable - Home sales represent the sale to qualified families of houses built in Austin, Texas by the Organization. Homes are sold at cost when possible and the sales are financed by the Organization utilizing non-interest bearing 15 to 35 year mortgages due in monthly installments from the families. The mortgages are secured by the underlying real estate and are carried at the unpaid principal balances. The Organization obtains a deed of trust for any difference between the agreed-upon purchase price and the current fair value of the property. This difference, referred to as “the equity”, is payable to the Organization should the homeowner sell the property before the mortgage is paid off or if the home is foreclosed and sold in the open market.

The mortgages receivable are discounted based upon prevailing market interest rates for low-income housing at the inception of the mortgages. The financing discounts are amortized and reflected as revenue when mortgage payments are collected, which is included net of discount on mortgages expense within the low-cost housing program. The present value discount on mortgages for homes sold is shown as discount on mortgages expense within the low-cost housing program.

The Organization monitors the mortgages on a monthly basis and considers all mortgages to be collectible, thus no allowance for loan losses has been recorded. The Organization maintains a partner relationship with the mortgagees (“partner families”). However, the Organization will consider foreclosure proceedings on any delinquent accounts if the partner family ceases to have the ability to pay and make payments on the mortgage or no longer has a willingness to partner with the Organization. At December 31, 2016 and 2015, the Organization had no investment in foreclosed loans.

ReStore Inventory - ReStore inventory consists of donated building materials, household items and clothing as well as purchased building materials available for sale. Donated inventory is recorded as in-kind contributions of inventory at fair value when received based on estimated sales value. Purchased inventory is stated at the lower of cost or market determined by the first-in, first-out method. As donated inventory is sold, the Organization records donated inventory expense.

Construction in Progress - Construction in progress represents home construction and land costs incurred on incomplete homes in progress and completed homes not yet conveyed to the recipient family. Construction in progress is expensed to cost of homes sold expense within the low-cost housing program when the home is transferred to the recipient family.

Investments in Joint Ventures - In November 2011, AHFH invested, along with eleven other Habitat affiliates, in a joint venture named HFHI-SA Leverage IX, LLC with 4.82% ownership to take advantage of NMTC financing. In July 2012, AHFH participated in a second NMTC transaction along with eleven other Habitat affiliates. As a result of this transaction, AHFH acquired a 9.09% ownership in a joint venture named CCML Leverage II, LLC. Since AHFH has no ability to influence the operating or financial policies of HFHI-SA Leverage IX, LLC and CCML Leverage II, LLC, the cost method is used to account for these investments. Under that method, AHFH records income only to the extent of distributions received. For each of the years ended December 31, 2016 and 2015, AHFH received $24,266 in distributions. These distributions are reported in the consolidated statements of activities as partnership income.

Property and Equipment - Property and equipment consists of land, buildings, and equipment. Property and equipment additions are recorded at cost if purchased or estimated fair value if donated less accumulated depreciation. The Organization capitalizes all additions over $1,000 and expenses maintenance and repairs that do not improve or extend the useful lives of the respective assets. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Estimated useful lives are three to five years for computer equipment; five years for building improvements, software and vehicles; three to seven years for tools and construction equipment; and twenty to forty years for completed houses and buildings. Property and equipment under capital lease is amortized over the shorter of the lease term or the expected useful life of the asset.

Intangibles - The Organization incurred structuring fees for the investments in the joint ventures and guarantee fees and closing costs for the loans to finance these investments and construction costs when transactions originated. The structuring and guarantee fees are being amortized over seven years and the loan closing costs are being amortized over sixteen years.

Impairment of Long-Lived Assets and Intangible Assets Subject to Amortization - Long-lived assets subject to amortization are reviewed for impairment whenever events or circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable. Management believes there has been no impairment of such assets as of December 31, 2016 and 2015.

Debt Issuance Costs - Debt issuance costs associated with debt are recorded as a reduction of the related outstanding debt balance, and amortized to interest expense over the term of the related debt arrangement.

Mortgages Payable - The Texas Department of Housing and Community Affairs Department ("TDHCA") administers the Owner-Builder Loan Program, also known as the Texas Bootstrap Loan Program ("Bootstrap Program"). The Bootstrap Program is a self-help housing construction program that provides the owners and builders of very low-income families an opportunity to purchase or refinance real property on which to build new housing or repair their existing homes through "sweat equity." Owner builder's household income may not exceed 60% of Area Median Family Income. The Bootstrap Program loans payable are discounted based upon prevailing market interest rates at the inception of the mortgage. The financing discounts are amortized and reflected as expense when the mortgage payments are paid.

Forgivable Loans - The Organization receives financial assistance for land acquisition and development costs for homes from the City of Austin, administered through the CHDO Program of the Austin Housing Finance Corporation ("AHFC") and from other grantors. Under the terms of agreements entered into with AHFC and other grantors, funds are provided to the Organization in the form of forgivable loans. The agreements provide for the forgivable loan to be secured by deeds of trust on the land acquired under the agreement. The loan under each agreement is forgiven upon the successful conveyance to eligible buyers of all the homes included in the agreement, subject to certain conditions. Amounts received are reflected as forgivable loans payable until all conditions necessary to secure the forgiveness of the debt are met, at which time the forgivable loans are recognized as grant revenue. Forgivable loans payable represent amounts received under agreements with AHFC and other grantors for which all conditions necessary to secure the forgiveness of the debt had not yet been met.

Contribution Revenue - All contributions are recorded at their fair value and are considered to be available for operations of the Organization unless specifically restricted by the donor. Unconditional promises to give cash and other assets are reported as temporarily restricted net assets, if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related temporarily restricted net assets are reclassified to unrestricted net assets. This is reported in the consolidated statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire within the fiscal year in which the contributions are received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Government Grant Revenue - The Organization receives funding from governmental financial assistance programs that supplement its traditional funding sources. The awards provide for reimbursement of qualifying costs incurred, as defined in the underlying award agreements. The Organization recognizes revenue from these awards as services are rendered and expenses are incurred.

In-Kind Service Contributions - A substantial number of volunteers have made significant contributions of their time to the Organization's program and supporting services. Donated services are recognized as contributions if the services (1) create or enhance non-financial assets, or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Under those criteria volunteer time to construct homes is recognized as contribution revenue and capitalized as construction in progress. When homes are transferred to recipient families, construction in progress is recorded as component of cost of homes sold within the low-cost housing program. Professional services are also reflected under those criteria and are recognized as in-kind professional services revenue and professional services expense in the period received.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Federal Income Taxes - AHFH, the Alliance and HomeBase are nonprofit organizations that are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except with respect to any unrelated business income. AHFH, the Alliance and HomeBase did not incur any tax liabilities due to unrelated business income during the years ended December 31, 2016 or 2015. AHFH, the Alliance and HomeBase file Form 990 tax returns in the U.S. federal jurisdiction, and are subject to routine examinations of its returns; however, there are no examinations currently in progress.

Recently Issued Accounting Pronouncements - In May 2014 and August 2015, the FASB issued Accounting Standards Update ("ASU") No. 2014-09 and No. 2015-14, *Revenue from Contracts with Customers*, which supersede the revenue recognition requirements in ASC 605, *Revenue Recognition*, and most industry-specific guidance included in the ASC. The standard requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The standard is effective retrospectively for fiscal years beginning after December 15, 2018 and early adoption is permitted. The Organization is currently evaluating the impact the new standard will have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as finance or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments in the statement of financial position. Interest on the lease liability and amortization of the right-of-use asset are recognized separately in the statement of operations for finance leases and as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019 and early adoption is permitted. The Organization is currently evaluating the impact the standard will have on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958)*: *Presentation of Financial Statements of Not-for-Profit Entities*, which requires presentation on the face of the statements of financial position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The standard also requires the presentation on the face of the statements of activities the amount of the change in each of these two classes of net assets. The standard will no longer require the presentation or disclosure of the indirect method of reporting cash flows if an entity elects to use the direct method, however it will be required for an entity to provide enhanced disclosures about liquidity in the footnotes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2017 and early adoption is permitted. The Organization does not anticipate this pronouncement to have a significant impact on its consolidated financial statements.

Reclassification - Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. There was no impact on net assets.

3. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, marketable investments and receivables. The Organization places its cash and cash equivalents with a limited number of high quality financial institutions and may exceed the amount of insurance provided on such deposits. Management believes no significant risk exists with respect to cash and cash equivalents. Investments do not represent a significant concentration of credit risk due to the diversification of the Organization’s portfolio among instruments and issues. However, investment securities, including money market funds, are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position. The Organization does not maintain collateral for its receivables except for mortgages and notes receivable and does not believe significant risk exists at December 31, 2016 or 2015. Credit risk for mortgages and notes receivable is concentrated because substantially all of the balances are due from individuals located in the same geographic region. Management considered the collateral pledged from mortgages and notes receivable to be adequate at December 31, 2016 and 2015.

4. MARKETABLE INVESTMENTS

Marketable investments are stated at fair value using the market approach. Marketable investments consisted of mutual funds at December 31, 2016 and 2015. The inputs used to determine the fair value of mutual funds were considered Level 1.

5. RELATED PARTY TRANSACTIONS AND AFFILIATIONS

Contributions from members of the Board of Directors for the years ended December 31, 2016 and 2015 were $83,135 and $50,950, respectively.

The Organization operates within a covenant agreement with HFHI. The Organization tithes to support HFHI's international homebuilding work. Tithes to HFHI totaled $61,000 and $50,850 for the years ended December 31, 2016 and 2015, respectively.

The United States Department of Housing and Urban Development ("HUD") has awarded grants to HFHI under the Self-Help Home Ownership Program ("SHOP") for land acquisition and infrastructure improvements for houses. Grant funds are passed through by HFHI directly to participating U.S. affiliates in the form of a 75% grant and 25% loan. Notes payable to HFHI under SHOP arrangements totaled $15,700 and $17,938 at December 31, 2016 and 2015, respectively, and are included in notes payable in the consolidated statements of financial position.

6. MORTGAGES RECEIVABLE

Mortgages receivable consisted of the following at December 31:

	2016	2015
Mortgages receivable	$ 14,513,198	$ 13,476,720
Financing discount based on imputed interest at rates ranging from 4% to 8%	(5,445,336)	(5,148,051)
	$ 9,067,862	$ 8,328,669

Mortgages receivable were valued using the income approach and inputs were considered Level 2 under the fair value hierarchy. Gross undiscounted future mortgage payments scheduled to be collected at December 31, 2016 are as follows:

2017	$ 808,473
2018	795,222
2019	777,483
2020	754,099
2021	729,997
Thereafter	10,647,924
Total	$ 14,513,198

7. RESTORE INVENTORY

ReStore inventory consisted of the following at December 31:

	2016	2015
Donated goods	$ 155,000	$ 155,000
Purchased materials	374,738	374,497
	$ 529,738	$ 529,497

8. INVESTMENTS IN JOINT VENTURES

AHFH participated in NMTC programs in November 2011 and in July 2012. The programs, administered by the U.S. Department of the Treasury, provide funds from outside investors to eligible organizations for investment in qualified low-income community investments. Outside investors receive new markets tax credits to be applied against their federal tax liability. Program compliance requirements included creation of promissory notes and investments in qualified community development entities ("CDE or sub-CDE"). Tax credit recapture is required if compliance requirements are not met over a seven-year period after each transaction settlement date.

In November 2011, AHFH invested $1,000,044 in HFHI-SA Leverage IX, LLC and secured a 16-year loan in the amount of $1,320,965 payable to the sub-CDE named HFHI-SA NMTC VI, LLC (see Note 11). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan requires semi-annual interest only payments until November 15, 2019 at 0.75%. Commencing November 15, 2019, semi-annual principal payments are due through maturity date of July 13, 2027. The loan is secured by substantially all the assets acquired by AHFH from the project loan proceeds. As part of the NMTC program, 99.98% of the interest payments will be refunded to the Organization on a semi-annual basis.

In November 2019, HFHI-SA Investment Fund VI, LLC (the "Fund"), the effective owner of HFHI-SA NMTC VI, LLC (holder of the promissory note due from AHFH), is expected to exercise a put option. Under the terms of the put option agreement, HFHI-SA Leverage IX, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow AHFH to extinguish its outstanding debt owed to the Fund.

In July 2012, AHFH invested $1,431,009 in CCML Leverage II, LLC and secured a 16-year loan in the amount of $1,880,000 payable to the sub-CDE named CCM Community Development XXVII, LLC (see Note 11). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan requires semi-annual interest only payments until November 10, 2020 at 0.76%. Commencing November 10, 2020, semi-annual principal payments are due through maturity date of July 26, 2028. The loan is secured by substantially all the assets acquired by AHFH from the project loan proceeds. As part of the NMTC program, 99.99% of the interest payments will be refunded to the Organization on a semi-annual basis.

In August 2019, CCM CD 27 Investment Fund, LLC (the "Fund"), the effective owner of CCM Community Development XXVII, LLC (holder of the promissory note due from AHFH), is expected to exercise a put option. Under the terms of the put option agreement, CCML Leverage II, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow AHFH to extinguish its outstanding debt owed to the Fund.

The investments in the joint ventures are recorded at fair value using the cost approach. These investments are measured at fair value on a recurring basis using significant unobservable inputs (Level 3). At December 31, 2016 and 2015, the balance in these joint ventures was $2,249,247. There were no additional investments during the years ended December 31, 2016 and 2015.

9. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2016	2015
Land	$ 3,090,000	$ 3,112,588
Building and improvements	6,795,482	6,510,519
Equipment	362,180	420,836
Trucks	288,893	219,310
Total	10,536,555	10,263,253
Accumulated depreciation	(726,534)	(638,521)
Property and equipment, net	$ 9,810,021	$ 9,624,732

Property and equipment financed under a capital lease obligation totaled $320,730 and $0, net of accumulated amortization of $38,967 and $0, as of December 31, 2016 and 2015, respectively.

10. INTANGIBLES

Intangibles consisted of the following at December 31:

	2016	2015
Loan closing costs	$ 72,042	$ 72,042
Structuring fees	49,801	49,801
Guarantee fees	44,137	44,137
Total	165,980	165,980
Accumulated amortization	(86,159)	(68,236)
Intangibles, net	$ 79,821	$ 97,744

11. LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

	2016	2015
Non-interest bearing, unsecured notes payable to HFHI under SHOP grants, due in monthly installments through 2019.	$ 15,700	$ 17,938
Unamortized discount based on imputed interest rates averaging 4.0%.	(1,952)	(1,952)
	13,748	15,986
Promissory note to HFHI-SA NMTC VI, LLC, semi-annual interest only payments until November 15, 2019 at 0.75% followed by semi-annual principal payments due through maturity date of July 13, 2027, secured by substantially all the assets acquired by AHFH from the NMTC project loan proceeds.	1,320,965	1,320,965
Promissory note to CCM Community Development XXVII, LLC, semi-annual interest only payments until November 10, 2020 at 0.76% followed by semi-annual principal payments due through maturity date of July 26, 2028, secured by substantially all the assets acquired by AHFH from the NMTC project loan proceeds.	1,880,000	1,880,000
Promissory note to a bank, due in monthly installments of $28,662 fixed principal and interest at a fixed rate (3.82% at December 31, 2016 and 2015) through 2039, secured by ReStore's land and building.	5,159,006	5,299,610
Unamortized discount	(72,077)	(81,687)
	5,086,929	5,217,923
$2,000,000 revolving line of credit with bank, due at maturity, April 15, 2017, interest at a variable rate (3.5% at December 31, 2015), secured by deposits with financial institutions, marketable securities, accounts receivable, inventory, and equipment, and is cross-collateralized with the mortgage note payable.	-	144,247
	8,301,642	8,579,121
Current portion	(141,590)	(143,596)
Long-term portion	$ 8,160,052	$ 8,435,525

The line of credit, notes payable and promissory note contain certain financial covenants, including requirements for liquidity, earnings, and fixed charge coverage. The agreements also contain additional conditions limiting indebtedness, capital expenditures, and various other covenants as defined in the agreements. Failure to comply with the covenants could result in the debt being called by the lenders.

For the years ended December 31, 2016 and 2015, interest incurred on debt and charged to expense was $258,918 and $57,510, respectively. Future maturities of debt at December 31, 2016 are as follows:

	Principal	Amortization of Debt Issuance Costs	Long-term debt, net
2017	$ 151,200	$ (9,610)	$ 141,590
2018	156,985	(9,610)	147,375
2019	243,569	(9,610)	233,959
2020	439,854	(9,610)	430,244
2021	563,546	(9,610)	553,936
Thereafter	6,818,565	(24,027)	6,794,538
Total	$ 8,373,719	$ (72,077)	$ 8,301,642

12. LETTERS OF CREDIT

The Organization entered into letters of credit with financial institutions totaling $84,230 at December 31, 2016 and 2015, pursuant to subdivision construction agreements with the City of Austin. The letters of credit expire in 2017 and specify that drafts may be drawn by the City of Austin Watershed Protection and Development Review Department. There have been no amounts drawn under these letters of credit.

13. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at December 31:

	2016	2015
Use restriction - capital campaign	$ 492,400	$ 123,917
Caldwell Chapter	68,024	52,536
UT Campus Chapter	6,402	37,162
	$ 566,826	$ 213,615

14. PERMANENTLY RESTRICTED NET ASSETS

During the year ended December 31, 2014, HomeBase was awarded a total of $450,000, in capital fund grants by the U.S. Department of the Treasury's Community Development Financial Institution ("CDFI"). These funds were awarded to establish and maintain a capital fund for the establishment of a CDFI network to provide below market financing to developers of affordable housing and a loan loss reserve. Under the terms of the agreement, loan repayments must be returned to the capital fund to ensure its perpetuity; thus, these funds have been accounted for as permanently restricted. In October 2014, HomeBase issued a $430,000, 3% interest bearing loan to AHFH. This loan, to be repaid in monthly installments of principal and interest, matures on October 1, 2039. Loan proceeds and repayments were eliminated upon consolidation. Should HomeBase fail to comply with any of the terms of the agreement, or become defunct, the remaining grant funds, proceeds, and the loan and capital projects portfolios representing the uses of these funds shall revert back to CDFI. Per the award agreement terms, CDFI monitored HomeBase's compliance with certain requirements through December 31, 2016, the end of the compliance period.

15. RETIREMENT PLAN

The Organization sponsors a 401(k) plan that covers substantially all employees. The Organization's contributions to the plan for the years ended December 31, 2016 and 2015 were $82,018 and $58,630, respectively.

16. LEASE COMMITMENTS

The Organization leases office space, a construction warehouse, telephone equipment, and a copier under operating leases. Lease expense under these leases totaled $25,730 and $400,071, respectively, for the years ended December 31, 2016 and 2015. Future minimum lease payments under the leases at December 31, 2016 are $45,868 for the year ended December 31, 2017. The Organization also has a non-cancelable capital lease agreement for solar panels.

Future minimum payments under the capital lease consisted of the following as of December 31, 2016:

2017	$ 41,575
2018	41,575
2019	41,575
2020	41,575
2021	41,575
Thereafter	162,836
Total minimum lease payments	$ 370,711
Less: amount representing interest	(45,795)
	324,916
Less: current portion of capital lease obligations	(32,269)
Long term portion of capital lease obligations	$ 292,647

17. CONTINGENCIES

The Organization receives government grants for specific purposes that are subject to review and audit by government agencies. The Organization is also funded by grants and contracts that are subject to review and audit by the grantor agencies. These contracts have certain compliance requirements and, should audits by the government or grantor agencies disclose any areas of substantial noncompliance, the Organization may be required to refund any disallowed costs.

On October 31, 2013, HomeBase entered into a $1,250,000 forgivable loan agreement with Westgate Momark L.L.C. (“Momark”), a private developer, to acquire land and develop no fewer than 50 afforable new housing units to be sold to low and moderate-income buyers. The forgivable loan was funded by the AHFC. The loan proceeds were transferred to Momark who is responsible for developing the housing units; therefore, this forgivable loan is not recorded on HomeBase’s financial statements. HomeBase retains joint liability with Momark for the forgivable loan, which matures on January 31, 2021 and accrues no interest. In the event Momark fails to meet the forgivable loan requirements, HomeBase is still responsible for ensuring the completion of the project.

18. FEDERAL INCOME TAXES

The Organization is subject to federal income taxes on unrelated business income, which consists of ReStore sales of purchased materials. As of December 31, 2016 and 2015, the Organization has incurred cumulative net operating losses of approximately $1,943,000 and $1,625,000, respectively, for federal income tax purposes from the Organization’s activity. The net operating losses may be used to offset future taxable unrelated business income. If not utilized, these net operating losses would expire in the years 2027 through 2036. The net change in the total valuation allowance for the years ended December 31, 2016 and 2015 was $108,120 and $88,400, respectively. A full valuation allowance has been recorded as utilization is uncertain.

19. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 14, 2017 (the date the consolidated financial statements were available to be issued), and no events have occurred from the statement of financial position date through that date that would impact the consolidated financial statements.

SUPPLEMENTAL INFORMATION

AUSTIN HABITAT FOR HUMANITY, INC.

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	2016					2015
	Low-Cost Housing	ReStore	Fundraising	Management and General	Total	Total
Salaries	$ 952,616	769,464	375,757	363,484	2,461,321	2,156,842
Fringe benefits	187,941	154,268	62,719	47,178	452,106	347,789
Payroll taxes	82,260	64,844	31,798	28,238	207,140	169,516
Advertisements	12,826	53,499	137,298	33	203,656	172,454
Office expenses	40,300	78,632	14,853	14,672	148,457	117,447
Information technology	13,907	7,424	5,732	3,105	30,168	29,399
Occupancy	99,163	13,268	5,371	3,600	121,402	493,316
Travel	7,381	9,614	3,197	955	21,147	24,556
Conferences, conventions, and meetings	5,016	4,217	6,409	5,666	21,308	14,108
Interest expense	72,196	116,237	27,141	33,735	249,309	36,951
Tithe to HFHI	61,000	-	-	-	61,000	50,850
Depreciation and amortization	70,844	169,860	12,863	22,983	276,550	72,401
Insurance	33,007	65,376	3,678	2,592	104,653	88,528
Warranty work	5,040	-	-	-	5,040	25,219
Tools and equipment	9,351	-	-	-	9,351	11,994
Service fees	89,099	6,854	120,650	10,326	226,929	231,317
NMTC transaction fees	26,989	-	-	-	26,989	26,545
Dues and subscriptions	6,900	13,900	9,361	9,658	39,819	33,320
Home Repair program	482,872	4,918	-	-	487,790	528,738
Discount on mortgages, net	238,019	-	-	-	238,019	(186,226)
Cost of homes sold	3,243,936	-	-	-	3,243,936	2,261,829
Cost of goods sold	-	827,755	-	-	827,755	437,007
Donated inventory	-	1,511,844	-	-	1,511,844	783,534
Other expense	10,481	3,184	2,411	2,549	18,625	38,148
Total functional expenses	$ 5,751,144	3,875,158	819,238	548,774	10,994,314	7,965,582

AUSTIN HABITAT FOR HUMANITY, INC.

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2016

	Austin Habitat for Humanity, Inc.	Austin Neighborhood Alliance for Habitat, Inc.	HomeBase Texas	Eliminations	Total
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$ 139,353	195	379,363	-	518,911
Restricted cash - NMTC	71,659	-	-	-	71,659
Restricted cash - capital campaign	301,150	-	-	-	301,150
Marketable investments	391,791	-	-	-	391,791
Accounts receivable	57,664	-	272,074	-	329,738
Pledges receivable, net	170,125	-	-	-	170,125
Mortgages receivable, current portion, net	366,907	-	-	-	366,907
Intercompany receivable	952,170	5,131,574	887,121	(6,970,865)	-
ReStore inventory	529,738	-	-	-	529,738
Construction in progress	551,469	-	-	-	551,469
Prepaid expenses and other	288,603	-	1,818	-	290,421
Total current assets	3,820,629	5,131,769	1,540,376	(6,970,865)	3,521,909
LAND HELD FOR DEVELOPMENT	3,247,376	-	-	-	3,247,376
MORTGAGES RECEIVABLE, long-term portion, net	8,700,955	-	-	-	8,700,955
NOTES RECEIVABLE	-	-	527,803	-	527,803
INVESTMENTS IN JOINT VENTURES	2,429,247	-	-	-	2,429,247
PROPERTY AND EQUIPMENT, net	9,810,021	-	-	-	9,810,021
INTANGIBLES, net	79,821	-	-	-	79,821
TOTAL ASSETS	$ 28,088,049	5,131,769	2,068,179	(6,970,865)	28,317,132
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	174,770	-	26,482	-	201,252
Accrued expenses	236,234	-	302,758	-	538,992
Intercompany payable	6,970,865	-	-	(6,970,865)	-
Deferred revenue	123,275	-	-	-	123,275
Capital lease obligation, current portion	32,269	-	-	-	32,269
Mortgage payable, current portion	29,637	-	-	-	29,637
Notes payable, current portion, net	141,590	-	-	-	141,590
Total current liabilities	7,708,640	-	329,240	(6,970,865)	1,067,015
CAPITAL LEASE OBLIGATION	292,647	-	-	-	292,647
LOANS PAYABLE - MORTGAGES	1,216,075	-	-	-	1,216,075
FORGIVABLE LOANS PAYABLE	895,274	-	-	-	895,274
NOTES PAYABLE, long-term portion, net	8,160,052	-	-	-	8,160,052
Total liabilities	18,272,688	-	329,240	(6,970,865)	11,631,063
NET ASSETS:					
Unrestricted	9,248,535	5,131,769	1,693,073	-	16,073,377
Temporarily restricted	566,826	-	-	-	566,826
Permanently restricted	-	-	45,866	-	45,866
Total net assets	9,815,361	5,131,769	1,738,939	-	16,686,069
TOTAL LIABILITIES AND NET ASSETS	$ 28,088,049	5,131,769	2,068,179	(6,970,865)	28,317,132

AUSTIN HABITAT FOR HUMANITY, INC.

CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	Austin Habitat for Humanity, Inc.	Austin Neighborhood Alliance for Habitat, Inc.	HomeBase Texas	Eliminations	Total
REVENUES:					
Contributions and other:					
Contributions and grants	$ 4,365,095	455,502	114,243	-	4,934,840
Gain on exchange of land transaction	1,152,188	-	-	-	1,152,188
Investment income	11,862	-	12,806	-	24,668
Partnership income	24,266	-	-	-	24,266
In-kind professional services and other	12,400	-	-	-	12,400
Other revenue	298,209	-	380,151	(231,078)	447,282
Total contributions and other	5,864,020	455,502	507,200	(231,078)	6,595,644
ReStore revenues:					
In-kind contributions of inventory	1,511,844	-	-	-	1,511,844
ReStore sales of donated inventory	1,511,844	-	-	-	1,511,844
Donated inventory expense	(1,511,844)	-	-	-	(1,511,844)
ReStore sales of purchased inventory	1,363,800	-	-	-	1,363,800
ReStore cost of goods sold	(827,755)	-	-	-	(827,755)
Total ReStore revenues, net	2,047,889	-	-	-	2,047,889
Low-cost housing revenues:					
Home sales	1,993,000	-	-	-	1,993,000
In-kind contributions of labor and construction materials	812,191	-	-	-	812,191
Total low-cost housing revenues	2,805,191	-	-	-	2,805,191
Total revenues	10,717,100	455,502	507,200	(231,078)	11,448,724
EXPENSES:					
Low-cost housing program	5,751,144	-	-	-	5,751,144
ReStore program	1,535,559	-	-	-	1,535,559
Fundraising	819,238	-	-	-	819,238
Management and general	525,436	1,284	253,132	(231,078)	548,774
Total expenses	8,631,377	1,284	253,132	(231,078)	8,654,715
CHANGE IN NET ASSETS	2,085,723	454,218	254,068	-	2,794,009
NET ASSETS, beginning of year	7,729,638	4,677,551	1,484,871	-	13,892,060
NET ASSETS, end of year	$ 9,815,361	5,131,769	1,738,939	-	16,686,069