NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

Postlethwaite & Netterville
A Professional Accounting Corporation
pncpa.com

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

C O N T E N T S

P&N
Postlethwaite & Netterville

30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163
One Galleria Blvd., Suite 2100 – Metairie, LA 70001
504-837-5990 Phone – 504-834-3609 Fax – pncpa.com

A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Orleans Area Habitat for Humanity, Inc.
New Orleans, Louisiana

We have audited the accompanying consolidated financial statements of New Orleans Area Habitat for Humanity, Inc. and its subsidiaries (a nonprofit organization) (the Organization), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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.

Postlethwaite & Netterville

Opinion

In our opinion, the consolidated financial statements referred to on the page above present fairly, in all material respects, the consolidated financial position of New Orleans Area Habitat for Humanity, Inc. and its subsidiaries as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 29 and 30 is presented for purposes of additional analysis and is not a required part of the basic consolidated 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the Organization's internal control over financial reporting and compliance.

Postlethwaite & Netterville

New Orleans, Louisiana
December 21, 2020

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

A S S E T S

		2020		2019
CURRENT ASSETS				
Cash and cash equivalents	$	914,815	$	776,045
Accounts receivable		461,117		52,097
Investments		17,190,792		7,627,548
Mortgage notes receivable, current portion		131,277		133,666
Construction in progress and inventory		880,627		1,524,499
ReStore inventory		250,458		182,993
Prepaid expenses		59,612		64,544
Total current assets		19,888,698		10,361,392
NON-CURRENT ASSETS				
Mortgage notes receivable, net		3,073,822		2,732,451
Property and equipment, net		10,412,183		10,143,694
Note receivable		1,415,000		1,415,000
Lot inventory		376,704		358,700
Deposits		6,725		6,725
Total non-current assets		15,284,434		14,656,570
TOTAL ASSETS	$	35,173,132	$	25,017,962

L I A B I L I T I E S A N D N E T A S S E T S

		2020		2019
CURRENT LIABILITIES				
Accounts payable	$	178,209	$	132,004
Other liabilities		350,074		416,278
Current portion of notes payable		639,732		86,041
Total current liabilities		1,168,015		634,323
LONG-TERM LIABILITIES				
Notes payable, net		4,730,423		4,549,474
TOTAL LIABILITIES		5,898,438		5,183,797
NET ASSETS				
Without donor restrictions		29,192,751		19,834,165
With donor restrictions		81,943		-
Total net assets		29,274,694		19,834,165
TOTAL LIABILITIES AND NET ASSETS	$	35,173,132	$	25,017,962

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Home sale revenue, net	$ 1,279,820	$ -	$ 1,279,820
Contributions	675,816	131,983	807,799
Grants	-	538,216	538,216
Interest income on mortgage notes	248,018	-	248,018
Investment gain, including change in unrealized appreciation of investments, net	223,870	-	223,870
ReStore revenues	2,700,093	-	2,700,093
Rental revenues	601,373	-	601,373
Gain on sale of mortgage notes	353,212	-	353,212
Recovery of prior damages	10,560,090	-	10,560,090
Other income	104,167	-	104,167
Total revenues and other support	16,746,459	670,199	17,416,658
Net assets released from restrictions	588,256	(588,256)	-
Total revenues and other support	17,334,715	81,943	17,416,658
EXPENSES			
Program services	6,743,937	-	6,743,937
Management and general	801,236	-	801,236
Fundraising	430,956	-	430,956
Total expenses	7,976,129	-	7,976,129
CHANGE IN NET ASSETS	9,358,586	81,943	9,440,529
Net assets, beginning of year	19,834,165	-	19,834,165
Net assets, end of year	$ 29,192,751	$ 81,943	$ 29,274,694

The accompanying notes are an integral part of this consolidated financial statement.

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Home sale revenue, net	$ 1,065,641	$ -	$ 1,065,641
Contributions	658,824	192,350	851,174
Interest income on mortgage notes	174,905	-	174,905
Investment gain, including change in unrealized appreciation of investments, net	340,416	-	340,416
ReStore revenues	1,904,400	-	1,904,400
Rental revenues	516,295	-	516,295
Gain on sale of mortgage notes	1,636,187	-	1,636,187
Other income	116,466	-	116,466
Total revenues and other support	6,413,134	192,350	6,605,484
Net assets released from restrictions	342,735	(342,735)	-
Total revenues and other support	6,755,869	(150,385)	6,605,484
EXPENSES			
Program services	6,026,779	-	6,026,779
Management and general	489,247	-	489,247
Fundraising	446,040	-	446,040
Total expenses	6,962,066	-	6,962,066
CHANGE IN NET ASSETS	(206,197)	(150,385)	(356,582)
Net assets, beginning of year	20,040,362	150,385	20,190,747
Net assets, end of year	$ 19,834,165	$ -	$ 19,834,165

The accompanying notes are an integral part of this consolidated financial statement.

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Management and General	Fundraising	Total
Salaries	$ 1,346,713	$ 500,831	$ 213,422	$ 2,060,966
Payroll taxes	107,808	41,431	17,137	166,376
Benefits	182,456	43,973	33,052	259,481
Personnel development	35,885	24,967	14,239	75,091
Vista/AmeriCorps	43,412	-	-	43,412
Contract labor	73,316	7,266	825	81,407
Total personnel costs	1,789,590	618,468	278,675	2,686,733
Cost of homes sold	2,190,837	-	-	2,190,837
Cost of merchandise sold	1,278,103	-	-	1,278,103
Professional services	146,076	116,629	53,284	315,989
Insurance	347,862	3,946	3,726	355,534
Occupancy costs	239,443	3,492	2,229	245,164
Transportation	98,889	92	1,138	100,119
Supplies	44,846	1,695	5,236	51,777
Equipment	78,719	4,965	452	84,136
Home & Repair costs	345,041	-	-	345,041
Special events	17,809	-	9,679	27,488
Marketing	18,091	445	37,000	55,536
Program expenses	25,741	51,330	36,806	113,877
Other expenses	319,790	174	2,731	322,695
Depreciation and amortization	384,075	-	-	384,075
Total expenses by function	7,324,912	801,236	430,956	8,557,104
Less sales discounts included with revenues on the consolidated statement of activities and changes in net assets	(580,975)	-	-	(580,975)
Total expenses included in the expense section on the consolidated statement of activities and changes in net assets	$ 6,743,937	$ 801,236	$ 430,956	$ 7,976,129

The accompanying notes are an integral part of this consolidated financial statement.

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Total
Salaries	$ 1,136,802	$ 336,125	$ 207,029	$ 1,679,956
Payroll taxes	94,436	28,167	17,498	140,101
Benefits	135,413	33,264	24,082	192,759
Vista/AmeriCorps	89,079	-	-	89,079
Contract labor	58,468	3,767	6,000	68,235
Total personnel costs	1,514,198	401,323	254,609	2,170,130
Cost of homes sold	2,491,365	-	-	2,491,365
Cost of merchandise sold	903,181	-	-	903,181
Professional services	154,844	46,645	33,300	234,789
Depreciation and amortization	295,128	-	-	295,128
Transportation	136,074	-	697	136,771
Insurance	226,608	5,351	5,107	237,066
Home and repair	277,298	-	-	277,298
Occupancy	156,264	10,231	11,359	177,854
Program expenses	62,639	1,391	51,403	115,433
Marketing	74,618	591	57,940	133,149
Equipment	23,456	-	-	23,456
Supplies	55,990	12,212	10,662	78,864
Special events	5,401	-	20,095	25,496
Bad debt expense	188,466	-	-	188,466
Other expenses	82,850	11,503	868	95,221
Total expenses by function	6,648,380	489,247	446,040	7,583,667
Less sales discounts included with revenues on the consolidated statement of activities and changes in net assets	(621,601)	-	-	(621,601)
Total expenses included in the expense section on the consolidated statement of activities and changes in net assets	$ 6,026,779	$ 489,247	$ 446,040	$ 6,962,066

The accompanying notes are an integral part of this consolidated financial statement.

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 9,440,529	$ (356,582)
Adjustment to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	376,794	287,847
Amortization of loan issuance costs	7,281	7,281
Sales of homes to participants	(1,279,820)	(1,065,641)
Unrealized (gain) loss on investments	(57,642)	128,999
Realized (gain) loss on investments	(166,228)	(264,937)
(Gain) loss on disposal of fixed assets	-	(5,626)
Gain on sale of mortgage notes receivable	(353,212)	(1,636,187)
Bad debt expense	-	188,466
Changes in assets and liabilities		
Accounts receivable	(471,880)	(12,462)
Construction in progress and inventory	739,993	131,450
ReStore inventory	(67,465)	(80,459)
Prepaid expenses	4,932	48,503
Deposits	-	(3,000)
Accounts payable	46,205	(18,769)
Other liabilities	(66,204)	(372,396)
Net cash provided by (used in) operating activities	8,153,283	(3,023,513)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(645,283)	(2,334,875)
Purchase of lot inventory	(18,004)	(36,215)
Purchases of investments	(10,575,479)	(4,258,101)
Proceeds from sales of investments	1,236,105	2,844,702
Receipts of mortgage notes receivable principal	408,439	245,779
Proceeds from sale of fixed assets	-	48,681
Repurchase of mortgage notes receivable	(151,651)	(150,113)
Proceeds from the sale of mortgage notes receivable	1,004,001	4,631,035
Net cash (used in) provided by investing activities	(8,741,872)	990,893
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of notes payable	813,400	2,225,444
Payments on notes payable	(86,041)	(20,685)
Net cash provided by financing activities	727,359	2,204,759
NET CHANGE IN CASH AND CASH EQUIVALENTS	138,770	172,139
Cash and cash equivalents, beginning of year	776,045	603,906
Cash and cash equivalents, end of year	$ 914,815	$ 776,045

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

1. Nature of Activities

New Orleans Area Habitat for Humanity, Inc. (Habitat) and its wholly owned subsidiaries, NOAHH MC, Inc. (MC) and NOAHH SO, Inc. (SO), (collectively, the Organization) are each 501(c)(3) exempt organizations. Habitat, which was incorporated in the state of Louisiana in 1983 and is an ecumenical Christian based housing ministry that seeks to eradicate poverty housing and to make safe, decent, affordable housing a matter of conscience and action, is an independent affiliate of Habitat for Humanity International, Inc. The Organization's service area includes Orleans, St. Bernard, Jefferson, Plaquemines, and St. Charles Parishes. MC was incorporated in the state of Louisiana in March, 2009. SO was incorporated in the state of Louisiana in December, 2013. These subsidiaries exclusive purpose is to benefit and support Habitat to the extent such support is a charitable purpose.

The Organization builds homes in partnership with volunteers, donors, communities, and hard-working, low-income families. Habitat homes are sold to qualifying partner families at no profit through zero percent interest loans.

The Organization operates a retail establishment, the ReStore, which sells donated quality surplus building materials at prices significantly below retail. This allows the public to maintain or improve their homes. The proceeds from the ReStore are used to help further the mission of the Organization.

2. Summary of Significant Accounting Policies

Basis of accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Accordingly, revenues are recognized when earned and expenses are recorded when incurred. Contributions are recognized when received or unconditionally promised. In-kind donations are recognized at their fair market value when received.

Principles of consolidation

The consolidated financial statements include the accounts of Habitat and its wholly owned subsidiaries, MC and SO. All significant intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies (continued)

Basis of presentation

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) imposed restrictions. These net assets may be used at the discretion of the Organization's management and the board of directors.

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.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income taxes

The Organization is a non-profit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is exempt from Louisiana income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950.

Accounting Standards Codification (ASC) *Accounting for Uncertainty in Income Taxes*, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. It also clarifies the application of accounting for income taxes by defining a criterion that an individual tax position must meet for any part of the benefit of that position to be recognized in an entity's financial statements. The interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. The Organization has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

2. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid bank money market funds and investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair value based on available market quotes in the consolidated statements of financial position and as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Unrealized gains that are restricted by donors are reported as increases in net assets with donor restrictions. Unrealized gains absent restriction and unrealized losses are reported as increases and decreases in net assets without donor restrictions. Realized and unrealized gains and interest and dividends earned are reported as investment gains in the consolidated statements of activities and changes in net assets.

Mortgage notes receivable

Mortgage notes receivable consist of non-interest bearing mortgage notes which are collateralized by real estate in the New Orleans area and are payable in monthly installments over the life of the mortgage notes. The mortgage notes receivables are net of discounts, which represent the difference between the stated amount of the mortgage notes and the present values based on an imputed amount of interest. The discounts are amortized over the lives of the mortgage notes using the interest method. The imputed interest rates used approximate the rates that independent borrowers and lenders would have negotiated in a similar transaction. Mortgage notes receivable are considered past due if payments are more than thirty days late. All mortgage notes receivables are collateralized by residential property. Management believes that the values of such collateral are in excess of the mortgage notes receivable as of both June 30, 2020 and 2019.

Construction inventory and cost of homes sold

Construction inventory consists of land, materials, and other costs associated with houses under construction. Construction in progress is recorded at cost. When homes are sold, costs of homes sold are considered program services expense.

2. Summary of Significant Accounting Policies (continued)

Receivables

Receivables are stated at the amount the Organization expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for doubtful accounts at June 30, 2020 or 2019.

Inventory

Inventory is recorded at the lower of cost or net realizable value.

Property and equipment

Property and equipment are recorded at cost when purchased and at their estimated fair market value when received as a donation. Improvements and major repairs, which extend and enhance the useful life of the asset, are capitalized. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in the change in net assets.

Contributions

Contributions received are recorded as support with or without donor restrictions based on the existence and/or nature of any donor restrictions. Donor restricted support is reported as an increase in net assets with donor restrictions.

Donated materials and services

Volunteers contribute significant amounts of time to the Organization’s program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. In 2020, over 2,432 people volunteered approximately 31,768 hours. In 2019, over 4,551 people volunteered approximately 90,216 hours to assist in the construction work. Contributed goods are recorded at fair value at the date of donation.

2. Summary of Significant Accounting Policies (continued)

Functional allocation of expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Salaries	Time and effort
Payroll taxes	Time and effort
Benefits	Time and effort
Contract labor	Time and effort
Professional services	Time and effort
Transportation	Full time equivalent
Insurance	Full time equivalent
Occupancy	Square footage
Program expense	Full time equivalent
Marketing	Full time equivalent
Supplies	Full time equivalent
Special events	Full time equivalent
Other expenses	Full time equivalent

Reclassification

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements.

Recently adopted accounting standard

In June 2018, the FASB issued ASU No. 2018-08 Not-for-Profit Entities (Topic 958); *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The implementation of this new standard did not have a material impact on the measurement or recognition of contribution revenue.

2. Summary of Significant Accounting Policies (continued)

Recent accounting pronouncements yet to be adopted

The FASB has issued Accounting Standards Update (ASU) 2014-09, (Topic 606*), Revenue from Contracts with Customers*, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities that had not yet issued their 2020 financial statements. This standard will be effective for the Organization for annual periods beginning after December 15, 2019.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the consolidated statements of financial position as well as additional disclosures. This ASU will be effective for the Organization's year ending June 30, 2023.

The Organization is currently assessing the impact of these pronouncements on its consolidated financial statements.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

Financial assets at year end:	2020	2019
Cash and cash equivalents	$ 914,815	$ 776,045
Accounts receivable, net	461,117	52,097
Investments	17,190,792	7,627,548
Mortgage notes receivable, current portion	131,277	133,666
Total financial assets	18,698,001	8,589,356
Less amounts not available to be used within twelve months:		
Net assets with donor restrictions	81,943	-
Financial assets available to meet general expenditures over the next twelve months	$ 18,616,058	$ 8,589,356

As part of the Organization's liquidity management plan, it invests cash in excess of daily requirements in short-term investments, certificates of deposits, and money market funds.

4. Investments

Investments consisted of the following at June 30:

	2020	2019
Money market funds	$ 12,545,661	$ 296,461
Corporate bonds	2,425,907	3,334,059
Exchange-traded products	1,393,112	1,408,715
Certificates of deposit	808,011	2,588,313
Common stocks	18,101	-
	$ 17,190,792	$ 7,627,548

Money market funds are primarily invested in U.S. government securities. The certificates of deposits have maturities ranging through June 2022.

5. Mortgage Notes Receivable

Mortgage notes receivable consisted of the following at June 30:

	2020	2019
Mortgage notes receivable	$ 4,539,016	$ 4,219,875
Unamortized discount based on imputed interest rates of 4.0% - 6.5%	(1,333,917)	(1,353,758)
	3,205,099	2,866,117
Current maturities	(131,277)	(133,666)
	$ 3,073,822	$ 2,732,451

At June 30, 2020, contractual maturities of mortgage receivables, net of discount, were as follows:

2021	$ 131,277
2022	134,416
2023	140,824
2024	145,073
2025	152,438
Thereafter	2,501,071

6. Note Receivable

	2020	2019
Note receivable from a financial institution with interest at 1.4%, requiring monthly interest payments of $1,667 until May 2021, at which time semi-annual principal and interest payments sufficient to fully amortize the outstanding principal balance at maturity in March 2039.	$ 1,415,000	$ 1,415,000

7. Construction Inventory

Construction inventory consisted of land, materials, and houses in various stages of completion at June 30:

	2020	2019
Construction in progress	$ 811,017	$ 1,444,296
Materials inventory and prepaid supplies	69,610	80,203
	$ 880,627	$ 1,524,499

8. Property and Equipment

Property and equipment consisted of the following at June 30:

	Useful Lives	2020	2019
Buildings and land	32 – 40 years	$ 6,593,811	$ 6,527,703
Rental houses	27 – 28 years	4,947,216	4,400,058
Furniture and fixtures	3 – 7 years	240,461	240,461
Tools and equipment	2 – 7 years	175,540	194,931
Vehicles	5 years	303,322	251,912
		12,260,350	11,615,065
Accumulated depreciation		(1,848,167)	(1,471,371)
		$ 10,412,183	$ 10,143,694

9. Notes Payable

The Organization participates in the New Market Tax Credits (NMTC) program described in Note 13 and has obtained loans of $1,415,000 and $585,000 payable to a commercial bank, which is a certified community development entity (CDE). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low-income residents. Semi-annual payments of interest only are required for the first seven years. Beginning May 15, 2021, principal and interest payments will be due in semi-annual installments through the maturity date. The stated interest is 1%, and the loan matures on March 18, 2039. These loans are secured by the Organization's assets held with the financial institution.

In connection with the loan, the Organization also incurred debt issuance costs of $182,023 which have been capitalized and will amortize over the term of the loan. Debt issuance costs are presented net of accumulated amortization of 45,507 and $38,226 at June 30, 2020 and June 30, 2019, respectively.

At June 30, 2020, principal payments for the five years which follow for the above notes payable are:

Fiscal Year Ending June 30:		
2021	$	101,942
2022		102,964
2023		103,996
2024		105,039
2025		106,092
Thereafter		1,479,967

In December of 2017, the Organization entered into a capital expenditure borrowing facility with a financial institution of $2,800,000 bearing an interest rate of 5%. The Organization had the right to draw upon the facility through March 2019 at which point the facility converted into a term note payable. The borrowings are payable in monthly interest only payments beginning January 2018 through March 2019, at which point principal and interest payments are paid in monthly installments beginning April 2019, with the remaining principal due in full in December 2024. At June 30, 2020 and 2019, the outstanding balance was $2,693,271 and $2,779,312, of which $90,641 and $86,041 is classified as a current obligation in the statement of financial position at June 30, 2020 and 2019, respectively.

On April 25, 2020, the Organization received a loan in the amount of $426,400 under the Paycheck Protection Program created as a part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at a fixed rate of 1.0%, but payments are not required to begin for seven months after the funding of the loan. The Organization is eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal Government.

9. Notes Payable (continued)

On June 19, 2020, the Organization entered into several note payable agreements with a financial institution for a total of $387,000 with maturity dates of June of 2035, bearing interest of 3%, and is secured by deposit accounts held with the financial institution.

At June 30, 2020, principal payments for the five years which follow for the above notes payable, excluding the new market tax credits, are:

Fiscal Year Ending June 30:		
2021	$	537,790
2022		116,484
2023		121,817
2024		2,430,439
2025		23,391
Thereafter		276,750

10. Net Assets with Donor Restrictions

The net assets with donor restrictions are primarily restricted for the construction or financing of certain future houses sponsored by the individual contributors and are included in accounts receivable. The Organization had net assets restricted for the following purposes at June 30:

Subject to the passage of time	$	40,000
Subject to expenditure for specified purposes		41,943
	$	81,943

11. In-kind Contributions and Services

In-kind contributions consist principally of contributed fixed assets, building materials, and supplies for use in the Organization's home building program or inventory for use in the ReStore. During 2020 and 2019, the Organization received goods and supplies with an estimated fair value of $1,425,974 and $1,051,661, respectively.

12. Commitments and Contingencies

Contingent mortgage notes receivable

To encourage homeowners to fulfill their commitment to homeownership, second mortgage notes receivable (for the difference between the selling price and the estimated fair value at date of sale) are held by the Organization on most houses sold after March 1998. Mortgage note payments under these "soft" second mortgages are not due as long as the homeowners retain ownership and are current in their payments.

If the homeowners are current on the first mortgage notes, then after certain specified years, the principal balances of the second mortgage notes will be reduced over various time periods so that at the end of the amortization period the principal balances of the mortgage notes will be zero. For the fiscal years ended June 30, 2020 and 2019, the Organization recognized income from second mortgages totaling $99,881 and $44,242, respectively (the unforgiven portion), and is recorded as proceeds from second mortgages.

Recourse mortgage notes

The Organization occasionally sells its non-interest bearing mortgage notes receivable. The sales have a provision which requires the Organization to repurchase the notes in the event of default. During 2020 and 2019, the Organization sold 9 and 56 mortgage notes receivable at their face of $1,004,001 and $4,629,408, respectively. At June 30, 2020 and 2019, the total recourse mortgage notes receivable had face value of $17,346,941 and $17,616,386, respectively. In the event the notes are repurchased, the Organization has the right to foreclose and resell or repurpose the associated property.

13. New Market Tax Credits

Habitat applied for NMTC of $2,000,000, which was received in March 2014. In preparation of these credits and to facilitate the NMTC structure, a new entity, SO, was formed in December 2013 as a support organization for Habitat. On March 19, 2014, Habitat made contributions totaling $1,415,000 to SO. SO funded a loan of $1,415,000 to a LLC lending entity in exchange for a note receivable with interest at 1.413427% for 25 years, calling for semi-annual payments of interest only beginning May 2014, and then semi-annual payments of principal and interest beginning May 2021 until maturity in March 2039.

13. New Market Tax Credits (continued)

On March 19, 2014, Habitat borrowed funds of $2,000,000 in a separate division within Habitat known as Portion of the Business (POB). These funds were borrowed through two separate qualified low-income community investment loans of $1,415,000 and $585,000 from a second LLC lending entity.

At June 30, 2020 and 2019, the POB division was allocated total assets of $1,592,208 and $1,581,971 and liabilities of $2,068,841 and $2,063,071, respectively. For the years ending June 30, 2020 and 2019, the POB division had gross revenues of $33,198 and $252,925 and expenses of $21,150 and $36,468, respectively.

14. Related Party Transactions

A member of the Organization's board of directors and finance committee is a high ranking official of a financial institution who holds recourse mortgage notes that were purchased from the Organization (See Note 12).

15. Supplemental Disclosures of Cash Flow Information

During the years ended June 30, 2020 and June 30, 2019, non-interest bearing mortgage notes receivable of $1,177,636 and $1,021,399, respectively, with an unamortized discount of $580,975 and $621,601, respectively, resulted from the sale of homes. In 2020 and 2019, construction materials with a fair market value of $1,425,974 and $1,051,661, respectively, were donated. During 2020 and 2019, mortgage notes receivable of $297,957 and $150,113, respectively, were foreclosed upon with the collateral property converted to rental properties, sold at auction, or transferred to construction in process to be refurbished and sold to partner families. Interest paid in 2020 and 2019 was $153,555 and $53,905, respectively. Accrued construction in progress was $16,017 and $154,061, at June 30, 2020 and 2019, respectively.

16. Financial Instruments and Credit and Market Risk Concentration

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents, investments and mortgage notes receivable. Cash and cash equivalents are placed with financial institutions to minimize risk. Investments consist of certificates of deposit and government securities. The certificates of deposit have been placed in increments up to $250,000 with banks nationwide and are fully insured by the Federal Deposit Insurance Corporation (FDIC). Money market funds are primarily backed by U.S. government securities.

16. Financial Instruments and Credit and Market Risk Concentration (continued)

Common stock, corporate bonds, and preferred securities are primarily invested in large international corporations. The Organization's mortgage notes receivable base is limited to primarily New Orleans, Louisiana. Homeowners insurance and flood insurance are required on all homes securing the mortgage notes, thus mitigating risk.

The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by FDIC. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

As of June 30, 2020, the Organization's money market funds, common stock, corporate bonds and preferred securities are held with a large national brokerage firm and are covered by Securities Investor Protection Corporation (SIPC) up to $500,000. Excess SIPC coverage has been purchased, at no cost to the Organization, from an international insurance firm, to cover amounts not covered under FDIC and SIPC limits.

17. Fair Value Measurements

Fair value is defined as the price that would be received by the Organization for an asset or paid by the Organization to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Organization's principal or most advantageous market for the asset or liability. The fair value hierarchy requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

17. Fair Value Measurements (continued)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All investments of the Organization are valued using Level 1 inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit: Stated at cost, plus accrued interest, which approximates fair value.

Money market funds: Stated at cost, plus accrued interest, which approximates fair value.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

Exchange traded products: Valued at the daily closing price as reported by the mutual fund. Mutual funds held by the Organization are closed-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

17. Fair Value Measurements (continued)

The following tables sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020 and 2019:

Assets at Fair Value as of June 30, 2020

	Level 1	Level 2	Level 3	Total
Money market funds	$ 12,545,661	$ -	$ -	$ 12,545,661
Corporate bonds	2,425,907	-	-	2,425,907
Exchange-traded products	1,393,112	-	-	1,393,112
Certificates of deposit	808,011	-	-	808,011
Common stocks	18,101	-	-	18,101
Total assets at fair value	$ 17,190,792	$ -	$ -	$ 17,190,792

Assets at Fair Value as of June 30, 2019

	Level 1	Level 2	Level 3	Total
Money market funds	$ 296,461	$ -	$ -	$ 296,461
Corporate bonds	3,334,059	-	-	3,334,059
Exchange-traded products	1,408,715	-	-	1,408,715
Certificates of deposit	2,588,313	-	-	2,588,313
	$ 7,627,548	$ -	$ -	$ 7,627,548

18. Benefit Plan

The Organization provides for a 401(k) contribution plan to all employees who are at least 21 years of age and have one year of service with the Organization. During the years ended June 30, 2020 and 2019, matching contributions to the contribution plan were $31,384 and $21,967, respectively.

19. Recovery of Prior Damages

During 2020, the Organization received settlement proceeds in the amount of $10,560,090 for a claim related to Chinese sheetrock. The resulting gains relating to this settlement are recorded in the consolidated statement of activities and changes in net assets. According to the terms of previous settlements, an undetermined amount of the above proceeds could be payable to a third-party, under certain circumstances. However, as of June 30, 2020, no determination has been made.

20. Effects of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. This pandemic has subsequently impacted the global economy, creating volatility and negatively disrupting financial markets. Given the continued spread of COVID-19 throughout the United States, the related impact, if any, on the Organization's operational and financial performance will depend on evolving factors that cannot be predicted at this time.

21. Subsequent Events

In November 2020, the Organization paid off its $2,693,271 construction note payable.

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 21, 2020, and determined that no events occurred that require disclosure, except as disclosed above. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

P&N
Postlethwaite & Netterville

30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163
One Galleria Blvd., Suite 2100 – Metairie, LA 70001
504-837-5990 Phone – 504-834-3609 Fax – pncpa.com

A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
New Orleans Area Habitat for Humanity, Inc.
New Orleans, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of New Orleans Area Habitat for Humanity, Inc. (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-01 and 2020-02 that we consider to be significant deficiencies.

Postlethwaite & Netterville

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

New Orleans Area Habitat for Humanity Inc.'s Response to Findings

The Organization's response to findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

New Orleans, Louisiana
December 21, 2020

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

(1) Summary of Results

(a) The type of report issued on the financial statements: Unmodified

(b) Internal control over financial reporting:

Material weakness(es) identified: None reported

Significant deficiency(ies) identified: Yes

(c) Noncompliance which is material to the financial statements: none reported

(2) Findings Relating to the Financial Statements Reported in Accordance with *Louisiana Legislative Auditor Requirements*

Finding 2020-01 Check Signing – Two Signatures Required

Criteria:	The Organization has a policy requiring two signatures for checks greater than $15,000.
Condition:	Upon inspection of disbursements made during the year ended June 30, 2020, we noted substantial noncompliance with this policy.
Cause:	When strictly followed, this policy provides strong control over the cash disbursements process.
Effect:	The Organization does not appear to have adequate internal controls relating to disbursements greater than $15,000.
Recommendation:	We suggest that this practice be consistently followed.
Management's Response:	The Director of Strategic Initiatives served as the primary signer and signed three checks (8/23/19, 09/10/19 and 11/26/19). The Director of Strategic Initiatives and the Accounts Payable Clerk were responsible for confirming that checks greater than $15,000 had two signatures. Both of these positions were eliminated. A Staff Accountant focused specifically on Accounts Payable is responsible for ensuring that this control is consistently followed.

Finding 2020-02 Check Signing: Conflicting Duties

Criteria:	Adequate internal controls include appropriate segregation of duties over significant transactions including disbursements.
Condition:	The Chief Financial Officer for the Organization is also an authorized check signor on the cash accounts. Recently the Organization put into place a control that any check over $15,000 requires two signatures.

Cause: Although the Organization has put into place a control that any check over $15,000 requires two signatures, the potential for material misstatements of the financial statements due to fraud still exists.

Effect: The Organization does not appear to have adequate internal controls relating to appropriate segregation of duties.

Recommendation: In order to maintain proper segregation of duties and strengthen internal controls, we recommend that the Organization consider requiring two signatures for checks signed by the Chief Financial Officer and any other individuals who have access to the cash and accounting functions. This is especially important if an individual who signs checks also can make accounting entries to the general ledger and reconciles the account.

Management's Response: The authorized signers for the bank accounts are the President, Vice-President, Treasurer, Executive Director, Director of Strategic Initiatives and Chief Financial Officer. The Chief Financial Officer reviews the accounts payable check run and approves it for signing. The Director of Strategic Initiatives is the primary signer. For checks greater than $15,000, the Chief Financial Officer will co-sign along with the Director of Strategic Initiatives. The Chief Financial Officer serves as the signer of last resort, and does not sign checks without Executive Director or Director of Strategic Initiatives written/emailed request. As of July 2020, the Director of Strategic Initiatives position was eliminated. The primary signer is the Executive Director. If the Executive Director is unable to sign, the Chief Financial Officer will get a second signature.

(3) Prior Year Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standard*:

Finding 2019-01 General Ledger

Condition: A significant number of account balances require extensive reconciliation and outside corroboration to finalize reliable financial information. These include, mortgage notes receivable, fixed assets, construction inventory, and other transaction classes.

Status: Resolved.

Finding 2019-02 Check Signing: Conflicting Duties

Condition: The Chief Financial Oficer for the Organization is also an authorized check signer on the cash accounts. Recently the Organization put into place a control that any check over $15,000 requires two signatures.

Status: Not resolved.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

	New Orleans Area Habitat for Humanity, Inc.	NOAHH SO, Inc.	NOAHH MC, Inc.	Eliminations/ Reclassifications	Consolidated
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 875,262	$ 22,334	$ 17,219	$ -	$ 914,815
Accounts receivable	458,562	2,555	-	-	461,117
Investments	17,190,792	-	-	-	17,190,792
Mortgage notes receivable, current portion	131,277	-	-	-	131,277
Construction in progress and inventory	880,627	-	-	-	880,627
ReStore inventory	250,458	-	-	-	250,458
Prepaid expenses	57,241	-	2,371	-	59,612
Due from NOAHH, Inc.	-	100,000	32,755	(132,755)	-
Total current assets	19,844,219	124,889	52,345	(132,755)	19,888,698
NON-CURRENT ASSETS					
Mortgage notes receivable, net	3,073,822	-	-	-	3,073,822
Property and equipment, net	10,412,183	-	-	-	10,412,183
Note receivable	-	1,415,000	-	-	1,415,000
Lot Inventory	376,704	-	-	-	376,704
Deposits	6,725	-	-	-	6,725
Total non-current assets	13,869,434	1,415,000	-	-	15,284,434
TOTAL ASSETS	$ 33,713,653	$ 1,539,889	$ 52,345	$ (132,755)	$ 35,173,132
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	$ 178,209	$ -	$ -	$ -	$ 178,209
Other liabilities	350,074	-	-	-	350,074
Current portion of long-term debt	639,732	-	-	-	639,732
Due to NOAHH MC, Inc.	32,755			(32,755)	
Due to NOAHH SO, Inc.	100,000	-	-	(100,000)	-
Total current liabilities	1,300,770	-	-	(132,755)	1,168,015
LONG-TERM LIABILITIES					
Notes payable, net of debt issuance costs of $136,516, net	4,730,423	-	-	-	4,730,423
TOTAL LIABILITIES	6,031,193	-	-	(132,755)	5,898,438
NET ASSETS					
Without donor restrictions	27,600,517	1,539,889	52,345	-	29,192,751
With donor restrictions	81,943	-	-	-	81,943
Total net assets	27,682,460	1,539,889	52,345	-	29,274,694
TOTAL LIABILITIES AND NET ASSETS	$ 33,713,653	$ 1,539,889	$ 52,345	$ (132,755)	$ 35,173,132

NEW ORLEANS AREA HABITAT FOR HUMANITY, INC.
NEW ORLEANS, LOUISIANA
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	New Orleans Area Habitat for Humanity, Inc.	NOAHH SO, Inc.	NOAHH MC, Inc.	Eliminations/ Reclassifications	Consolidated
REVENUE AND OTHER SUPPORT					
Home sale revenue, net of discount	$ 1,279,820	$ -	$ -	$ -	$ 1,279,820
Contributions	807,799	-	-	-	807,799
Grants	538,216	-	-	-	538,216
Interest income on mortgage notes	248,018	-	-	-	248,018
Investment gain, including change in unrealized appreciation of investments	223,870	-	-	-	223,870
ReStore income	2,700,093	-	-	-	2,700,093
Rental income	601,373	-	-	-	601,373
Gain on sale of mortgage notes	353,212	-	-	-	353,212
Recovery of prior damages	10,560,090	-	-	-	10,560,090
Other income (loss)	84,167	20,000	-	-	104,167
Total revenues and other support	17,396,658	20,000	-	-	17,416,658
EXPENSES					
Program services	6,739,265	-	4,672	-	6,743,937
Management and general	801,236	-	-	-	801,236
Fundraising	430,956	-	-	-	430,956
Total expenses	7,971,457	-	4,672	-	7,976,129
CHANGE IN NET ASSETS	9,425,201	20,000	(4,672)	-	9,440,529
Net assets, beginning of year	18,257,259	1,519,889	57,017	-	19,834,165
Net assets, end of year	$ 27,682,460	$ 1,539,889	$ 52,345	$ -	$ 29,274,694