AUSTIN HABITAT FOR HUMANITY, INC.
(A Nonprofit Corporation)

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended December 31, 2021 and 2020

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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Report of Independent Auditor

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

Opinion

We have audited the accompanying consolidated financial statements of Austin Habitat for Humanity, Inc. and its subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating schedules of financial position information and consolidating schedule of activities information on pages 23 through 26, are presented for purposes of additional analysis and are not a required part of the 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 audits 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.

Cherry Bekaert LLP

Austin, Texas
June 30, 2022

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 7,795,025	$ 4,550,715
Restricted cash	1,792,129	-
Investments, at fair value	-	16,972
Accounts receivable	323,404	383,072
Pledges receivable, net	66,550	121,000
Mortgages receivable, current portion, net	767,274	789,238
ReStore inventory	1,659,178	852,421
Home construction in progress	856,968	2,960,958
Prepaid expenses and other current assets	537,367	213,751
Total Current Assets	13,797,895	9,888,127
Land held for development	4,683,150	4,958,354
Land held for sale	1,494,117	-
Pledges receivable, long-term portion, net	-	212,385
Mortgages receivable, long-term portion, net	8,657,287	8,994,125
Notes receivable, 2nd liens, net	992,411	1,004,990
Property and equipment, net	10,896,064	9,763,461
Total Assets	$ 40,520,924	$ 34,821,442
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 658,812	$ 321,319
Accrued expenses	1,076,436	669,113
Deferred revenue	3,463,671	4,313,620
Line of credit	-	1,000,000
Capital lease obligation, current portion	37,484	36,378
Notes payable - TDHCA, current portion	109,658	111,816
Long-term debt, current portion	180,325	-
Paycheck Protection Program loan	768,200	768,200
Total Current Liabilities	6,294,586	7,220,446
Capital lease obligation, long-term portion	116,005	153,489
Notes payable - TDHCA, long-term portion	1,335,319	1,379,912
Long-term debt, net of unamortized debt issuance costs	8,842,541	5,327,414
Total Liabilities	16,588,451	14,081,261
Net Assets:		
Without donor restrictions	23,198,088	19,506,160
With donor restrictions	734,385	1,234,021
Total Net Assets	23,932,473	20,740,181
Total Liabilities and Net Assets	$ 40,520,924	$ 34,821,442

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

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions and Other Income:			
Contributions	$ 2,652,548	$ 199,984	$ 2,852,532
Home building sponsorship revenues	2,107,376	-	2,107,376
Investment income	9,159	-	9,159
Other income	2,264,741	-	2,264,741
Net assets released from restrictions	699,620	(699,620)	-
Total Contributions and Other Income	7,733,444	(499,636)	7,233,808
ReStore Revenues:			
ReStore sales	7,318,500	-	7,318,500
In-kind donation of inventory	4,022,595	-	4,022,595
Cost of goods sold	(5,899,306)	-	(5,899,306)
Sales discounts and refunds	(290,288)	-	(290,288)
Total ReStore Revenues, net	5,151,501	-	5,151,501
Low-Cost Housing Revenues:			
Home sales	4,699,500	-	4,699,500
In-kind contributions of labor and construction materials	665,987	-	665,987
Mortgage discount and amortization	333,908	-	333,908
Other housing revenues	3,510	-	3,510
Cost of homes sold	(5,137,326)	-	(5,137,326)
Total Low-Cost Housing Revenues, net	565,579	-	565,579
Total Revenues	13,450,524	(499,636)	12,950,888
Expenses:			
Low-cost housing program	2,750,381	-	2,750,381
ReStore program	4,766,961	-	4,766,961
Fundraising	1,264,475	-	1,264,475
Management and general	976,779	-	976,779
Total Expenses	9,758,596	-	9,758,596
Change in net assets	3,691,928	(499,636)	3,192,292
Net assets, beginning of year	19,506,160	1,234,021	20,740,181
Net assets, end of year	$ 23,198,088	$ 734,385	$ 23,932,473

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

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions and Other Income:			
Contributions	$ 1,787,301	$ 1,017	$ 1,788,318
Home building sponsorship revenues	1,084,589	-	1,084,589
Investment income	6,862	-	6,862
Other income	371,783	-	371,783
Net assets released from restrictions	411,470	(411,470)	-
Total Contributions and Other Income	3,662,005	(410,453)	3,251,552
ReStore Revenues:			
ReStore sales	5,501,709	-	5,501,709
In-kind donation of inventory	2,912,667	-	2,912,667
Cost of goods sold	(4,263,940)	-	(4,263,940)
Sales discounts and refunds	(262,474)	-	(262,474)
Total ReStore Revenues, net	3,887,962	-	3,887,962
Low-Cost Housing Revenues:			
Home sales	1,188,028	-	1,188,028
In-kind contributions of labor and construction materials	519,172	-	519,172
Mortgage discount and amortization	201,579	-	201,579
Other housing revenues	2,795	-	2,795
Cost of homes sold	(1,462,595)	-	(1,462,595)
Total Low-Cost Housing Revenues, net	448,979	-	448,979
Total Revenues	7,998,946	(410,453)	7,588,493
Expenses:			
Low-cost housing program	2,425,699	-	2,425,699
ReStore program	3,314,697	-	3,314,697
Fundraising	793,081	-	793,081
Management and general	731,805	-	731,805
Total Expenses	7,265,282	-	7,265,282
Change in net assets	733,664	(410,453)	323,211
Net assets, beginning of year	18,772,496	1,644,474	20,416,970
Net assets, end of year	$ 19,506,160	$ 1,234,021	$ 20,740,181

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

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Low-cost Housing	ReStore	Fundraising	Management and General	Total
Salaries and related	$ 1,766,941	$ 3,152,190	$ 708,929	$ 473,416	$ 6,101,476
Advertisements	4,690	145,352	248,259	8,402	406,703
Office expenses	41,880	342,629	18,947	39,775	443,231
Information technology	63,251	74,088	22,092	18,359	177,790
Occupancy	116,144	465,053	3,888	11,030	596,115
Travel	6,395	31,263	4,555	6,564	48,777
Conference, conventions, and meetings	1,744	14,702	2,399	136,778	155,623
Interest and amortization	18,721	143,793	6,757	6,570	175,841
Tithe to HFHI	226,334	-	-	-	226,334
Depreciation	26,454	221,797	10,556	22,206	281,013
Insurance	52,543	122,452	2,646	3,087	180,728
Warrant work	6,623	-	-	-	6,623
Tools and equipment	8,310	1,267	-	373	9,950
Professional services	65,595	21,869	4,445	211,645	303,554
Dues and subscriptions	22,635	19,675	14,446	32,537	89,293
Home repair program	309,754	-	2,522	(22)	312,254
Other expense	12,367	10,831	214,034	6,059	243,291
Total	$ 2,750,381	$ 4,766,961	$ 1,264,475	$ 976,779	$ 9,758,596

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

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Low-cost Housing	ReStore	Fundraising	Management and General	Total
Salaries and related	$ 1,650,251	$ 2,195,034	$ 588,463	$ 484,474	$ 4,918,222
Advertisements	729	88,024	117,657	641	207,051
Office expenses	44,305	160,094	18,227	31,325	253,951
Information technology	53,093	63,766	17,542	24,594	158,995
Occupancy	99,275	296,300	2,221	5,299	403,095
Travel	6,771	17,474	2,183	2,851	29,279
Conference, conventions, and meetings	1,343	10,753	1,038	14,926	28,060
Interest and amortization	12,864	141,534	6,978	8,209	169,585
Tithe to HFHI	91,333	-	-	-	91,333
Depreciation	27,485	213,431	10,161	15,529	266,606
Insurance	61,081	95,928	2,125	2,421	161,555
Warrant work	18,597	-	-	-	18,597
Tools and equipment	7,918	440	-	-	8,358
Professional services	63,057	9,726	11,233	106,736	190,752
Dues and subscriptions	17,100	10,725	13,277	22,536	63,638
Home repair program	260,731	-	1,236	-	261,967
Other expense	9,766	11,468	740	12,264	34,238
Total	$ 2,425,699	$ 3,314,697	$ 793,081	$ 731,805	$ 7,265,282

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

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

DECEMBER 31, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 3,192,292	$ 323,211
Adjustments to reconcile change in net assets to net cash flows from operations:		
Noncash interest expense	14,495	16,447
Depreciation	281,013	266,606
Gain on extinguishment of debt	(768,200)	-
Depreciation (Appreciation) in investments	11	(768)
Gain on sale of mortgage notes receivable	-	(181,448)
Change in operating activities:		
Accounts receivable	59,668	232,027
Pledges receivable	266,835	144,500
Mortgages receivable	358,802	43,021
ReStore inventory	(806,757)	(9,867)
Home construction in progress	2,103,990	(2,289,124)
Prepaid expenses and other	(323,616)	86,454
Land held for development	275,204	115,031
Land held for sale	(1,494,117)	-
Notes receivable, 2nd liens	12,579	(36,147)
Other long-term assets	-	240,790
Accounts payable	337,493	47,024
Accrued expenses	407,323	(98,527)
Deferred revenue	(849,949)	1,182,638
Notes payable - TDHCA	(46,751)	9,274
Net cash from operating activities	3,020,315	91,142
Cash flows from investing activities:		
Sales of investments	16,961	-
Purchases of property and equipment	(1,413,616)	(218,197)
Proceeds from the sale of mortgage notes receivable	-	901,460
Net cash from investing activities	(1,396,655)	683,263
Cash flows from financing activities:		
Net (payments) proceeds on line of credit	(1,000,000)	1,000,000
Payments on long-term debt	-	(2,272)
Payments on capital lease obligation	(36,378)	(32,380)
Proceeds from issuance of long-term debt	3,680,957	-
Proceeds from Paycheck Protection Program loan	768,200	768,200
Net cash from financing activities	3,412,779	1,733,548
Net increase in cash and cash equivalents	5,036,439	2,507,953
Cash, cash equivalents and restricted cash, beginning of year	4,550,715	2,042,762
Cash, cash equivalents and restricted cash, end of year	$ 9,587,154	$ 4,550,715
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 161,420	$ 155,090

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

Note 1—Organization

Austin Habitat for Humanity, Inc. ("AHFH") is a nonprofit, affordable housing developer dedicated to the elimination of substandard housing in and around 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 (the "Board"). Local policies, strategies, operations, and fundraising are the responsibility of each affiliate.

Austin Neighborhood Alliance for Habitat, Inc., (the "Alliance") is a wholly owned 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 wholly owned non-profit corporation that provides affordable homeownership opportunities to homeowners by partnering with outside developers, builders, and agencies.

Low-Cost Housing Program – 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.

ReStore Program – AHFH also operates three ReStores, two in Austin and one in San Marcos, as well as an online store, ShopAustinRestore.com. 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.

Note 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").

Consolidation – The Alliance and HomeBase 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. All significant intercompany accounts and transactions have been eliminated in consolidation.

Net Asset Classification – In accordance with FASB ASC Topic 958, *Not-for-Profit Entities*, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to stipulations. Net assets without donor stipulations may be used for any purpose or designated for specific purposes by the Organization. As of December 31, 2021 and 2020, AHFH had no Board designated net assets.
>
> *Net Assets With Donor Restrictions* – Net assets at are subject to donor-imposed stipulations, which limit their use by the Organization to a specific purpose and/or the passage of time.

Note 2—Summary of significant accounting policies (continued)

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. Significant estimates include the fair value of investments, allowances for uncollectable receivables, useful lives of property and equipment, functional expense allocation, and the valuation of in-kind services and materials.

Advertising Costs – Advertising costs are expensed when incurred. Advertising expense for the years ended December 31, 2021 and 2020 were $406,703 and $207,051, respectively.

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.

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 – Restricted cash represents proceeds received from the loan agreement with Frost bank to be used to construct a new warehouse in south Austin (see Note 10).

Supplemental Cash Flow Information – The following table sets forth the Organization's reconciliation of cash and restricted cash reported within the statements of cash flows for the years ended December 31:

	2021	2020
Cash	$ 7,795,025	$ 4,550,715
Restricted Cash	1,792,129	-
Total cash and restricted cash shown in the statement of cash flows	$ 9,587,154	$ 4,550,715

Investments, at fair value – Investments are all held in mutual funds and are carried at fair market value as level one investments, which are based on quoted market prices. Any changes in market value are reported in the consolidated statements of activities as increases or decreases to investment income.

Accounts Receivable – Accounts receivable is recorded at the amount the Organization expects to collect on outstanding balances. The Organization has not recorded an allowance for uncollectible accounts receivable at December 31, 2021 or 2020 as management believes all balances to be collectible.

Note 2—Summary of significant accounting policies (continued)

Pledges Receivable – Pledges receivable is 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, 2021 and 2020, was $-0- and $79,615, respectively. The Organization did not apply a net present value discount on the pledges receivable balance as of December 31, 2021 and 2020 as management considered the amount to be insignificant.

Home Sales and Mortgages Receivable – Home sales represent the sale to qualified families of houses built in Austin, Texas, or the Greater Austin Area, by the Organization. Homes are sold at affordable prices 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. On certain older loans, a “soft” (0% interest, deferred, forgivable after 30 years) second mortgage was used to secure the difference between the affordable mortgage amount and the market value. This practice ended in 2016 with the addition of a deed restriction that effectively locked this equity into the property, making it inaccessible to the homeowner at resale.

Mortgages receivable is 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 mortgage discount and amortization in the accompanying consolidated statements of activities when mortgage payments are collected.

Notes Receivable, 2nd Liens – Notes receivable is a deferred repayable 2nd lien with the first payment due after 30 years, amortizing over five years thereafter. The 2nd 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 20 to 30 years to allow for the first lien to have been paid off and provides a subsidy that allows the home sale to meet the affordability requirements of the HomeBase Texas program. These notes are discounted based upon prevailing market interest rates for low-income housing at the inception of the mortgages. The Organization has not recorded an allowance for uncollectible notes receivable at December 31, 2021 or 2020 as management believes all balances to be collectible.

Allowance for Credit Losses – The Organization’s allowance for credit losses is that amount considered adequate to absorb probable losses based on management’s evaluations of the size and current risk characteristics of the mortgage loan portfolios. Such evaluations consider historical and current portfolio performance information and experience with clients. Specific allowances for credit losses are established for large impaired notes on an individual basis. A note is considered impaired when, based on current information and events, it is probable that the Organization will be unable to collect the scheduled payments when due according to the contractual terms of the promissory note. The specific allowances established for these loans are based on a thorough analysis of the most probable source of repayment, including the estimated fair value of the underlying collateral.

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. 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, 2021 and 2020, 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 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.

Note 2—Summary of significant accounting policies (continued)

Home Construction in Progress – Home 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. Once sold and conveyed, the home costs are expensed to cost of homes sold in the accompanying consolidated statements of activities.

Land Held for Development – Land held for development includes the costs of purchasing and developing land. Costs incurred to improve land are capitalized when incurred. Interest incurred on related debt during the construction period is capitalized as incurred. Once construction of a home on a lot is completed, the cost of the associated lot is expensed in cost of homes sold on the accompanying consolidated statement of activities.

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.

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, 2021 and 2020.

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

Notes Payable - TDHCA – 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 notes payable are discounted based upon prevailing market interest rates at the inception of the mortgage. The financing discounts are amortized and reflected as mortgage discount and amortization in the accompanying consolidated statements of activities as the mortgage payments are made.

ReStore Sales Revenue – The Organization operates three thrift retail stores and has an online presence with its ShopAustinReStore.com website and various online shopping websites such as eBay, Etsy, etc. The stores provide access to quality building materials, new and used household goods, clothing, furnishings, and other construction materials and is open to the general public. The stores receive donated materials and purchase items for resale. Sales are recognized on a daily basis as they occur.

Note 2—Summary of significant accounting policies (continued)

Contribution Revenue – All contributions, including home building sponsorship revenues and noncash 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 net assets with donor restrictions 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 net assets are reclassified to net assets without donor restrictions. This is reported in the accompanying consolidated statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions 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.

The Organization also receives funding in the form of forgivable loans from the City of Austin through the Austin Housing Finance Corporation for the purpose of constructing, rehabilitating, and preserving affordable housing. The Organization recognizes revenue at the time the loan is forgiven which is when a home is sold to an income qualified buyer.

Home Building Sponsorship Revenues – The Organization sells sponsorship opportunities to local businesses and organizations to underwrite the costs of constructing a house. In addition to recognition as an Austin Habitat for Humanity partner, typically the sponsorship includes the option for the entity to volunteer on the build site. Sponsorship revenues are recognized in the year they are received.

In-Kind Contributions of Labor – 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 and professional services donated to construct homes is recognized as contribution revenue and capitalized as home construction in progress. When homes are transferred to recipient families, home construction in progress is recorded as a component of cost of homes sold within the accompanying consolidated statements of activities.

Functional 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 expenses are allocated between functional categories based on management's estimates. Expenses relating to more than one function are allocated to low-cost housing program, ReStore program, fundraising, and management and general based on employee time and effort estimates. Allocations to low-cost housing and ReStore programs are for activities that result in services being distributed to beneficiaries, donors, or others that fulfill the mission of the Organization. Allocations to management and general expenses include accounting, general management and oversight, audit, budgeting, human resources, legal and admin support of the Board of Directors. Allocations for fundraising are primarily for fundraising activities for operations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide overall support and direction of the Organization.

Note 2—Summary of significant accounting policies (continued)

Federal Income Taxes – AHFH, the Alliance, and HomeBase are all non-profit organizations 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 for unrelated business income during the years ended December 31, 2021 or 2020. The Board assesses uncertainties in income taxes in its consolidated financial statements and uses a threshold of more-likely-than-not for recognition and derecognition of tax positions taken. Management determined no uncertain tax positions have been taken. There is no provision or liability for federal income taxes in the accompanying consolidated financial statements related to the Organization. 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.

Recent Accounting Pronouncements – In February 2016, FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842). This ASU requires a lessee to recognize on its balance sheet a right-of-use asset and a lease liability under most operating leases. For private companies, the ASU is effective for annual periods beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the effects that the adoption of ASU 2016-02 will have on its consolidated financial statements.

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires presentation of contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. It also requires a disclosure of disaggregated contributions of nonfinancial assets by category that depicts the type of contributed nonfinancial assets. This distinction will increase transparency of contributions recognized. This standard will be effective for fiscal years beginning after June 15, 2021. The Organization is currently evaluating the effects the adoption of ASU 2020-07 will have on its consolidated financial statements.

In June 2016, FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses, such that the net receivable represents the present value of expected cash collection. The new rules also require that certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses that are expected to occur over the life of the assets. This standard will be effective for fiscal years beginning after December 15, 2022. Early adoption is permitted. The Organization adopted the provisions of ASU 2016-13 as of January 1, 2021 using a modified retrospective approach, which resulted in no cumulative effect adjustment to net assets.

Management's Review – The Organization evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Organization's consolidated financial statements are available for issuance. For the consolidated financial statements as of and for the year ending December 31, 2021, this date was June 30, 2022.

Note 3—Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	$	7,795,025
Accounts receivable, net		323,404
Pledges receivable, net		66,550
Mortgages receivable, current portion, net		767,274
	$	8,952,253

Receivable balances are expected to be collected within one year. Total net assets without donor restrictions as of December 31, 2021 were approximately $23,200,000. The Organization also maintains an available line of credit of $2,000,000 with Frost Bank that is available for draw. This is sufficient capital to fund the anticipated growth of the Organization over the next twelve months as well as any unanticipated contingencies or losses.

Note 4—Concentrations of credit risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, and its receivables.

As of December 31, 2021 and 2020, the Organization had cash and cash equivalents in excess of insured limits of approximately $7,970,000 and $3,904,000, respectively. 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 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, 2021 or 2020. 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, 2021 and 2020.

Note 5—Related party transactions and affiliations

Contributions from members of the Board for the years ended December 31, 2021 and 2020 were $129,838 and $78,012, respectively. Pledges receivable from the Board and employees of AHFH for the years ended December 31, 2021 and 2020 were $9,550 and $412,000, respectively. Expenses paid by the Organization for services provided by Board related businesses for the years ended December 31, 2021 and 2020 were $405,710 and $679,544, respectively.

The Organization operates within a covenant agreement with HFHI. The Organization tithes to support HFHI's international homebuilding work. Tithes to HFHI totaled $226,334 and $91,333 for the years ended December 31, 2021 and 2020, respectively.

Note 6—Mortgages and notes receivable

Mortgages receivable consisted of the following at December 31:

	2021	2020
Gross mortgages receivable	$ 14,559,205	$ 15,318,457
Financing discount based on imputed interest at rates ranging from 4% to 8%	(5,134,644)	(5,535,094)
Mortgages receivable, net of unamortized discount	9,424,561	9,783,363
Current portion of mortgages receivable	(767,274)	(789,238)
	$ 8,657,287	$ 8,994,125

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, 2021 are as follows:

2022	$ 767,274
2023	766,777
2024	746,976
2025	739,548
2026	729,732
Thereafter	10,808,898
	$ 14,559,205

Notes receivable on 2nd liens consisted of the following at December 31:

	2021	2020
Gross notes receivable for 2nd liens	$ 2,959,920	$ 3,110,446
Financing discount based on imputed interest at rates ranging from 4% to 8%	(1,967,509)	(2,105,456)
Notes receivable on 2nd liens, net of unamortized discount	$ 992,411	$ 1,004,990

During 2020, the Organization sold 40 mortgages without recourse to a financial institution for $901,460. These mortgages had balances of $1,023,832 ($893,750 net of unamortized discount) as of the cut-off date for the transaction. The Organization recorded a gain on the sale of mortgages of $181,448 for the year ended December 31, 2020. As per the terms of the sale agreements, AHFH remains responsible for the servicing of these mortgage notes receivable. The mortgage notes receivable sold are no longer included as assets in the consolidated statements of financial position.

Note 7—ReStore inventory

ReStore inventory consisted of the following at December 31:

	2021	2020
Donated goods	$ 432,597	$ 248,911
Purchased materials	1,226,581	603,510
	$ 1,659,178	$ 852,421

Note 8—Property and equipment

Property and equipment consisted of the following at December 31:

	2021	2020
Land	$ 3,678,393	$ 3,678,393
Buildings and improvements	7,970,903	6,943,306
Equipment	837,494	551,622
Trucks	379,333	279,185
	12,866,123	11,452,506
Accumulated depreciation	(1,970,059)	(1,689,045)
Total property and equipment, net	$ 10,896,064	$ 9,763,461

Property and equipment financed under capital lease obligations totaled $153,489 and $189,867, net of accumulated amortization of $206,208 and $168,830, as of December 31, 2021 and 2020, respectively. Total depreciation and amortization expense was $281,013 and $266,606 for the years ended December 31, 2021 and 2020, respectively.

Note 9—Pledges receivable

The Organization received Pledges to fund new ReStores and future purchases of land. Pledges are stated at their realizable value, net of an allowance for uncollectible pledges. The Organization did not record a discount on long term pledges given the nominal impact on the consolidated financial statements.

Net pledges receivable consisted of the following at December 31:

	2021	2020
Capital campaign pledges	$ 66,550	$ 413,000
Less allowance for doubtful collections	-	(79,615)
Pledges receivable, net	$ 66,550	$ 333,385

Pledges receivable maturity dates at December 31 were as follows:

	2021	2020
Less than one year	$ 66,550	$ 121,000
One to five years	-	292,000
	$ 66,550	$ 413,000

Note 10—Long-term debt

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

	2021	2020
Promissory note to banking institution	$ 7,250,000	$ 5,457,871
Construction loan payable to banking institution	38,828	-
Habitat Mortgage Solutions loan	1,850,000	-
Total debt	9,138,828	5,457,871
Unamortized debt issuance costs	(115,962)	(130,457)
Total debt, net of unamortized debt issuance costs	9,022,866	5,327,414
Current portion of debt, net	(180,325)	-
Long-term debt, net	$ 8,842,541	$ 5,327,414

On May 1, 2014, the Organization entered into a loan agreement for $5,500,000 with Wells Fargo Bank for the purpose of financing the acquisition of the land and building for the Austin ReStore. The promissory note was a fixed interest rate note (3.82% at December 31, 2019) with escalating monthly payments due through the maturity date of June 1, 2039. This note was secured by the Austin ReStore's land and building. On December 30, 2019, the Organization refinanced this loan with Frost Bank. The new loan has a fixed interest rate of 3.03% and matures on December 30, 2029. Interest only shall be due and payable monthly on the last day of the month beginning on January 30, 2020 until December 30, 2021 at which time monthly installments of both principal and interest will be due and payable until the maturity date. This note is secured by the Austin ReStore's land and building in addition to the construction of a new warehouse in south Austin. The principal amount of this note is $7,500,000 and the Organization was advanced $7,250,000 as of December 31, 2021.

On December 1, 2021, the Organization entered into a promissory note for $1,850,000 with Habitat Mortgage Solutions for the purpose of financing the acquisition of land upon which the Organization will construct thirty affordable housing units. The note bears interest at a rate of 3.00% per annum and matures December 31, 2025. Interest only payments are due quarterly beginning December 31, 2021. Home sale prepayment amounts are due on June 30th of each year following the year in which the twelfth home is sold. The home sale prepayment amount is calculated by multiplying the number of homes sold in the prior fiscal year by $97,368. The note is secured by the acquired land. The outstanding balance on the note is $1,850,000 as of December 31, 2021.

On November 3, 2021, the Organization entered into a promissory note for $2,100,000 with a financial institution. The note has a fixed interest rate of 3.97% per annum and matures on November 3, 2031. Interest only shall be due and payable monthly on the third day of the month beginning on December 3, 2021 until December 3, 2022 at which time monthly installments of both principal and interest will be due and payable until the maturity date. The Organization was advanced $38,828 as of December 31, 2021.

Future maturities of long-term debt at December 31, 2021 are as follows:

Years Ending December 31,	
2022	$ 180,325
2023	206,031
2024	212,370
2025	2,068,905
2026	225,640
Thereafter	6,245,557
	$ 9,138,828

Note 10—Long-term debt (continued)

The credit facility (see Note 12), notes payable, and other long-term debt agreements 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. As of December 31, 2021, and through the date of this report, the Organization was in compliance with such covenants.

Note 11—Paycheck Protection Program loan

In April 2020 and March 2021, the Organization received loans each for $768,200 under the Paycheck Protection Program ("PPP") as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Under the terms of the CARES Act, PPP loan recipients can apply for, and be granted, forgiveness of all or a portion of the loans granted under the PPP loan. Such forgiveness is determined, subject to limitations and ongoing rulemaking by the U.S. Small Business Administration ("SBA"), based on the use of loan proceeds for payroll costs and mortgage interest, rent or utility costs, and the maintenance of employee and compensation levels. The Organization applied for forgiveness with the SBA and received correspondence from the SBA in April 2021 that the original PPP loan had been forgiven in full. As a result, the Organization recognized $768,200 of the PPP loan forgiveness as other income in the accompanying consolidated statement of activities. The Organization applied for forgiveness with the SBA and received correspondence from the SBA in March 2022 that the second PPP loan had been forgiven in full.

Note 12—Credit facility and letters of credit

On December 30, 2019, the Organization entered into a credit facility with Frost Bank. The credit facility has a maximum principal amount available of $2,000,000. The credit facility was amended in December 2021 to extend the maturity date to December 30, 2022. The annual interest rate for the new credit facility is a variable rate based on AMERIBOR plus 1.5% (0.15% at December 31, 2021). No amounts have been drawn against this facility at December 31, 2021.

In April 2020, the Organization entered into a revolving line of credit with a community foundation to complete construction of its Philomena row homes in the Mueller subdivision. The revolving line of credit has a maximum borrowing capacity of $1,000,000 and borrowings bear interest at 1%. The revolving line of credit matures in April 2022 and was not renewed. Quarterly interest only payments are required beginning July 2020 and continue through maturity. All unpaid principal and accrued but unpaid interest is due and payable upon maturity. As of December 31, 2021, AHFH had a balance of $-0- outstanding on this revolving line of credit.

In June 2021, the Organization entered into a guidance line of credit with Pioneer Bank. The guidance line of credit has a maximum borrowing capacity of $3,000,000 and borrowings bear interest at the floating Pioneer Bank Prime Rate (3.25% at the time of the agreement). The guidance line of credit is available beginning on the date of close and for the next twelve months. Individual notes issued under the guidance line of credit mature three years from the date each note closes. Monthly interest only payments are required beginning the first month after the individual notes are issued and continue through maturity. All unpaid principal and accrued but unpaid interest is due and payable upon each maturity date. As of December 31, 2021, AHFH had a balance of $-0- outstanding on this guidance line of credit.

During the normal course of business, the Organization entered into letters of credit with financial institutions totaling $639,078 and $462,730 at December 31, 2021 and 2020, respectively, pursuant to subdivision construction agreements with the city of Austin. The letters of credit have expiration dates between March 2022 and January 2023. The letters specify that amounts may be drawn by the city of Austin. There have been no amounts drawn under these letters of credit as of December 31, 2021 or 2020.

Note 13—Notes payable - TDHCA

Notes payable to TDHCA consisted of the following at December 31:

	2021	2020
Gross notes payable - TDHCA	$ 2,212,330	$ 2,313,045
Financing discount based on imputed interest at rates ranging from 4% to 7%	(767,353)	(821,317)
Mortgages receivable, net of unamortized discount	1,444,977	1,491,728
Current portion of mortgages receivable	(109,658)	(111,816)
	$ 1,335,319	$ 1,379,912

Notes payable to TDHCA 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 from mortgagees and remitted to TDHCA at December 31, 2021 are as follows:

Years Ending December 31,	
2022	$ 109,658
2023	109,659
2024	109,659
2025	109,659
2026	109,659
Thereafter	1,664,036
	$ 2,212,330

Note 14—Net assets with donor restrictions

Net assets with donor restrictions were available for the following purposes at December 31:

	2021	2020
Capital campaign	$ 515,476	$ 1,013,438
Special events	211,580	211,580
UT Campus Chapter	7,329	9,003
	$ 734,385	$ 1,234,021

Net assets released from restrictions consisted of the following at December 31:

	2021	2020
Capital campaign	$ (697,946)	$ (169,405)
Special events	-	(188,625)
UT Campus Chapter	(1,674)	(786)
OWANA	-	(52,654)
Net assets released from restrictions	$ (699,620)	$ (411,470)

Note 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, 2021 and 2020 were $168,089 and $151,659, respectively.

Note 16—Lease commitments

The Organization leases retail space, a construction warehouse, telephone equipment, and a copier under various noncancelable operating leases. Rent expense under these leases totaled $392,176 and $279,288 for the years ended December 31, 2021 and 2020, respectively, which are reflected as occupancy and office expenses in the accompanying statements of functional expenses. In October 2018, AHFH entered into a new operating lease for the San Marcos ReStore location which opened to the public on December 13, 2018. In December 2020, AHFH entered into a new operating lease for a third ReStore location which opened to the public in November 2021. The operating lease for the third ReStore commenced in September 2021.

Future minimum payments under operating leases consisted of the following as of December 31, 2021:

Years Ending December 31,		
2022	$	563,600
2023		578,383
2024		594,396
2025		612,869
2026		625,188
Thereafter		2,396,256
	$	5,370,692

The Organization also has a noncancelable capital lease agreement for solar panels. Future minimum payments under the capital lease consisted of the following as of December 31, 2021:

Years Ending December 31,		
2022	$	41,575
2023		41,575
2024		41,575
2025		38,111
Total minimum lease payments		162,836
Less amount representing interest (3% annually)		(9,347)
Total capital lease obligations		153,489
Less current portion of capital lease obligations		(37,484)
Long term portion of capital lease obligation	$	116,005

Note 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.

Note 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, 2021 and 2020, the Organization has incurred cumulative net operating losses of approximately $4,400,000 and $4,000,000, respectively, for federal income tax purposes. These net operating losses may be used to offset future taxable unrelated business income. If not utilized, approximately $2,182,000 of these losses will expire beginning in 2027. A full valuation allowance has been recorded as utilization is uncertain. The net change in the total valuation allowance for the years ended December 31, 2021 and 2020 was approximately $400,000 and $1,400,000, respectively.

Note 19—Subsequent events

In 2022, the Organization received an unrestricted contribution from Habitat for Humanity International in the amount of $8,500,000.

SUPPLEMENTARY INFORMATION

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2021

	Austin Habitat for Humanity	Austin Neighborhood Alliance for Habitat, Inc.	HomeBase Texas	Eliminations	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 7,360,274	$ -	$ 434,751	$ -	$ 7,795,025
Restricted cash	1,792,129	-	-	-	1,792,129
Accounts receivable	734,482	-	129,178	(540,256)	323,404
Pledges receivable, net	66,550	-	-	-	66,550
Mortgages receivable, current portion, net	767,274	-	-	-	767,274
ReStore inventory	1,659,178	-	-	-	1,659,178
Home construction in progress	856,968	-	-	-	856,968
Prepaid expenses and other current assets	537,367	-	-	-	537,367
Total Current Assets	13,774,222	-	563,929	(540,256)	13,797,895
Land held for development	4,683,150	-	-	-	4,683,150
Land held for sale	1,494,117				1,494,117
Mortgages receivable, long-term portion, net	8,657,287	-	-	-	8,657,287
Notes receivable, 2nd lien, net	-	-	992,411	-	992,411
Property and equipment, net	10,896,064	-	-	-	10,896,064
Total Assets	$ 39,504,840	$ -	$ 1,556,340	$ (540,256)	$ 40,520,924

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2021

	Austin Habitat for Humanity	Austin Neighborhood Alliance for Habitat, Inc.	HomeBase Texas	Eliminations	Total
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	$ 632,459	$ -	$ 26,353	$ -	$ 658,812
Accrued expenses	1,076,436	-	540,256	(540,256)	1,076,436
Deferred revenue	3,463,671	-	-	-	3,463,671
Capital lease obligation, current portion	37,484	-	-	-	37,484
Notes payable - TDHCA, current portion	109,658	-	-	-	109,658
Long-term debt, current portion	180,325	-	-	-	180,325
Paycheck Protection Program loan	768,200	-	-	-	768,200
Total Current Liabilities	6,268,233	-	566,609	(540,256)	6,294,586
Capital lease obligation, long-term portion	116,005	-	-	-	116,005
Notes payable - TDHCA, long-term portion	1,335,319	-	-	-	1,335,319
Long-term debt, net of debt issuance costs	8,842,541	-	-	-	8,842,541
Total Liabilities	16,562,098	-	566,609	(540,256)	16,588,451
Net Assets:					
Without donor restrictions	22,208,357	-	989,731	-	23,198,088
With donor restrictions	734,385	-	-	-	734,385
Total Net Assets	22,942,742	-	989,731	-	23,932,473
Total Liabilities and Net Assets	$ 39,504,840	$ -	$ 1,556,340	$ (540,256)	$ 40,520,924

See report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Austin Habitat for Humanity	Austin Neighborhood Alliance for Habitat, Inc.	HomeBase Texas	Eliminations	Total
Revenues:					
Contributions and Other Income:					
Contributions	$ 2,852,532	$ -	$ -	$ -	$ 2,852,532
Home building sponsorship revenues	2,107,376	-	-	-	2,107,376
Investment income	9,159	-	-	-	9,159
Other income	2,347,498	-	106,327	(189,084)	2,264,741
Total Contributions and Other Income	7,316,565	-	106,327	(189,084)	7,233,808
ReStore Revenues:					
ReStore sales	7,318,500	-	-	-	7,318,500
In-kind donation of inventory	4,022,595	-	-	-	4,022,595
Cost of goods sold	(5,899,306)	-	-	-	(5,899,306)
Sales discounts and refunds	(290,288)	-	-	-	(290,288)
Total ReStore Revenues, net	5,151,501	-	-	-	5,151,501
Low-Cost Housing Revenues:					
Home sales	4,699,500	-	-	-	4,699,500
In-kind contributions of labor and construction materials	665,987	-	-	-	665,987
Mortgage discount and amortization	346,487	-	(12,579)	-	333,908
Other housing revenues	-	-	3,510	-	3,510
Cost of homes sold	(5,137,326)	-	-	-	(5,137,326)
Total Low-Cost Housing Revenues, net	574,648	-	(9,069)	-	565,579
Total Revenues	13,042,714	-	97,258	(189,084)	12,950,888

See report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

	Austin Habitat for Humanity	Austin Neighborhood Alliance for Habitat, Inc.	HomeBase Texas	Eliminations	Total
Expenses:					
Low-cost housing program	$ 2,750,381	$ -	$ -	$ -	$ 2,750,381
ReStore program	4,766,961	-	-	-	4,766,961
Fundraising	1,264,475	-	-	-	1,264,475
Management and general	972,722	-	193,141	(189,084)	976,779
Total Expenses	9,754,539	-	193,141	(189,084)	9,758,596
Change in net assets	3,288,175	-	(95,883)	-	3,192,292
Transfer of net assets	5,131,316	(5,131,316)	-	-	-
Net assets, beginning of year	14,523,251	5,131,316	1,085,614	-	20,740,181
Net assets, end of year	$ 22,942,742	$ -	$ 989,731	$ -	$ 23,932,473