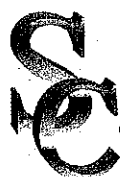


HABITAT FOR HUMANITY GREATER BOSTON, INC.

**Financial Statements
JUNE 30, 2013
(With Comparative Totals for 2012)**



SANDBERG & CREEDEN, P.C.

Certified Public Accountants

331 Page Street

Stoughton, MA 02072

HABITAT FOR HUMANITY GREATER BOSTON, INC.

FINANCIAL STATEMENTS
JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

Table of Contents

	<u>PAGE</u>
Independent Auditors' Report	1-2
<u>Financial Statements</u>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13



331 Page Street • Stoughton, MA 02072

Telephone: (781) 344-0850

Fax: (781) 344-6960

www.sandbergandcreeden.com

To the Board of Directors of
Habitat for Humanity Greater Boston, Inc.
Boston, Massachusetts

Independent Auditor's Report

We have audited the accompanying financial statements of Habitat for Humanity Greater Boston, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity Greater Boston, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Habitat for Humanity Greater Boston, Inc.'s 2012 financial statements, and our report dated May 8, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
March 17, 2014



HABITAT FOR HUMANITY GREATER BOSTON, INC.

STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2013
 (WITH COMPARATIVE TOTALS FOR 2012)

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 739,592	\$ 132,811
Pledges receivable	177,929	340,773
Prepaid expenses and other current assets	25,081	41,259
Current portion of note receivable	2,688	3,079
Current portion of mortgage and notes receivable	<u>338,455</u>	<u>298,614</u>
Total current assets	1,283,745	816,536
<u>Property and Equipment</u>		
Office equipment	33,547	33,547
Leasehold improvements	229,289	229,289
Furniture and equipment	18,570	18,570
Vehicle	<u>22,500</u>	<u>22,500</u>
Subtotal	303,906	303,906
Less: accumulated depreciation	<u>133,200</u>	<u>91,167</u>
Total property and equipment	170,706	212,739
<u>Other Assets</u>		
Long term pledges receivable – net of discount		19,333
Note receivable – net of current portion	163,500	166,674
Mortgage and notes receivable - net of current portion	6,055,954	5,110,867
Housing-land and construction in progress	1,858,214	2,285,831
Security deposits	14,872	31,592
Loan escrow	<u>13,720</u>	<u>13,000</u>
Total other assets	<u>8,106,260</u>	<u>7,627,297</u>
<u>Total Assets</u>	<u>\$ 9,560,711</u>	<u>\$ 8,656,572</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accrued expenses and accounts payable	\$ 127,622	\$ 165,867
Down payment deposits	4,000	10,685
Other deposit		10,000
Notes payable - current portion	<u>262,506</u>	<u>263,263</u>
Total current liabilities	394,128	449,815
<u>Long-Term Liabilities</u>		
Notes payable - net of current portion	<u>936,690</u>	<u>1,112,831</u>
Total long-term liabilities	936,690	1,112,831
<u>Net Assets</u>		
Unrestricted	8,084,342	6,787,800
Temporarily restricted	<u>145,551</u>	<u>306,126</u>
Total net assets	<u>8,229,893</u>	<u>7,093,926</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 9,560,711</u>	<u>\$ 8,656,572</u>

See accompanying notes and Independent Auditors' Report.



HABITAT FOR HUMANITY GREATER BOSTON, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Contributions and grants	\$ 1,619,292	\$ 5,000	\$ 1,624,292	\$ 1,082,242
Inkind contributions	590,334		590,334	377,691
Special events	232,768	12,000	244,768	217,700
Released from restriction	177,575	(177,575)		
Restore	238,383		238,383	228,093
Sale of property	1,019,000		1,019,000	700,000
Other income	293,247		293,247	156,528
Interest/dividend income	5,140		5,140	10,403
<u>Total Support and Revenue</u>	4,175,739	(160,575)	4,015,164	2,772,657
<u>Expenses</u>				
Program services				
Family services expenses	215,777		215,777	149,705
Pre/post conveyance expenses	1,778,081		1,778,081	1,805,795
Restore	535,771		535,771	499,681
Total program services	2,529,629		2,529,629	2,455,181
General and administrative	179,226		179,226	244,761
Fundraising	170,342		170,342	286,647
<u>Total Expenses</u>	2,879,197		2,879,197	2,986,589
<u>Change in Net Assets</u>	1,296,542	(160,575)	1,135,967	(213,932)
<u>Net Assets - Beginning of Year</u>	6,787,800	306,126	7,093,926	7,307,858
<u>Net Assets - End of Year</u>	\$ 8,084,342	\$ 145,551	\$ 8,229,893	\$ 7,093,926

See accompanying notes and Independent Auditors' Report.





HABITAT FOR HUMANITY BOSTON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
 (With Comparative Totals for 2012)

	2013					2012	
	Family Services Expenses	Pre/Post Conveyance Expenses	Restore	Total Program Expenses	General and Administrative Expenses	Fundraising Expenses	Total
Salaries	\$ 126,990	\$ 307,640	\$ 120,063	\$ 554,693	\$ 54,661	\$ 78,866	\$ 701,723
Payroll Tax	11,143	26,994	10,535	48,672	4,796	6,920	64,736
Benefits	13,985	33,879	13,222	61,086	6,020	8,684	72,023
Salaries and related expense	152,118	368,513	143,820	664,451	65,477	94,470	838,482
Advertising	912		7,800	8,712		2,000	10,712
Applicant costs		800		800			800
Bad debt expense					1,500		1,500
Bank Charges	2,445		5,951	8,396	2,925		11,321
Bands & permits	960			1,865			1,865
Consultants				1,000	24,326		25,326
Cost of Goods Sold			241,935	241,935			241,935
Cost of homes sold				995,308			995,308
Depreciation	1,103			2,285	38,566	1,182	42,033
Dues, fees and subscriptions							1,282
Equipment rental	109			8,792	4,546	1,966	12,779
Insurance				24,440			28,986
Interest				43,538			43,538
Miscellaneous	1,209			1,816	700	3,085	5,601
Office supplies	5,596		644	9,066	1,645	2,737	13,448
Payroll services	563		951	2,957	212	362	3,725
Postage	3,954		1,164	8,500	5,037	7,087	20,624
Printing				7,957	2,280	10,878	21,115
Professional fees				135,253	14,152		149,405
Real estate taxes				21,444			23,921
Rent	33,476		97,792	142,398	9,720	14,702	173,602
Repairs and maintenance			740	4,582			4,582
Security				32,400			32,400
Site cleaning and disposal			1,200	10,991			10,991
Special events	19			19		28,180	36,518
Staff trainings			251	3,298			3,298
Supplies	27			1,925			1,925
Title expense				15,462			15,462
Truck expenses			12,282	26,860			26,860
Telephone and information technology	5,741		2,175	12,452	2,268	2,445	17,165
Travel	2,545		302	16,444	3,199	942	20,585
AmeriCorps Program Participants	4,400			45,512			45,512
Utilities	600		18,764	28,771	2,673	316	31,760
Total	\$ 215,777	\$ 1,778,081	\$ 535,771	\$ 2,529,629	\$ 179,226	\$ 170,342	\$ 2,879,197
							\$ 2,986,589

See accompanying notes and Independent Auditors' Report.

HABITAT FOR HUMANITY GREATER BOSTON, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	<u>2013</u>	<u>2012</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 1,135,967	\$ (213,932)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	42,033	40,160
Donated construction costs	(213,546)	
Imputed interest expense	(293,247)	(156,528)
Deposit bad debt	13,000	
(Increase) in:		
Pledges receivable	182,177	160,108
Prepaid expenses and other current assets	16,178	10,654
Increase (decrease) in:		
Accrued expenses and accounts payable	(38,245)	67,709
Deposits and escrows	<u>(6,685)</u>	<u>4,360</u>
<u>Net Cash (Provided) Used in Operating Activities</u>	<u>837,632</u>	<u>(87,469)</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of fixed assets		(22,500)
Loan escrow	3,000	
Construction of housing and improvements	(106,402)	(920,029)
Construction conveyed	747,565	1,144,254
Mortgage receivable from sale of housing and property	(999,000)	(688,450)
Collection of Mortgage notes receivable	310,884	393,479
Land purchase deposit	<u>(10,000)</u>	<u>10,000</u>
<u>Net Cash (Used) in Investing Activities</u>	<u>(53,953)</u>	<u>(83,246)</u>
<u>Cash Flows From Financing Activities</u>		
Principal payments on notes and loans	(239,898)	(240,391)
Proceeds notes and loans	<u>63,000</u>	<u>190,000</u>
<u>Net Cash (Used) in Financing Activities</u>	<u>(176,898)</u>	<u>(50,391)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	606,781	(221,106)
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>132,811</u>	<u>353,917</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 739,592</u>	<u>\$ 132,811</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 43,538</u>	<u>\$ 43,955</u>

See accompanying notes and Independent Auditors' Report.



HABITAT FOR HUMANITY GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1. Organization

Habitat for Humanity Greater Boston, Inc. (HFHGB) is a charitable nonprofit Massachusetts corporation organized in December 1987. It is an affiliate of Habitat for Humanity International (HFHI), an organization with a grassroots structure which is dedicated to eliminating poverty housing from the earth and making poverty housing and homelessness socially and politically unacceptable in the world. HFHGB's mission is to help low-income families become homeowners in the Greater Boston area using the Habitat model of volunteer labor, donated materials and charitable contributions to construct housing. Each Habitat family helps build their home by providing at least 300 hours of "sweat equity." When the home is complete Habitat sells it to the family for an affordable price which is equal to or less than the final accumulated development cost and also provides the family with a no-interest mortgage loan. HFHGB is responsible for raising funds for all of its projects, its annual operating budget and for "tithing" 10% of its unrestricted revenues to HFHI projects overseas.

In 2011, the Organization opened up the Habitat ReStore. The Habitat ReStore is a retail business that accepts donations of new and gently-used building materials, furniture, appliances, and housewares and resells them to the general public through a retail storefront warehouse. ReStores help to protect the environment by keeping hundreds of tons of material out of our landfills and in this tight economy they provide a low-cost outlet for home improvement materials making home renovations and improvements more affordable.

Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting

The Organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for "Not-for-Profit Organizations".

b. Financial Statement Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Accordingly, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2013 and 2012 and accordingly, these financials do not reflect any activity related to this class of net assets for 2013 and 2012.



HABITAT FOR HUMANITY GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- c. Cash and Cash Equivalents
For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Escrows required by financing arrangements are not considered cash or cash equivalents for financial statement purposes.
- d. Promises to Give
Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional.
- e. Property and Equipment
These assets are recorded at cost when purchased or, if donated, at their estimated fair market value at the date of the donation. All acquisitions of property and equipment in excess of \$2,500 and all expenditures for repairs and betterments that materially prolong the useful lives of assets are capitalized.
- f. Depreciation
Provisions for depreciation are made in the accounts using the straight-line method. Building improvements and the buildings to be conveyed to qualified buyers are not depreciated. Other fixed assets are depreciated over 5 to 7 years.
- g. Capitalization of Construction Costs
Construction expenses, which represent a significant portion of the Organization's operating budget, are capitalized pursuant to generally accepted accounting principles for financial statement purposes. Consequently, construction expenses are not shown as program expenses until conveyed.
- h. Housing Activities
As discussed above, HFHGB is a charity engaged in providing homeownership opportunities to low-income families living or working in the Greater Boston area. Upon completion of construction, the home is conveyed to a selected family for an affordable price which is equal to or less than the final accumulated development cost. HFHGB takes back a note for the purchase price at 0% interest and the note is secured by a first mortgage on the home. HFHGB takes back a second note, secured by a second mortgage, for the difference between the sale price of the home and its fair market value as determined by an independent appraisal.



HABITAT FOR HUMANITY GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- i. Restricted and Unrestricted Support and Revenue
Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.
- j. Contributed Goods and Services
Contributed services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by HFHGB.

In-kind contributed goods and services were recorded as follows:

	<u>2013</u>	<u>2013</u>
Professional fees (non-capital)	\$ 134,853	\$ 148,030
Professional fees (capital)	213,546	
Cost of goods - ReStore	<u>241,935</u>	<u>229,661</u>
	<u>\$ 590,334</u>	<u>\$ 377,691</u>

In addition, HFHGB received other donated materials and supplies and the services of a substantial number of volunteers. These goods and services are not recognized as contributions in the financial statements since the criteria under SFAS No. 116 were not met. In the case of volunteers, whether construction related, administrative or Board Members, it is the policy of Habitat for Humanity Greater Boston, Inc. not to recognize the value of these services in the financial statements. While there are volunteers serving many needs of the Organization, it is not practical to quantify the value of these commercial services.

- k. Compensated Absences
Vacation and sick pay are considered expenditures in the year paid. The Organization has not accrued compensated absences because the amount cannot be reasonably estimated.
- l. Use of Estimates
The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



HABITAT FOR HUMANITY GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- m. Allocation of Expenses
Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.
- n. Summarized Comparative Financial Statements
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Note 3. Tax Status

Habitat for Humanity Greater Boston, Inc. is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code under a group exemption obtained by Habitat for Humanity International, Inc. (Atlanta, Georgia). In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (a) and has been classified as an organization that is not a private foundation under Section 509(a) (1).

Unrelated business income, of which the Organization had none for the year ending June 30, 2013, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Note 4. Concentration of Credit Risk

The Organization maintains its cash balance in three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation. At June 30, 2013 the Organization's uninsured cash balance was \$480,058.

Credit risk with respect to pledged contributions is considered low as the balance has either been received or from well established entities.

Note 5. Pledges Receivable

At June 30, 2013 the Organization had pledged contributions as follows:

Due FY 2014	<u>\$ 177,929</u>
-------------	-------------------



HABITAT FOR HUMANITY GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 6. Housing Activities

The following provides a summary of the Habitat for Humanity Greater Boston, Inc.'s construction and housing activities:

<u>Housing Units</u>	
Units Conveyed, subject to Mortgage Loans Serviced by Bank	69
Units under renovation	3
Housing Units under Construction	9
Total	<u>81</u>

Note 7. Lease Commitments

In 2008, the Organization entered into a five year lease agreement expiring January 2013 with an additional five year option to renew. The lease required a \$5,000 security deposit plus the last month rent of \$5,628 in advance. Rent is stated at \$5,000 per month with a 3% increase each year. On February 7, 2012 the Organization entered into an extension of the lease with a fixed monthly rental rate of \$5,463.64 through January 31, 2015, with a 5-year option to renew after that date. In addition they are responsible for 14% of their operating costs and real estate taxes. Total rent expense under this lease amounted to \$66,318 and \$66,382 for 2013 and 2012, respectively. Future minimum lease payments are as follows:

2014	\$ 65,565
2015	38,248

On August 1, 2010, the Organization entered into an agreement for the third floor at 240 Commercial Street as a tenant-at-will basis. Rent was stated at \$600 per month with a 60 day notice to terminate. Total rent expenses under this lease amounted to \$7,200 for 2013 and 2012. The agreement was termination on November, 2013.

On September 1, 2010, the Organization entered into a 5 year lease agreement for the located of the ReStore. The lease required \$8,489 upon the execution of the lease, \$4,245 for the first month's rent and \$4,245 which will be held as a security deposit that will be refunded to the Organization at the end of the lease. In addition, the Organization shall pay the real estate taxes levied against the land and building, and the cost of the insurance premiums on the Building and Shopping Center. Total rent expense under this lease amounted to \$97,792 and \$86,239 for 2013 and 2012, respectively. Future minimum lease payment is as follows:

2014	\$ 63,670
2015	63,670
2016	10,612



HABITAT FOR HUMANITY GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

(Continued)

Note 8. Notes Receivable

The Organization is due funds under a note receivable dated May 18, 2009 totaling \$177,267 from an individual purchasing the commercial unit at Blue Hill Place. The note is secured by a mortgage, assignment of leases and rents and security agreement. The note was adjusted in FY2011. The note requires monthly payments plus interest adjusted annually each July with a balloon payment due July 2015. Payments are due as follows:

Period	Total Payments	Interest	Principal	Balance due
FY2014	\$ 16,097	\$ 13,429	\$ 2,668	\$ 163,500
FY2015	17,355	14,603	2,752	160,748
FY2016	160,748		160,748	

Note 9. Mortgage Receivable

At conveyance of a unit to a homeowner, HFHGB receives a 20 to 35-year mortgage note with 0% interest. The amount reported in the statement of financial position is net of imputed interest. The rate used to calculate the imputed interest is the market rate at the time of conveyance (currently 7%). The following is a summary of the notes receivable at June 30:

Total unpaid balance	\$ 5,788,106
Imputed interest	<u>606,303</u>
Net present value of mortgage notes	<u>\$ 6,394,409</u>
Current portion	\$ 338,455
Long-term portion	<u>6,055,954</u>
Total	<u>\$ 6,394,409</u>

Estimated principal payments for the next five years:

2014	\$ 338,455
2015	332,757
2016	323,540
2017	320,878
2018	317,359
Thereafter	4,761,420



HABITAT FOR HUMANITY GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 10. Temporarily Restricted

Temporarily restricted net assets at June 30, 2013 consist of the following:

	<u>Total</u>
Foreclosure Intervention/Time	\$ 20,000
Housing Development/Time	108,551
Time - FY2014	<u>17,000</u>
Total	<u>\$ 145,551</u>

Note 11. Tax-Deferred Annuity Plan

The Organization maintains a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers any employees electing to participate and is entirely funded with employee contributions up to the maximum amount allowed by the Internal Revenue Code.

Note 12. Notes Payable

	<u>2013</u>			<u>2012</u>
	<u>Short-Term</u>	<u>Long-Term</u>	<u>Total</u>	<u>Total</u>
<u>Habitat for Humanity International (FlexCap):</u>				
Loan pool to affiliates, secured by collateral assignments of mortgages on eight mortgage loans receivable dated 06/23/2011; totaling \$323,000; 4.95% interest; seven year term; quarterly payments of \$13,710 due June 2018.	\$ 43,915	\$ 197,848	241,763	\$ 283,381
<u>Dedham Institution for Savings:</u>				
Line of credit for development of Arrowhead Project dated 9/19/2003; maximum \$500,000; 0% interest; 36 month term; 42 month pay-down required; extended to July 13, 2014 at 3% maximum. Extension in process with similar terms.	154,337	249,682	404,019	476,160
<u>Massachusetts Housing Finance Agency:</u>				
Loan dated November 29, 2001 totaling \$300,000 secured by five property loans conveyed to buyers; at a rate of 2.5%; at 6/30/08 requiring monthly payments of \$2,000 fully amortizing, final payment due May 2023.	21,795	56,740	78,535	100,278



HABITAT FOR HUMANITY GREATER BOSTON, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(Continued)

Note 12. Notes Payable

	<u>2013</u>			<u>2012</u>
	<u>Short-Term</u>	<u>Long-Term</u>	<u>Total</u>	<u>Total</u>
Loan dated April 2, 2008 totaling \$600,000 secured by five property loans conveyed to buyers; at a rate of 2.5%; requiring monthly payments of \$158 due to balance outstanding; due May 2023. In April 2010, an additional \$560,000 was drawn down.	42,459	424,920	467,379	508,775
<u>Lawrence Model Lodging Houses Trust</u>				
Loan dated May 21, 2008 totaling \$7,500 at zero interest due on sale of 31 Ashton Street or within three (3) years. Extension in process.		7,500	7,500	7,500
Total Notes Payable	<u>\$ 262,506</u>	<u>\$ 936,690</u>	<u>\$ 1,199,196</u>	<u>\$ 1,376,094</u>

Principal payments due over the next five years:

2014	\$ 262,506
2015	278,154
2016	207,068
2017	108,174
2018	99,225
Thereafter	244,069

Note 13. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through April 7, 2014 the date the financial statements were available to be issued.

In FY 2014, the Organization participated in a New Markets Tax Credit transaction in partnership with Habitat for Humanity International, Paterson Habitat for Humanity (New Jersey) and Coastal Fairfield County Habitat for Humanity (Connecticut). Citibank purchased the tax credits at a closing on December 31, 2013, providing the Organization with approximately \$480,000 in additional funding for construction of Habitat homes in Dorchester and Roxbury.

