APPLICATION FOR

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM

— 2016 Program Year Funding—

ACTIVITY NAME: Cherry Street revitalization

APPLICANT: Habitat for Humanity Northern Saratoga, Warren & Washington Counties

MAILING ADDRESS: 4 Glens Falls Tech Park, #4

Glens Falls, NY Zip: 12801

PHONE: 518-793-7484 FAX: EMAIL: executivedirector@glensfallshabitat.org

CONTACT PERSON: Jeff Clark TITLE: Executive Director

APPLICANT (*select 1*): ☐ City Department (List Dept.) ☑ Private non-profit organization 22-3476475 (List Federal ID #) ☐ Other Public Agency (Specify)

(DUNS #)

NATIONAL OBJECTIVE (*select 1*):

"Benefit persons of Low/moderate income"
- ☑ L/M Income Area Benefit
- ☑ L/M Income Limited Clientele Activities
- ☑ L/M Income Housing Activities
- ☑ L/M Income Job Creation/Retention

"Address slum/blight Conditions"
- "N/A" Slum/blighted Area
- ☑ Slum/blighted Spot Basis
- "N/A" Urban Renewal Completion

"Urgent CD Need"
- "N/A" Urgent Need

REQUESTED ENTITLEMENT FUNDING: $110,000 (+ LABOR VALUED @ $35,000 = $195,000)

Funding Leveraged from Other Sources: $160,000

Total Activity Cost: $270,000 + 2,000 VOLUNTEER HOURS OF LABOR VALUED @ $17.50/HR = $35,000

TOTAL ACTIVITY VALUE: $305,000

Proposal Abstract - please provide a *brief* overview of your proposal *including the number of persons that will be served* with this grant in the space below:

THE SINGLE FAMILY, TWO-STORY STRUCTURE IS BLIGHT ON THE NEIGHBORHOOD AND CONTAINS HAZARDOUS MATERIALS (LEAD-BASED PAINT & ASBESTOS). THE BUILDING WILL BE DEMOLISHED AND REPLACED WITH A NEW DUPLEX UNIT. THIS INCREASES AFFORDABLE HOUSING DENSITY BY TWO UNITS AND OFFERS HOMEOWNERSHIP TO QUALIFIED, WORKING CLASS FAMILIES WHO OTHERWISE WOULD NOT QUALIFY FOR A TRADITIONAL MORTGAGE. THIS PROJECT WILL CONTINUE HABITAT'S COLLABORATION WITH THE CITY OF SARATOGA SPRINGS, SARATOGA BUILDERS ASSOC. AND REBUILDING TOGETHER SARATOGA. COMPLETION OF THIS PROJECT WILL MEAN THREE NEW AFFORDABLE HOUSING UNITS ADDED IN 2016 (+195 DIVISION ST.)

(Authorized Signature) Executive Director (Title)

Jeff Clark (Typed or Printed Name) January 27, 2016 (Date)

Cherry Street Revitalization 2016

Habitat for Humanity is ranked the 15th largest home builder in the United States, and the largest not-for-profit builder worldwide. The local affiliate, Northern Saratoga, Warren and Washington Counties has built 25 homes in the past twenty-five years. The house now being built at 195 Division Street will be completed by mid-year 2016. The demolition of 26 Cherry Street is planned for early spring 2016 with completion by year end. This triples the affiliate's previous pace and puts the organization on track for ongoing increased capacity. This would not have been possible without the collaborative efforts by the City of Saratoga Springs, the Saratoga Builders Association and ReBuilding Together Saratoga County.

The need for permanent affordable housing is well documented and has become a high priority for the City of Saratoga Springs. The Habitat model provides numerous benefits as a partner in that effort.

- Applicants are vetted through the Family Selection Committee to verify ability to pay, willingness to partner with Habitat and need for improved housing. Partner Families are required to complete over 400 hours of sweat equity as part of their commitment. This helps establish a relationship with the family that encourages successful home ownership.

- Habitat employs as much volunteer labor as possible. This enables us to build for approximately half what a for-profit builder requires. That savings is passed on the buyer by selling the house for what is termed "no-profit". This means we account for all building costs, but have no profit margin added on. Habitat, then, holds a thirty year, zero percent mortgage. Most Habitat home owners pay less per month to own their home than they had been when living in a sub-standard rental unit.

- Habitat returns properties to the active tax rolls that contribute to the overall community.

- Habitat homeowners, generally, do better at work resulting from improved self-esteem and responsibility AND children perform better at school from having a safe, secure environment in which to live and grow. Breaking the cycle of poverty housing is a life changing event that ripples through an individuals' life and spreads throughout their spheres of influence in many ways.

- 100% of the entitlement grant funds helps improve the lives of low-income residents.

- Money spent on Habitat projects has a conservative estimate economic impact of a 5 x multiple. This means that every dollar Habitat spends in the course of construction represents $5 to the community. This may be in the form of coffee and donuts purchased by volunteer laborers, tools and materials purchased for specific tasks or the fact that money flows through from person to person and trickles down for broad based impact. Investment in this project, therefore, represents over one million dollars to the Saratoga economy.

- Owner occupied housing has a demonstrated positive impact on neighborhoods, reducing crime, building long term relationships and improved housing maintenance that strengthens the fabric of the entire community.

Removal of dangerous, blighted properties is a difficult and expensive proposition. However, the price for doing nothing creates far worse consequences. Saratoga Springs is a city built on strong traditions. This work is essential to the continued betterment and health of the area.

1. Activity Description

Removal of the existing structure and construction of a two-family unit for low-moderate income families at the current address of 26 Cherry Street.

A) For the past 25 years, Habitat for Humanity Northern Saratoga, Warren and Washington Counties has built or rehabilitated one house a year in one of the three counties we serve. The affiliate has embarked on a process of building capacity in order to expand the families served and increase the positive impact we can make for affordable housing. The generous donation from the City of Saratoga Springs of the property coupled with the Workforce Partnership with the Saratoga Builders Association and ReBuilding Together Saratoga County has put us on the path to complete three new homes in 2016. 195 Division Street is well under way and slated for completion by mid-year. The cost of demolition at 26 Cherry Street will be in the $30,000 range due to the required procedures for removing lead-based-paint as well as Transite (asbestos) siding.

B) Habitat builds simple, decent houses for "Working Class" families. Selection for home ownership is based on ability to pay (as the "bank" holding the mortgage we care about their success), willingness to partner with Habitat by performing many hours of sweat equity as part of their commitment to the process and need for improved living conditions (this may include anything from poor heat due to leaking windows or inadequate insulation to a non-responsive absentee landlord or overcrowding with family members sharing too little space or too few rooms). Habitat focuses on providing opportunity for families in the 40 to 60% Average Median Income and is the ONLY not-for-profit organization providing home ownership programs for that segment.

C) The property is within Census Block 610.001 (C-2).These homes will be available to Low-Moderate Income families (C-1) earning in the 40 to 60% range of Average Median Income. This represents work force earners who would normally not qualify for a traditional mortgage. They may not have enough money saved for a typical down payment, or may be priced out of the regular Saratoga housing stock, or have a credit history with issues that preclude bank approval. Qualifying families are characterized as:

- Willing to commit to completing over 400 hours of "sweat equity" with at least 100 hours working on-site helping to build their house.
- Have need for improved housing conditions
- Demonstrate the ability to be a successful home owner and make monthly mortgage (and escrowed tax and insurance) payments.
- Offer a beneficial presence to the neighborhood

D) As an affiliate of Habitat for Humanity International, we are required to submit multiple tracking reports on productivity, homeowner payment performance, volunteer management, house pricing and more. The Cherry Street project will add two units to the Saratoga affordable housing rolls. We hope to continue this effort and have an ongoing impact on this crucial issue within our area.

E) For Cherry Street we expect demolition to be done by the end of April 2016. Completion and occupancy are targeted for December 2016.

F) This project requires standard licensing and permits. While abatement is serious business everyone involved in this phase will be fully experienced professional to assure the job is done right with no danger to the public. Habitat for Humanity Northern Saratoga, Warren and Washington Counties has the Deed for this property as transferred from the City of Saratoga Springs. The City will be included under our insurance coverage as it is for 195 Division Street.

2. Organizational Capacity

A) The affiliate was originally created as Glens Falls Area Habitat for Humanity in 1991, by Ralph and Lillian Nicholson. The name change occurred around 2010 to reflect the anticipated broader program reach to all three counties listed in the charter.

Current Board Members and Officers:

President	Tammy DiCara
Vice President	Rilla Schulte
Treasurer	Carol Norton
Board Members:	Bill Bufkins (Church Relations)
	Amy Jaffe (Special Events)
	Adam Feldman (Financial)
	Marj Mendez (Family Selection)
	Monique Boulet (Resource Development)

B) With 25 homes built and several mortgages fully paid, our model is in-line with other smaller Habitat affiliates. Some affiliates build over 100 homes every year. Thirty years of Habitat experience in almost every country provides a wealth of expertise and knowledge we can draw on as we build capacity.

C) Executive Director, Jeff Clark, has fifteen years of experience starting as a volunteer in Harrisburg, PA, as that organization grew from one house a year to five, and, then, leading Schenectady as it did the same plus started a successful ReStore. The management for this project will mostly be the same team that is now moving 195 Division Street forward. Jesse Boucher (Kodiak Construction) represents the Saratoga Builders Association as volunteer Project Manager. Michelle Larkin (ReBuilding Together Saratoga County) will provide volunteers for certain projects. The Builders Association is also represented on the fundraising and marketing side by Barry Potoker, Executive Director. Board President, Tammy DiCara, has been involved with the Saratoga projects from the beginning and works on multiple levels to make things work. Quarterly reports are submitted to Cindy Phillips, who oversees the CDBG program on behalf of the City.

D) The Workforce Partnership, consisting of the collaborative efforts of the City of Saratoga Springs, the Saratoga Builders Association and ReBuilding Together Saratoga County is proving to be a successful coalition. Working cooperatively with other area agencies, Habitat hopes to expand its ability to help the City address the affordable housing issue and continue to help make Saratoga a desirable residential destination.
This partnership has a number of impacts points:

1. By removing a blighted, dangerous building and replacing it with a two-family affordable housing unit, it starts to establish a way forward in addressing the Saratoga interest in providing home ownership to local working class residents.
2. It helps increase density of owner-occupied housing which, in turn, improves the general nature of neighborhoods with residents having a vested interest in the appearance and personality for that area.
3. It provides a hand-up to a working family enjoy the benefits of ownership over renting and the potential to build equity in their home.
4. This opens possibilities to local workers that want to live in Saratoga, but currently feel shut-out for a variety of reasons.

3. Activity Budget

    A. Program Operating Budget (Attachment 1), Construction/Site Development Budget (Attachment 2), House Pricing Policy (Attachment 2a), Affiliate House Pricing Breakdown (Attachment 2b)
    B. Our affiliate has been selected as one of two New York State affiliates to partner with Thrivent Financial. This funding will help support part of the cost of one unit on Cherry Street. We plan on making the other unit a Women Build theme project that has a proven history of success within Habitat. Cash on hand exceeds $50,000, some of which is funds from the Saratoga Showcase of Homes that is restricted to use in Saratoga County. A number of fund raising tactics will be employed to generate the balance of the money needed including grants, events and direct appeals. Mortgage payments from current home owners (approximately $40,000/year) also goes to advance our mission.

4. Monitoring of Federal Assistance to Subrecipients (Attachment 3)

    A. OMB Circular A-133
    B. Not applicable

(ATTACHMENT I)

PROGRAM OPERATING BUDGET

(Entitlement Grant + Leveraged Funds = Total Activity Cost)

	ENTITLEMENT GRANT	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PERSONNEL				
Salaries	0	49,668	49,668	ALL SOURCED FROM:
Fringe (PAYROLL COSTS)		6,940	6,940	DONATIONS, GRANTS,
Other (consultants, etc.)				FUNDRAISING & MORTGAG PAYMENTS
Subtotal		$56,608	56,608	
OVERHEAD				
Advertising/Marketing		3,000	3,000	
Program Supplies		10,280	10,280	
Rent & Utilities		11,400	11,400	
BUILD EXPENSES Other – list below		95,000	95,000	
PROPERTY TAXES, COSTS & INSURANCE		14,400	14,400	
TITHE HABITAT INT'L		12,000	12,000	
PROFESSIONAL FEES & MISC.		5,800	5,800	
Subtotal	0	151,880	151,880	
TOTAL COST	0	208,488	208,488	

(ATTACHMENT 2)

CONSTRUCTION / SITE DEVELOPMENT BUDGET

(Entitlement Grant + Leveraged Funds = Total Activity Cost)

	ENTITLEMENT GRANT	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PRECONSTRUCTION				
Legal	~~0~~	2,800	2,800	ALL SOURCED FROM:
Engineering		4,100	4,100	DONATIONS, GRANTS,
Architectural/Design				FUNDRAISING &
Fees and Permits		1,100	1,100	MORTGAGE PAYMENTS
Subtotal		8,000	8,000	
DEVELOPMENT				
Relocation	N/A			
Site Preparation	20,000	10,000	30,000	
Construction - materials	90,000	130,000	220,000	
Construction - labor	~~0~~	20,000	20,000	
Construction Financing	~~0~~	—	—	
Other - (explain)	~~0~~			
Subtotal	110,000	160,000	270,000	
TOTAL COST	110,000	160,000	270,000	

* 2 UNITS @ $135,000 EACH
($120,000 EACH - CONSTRUCTION COSTS
+ $15,000 EACH - DEMOLITION/HAZARDOUS MATERIALS)

(ATTACHMENT 24)

Habitat for Humanity®
Northern Saratoga
Warren and Washington Counties

4 Glens Falls Technical Park, Suite 4
Glens Falls, NY 12801
(518) 793-7484 info@glensfallshabitat.org
www.glensfallshabitat.org

Policy 23- House Pricing

House Pricing Policy for Habitat for Humanity of Northern Saratoga, Warren and Washington Counties

Purpose

Habitat for Humanity of Northern Saratoga, Warren and Washington Counties (the affiliate) will provide affordable homes to qualified partner families in such a way to assure that the homebuyer's initial monthly payment of a purchase of a Habitat Home will not exceed 30 percent of the household's income. The monthly mortgage payment shall include; repayment of principle, real estate and property taxes, homeowner's and hazardous insurance and where applicable, mortgage insurance and loan servicing fees.

House Pricing

Two ratios exist in the housing industry, the "housing expense ratio," which counts principal, taxes and insurance, and the "cost burden ratio," which adds to the previous items the cost of utilities (excluding telephone bill). For the purposes of determining affordability, the Affiliate should use at least the housing expense ratio. However, the affiliate may also use the cost burden ratio, and may also even consider other known recurring expenses, such as mandatory homeowner's association fees, annual termite inspection deposits, etc.

This policy is designed to assure that the homes produced are sold on a no-profit basis. In order to fulfill this no-profit mandate, costs that the affiliate may include into the calculation of the prices of their homes are:

- Cash costs, or donated value of property acquisition and installation of infrastructure (streets, water, utilities, sewer, etc.).
- Legal fees, recording fees, platting costs, engineering costs and architectural costs directly attributable to the home.
- Direct construction costs for labor and materials paid for by the affiliate with cash.
- The value of in-kind material donations.
- The value of donated professional labor by individuals and firms.
- Licenses, permits, insurance and fees directly attributable to the home.
- In addition to the above "direct" or "production" costs, the affiliate is permitted to include up to 10 percent of these total direct costs, to cover indirect expenses incurred by the affiliate in the production of the home such as infrastructure development for a site that is eventually subdivided into several units, general equipment used for construction, supervisors, and other "soft" or "indirect" overhead, administrative and operating costs.

The total repayable price of the home, i.e., the total amount the homeowner will repay to the affiliate over the life of the mortgage, may be less than but must not exceed the total development costs of the home, as defined above. This amount does not include amounts collected pursuant to second mortgages or other equity recapture language

The affiliate is permitted to establish a uniform House cost for a House type if, in the affiliate's judgment, this will make operation more expedient and transparent to applicants and the general public. As an example, the affiliate could therefore decide that all standard three-bedroom Houses would cost the same amount for a given year, which an example is provide below under *"Establishment of the Affiliates Unified 1200 SF House Pricing Policy."*

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Any charges in addition to those listed above would constitute profit for the purposes of defining the terms "no profit, no interest," and as such would not be allowed under this policy. In addition, the affiliate will include as many of the permissible costs that are possible while still keeping the house affordable to the homeowner. Keeping the repayments and the house cost closely tied together reinforces the "hand up, not a handout" philosophy.

Establishment of the Affiliates Uniform House Pricing Policy:
The affiliate's uniform house pricing policy shall allow for an affordable and equitable pricing structure to be established so that in the event, donations of monetary, property, material or services are provided for a build, all families purchasing the uniform house are being charged the pre-established build cost for the build model. In the event that the build cost exceeds the allowable income ratio, the affiliates Board of Directors shall use their judgment to implement the "housing expense ratio" or "cost burden ratio". All houses based on this model, with minor adjustments shall be sold to a partner family with a mortgage value of **$115,000.00** as outlined in the attached Exhibit 'A', Affiliates Uniform House Pricing Breakdown.

Second Mortgage
There shall be a second, silent mortgage established once the appraisal has been completed. The silent mortgage will be the cost difference between the first mortgage and the appraisal value. The second mortgage shall be forgiven over the course of the repayment of the first mortgage as outlined in the closing documents.

Ex. Appraised Value: $145,000.00 – First Mortgage: $115,000.00 = Second Mortgage: $30,000.00.

Market Conditions
An exception may be allowed for cases of urban blight where, in very depressed real estate markets, the appraised value may actually be less than the costs to the Affiliate. In this case, the Affiliate may in its discretion set the mortgage amount at cost even if it exceeds the appraised value, provided that the house is still affordable according to the standards above.

Placed in effect May 2004- re-copied January 2012, re-copied and modified October 2014

Habitat for Humanity®
Northern Saratoga, Warren and Washington Counties

4 Glens Falls Tech Park, Suite 4
Glens Falls, NY 12801
(518) 793-7484
www.glensfallshabitat.org

EXHIBIT "A"

Affiliates Uniform House Pricing Breakdown

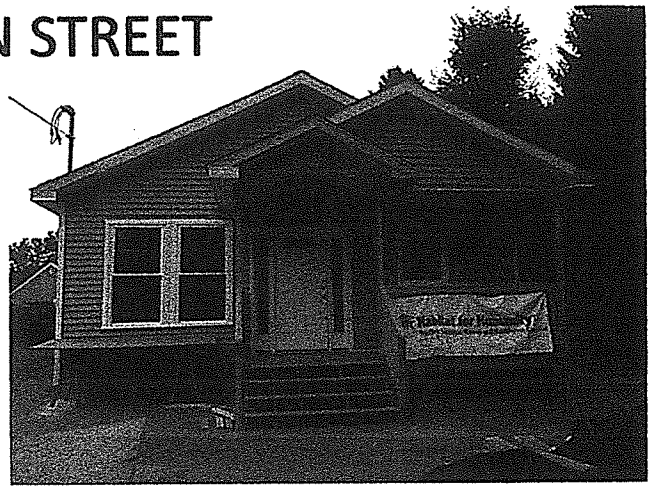
Housing Cost Breakdown

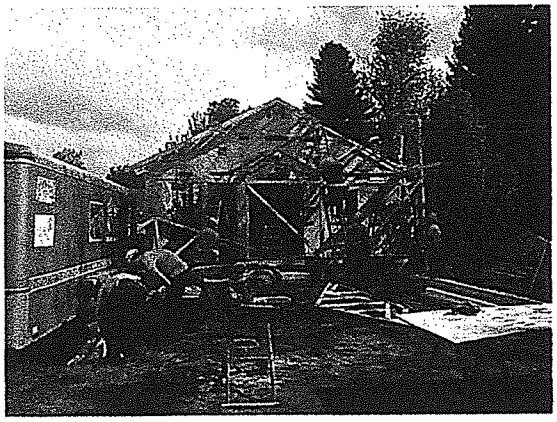
Division 1.1	*Taxes, Survey, Permits, Engineering*	$ 4,500
Division 1.2	Land (Donated/Purchased)	$10,000
Division 1.3	Construction Facilities (temporary)	$ 1,900
Division 1.4	Project Management (paid/volunteer)	$12,000
Division 1.6	Affiliate Overhead Build Cost	$10,000
Division 1.7	Closing Costs (legal, appraisal, title)	$ 2,800
Division 2.0	Site Work	$19,800
Division 3.0	Foundation	$ 9,000
Division 6.0	Framing	$ 6,000
Division 6.5	Finish Carpentry	$ 3,000
Division 7.0	Thermal & Moisture Protection	$ 5,500
Division 8.0	Doors/Windows	$ 7,000
Division 9.0	Paint/Flooring/Finishes	$ 6,000
Division 12.0	Furnishings (Closet Shelving)	$ 900
Division 15.0	Plumbing	$10,750
Division 15.2	Heat	$ 7,500
Division 16.0	Electrical	$ 8,000
Division 18.0	Siding/Finish	$ 6,000
Division 32.0	Shed	$ 1,000
	Total House Cost	$131,650
	Anticipated Donations/Discounts	$ 11,650
	Total Build Cost Value	$120,000

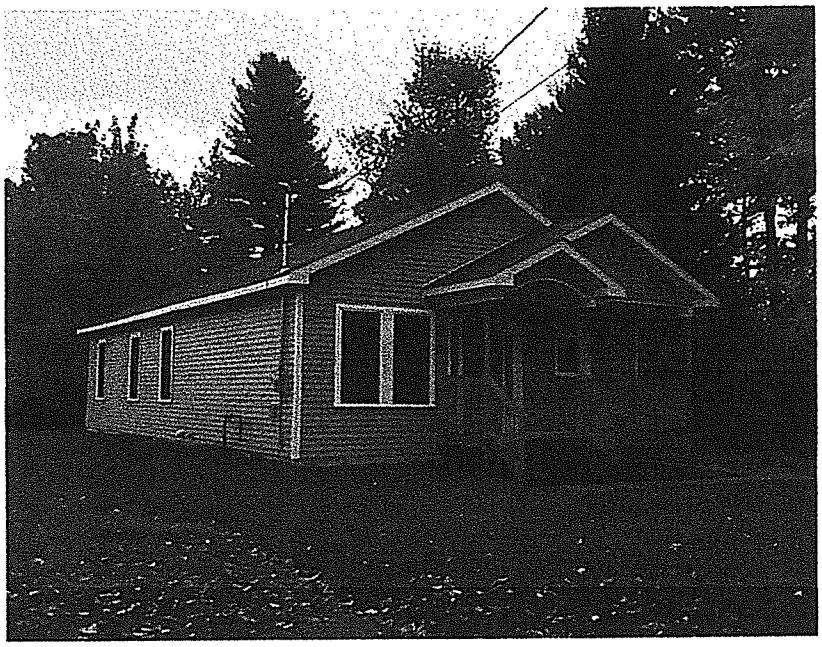
Pricing based on a three bedroom, one bath single story 1200sf house with basement/crawlspace. Estimate equates to $100/square foot.

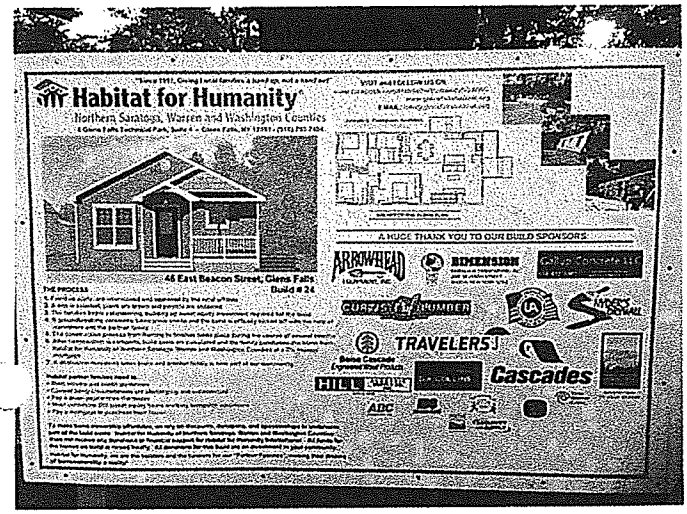
HABITAT FOR HUMANITY BEACON MODEL *

195 DIVISION STREET









* 26 CHERRY STREET WILL BE A NEW (DUPLEX) DESIGN

EQUAL HOUSING OPPORTUNITY

(ATTACHMENT 3)

OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133
MONITORING OF FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS

ORGANIZATION: GLENS FALLS AREA HABITAT FOR HUMANITY, INC. DBA: HABITAT FOR HUMANITY NORTHERN SARATOGA, WARREN & WASHINGTON COUNTIES

MAILING ADDRESS: 4 GLENS FALLS TECH PARK, #4, GLENS FALLS, NY 12801

FEDERAL ID #: 22-3476475 PHONE: 518·793·7484 FAX: _____

DUNS #: _____

1. Please identify your fiscal year (mth/yr to mth/yr): JULY 1, 2015 - JUNE 30, 2016

Please identify below the funding received during your last fiscal year:

2. Community Development Block Grant Entitlement Funding (CDBG):

CDBG Activity Name: 195 DIVISION STREET: BRINGING DIVISION TOGETHER

CDBG Funding Program Year: 2015 CDBG Funding Amount: $50,000

3. Other Federal Financial Awards (cash & non-cash):

GIVE NAME & CATALOG OF FEDERAL FINANCIAL ASSISTANCE (CFDA) #	AMOUNT OF AWARDS
N/A	

4. During your last fiscal year, has your organization expended more than $500,000 in total federal financial awards (incl. CDBG & all other federal assistance)? YES * [ ] NO [X]

* If "yes", include a copy of your latest Single Audit Report with this completed and signed form as part of your application. If you answered "no", please complete, sign and return this form.

5. Are you aware of any financial audit violations, findings or questioned costs relating to any activity funded with federal financial assistance? YES * [ ] NO [X]

* If "yes", please describe: N/A

6. Other Saratoga County Awards (cash & non-cash):

IDENTIFY PROGRAM NAME & YEAR OF AWARD	IDENTIFY AMOUNT OF CO. AWARDS

Authorized Signature

1/27/2016
Date

SARATOGA BUILDERS
A PROFESSIONAL TRADE ASSOCIATION FOR BUILDING PROFESSIONALS

January 27, 2016

Ms. Tammy DiCara

President

Habitat for Humanity Northern Saratoga, Warren & Washington Counties

4 Glens Falls Technical Park, Suite 4

Glens Falls, NY 12801

Dear Tammy:

The Saratoga Builders Association has enjoyed working with Habitat on the initial Workforce Community Partnership in the City of Saratoga Springs at 195 Division Street. We look forward to completing this project and seeing a first-time workforce family achieve their dream of home ownership. We, also, anticipate collaborating again as you transform 26 Cherry Street into a new opportunity for two families by replacing the current blighted building with a new duplex house.

As was the case with Division Street, the Saratoga Builders Association will reach out to our membership to provide as much pro-bono and/or deeply discounted resources to see this project through to completion. We believe that this is an exceptional and worthy effort to benefit our region and fits well with our core mission and goals.

Very truly,

Barry Potoker

Barry Potoker

Executive Director, Saratoga Builders Association

P.O.Box 1063 SARATOGA SPRINGS, NY 12866 518.366.0946 www.saratogabuilders.org

Rebuilding Together.
Saratoga County

January 28, 2016

Tammy DiCara, President
Habitat for Humanity Northern Saratoga,
Warren & Washington Counties

Dear Tammy,

It has been a pleasure being part of the Workforce Housing coalition along with Habitat for Humanity, Saratoga Builders Association and the City of Saratoga Springs on "Bringing Division Together" at 195 Division Street. We look forward to continuing this partnership as you prepare to start the new project at 26 Cherry Street.

Again, the role of Rebuilding Together Saratoga County will be to assist in recruiting volunteers as well as helping with site management as we have for the initial effort.

Congratulations on the progress at 195 Division Street and best wishes for successfully finishing the duplex at 26 Cherry Street!

Sincerely,

Michelle Larkin
Executive Director
Rebuilding Together Saratoga County

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law.

267 Ballard Rd., Suite 4 – Wilton, New York 12831 ▪ T: 518.587.3315 ▪F: 518.587.3314 ▪ www.RTSaratoga.org

GLENS FALLS AREA HABITAT FOR HUMANITY, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

GLENS FALLS AREA HABITAT FOR HUMANITY, INC.

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FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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JENKINS, BEECHER & BETHEL, LLP
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Certified Public Accountants
American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board Members
Glens Falls Area Habitat for Humanity, Inc.
Glens Falls Technical Park, Suite 4
Glens Falls, NY 12801

Report on the Financial Statements

We have audited the accompanying financial statements of Glens Falls Area Habitat for Humanity, Inc., a nonprofit organization, which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years 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 presentation 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 Glens Falls Area Habitat For Humanity, Inc. as of June 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

October 23, 2015

Jenkins, Beecher & Bethel, LLP

FINANCIAL STATEMENTS

GLENS FALLS AREA HABITAT FOR HUMANITY, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

ASSETS	2015	2014
Current Assets:		
Cash and Cash Equivalents (Note 1b)	$ 73,266	$ 69,900
Certificates of Deposit (Note 1b)	177,927	223,759
Total Cash	251,193	293,659
Construction In Progress	56,092	65,348
Mortgages Receivable - current portion (Note 2)	42,130	39,243
Gift cards	299	0
Escrow Receivable	2,160	1,925
SOSI Receivable for overpayment	0	3,207
Total Current Assets	351,874	403,383
Property and Equipment: (Note1e)		
Land	20,548	16,198
Construction equipment	24,756	7,899
Office Equipment	7,382	6,351
	52,686	30,448
Less Accumulated Depreciation	11,205	9,496
Net Property, Plant and Equipment	41,481	20,952
Other Assets		
Mortgage Receivables - long term (Note 2)	517,923	463,185
Total Other Assets	517,923	463,185
Total Assets	$ 911,278	$ 887,520

LIABILITIES AND NET ASSETS		
Current Liabilities:		
Sublease Security Deposit	$ 225	$ 225
Accounts Payable	12,154	0
Tithe Payable	60	1,095
Total Current Liabilities	12,439	1,320
Long-Term Liabilities:		
Total Long-Term Liabilities	0	0
Net Assets:		
Unrestricted Net Assets	720,912	662,441
Temporarily Restricted Net Assets	177,927	223,759
Total Net Assets	898,839	886,200
Total Liabilities and Net Assets	$ 911,278	$ 887,520

See auditor's report. See notes to financial statements.

GLENS FALLS AREA HABITAT FOR HUMANITY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
REVENUES		
Contributions restricted	$ 44,593	$ 51,466
Contributions unrestricted	35,090	8,673
Fundraising income - events	6,345	17,005
House Sales	100,000	88,000
Interest income	264	290
Sublease	1,575	2,700
Developer Fee	3,600	0
Miscellaneous	1,193	165
Total Revenues	192,660	168,299
EXPENSES		
Cost of House Sold	100,022	88,686
Fundraising	1,692	3,413
Insurance	4,667	527
Office Expense	3,536	4,113
Postage & Delivery	335	311
Legal & Professional	3,265	6,507
Advertising	2,934	3,150
Permits/Licenses	1,321	1,903
Dues	622	977
Storage	0	1,160
Telephone	1,492	1,489
Tithe	4,108	3,282
Repairs	802	580
Depreciation	1,709	1,972
Rent	9,900	9,900
Payroll	34,183	45,000
Payroll Taxes	2,769	3,865
Executive Director Expenses	1,450	2,866
Small Tools	894	1,089
Property Taxes	1,697	0
Equipment Expense	674	0
Volunteer Refreshments	458	0
Miscellaneous	1,491	1,351
Total Expenses	180,021	182,141
Changes in Net Assets	12,639	(13,842)
Net Assets at Beginning of Year	886,200	900,042
Net Assets at End of Year	$ 898,839	$ 886,200

See auditor's report. See notes to financial statements.

GLENS FALLS AREA HABITAT FOR HUMANITY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	$ 12,639	$ (13,842)
Depreciation Expense	1,709	1,972
(Increase) Decrease in Mortgages Receivable	(57,625)	(49,167)
(Increase) Decrease in Escrow Receivable	(235)	(1,077)
(Increase) Decrease in Gift Cards	(299)	0
(Increase) Decrease in Construction In Progress	9,256	(1,862)
(Increase) SOSI Receivable	3,207	(3,207)
Increase (Decrease) in Sublease Security Deposit	0	225
Increase (Decrease) in Accounts Payable	12,154	0
Increase (Decrease) in Tithe Payable	(1,035)	1,095
Net Cash Provided by Operating Activities	(20,228)	(65,864)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Provided by Financing Activities	0	0
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) Sale of Equipment	(17,888)	(2,982)
(Purchase) Sale of Land	(4,350)	15,976
Net Cash Provided by Investing Activities	(22,238)	12,994
Net Increase in Cash	(42,466)	(52,870)
Cash and Cash Equivalents Beginning of Year	293,659	346,529
Cash and Cash Equivalents End of Year	$ 251,193	$ 293,659

See auditor's report. See notes to financial statements.

1. Summary of Significant Accounting Policies and Other Matters

a) Business Activity
Glens Falls Area Habitat for Humanity, Inc. was organized to provide affordable housing to qualified individuals.

b) Cash and Cash Equivalents
For purposes of the statement of cash flows, Glens Falls Area Habitat for Humanity, Inc. considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

c) Advertising Costs
Advertising costs are expense as incurred. Advertising expense for the years ended June 30, 2015 and 2014 were $2,934 and $3,150, respectively.

d) Concentrations of Credit Risks
Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash deposits in excess of the FDIC insurance limit. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

e) Property and Equipment
Property and equipment is carried at cost. Depreciation of property and equipment is computed principally by the straight-line method at rates based on the following estimated useful lives:

Buildings	10-35 years
Machinery	5-20 years
Autos and trucks	3-7 years
Office equipment	5-15 years
Assets acquired under capital leases	5-10 years
Leasehold improvements	10-20 years

The cost of assets sold, retired, or otherwise disposed of and the related allowance for depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations. Renewals and betterments that materially extend the life of an asset are capitalized. Depreciation expense for the year ended June 30, 2015 and 2014 amounted to $1,709 and $1,972, respectively.

f) Income Taxes
Glens Falls Area Habitat for Humanity, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

g) Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

h) Donated Goods and Services
A substantial number of volunteers have made significant contributions of their time to the Organization, principally in the areas of house construction. The value of non-professional contributed time is not reflected in the financial statements.

1. Summary of Significant Accounting Policies and Other Matters (continued)

   i) Assets and Liabilities and Revenues and Expenses
   Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting for the years ended June 30, 2015 and 2014.

2. Mortgages Receivable
   Mortgages receivable consist of non-interest bearing mortgages that are secured by real estate and payable in monthly installments. Most of the mortgages have an original maturity of 20 years.

   Mortgages receivable consist of the following:

	2015	2014
Mortgage receivable from Michelle and Scott AuClaire, 2313 Aspen Lane, Argyle NY 12809. Mortgage was opened 12/19/02 for $35,000.00, payable in monthly installments of $145.83.	13,813	15,167
Mortgage receivable from Tiffanie J. Ballentine, 21 S Loughberry, Saratoga Springs, NY 12866. Mortgage was opened 11/16/01 for $35,000.00, payable in monthly installments of $145.84.	11,376	13,126
Mortgage receivable from John & Ethel Beaty, 88 Birch Avenue, Lake George NY 102845. Mortgage was opened 02/10/2012 for $70,000.00, payable in monthly installments of $388.89.	54,444	59,111
Mortgage receivable from Norman & Deena Coons, 42 Henry Street, Glens Falls, NY 12801. Mortgage was opened 12/07/01 for $35,000.00, payable in monthly installments of $145.83.	1,258	2,862
Mortgage receivable from Penny Crerand & Chris Davidson, 11 Medbury Road, Porters Corners, NY 12859. Mortgage was opened 5/3/2011 for $93,000, payable in monthly installments of $310.	77,810	81,840
Mortgage receivable from Maria Edgington, 46 E Beacon Street, Glens Falls, NY 12801. Mortgage was opened on 12/4/2014 for $40,000, payable in monthly installments of $277.78.	98,333	0
Mortgage receivable from Rachel Flickinger, 765 Saratoga Road Lot #11, Saratoga Springs, NY 12866. Mortgage was opened 2/18/10 for $84,000, payable in monthly installments of $280.	66,360	69,720

2. Mortgages Receivable (continued)

	2015	2014
Mortgage receivable from Ralph & Regina LaMotte, 44 Henry Street, Glens Falls, NY 12801. Mortgage was opened 12/13/00 for $35,000.00, payable in monthly installments of $145.83.	10,472	12,222
Mortgage receivable from Tabatha Murray, 6 Jacobie Road, South Glens Falls, NY 12803. Mortgage was opened 07/28/00 for $35,000.00, payable in monthly installments of $145.83.	7,783	9,533
Mortgage receivable from Kathleen Powers & Robert Mulcahy, 4680 State Route 9N, Corinth, NY 12822. Mortgage was opened 12/15/99 for $35,000.00, payable in monthly installments of $145.84.	9,760	11,218
Mortgage receivable from Staci Porter, 7 Medbury Road, Porters Corners NY 12859. Mortgage was opened on 1/11/2008 for $90,000, payable in monthly installments of $300.00.	62,998	66,598
Mortgage receivable from Tracy L. Sanders, 125 Meadowbrook Road, Queensbury, NY 12804. Mortgage was opened on 8/31/99 for $40,000.00, payable in monthly installments of $170.28.	21,625	23,498
Mortgage receivable from Stephen & Marie Roberts, 79 Platt Street, Glens Falls, NY 12801. Mortgage was opened 09/13/2013 for $88,000, payable in monthly installments of $293.34.	81,687	85,353
Mortgage receivable from Carlton and Ann Marie Thornton, 15 Medbury Road, Porters Corners, NY 12859. Mortgage was opened 02/12/04 for $52,500, payable in monthly installments of $175.00.	30,224	31,150
Mortgage receivable from Michael & Tracy Wheeler, 505 Lower Oak Street, Hudson Falls, NY 12839. Mortgage was opened 12/17/97 for $38,880.00, payable in monthly installments of $162.00.	5,188	6,970
Mortgage receivable from Chris & Tammy Whiting, 12 First Street, Hudson Falls, NY 12839. Mortgage was opened 01/18/96 for $41,640.00, payable in monthly installments of $173.50.	4,076	5,984

Mortgage receivable from Rodney & Stephanie Woodard, 65 Mud Pond Road, Queensbury, NY 12804. Mortgage was opened 04/30/03 for $35,000.00, payable in monthly installments of $145.83.	2,846	8,075
Total mortgage receivables	560,053	502,428
LESS: Current portion of mortgage receivable	42,130	39,243
Mortgage receivables excluding current portion	$ 517,923	463,185

The following is a schedule of principal reduction for the following years:

June 30, 2016	$	42,130
June 30, 2017		42,130
June 30, 2018		42,130
June 30, 2019		42,130
June 30, 2020		42,130
Thereafter		307,273
Total	$	517,923

3. Second Mortgages Receivable
Glens Falls Area Habitat for Humanity, Inc. holds a second mortgage in the amount of the difference between the appraised value of the house and the first mortgage. Each year, 5% of the second mortgage is forgiven if the homeowner is in compliance with the mortgage document. After twenty years it would be totally forgiven. Payments are generally due at the beginning of the month with a 2% penalty for payments made after 15 days from the due date.

During the fiscal year ended June 30, 2006 it was advised by legal council that the second mortgages previously recorded as an asset to the organization are not enforceable, and therefore have been removed as a receivable for the organization.

4. Subsequent Events
Subsequent events were considered through October 23, 2015, the date of the auditor's report. There are no subsequent events to report.

JENKINS, BEECHER & BETHEL, LLP
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REPORT TO THE BOARD

The Board of Directors
Glens Falls Area Habitat for Humanity, Inc.
P.O. Box 4206
Queensbury, NY 12804

We have audited the financial statements of Glens Falls Area Habitat for Humanity, Inc. for the year ended June 30, 2015, and have issued our report thereon dated October 23, 2015. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Accounting Principles Generally Accepted in the United States of America

Or responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatement may exist and not be detected by us.

In planning and performing our audit, we considered the Glens Falls Area Habitat for Humanity, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting

As part of obtaining reasonable assurance about whether the organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, 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.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant

accounting policies used by the Glens Falls Area Habitat for Humanity, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by the Glens Falls Area Habitat for Humanity, Inc. during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was Management's estimate of depreciation expense, which is based on the estimated useful lives of the Glens Falls Area Habitat for Humanity, Inc.'s capital assets. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Glens Falls Area Habitat for Humanity, Inc.'s financial reporting process (that is, cause future financial statements to be materially misstated). All proposed adjustments were recorded by the Glens Falls Area Habitat for Humanity, Inc. staff prior to completion of the audit.

There were no unrecorded proposed adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, our professional standards require the consulting accountant check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditor

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Glens Falls Area Habitat for Humanity, Inc.'s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

We appreciate this opportunity to be of service to the Glens Falls Area Habitat for Humanity, Inc. We would like to thank Mrs. Carol Norton, and all of the staff for the cooperation and courtesy extended to us during our audit.

October 23, 2015

Jenkins, Beecher, & Bethel, LLP