

**North Hills  
Affordable Housing, Inc.  
(dba HEARTH) and  
Benet Woods Housing Corp.  
CONSOLIDATED AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**For The Years Ended June 30, 2021 and 2020**

NORTH HILLS AFFORDABLE HOUSING, INC. AND BENET WOODS HOUSING CORP.

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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# *Zelenkofske Axlerod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of  
NORTH HILLS AFFORDABLE HOUSING, INC. (DBA HEARTH) AND  
BENET WOODS HOUSING CORP.

We have audited the accompanying consolidated financial statements of NORTH HILLS AFFORDABLE HOUSING, INC. (DBA HEARTH) AND BENET WOODS HOUSING CORP. (collectively referred to as "the Organization"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NORTH HILLS AFFORDABLE HOUSING, INC. (DBA HEARTH) AND BENET WOODS HOUSING CORP. (the "Organization") as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



# *Zelenkofske Axlerod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

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Board of Directors and Management of  
NORTH HILLS AFFORDABLE HOUSING, INC., (DBA HEARTH) AND  
BENET WOODS HOUSING CORP.

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## **Other Matters**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Schedules of Operating Expenses related to Support without Donor Restrictions and Support with Donor Restrictions on pages 18-19 and the Consolidating Statements of Financial Position and Consolidating Statements of Activities and Changes in Net Assets on pages 20-23 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

ZELENKOFKSKE AXELROD LLC

Pittsburgh, PA  
November 30, 2021

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
AND BENET WOODS HOUSING CORP.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents:		
Without restrictions	\$ 1,930,639	\$ 1,671,373
With restrictions	382,718	382,718
Grants and accounts receivable	17,083	34,692
Prepaid expenses	7,290	8,162
	<u>2,337,730</u>	<u>2,096,945</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Capital equipment	95,216	95,216
Furnishings	55,503	55,503
	<u>150,719</u>	<u>150,719</u>
Less: Accumulated depreciation	130,760	122,528
	<u>19,959</u>	<u>28,191</u>
<b>OTHER ASSETS:</b>		
Investment in Partnership	100	100
Note receivable - HEARTH Benedictine Place Housing Limited Partnership	1,305,184	1,278,434
Note receivable - Benet Woods Housing Limited Partnership	146,503	145,386
	<u>1,451,787</u>	<u>1,423,920</u>
	<u>3,809,476</u>	<u>3,549,056</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	20,273	22,056
Unearned revenue	29,600	81,850
Payroll liabilities and accrued expenses	17,500	68,724
Van loan, current portion	-	3,632
	<u>67,373</u>	<u>176,262</u>
<b>LONG-TERM LIABILITIES</b>		
Van loan	-	14,801
PPP loan	131,077	115,000
	<u>131,077</u>	<u>129,801</u>
	<u>198,450</u>	<u>306,063</u>
<b>NET ASSETS:</b>		
Without donor restrictions:		
Board designated	290,000	190,000
Available for operations	3,025,085	2,785,275
	<u>3,315,085</u>	<u>2,975,275</u>
With donor restrictions	295,941	267,718
	<u>3,611,026</u>	<u>3,242,993</u>
	<u>\$ 3,809,476</u>	<u>\$ 3,549,056</u>

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

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
AND BENET WOODS HOUSING CORP.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Revenues:			
Contributions - foundations	\$ 221,044	\$ 63,475	\$ 284,519
Contributions - corporations	30,110	-	30,110
Contributions - individuals	430,326	-	430,326
Contributions - other organizations	43,730	-	43,730
Donated services and supplies	5,450	-	5,450
Grants from governmental agencies	150,000	-	150,000
Program revenues	87,242	-	87,242
Miscellaneous income	31,240	-	31,240
Interest income	37,722	-	37,722
Forgiveness of PPP Loans	115,000	-	115,000
Net assets released from restrictions	35,252	(35,252)	-
Total revenues	<u>1,187,116</u>	<u>28,223</u>	<u>1,215,339</u>
Special Events:			
Special events revenue	324,123	-	324,123
Special events expense	(83,084)	-	(83,084)
Total special events	<u>241,039</u>	<u>-</u>	<u>241,039</u>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u>1,428,155</u>	<u>28,223</u>	<u>1,456,378</u>
<b>EXPENSES</b>			
Operating expenses	1,080,113	-	1,080,113
Depreciation	8,232	-	8,232
<b>TOTAL EXPENSES</b>	<u>1,088,345</u>	<u>-</u>	<u>1,088,345</u>
<b>CHANGE IN NET ASSETS</b>	339,810	28,223	368,033
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,975,275</u>	<u>267,718</u>	<u>3,242,993</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,315,085</u>	<u>\$ 295,941</u>	<u>\$ 3,611,026</u>

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

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
AND BENET WOODS HOUSING CORP.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Revenues:			
Contributions - foundations	\$ 259,185	\$ 59,919	\$ 319,104
Contributions - corporations	33,650	-	33,650
Contributions - individuals	179,078	-	179,078
Contributions - other organizations	37,811	-	37,811
Donated services and supplies	28,705	-	28,705
Grants from governmental agencies	110,000	-	110,000
Program revenues	103,545	-	103,545
Miscellaneous income	18,424	-	18,424
Interest income	36,812	-	36,812
Net assets released from restrictions	25,829	(25,829)	-
	<u>833,039</u>	<u>34,090</u>	<u>867,129</u>
Total revenues			
Special Events:			
Special events revenue	213,824	-	213,824
Special events expense	(47,674)	-	(47,674)
	<u>166,150</u>	<u>-</u>	<u>166,150</u>
Total special events			
TOTAL REVENUES AND OTHER SUPPORT	<u>999,189</u>	<u>34,090</u>	<u>1,033,279</u>
EXPENSES			
Operating expenses	984,553	-	984,553
Depreciation	10,511	-	10,511
	<u>995,064</u>	<u>-</u>	<u>995,064</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	4,125	34,090	38,215
NET ASSETS, BEGINNING OF YEAR	<u>2,971,150</u>	<u>233,628</u>	<u>3,204,778</u>
NET ASSETS, END OF YEAR	<u>\$ 2,975,275</u>	<u>\$ 267,718</u>	<u>\$ 3,242,993</u>

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

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
AND BENET WOODS HOUSING CORP.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 368,033	\$ 38,215
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,232	10,511
Forgiveness of PPP Loan	(115,000)	-
Change in notes receivable	(27,867)	(27,221)
(Increase) decrease in:		
Grants and accounts receivable	17,609	(17,021)
Prepaid expense	872	(4,571)
(Decrease) increase in:		
Accounts payable	(1,783)	(4,764)
Unearned revenue	(52,250)	54,130
Payroll liabilities and accrued expenses	(51,224)	21,507
	146,622	70,786
Net cash provided by operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from PPP loan	131,077	115,000
Principal payments - Van loan	(18,433)	(888)
	112,644	114,112
Net cash provided by investing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	259,266	184,898
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,054,091	1,869,193
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,313,357	2,054,091
Presented in the financial statements as:		
Cash and cash equivalents without restrictions	\$ 1,930,639	\$ 1,671,373
Cash and cash equivalents with restrictions	382,718	382,718
Total Cash and cash equivalents	\$ 2,313,357	\$ 2,054,091
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	53	165

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



NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
AND BENET WOODS HOUSING CORP.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services			Administration			Fundraising			Totals
	HEARTH	Benet Woods	Total Program Services	HEARTH	Benet Woods	Total Administration	HEARTH	Benet Woods	Total Fundraising	
Wages and salaries	\$ 326,338	\$ -	\$ 326,338	\$ 57,626	\$ -	\$ 57,626	\$ 102,300	\$ -	\$ 102,300	\$ 486,264
Rent	68,038	-	68,038	7,560	-	7,560	-	-	-	75,598
Employee benefits	83,843	-	83,843	9,194	-	9,194	10,950	-	10,950	103,987
Repairs & Maintenance	42,279	-	42,279	40,182	-	40,182	-	-	-	82,461
Utilities	55,657	-	55,657	6,194	-	6,194	-	-	-	61,851
Consulting and other	4,896	-	4,896	46,102	-	46,102	5,350	-	5,350	56,348
Payroll tax expense	31,414	-	31,414	5,455	-	5,455	8,120	-	8,120	44,989
Donated services and supplies	5,450	-	5,450	-	-	-	-	-	-	5,450
Office expense	7,459	-	7,459	12,925	-	12,925	-	-	-	20,384
Insurance	3,715	-	3,715	17,497	-	17,497	-	-	-	21,212
Real Estate Taxes	14,231	-	14,231	1,581	-	1,581	-	-	-	15,812
Miscellaneous expense	3,922	-	3,922	5,018	1,118	6,136	-	-	-	10,058
Client services	10,586	-	10,586	-	-	-	-	-	-	10,586
Professional fees	4,184	-	4,184	5,023	-	5,023	31,197	-	31,197	40,404
Covid expenses	13,358	-	13,358	-	-	-	-	-	-	13,358
Depreciation	-	-	-	8,232	-	8,232	-	-	-	8,232
Education expense	-	-	-	9,645	-	9,645	-	-	-	9,645
Board and donor relations	-	-	-	-	-	-	3,022	-	3,022	3,022
Equipment expense	758	-	758	14,257	-	14,257	-	-	-	15,015
Travel expense	-	-	-	3,069	-	3,069	-	-	-	3,069
Telephone	-	-	-	600	-	600	-	-	-	600
	<u>\$ 676,128</u>	<u>\$ -</u>	<u>\$ 676,128</u>	<u>\$ 250,160</u>	<u>\$ 1,118</u>	<u>\$ 251,278</u>	<u>\$ 160,939</u>	<u>\$ -</u>	<u>\$ 160,939</u>	<u>\$ 1,088,345</u>

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

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
AND BENET WOODS HOUSING CORP.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Administration			Fundraising			Totals
	HEARTH	Benet Woods	Total Program Services	HEARTH	Benet Woods	Total Administration	HEARTH	Benet Woods	Total Fundraising	
Wages and salaries	\$ 284,714	\$ -	\$ 284,714	\$ 41,695	\$ -	\$ 41,695	\$ 102,300	\$ -	\$ 102,300	\$ 428,709
Rent	69,540	-	69,540	7,727	-	7,727	-	-	-	77,267
Employee benefits	57,740	-	57,740	6,910	-	6,910	10,950	-	10,950	75,600
Repairs & Maintenance	36,044	-	36,044	35,293	-	35,293	-	-	-	71,337
Utilities	61,073	-	61,073	6,778	-	6,778	-	-	-	67,851
Consulting and other	4,896	-	4,896	37,327	-	37,327	6,056	-	6,056	48,279
Payroll tax expense	25,066	-	25,066	4,446	-	4,446	8,120	-	8,120	37,632
Donated services and supplies	28,705	-	28,705	-	-	-	-	-	-	28,705
Office expense	14,132	-	14,132	13,299	-	13,299	-	-	-	27,431
Insurance	3,888	-	3,888	15,839	-	15,839	-	-	-	19,727
Real Estate Taxes	16,499	-	16,499	1,833	-	1,833	-	-	-	18,332
Miscellaneous expense	3,922	-	3,922	8,394	-	8,394	5,385	-	5,385	17,701
Client services	13,527	-	13,527	-	-	-	-	-	-	13,527
Professional fees	7,239	-	7,239	5,145	-	5,145	730	-	730	13,114
Covid expenses	10,573	-	10,573	-	-	-	-	-	-	10,573
Depreciation	-	-	-	10,511	-	10,511	-	-	-	10,511
Education expense	-	-	-	9,745	-	9,745	-	-	-	9,745
Board and donor relations	-	-	-	-	-	-	9,153	-	9,153	9,153
Equipment expense	1,689	-	1,689	6,627	-	6,627	-	-	-	8,316
Travel expense	-	-	-	912	-	912	-	-	-	912
Telephone	642	-	642	-	-	-	-	-	-	642
	<u>\$ 639,889</u>	<u>\$ -</u>	<u>\$ 639,889</u>	<u>\$ 212,481</u>	<u>\$ -</u>	<u>\$ 212,481</u>	<u>\$ 142,694</u>	<u>\$ -</u>	<u>\$ 142,694</u>	<u>\$ 995,064</u>

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

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of North Hills Affordable Housing, Inc. (dba HEARTH) and Benet Woods Housing Corp. (collectively referred to as "the Organization"). All material inter-organization transactions have been eliminated. See the consolidating supplementary schedules for financial information of each entity.

**Nature of the Organization**

North Hills Affordable Housing, Inc. (dba HEARTH) is a nonprofit corporation incorporated under the Pennsylvania Nonprofit Corporation Law on May 8, 1989. HEARTH is an acronym for Homelessness Ends with Advocacy Resources Training and Housing. HEARTH's mission is to provide a range of supportive services and housing that empowers families, who are survivors of domestic violence and experiencing homelessness, to become independent, self-sufficient, and adequately housed; and to foster low income housing opportunities to prevent homelessness and encourage safe, affordable housing.

During May 2007, Benet Woods Housing Corp. (BWHC) was incorporated as a separate nonprofit Type I supporting organization of HEARTH. BWHC is committed to developing mixed income rental developments in the northern suburbs of Pittsburgh, Pennsylvania, which include below market rate options, to meet the needs of families (see Note 3).

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Basis of Presentation**

The Organization has adopted FASB ASC section 958-205-05, as amended by ASU 2016-14. The Organization classifies resources for accounting and reporting purposes into two net asset categories according to the existence or absence of donor or grantor imposed restrictions, as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for long-term maintenance and for the loss of certain funding in a prior year.

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets With Donor Restrictions – Net assets that are subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, were the donor stipulates that resources be maintained in perpetuity. Currently, the Organization does not have any restrictions that are perpetual in nature. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue and Support Recognition**

The Organization follows FASB ASC section 958-605-25, Revenue Recognition of Not-for-Profit Organizations. As such, contributions are recognized as revenue when they are received or unconditionally pledged. Contributions receivable represent amounts committed by donors that have not been received by the Organization and included as grants receivables in the statements of financial position.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, Net Assets with Donor Restrictions are reclassified to Net Assets without Donor Restrictions and reported in the statement of activities as net assets released from restrictions. It is the Organization's practice to recognize restricted contributions as without donor restrictions when these funds are received and spent during the same year.

**Cash and Cash Equivalents**

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

**Credit Risk**

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to its cash and cash equivalents.

**Accounts Receivable**

Accounts receivable are primarily with organizations in the western Pennsylvania area consisting mainly of sponsorships for the annual golf outing and reimbursements from government agencies related to grant programs. The Organization extends unsecured credit related to these fees but mitigates that associated credit risk by actively pursuing past due accounts. Management has not provided for an allowance for doubtful accounts, as it believes all accounts receivable are fully collectible.

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 JUNE 30, 2021 AND 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Property and Equipment**

Property and equipment greater than \$5,000 is capitalized and recorded at the lower of cost or fair value. Depreciation is calculated using the straight line and accelerated methods over the estimated useful lives. Ordinary repairs, maintenance, renewals and replacements are charged against income as incurred. Those expenditures that improve or extend the useful life of existing assets are capitalized. Management periodically reviews the remaining useful lives of the assets. The estimated useful lives are as follows:

<b>Asset</b>	<b>Life</b>
Office furniture and equipment	3-7 years
Apartment furnishings	5-7 years
Lounge and laundry furnishings	7 years

**Donated Property, Equipment and Supplies**

Donations of property, equipment and supplies are recorded as support at their estimated fair value on the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that are used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor, at which time the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions.

**Donated Services**

If donated services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, they are recognized as contributions.

**Fair Value Measurement**

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

The Fair Value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The assets most significantly affected by fair value measurement are investments.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- A) Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.
- B) Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- C) Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Organization, using available market information and appropriate valuation methodologies, has determined the estimated fair value of its financial instruments. However, considerable judgment is required in interpreting data to develop the estimates of fair value. The fair values of the Organization's financial instruments are estimated based on current market rates and instruments with the same risk and maturities.

#### **Income Taxes**

Both HEARTH and BWHC are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The Organization is not classified as a private foundation.

The Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBTI). Tax benefits would be recognized in the financial statements from such a position and be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. Management asserts there were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2021 and 2020.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

#### **Unearned Revenue**

Unearned revenue includes special events revenue received in advance of the period or the incurrence of qualifying expenditures to which they relate.

#### **Subsequent Events**

The Organization has evaluated subsequent events for recognition or disclosure through November 30, 2021, the date the financial statements were available to be issued.

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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NOTE 2: LIQUIDITY AND AVAILABILITY

HEARTH regularly monitors liquidity required to meet its operating needs and other commitments. HEARTH has various sources of liquidity at its disposal, including cash and cash equivalents and grants and accounts receivable.

For purposes of analyzing resources available to meet general expenditures over a 24-month period, HEARTH considers expenditures related to its ongoing commitment to provide a range of supportive services and housing that empowers families who are survivors of domestic violence and experiencing homelessness before depreciation expense.

HEARTH operates with a budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the HEARTH's cash and cash equivalents. It is HEARTH's goal to have six to twelve months' operating reserves on hand at any given time.

As of June 30, 2021, the following financial assets could readily be made available within 24 months of the balance sheet date to meet general expenditures:

Cash and Cash Equivalents without donor restrictions	\$ 1,930,639
Grants and Accounts Receivable	<u>17,083</u>
Financial Assets Available	<u>1,947,722</u>
Total Sources of Liquidity Available	
At June 30, 2021	<u>\$ 1,947,722</u>

As of June 30, 2020, the following financial assets could readily be made available within 24 months of the balance sheet date to meet general expenditures:

Cash and Cash Equivalents without donor restrictions	\$ 1,671,373
Grants and Accounts Receivable	<u>34,692</u>
Financial Assets Available	<u>1,706,065</u>
Total Sources of Liquidity Available	
At June 30, 2020	<u>\$ 1,706,065</u>

NOTE 3: NOTE RECEIVABLE – BENET WOODS HOUSING LIMITED PARTNERSHIP

In October 2008, BWHC entered into a limited partnership agreement with TREK Development Group, Inc. (TREK) and S&T Bank for the purpose of developing, owning, and operating housing for low income persons and families. As General Partners, BWHC and TREK would retain exclusive and complete control of the management of the business of Benet Woods Housing Limited Partnership (the "Partnership"). At the end of the compliance period (15 years), BWHC has the option to purchase the housing complex from the Partnership for a specified amount in accordance with the agreement. As of June 30, 2021 and 2020, BWHC's equity interest in the Partnership is .0051%.

On April 29, 2008, BWHC entered into an agreement to loan funds to the Partnership. This loan bears interest at the applicable federal rate (1.02% and 0.43% at June 30, 2021 and 2020, respectively) and matures 30 years from the original date of the note. As of June 30, 2021 and 2020, loans to the partnership from BWHC totaled \$146,503 and \$145,386, including accrued interest of \$38,269 and \$37,152, respectively, and are classified as long term.

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
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NOTE 4: INVESTMENT IN PARTNERSHIP – HEARTH Benedictine Place Housing Limited Partnership

In July 2012 the Organization partnered with Trek Development Group, Inc, (TREK) and PNC Bank (“HEARTH Benedictine Place Housing Limited Partnership”) to acquire and renovate property on Mt. Royal Boulevard in Shaler Township in order to permanently relocate the Organization’s administrative offices and Benedictine Place program. As General Partners, the Organization and TREK would retain exclusive and complete control of the management of the business of HEARTH Benedictine Place Housing Limited Partnership. At the end of the compliance period (15 years), HEARTH will recognize its interest in the Partnership in accordance with the agreement. As of June 30, 2021 and 2020, HEARTH’s equity interest in the Partnership is .0051%. In the low income housing credit partnerships, year 16 is the transitional year for ownership interests. In year 16 (2028), HEARTH’s ownership interest in the partnerships will increase to 51%.

In conjunction with the purchase of the property, the Organization paid \$3,500 towards the cost of closing. Simultaneously, the Organization entered into a note receivable in the amount of \$1,070,000 to HEARTH Benedictine Place Housing Limited Partnership to support project development with a \$515,000 cash payment and a signed note for \$555,000. As of June 30, 2021 and 2020, the Note Receivable totaled \$1,305,184 and \$1,278,434, including accrued interest of \$235,184 and \$208,434, respectively. The Note Receivable is due 30 years from the construction completion date.

NOTE 5: PROPERTY AND EQUIPMENT

	<u>6/30/2021</u>	<u>6/30/2020</u>
Capital Equipment	\$ 95,216	\$ 95,216
Furnishings	<u>55,503</u>	<u>55,503</u>
Total Equipment & Furnishings	<u>150,719</u>	<u>150,719</u>
Less Accumulated Depreciation	<u>(130,760)</u>	<u>(122,528)</u>
Property and equipment, net	<u>\$ 19,959</u>	<u>\$ 28,191</u>

For the years ended June 30, 2021 and 2020, depreciation expense totaled \$8,232 and \$10,511, respectively.

NOTE 6: BOARD DESIGNATED NET ASSETS

HEARTH’s Board of Directors has designated funds for certain purposes as follows:

	<u>2021</u>	<u>2020</u>
Board designated funds for long term maintenance	<u>\$ 290,000</u>	<u>\$ 190,000</u>
Total board designated funds	<u>\$ 290,000</u>	<u>\$ 190,000</u>



NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
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## NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of funds currently available for use, but expendable only for those operating purposes specified by the donor. Net assets with donor restrictions is comprised of:

	Balance at 6/30/2021	Balance at 6/30/2020
HUD Building Reserve	\$ 173,500	\$ 173,500
Capital Campaign	74,324	47,261
Pitcairn Crabbe DSC	15,000	15,000
Eakin Legacy Fund	9,554	-
PNC Van Charitable Trust	5,474	4,567
Covid-19	4,081	10,705
Snee Reinhardt	3,293	1,623
Book Nook Project	2,000	-
Expressions in Harmony	2,670	7,301
Closet and Clothing Pantry	2,521	2,850
Zonta	1,325	1,880
Home Like Project	1,000	-
Pittsburgh Foundation Thermostats	487	487
HCEF Mini Grant	283	283
Hampton Shaler Etna Ministerial	225	225
Erika Kolad Field Trip	204	204
Grable Security	-	1,832
	<u>          </u>	<u>          </u>
Total	<u>\$ 295,941</u>	<u>\$ 267,718</u>

## NOTE 8: DONATED SERVICES AND SUPPLIES

The Organization received, without charge, certain professional services and other supplies. The estimated fair value is reported as both support and expense in the period in which the services are performed or the supplies are received.

The estimated fair values of donated services and supplies included in the consolidated financial statements are as follows:

	2021	2020
Household Items		
Other Organizations	<u>\$ 5,450</u>	<u>\$ 28,705</u>
Total	<u>\$ 5,450</u>	<u>\$ 28,705</u>

In addition, a substantial number of volunteers have donated their time to the Organization's various program services. The value of the donated services is not reflected in the consolidated financial statements since there is no objective basis to measure the value of such services.

## NOTE 9: RETIREMENT PLAN

The Organization has a defined contribution pension plan ("Plan"). The Plan covers all employees who work more than 1,000 hours per year. Contributions to the Plan are based upon each participant's compensation for the plan year and are subject to various limitations prescribed by the Internal Revenue Code. Plan contributions for the years ended June 30, 2021 and 2020 totaled \$19,690 and \$15,144, respectively.

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

## NOTE 10: SPECIAL EVENTS

The Organization holds four special events. The Golf Outing, Wine and Food Event, Purses for Purpose, and Hops for HEARTH events raised funds for operations and general programs. The revenue and expenses related to these events are included in the accompanying consolidated statement of activities as follows:

	<u>2021</u>				
	<u>Wine and Food Event</u>	<u>Golf Outing</u>	<u>Purses for Purpose</u>	<u>HOPS for HEARTH</u>	<u>Total Special Events</u>
Revenue	\$ 85,429	\$ 158,580	\$ 41,170	\$ 38,944	\$ 324,123
Expense	<u>(25,413)</u>	<u>(49,631)</u>	<u>(1,694)</u>	<u>(6,346)</u>	<u>(83,084)</u>
Total	<u>\$ 60,016</u>	<u>\$ 108,949</u>	<u>\$ 39,476</u>	<u>\$ 32,598</u>	<u>\$ 241,039</u>
	<u>2020</u>				
	<u>Wine and Food Event</u>	<u>Golf Outing</u>	<u>Purses for Purpose</u>	<u>HOPS for HEARTH</u>	<u>Total Special Events</u>
Revenue	\$ 95,498	\$ -	\$ 86,537	\$ 31,789	\$ 213,824
Expense	<u>(18,285)</u>	<u>-</u>	<u>(22,518)</u>	<u>(6,871)</u>	<u>(47,674)</u>
Total	<u>\$ 77,213</u>	<u>\$ -</u>	<u>\$ 64,019</u>	<u>\$ 24,918</u>	<u>\$ 166,150</u>

## NOTE 11: OPERATING LEASES

The Organization leases tenant housing and a vehicle under various operating leases. In addition, rent expense related to these leases totaled \$241,365 and \$237,135 for the years ended June 30, 2021 and 2020, respectively. As of June 30, 2021, future minimum lease payments under the operating leases are as follows:

June 30, 2022	\$ 248,606
June 30, 2023	256,064
June 30, 2024	263,746
June 30, 2025	271,659
June 30, 2026	279,809
June 30, 2027	<u>288,203</u>
Total	<u>\$ 1,608,087</u>

## NOTE 12: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis. Program services are defined as the costs to provide a range of supportive services and housing that empowers families, who are survivors of domestic violence or other trauma and experiencing homelessness, to become independent, self-sufficient, and adequately housed; and to foster low income housing opportunities to prevent homelessness and encourage safe, affordable housing. Administration costs are the necessary costs to provide the day to day oversight of the Organization's programs and related staff. Fundraising costs are the expenses related to raising funds for the Organization. Accordingly, certain costs have been allocated among the programs and supporting services benefited as shown on pages 7 and 8.

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH AND BENET WOODS HOUSING CORP.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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NOTE 13: PAYROLL PROTECTION PROGRAM LOAN

During 2020, the Organization received loan proceeds in the amount of \$115,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying business for amounts up to 2.5 times of the average monthly payroll expenses of qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, and non-payroll costs, rent and utilities, and maintains its payroll levels. During 2020, HEARTH used the entire loan amount for qualifying expenses as described in the CARES Act and under the terms of the PPP, the entire loan will be forgiven in 2021. As a result, HEARTH recognized \$115,000 as income due to the forgiveness of the loans.

On February 27, 2021, the Organization entered into a term note with a bank with a principal amount of approximately \$131,077 pursuant to the Paycheck Protection Program ("PPP Term Note") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), as amended by the Paycheck Protection Program Flexibility Act in June 2020. The PPP Loan is evidenced by a promissory note. The PPP Term Note bears interest at a fixed annual rate of 1.00% with a 5 year maturity and is payable in monthly installments beginning the earlier of 10 months or the date which the Organization receives notice of partial forgiveness. The PPP Term Note may be accelerated upon the occurrence of an event of default. The PPP Term Note is unsecured and guaranteed by the United States Small Business Administration. Under the CARES Act, the Organization may apply to the lender for forgiveness of the PPP Term Note, with the amount which may be forgiven equal to the sum of eligible payroll and nonpayroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization during the twenty-four-week period beginning upon receipt of PPP Term Note funds, calculated in accordance with the terms of the CARES Act.

NOTE 14: RISKS AND UNCERTAINTIES

As the effects of the Coronavirus pandemic continue to evolve and are dependent upon future developments, the impact of the Coronavirus on the Organization's operations and financial results are uncertain at this time.

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
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CONSOLIDATED SCHEDULES OF OPERATING EXPENSES RELATED TO  
SUPPORT WITHOUT DONOR RESTRICTIONS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Wages and salaries	\$ 473,891	\$ 421,787
Employee benefits	102,100	74,791
Repairs & Maintenance	81,955	70,950
Rent	75,598	77,267
Utilities	59,485	67,088
Consulting and other	56,059	48,218
Payroll tax expense	43,864	37,068
Professional fees	39,711	12,729
Insurance	21,061	19,577
Office expense	20,384	26,793
Real Estate Taxes	15,812	18,332
Equipment expense	15,015	8,316
Miscellaneous expense	10,058	17,701
Education expense	9,645	9,745
Covid expense	6,734	7,561
Donated services and supplies	5,450	28,705
Travel expense	3,069	912
Board and donor relations	3,022	9,131
Client services	1,948	2,053
	<u>\$ 1,044,861</u>	<u>\$ 958,724</u>

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
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CONSOLIDATED SCHEDULES OF OPERATING EXPENSES RELATED TO  
SUPPORT WITH DONOR RESTRICTIONS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Wages and salaries	\$ 12,373	\$ 6,922
Client services	8,638	11,474
Covid expenses	6,624	3,012
Utilities	2,366	763
Employee benefits	1,887	809
Payroll tax expense	1,125	564
Professional fees	693	385
Telephone	600	642
Repairs & Maintenance	506	387
Consulting and other	289	61
Insurance	151	150
Office expense	-	638
Board and donor relations	-	22
	<u>\$ 35,252</u>	<u>\$ 25,829</u>
Total	<u>\$ 35,252</u>	<u>\$ 25,829</u>

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
AND BENET WOODS HOUSING CORP.  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2021

ASSETS

	<u>HEARTH</u>	<u>BWHC</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents				
Without restrictions	\$ 1,913,866	\$ 16,773	\$ -	\$ 1,930,639
With restrictions	382,718	-	-	382,718
Grants and accounts receivable	17,083	-	-	17,083
Prepaid expenses	7,290	-	-	7,290
	<u>2,320,957</u>	<u>16,773</u>	<u>-</u>	<u>2,337,730</u>
<b>PROPERTY AND EQUIPMENT:</b>				
Capital equipment	95,216	-	-	95,216
Furnishings	55,503	-	-	55,503
	<u>150,719</u>	<u>-</u>	<u>-</u>	<u>150,719</u>
Less: Accumulated depreciation	130,760	-	-	130,760
	<u>19,959</u>	<u>-</u>	<u>-</u>	<u>19,959</u>
<b>OTHER ASSETS:</b>				
Investment in Partnership	100	-	-	100
Note receivable - HEARTH Benedictine Place Housing Limited Partnership	1,305,184	-	-	1,305,184
Note receivable - Benet Woods Housing Limited Partnership	-	146,503	-	146,503
	<u>1,305,284</u>	<u>146,503</u>	<u>-</u>	<u>1,451,787</u>
<b>TOTAL ASSETS</b>	<u><u>3,646,200</u></u>	<u><u>163,276</u></u>	<u><u>-</u></u>	<u><u>3,809,476</u></u>
<u>LIABILITIES AND NET ASSETS</u>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	20,273	-	-	20,273
Unearned revenue	29,600	-	-	29,600
Payroll liabilities and accrued expenses	17,500	-	-	17,500
	<u>67,373</u>	<u>-</u>	<u>-</u>	<u>67,373</u>
<b>LONG-TERM LIABILITIES</b>				
PPP loan	131,077	-	-	131,077
	<u>131,077</u>	<u>-</u>	<u>-</u>	<u>131,077</u>
<b>TOTAL LIABILITIES</b>	<u>198,450</u>	<u>-</u>	<u>-</u>	<u>198,450</u>
<b>NET ASSETS:</b>				
Without donor restrictions				
Board designated	290,000	-	-	290,000
Available for operations	2,861,791	163,294	-	3,025,085
	<u>3,151,791</u>	<u>163,294</u>	<u>-</u>	<u>3,315,085</u>
With donor restrictions	295,941	-	-	295,941
	<u>3,447,732</u>	<u>163,294</u>	<u>-</u>	<u>3,611,026</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,646,182</u></u>	<u><u>\$ 163,294</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,809,476</u></u>

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
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CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2020

ASSETS

	HEARTH	BWHC	ELIMINATIONS	TOTAL
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents				
Without restrictions	\$ 1,649,464	\$ 21,909	\$ -	\$ 1,671,373
With restrictions	382,718	-	-	382,718
Grants and accounts receivable	34,692	-	-	34,692
Prepaid expenses	8,162	-	-	8,162
Total current assets	<u>2,075,036</u>	<u>21,909</u>	<u>-</u>	<u>2,096,945</u>
<b>PROPERTY AND EQUIPMENT:</b>				
Capital equipment	95,216	-	-	95,216
Furnishings	55,503	-	-	55,503
Total property and equipment	<u>150,719</u>	<u>-</u>	<u>-</u>	<u>150,719</u>
Less: Accumulated depreciation	<u>122,528</u>	<u>-</u>	<u>-</u>	<u>122,528</u>
Property and equipment, net	<u>28,191</u>	<u>-</u>	<u>-</u>	<u>28,191</u>
<b>OTHER ASSETS:</b>				
Investment in Partnership	100	-	-	100
Note receivable - HEARTH Benedictine Place Housing Limited Partnership	1,278,434	-	-	1,278,434
Note receivable - Benet Woods Housing Limited Partnership	-	145,386	-	145,386
Total other assets	<u>1,278,534</u>	<u>145,386</u>	<u>-</u>	<u>1,423,920</u>
<b>TOTAL ASSETS</b>	<u><u>3,381,761</u></u>	<u><u>167,295</u></u>	<u><u>-</u></u>	<u><u>3,549,056</u></u>
<u><b>LIABILITIES AND NET ASSETS</b></u>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	18,056	4,000	-	22,056
Unearned revenue	81,850	-	-	81,850
Payroll liabilities and accrued expenses	68,724	-	-	68,724
Van loan, current portion	3,632	-	-	3,632
Total current liabilities	<u>172,262</u>	<u>4,000</u>	<u>-</u>	<u>176,262</u>
<b>LONG-TERM LIABILITIES</b>				
Van loan	14,801	-	-	14,801
PPP loan	115,000	-	-	115,000
Total long-term liabilities	<u>129,801</u>	<u>-</u>	<u>-</u>	<u>129,801</u>
<b>TOTAL LIABILITIES</b>	<u>302,063</u>	<u>4,000</u>	<u>-</u>	<u>306,063</u>
<b>NET ASSETS:</b>				
Without donor restrictions				
Board designated	190,000	-	-	190,000
Available for operations	2,621,980	163,295	-	2,785,275
	<u>2,811,980</u>	<u>163,295</u>	<u>-</u>	<u>2,975,275</u>
With donor restrictions	267,718	-	-	267,718
Total net assets	<u>3,079,698</u>	<u>163,295</u>	<u>-</u>	<u>3,242,993</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,381,761</u></u>	<u><u>\$ 167,295</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,549,056</u></u>

NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
AND BENET WOODS HOUSING CORP.  
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>HEARTH</u>	<u>BWHC</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Revenues:				
Contributions - foundations	\$ 284,519	\$ -	\$ -	\$ 284,519
Contributions - corporations	30,110	-	-	30,110
Contributions - individuals	430,326	-	-	430,326
Contributions - other organizations	43,730	-	-	43,730
Donated services and supplies	5,450	-	-	5,450
Grants from governmental agencies	150,000	-	-	150,000
Program revenues	87,242	-	-	87,242
Miscellaneous income	31,240	-	-	31,240
Forgiveness of PPP Loan	115,000	-	-	115,000
Interest income	36,605	1,117	-	37,722
	<u>1,214,222</u>	<u>1,117</u>	<u>-</u>	<u>\$ 1,215,339</u>
Total revenues				
Special Events				
Special events revenue	324,123	-	-	324,123
Special events expense	(83,084)	-	-	(83,084)
	<u>241,039</u>	<u>-</u>	<u>-</u>	<u>241,039</u>
Total special events				
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u>1,455,261</u>	<u>1,117</u>	<u>-</u>	<u>1,456,378</u>
<b>EXPENSES</b>				
Operating expenses related to support without donor restrictions	1,043,743	1,118	-	1,044,861
Operating expenses related to support with donor restrictions	35,252	-	-	35,252
Depreciation	8,232	-	-	8,232
	<u>1,087,227</u>	<u>1,118</u>	<u>-</u>	<u>1,088,345</u>
TOTAL EXPENSES				
<b>CHANGE IN NET ASSETS</b>	368,034	(1)	-	368,033
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,079,698</u>	<u>163,295</u>	<u>-</u>	<u>3,242,993</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,447,732</u>	<u>\$ 163,294</u>	<u>-</u>	<u>\$ 3,611,026</u>



NORTH HILLS AFFORDABLE HOUSING, INC. D/B/A HEARTH  
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CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>HEARTH</u>	<u>BWHC</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Revenues:				
Contributions - foundations	\$ 319,104	\$ -	\$ -	\$ 319,104
Contributions - corporations	33,650	-	-	33,650
Contributions - individuals	179,078	-	-	179,078
Contributions - other organizations	37,811	-	-	37,811
Donated services and supplies	28,705	-	-	28,705
Grants from governmental agencies	110,000	-	-	110,000
Program revenues	103,545	-	-	103,545
Miscellaneous income	18,424	-	-	18,424
Interest income	36,341	471	-	36,812
	<u>866,658</u>	<u>471</u>	<u>-</u>	<u>867,129</u>
Total revenues				
Special Events				
Special events revenue	213,824	-	-	213,824
Special events expense	(47,674)	-	-	(47,674)
	<u>166,150</u>	<u>-</u>	<u>-</u>	<u>166,150</u>
Total special events				
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u>1,032,808</u>	<u>471</u>	<u>-</u>	<u>1,033,279</u>
<b>EXPENSES</b>				
Operating expenses related to support without donor restrictions	958,724	-	-	958,724
Operating expenses related to support with donor restrictions	25,829	-	-	25,829
Depreciation	10,511	-	-	10,511
	<u>995,064</u>	<u>-</u>	<u>-</u>	<u>995,064</u>
<b>TOTAL EXPENSES</b>	<u>995,064</u>	<u>-</u>	<u>-</u>	<u>995,064</u>
<b>CHANGE IN NET ASSETS</b>	37,744	471	-	38,215
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,041,954</u>	<u>162,824</u>	<u>-</u>	<u>3,204,778</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,079,698</u>	<u>\$ 163,295</u>	<u>\$ -</u>	<u>\$ 3,242,993</u>