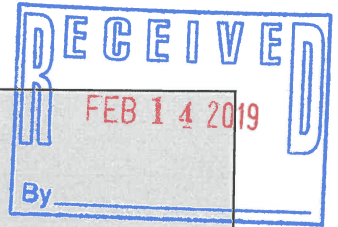


CITY OF MERCED
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROGRAM FY 2019/20 CDBG APPLICATION



APPLICATION SUBMITTAL CHECKLIST

This checklist must be included as part of your agency's FY 2019/20 CDBG Application packet.

Project Title: 820 1/2 K Street

Agency Name: Habitat for Humanity Stanislaus County

INSTRUCTIONS

Enter an "X" next to each item below as you complete it. If the form or document listed does not apply to your project, enter "N/A" next to the item. This checklist must be included as part of your agency's FY 2019/20 CDBG Application packet.

APPLICATION

The following must be submitted to be considered for funding:

<input checked="" type="checkbox"/>	Application Submittal Checklist
<input checked="" type="checkbox"/>	Application for Funding
<input checked="" type="checkbox"/>	Appendix A: Narrative of Project
<input checked="" type="checkbox"/>	Appendix B: Capital Improvement Project (CIP) Project Details
<input checked="" type="checkbox"/>	Appendix C: List of All Funding Sources & Two Years of Annual Financial Audits
<input checked="" type="checkbox"/>	Appendix D : Project Implementation
<input checked="" type="checkbox"/>	Appendix E : Results of Prior Year Projects <i>(as applicable to project; see form)</i>
<input checked="" type="checkbox"/>	Appendix F: Roster of Board Members
<input checked="" type="checkbox"/>	State and Federal Tax Exemption Determination Letters
<input checked="" type="checkbox"/>	Charter and/or Bylaws
<input checked="" type="checkbox"/>	Organization Chart
<input checked="" type="checkbox"/>	Copy of Insurance Certificate
<input checked="" type="checkbox"/>	Applicant Attended MANDATORY Community Meeting



FY 2019/20 CDBG APPLICATION SUBMITTAL CHECKLIST

PROJECT-SPECIFIC REQUIREMENTS: For PUBLIC SERVICES projects only

<input type="checkbox"/>	Copy of Rental or Lease Agreement (<i>A copy of lease is only required if CDBG funds are proposed to be used to make a portion of the lease payments.</i>)
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CDBG Eligible Activity for Public Services Projects (must select one):

<i>Public Facilities and Improvements:</i>			
<input type="checkbox"/>	General Public Services	<input type="checkbox"/>	Child Care Services
<input type="checkbox"/>	Homeless/AIDS Services	<input type="checkbox"/>	Health Services
<input type="checkbox"/>	Senior Services	<input type="checkbox"/>	Abused and Neglected Children
<input type="checkbox"/>	Disability Services (documentation req.)	<input type="checkbox"/>	Mental Health Services
<input type="checkbox"/>	Legal Services	<input checked="" type="checkbox"/>	Lead Based Paint/Lead Hazards Screening
<input type="checkbox"/>	Youth Services	<input type="checkbox"/>	Subsistence Payments
<input type="checkbox"/>	Transportation Services	<input checked="" type="checkbox"/>	Homeownership Assistance (not direct)
<input type="checkbox"/>	Substance Abuse Services	<input type="checkbox"/>	Rental Housing Subsidies
<input type="checkbox"/>	Battered and Abused Spouses	<input type="checkbox"/>	Security Deposits
<input type="checkbox"/>	Employment Training	<input type="checkbox"/>	Housing Counseling
<input type="checkbox"/>	Crime Prevention and Public Safety	<input type="checkbox"/>	Neighborhood Cleanups
<input type="checkbox"/>	Tenant/Landlord Counseling	<input type="checkbox"/>	Food Banks
<input type="checkbox"/>	Illiterate Adults (Non-English/ESL)	<input type="checkbox"/>	Migrant Farm Workers

OPTIONAL DOCUMENTS: Not required from any applicant, but enter an "X" next to the items included in your application submittal

<input type="checkbox"/>	Exhibits: These refer to no more than two 8.5" X 11" pages of exhibits that you may use to supplement your application materials. You may include photographs, charts, pictures, conceptual drawings, and/or anything else you consider suitable within the 2-page limit (may be in color or black and white).
<input type="checkbox"/>	Letters: You may submit up to 3 letters of support for your project as part of your application submittal.





Fiscal Year 2019 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM *Application for Funding*

Project category: <i>(check one only)</i>	<input checked="" type="checkbox"/> Public Service	<input type="checkbox"/> Capital Improvement Project (CIP)
	<input type="checkbox"/> Economic Development	<input type="checkbox"/> Administrative/Professional Services (Continuum of Care or Fair Housing)

Agency Information

Agency Name:	Habitat for Humanity Stanislaus County	Program Title:	820 1/2 K Street
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Business Address, including city:	630 Kearney Avenue, Modesto, CA 95350				
Mailing Address: (if different)					
Applicant contact name:					
Type of agency:	<input checked="" type="checkbox"/> 501(c)(3)	<input type="checkbox"/> Gov't./Public	<input type="checkbox"/> For Profit	<input checked="" type="checkbox"/> Faith-Based	<input type="checkbox"/> Other:
Number of paid staff:	14	Tax ID number:	77-0233		
Number of volunteers:	300	DUNS number:	123201894		
Annual operating budget:	\$ 1,500,000.00				
Agency Mission Statement:					
Habitat for Humanity brings people together to build homes, communities and hope.					

Funding Request

Total funding requested in this application:	\$ 250,000.00	Other funds already secured for project:	\$ 183.20
Total cost to complete project:	\$ 250,183.20	Other funds not yet secured for project: *	\$ 0.00

*Please explain in Project Description section below

Brief project description (include goals, objectives, and number of clientele to be served) HFHS is requesting funding to build one (1) 4-bedroom low income home including 7 household residents to improve and preserve some of the privately owned, existing affordable housing stock in the City of Merced in compliance with the Consolidated Plan objectives. Projects will include lead testing of existing home, lead remediation of existing home, demolition of existing home, and construction of energy efficient new home.

** This Box For City of Merced Office Use Only – Thank You **			
Project Eligible?	<input type="checkbox"/> No	<input type="checkbox"/> Yes	Amt Awarded: \$ _____ Date: _____
HUD Matrix Code: _____		IDIS #: _____	
SAM Check Complete? <input type="checkbox"/> Yes		Notes:	

Section 1: Project Information

<i>Project address(es):</i>	<i>Census tract:</i>	<i>Project Area:</i>
820 1/2 K Street, Merced, CA 95341		

<i>Target clientele:</i>	Low Income Families Living in Single Family Homes
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1.1 Provide a concise description of the proposed project (this description must match the one provided on the cover page). Space for a fuller narrative is provided in Appendix A.

HFHS is requesting funding to build one (1) 4-bedroom low income home including 7 household residents to improve and preserve some of the privately owned, existing affordable housing stock in the City of Merced in compliance with the Consolidated Plan objectives. Projects will include lead testing of existing home, lead remediation of existing home, demolition of existing home, and construction of

1.2 How much total funding are you requesting in this application? (You will provide a detailed budget in Appendix C)	\$ 250,000.00
--	---------------

1.3. Anticipated start date:	08/15/2019	Anticipated end date:	06/15/2020
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1.4. Project's days/hours of operation:	Mondays through Saturdays 8:00 AM to 5:00 PM
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1.5 Project Category (Check one only)	<input checked="" type="checkbox"/> Public Service	1.6 Project Objective (Check one only)	<input type="checkbox"/> Suitable Living Environment
	<input type="checkbox"/> Economic Development		<input checked="" type="checkbox"/> Decent Housing
	<input type="checkbox"/> Capital Improvement		<input type="checkbox"/> Economic Opportunity
1.7 Project Outcome (Check one only)	<input type="checkbox"/> Availability/Accessibility		
	<input checked="" type="checkbox"/> Sustainability		
	<input type="checkbox"/> Affordability		
	<input type="checkbox"/> Administrative (i.e.: Continuum of Care, Fair Housing Services)		

1.8 CDBG Criteria: Which CDBG criterion below does your proposed project meet? (Not Applicable for GF requests)	
<input type="checkbox"/>	(1) Area benefit: At least 51% of residents within the targeted activity area are low to moderate income (LMI)
<input type="checkbox"/>	(2) Limited clientele (select from options below):
<input type="checkbox"/>	(a) Special needs group (select benefit group from list below):
<input type="checkbox"/>	(i) Abused children
<input type="checkbox"/>	(ii) Elderly persons 62 years or older
<input type="checkbox"/>	(iii) Battered spouses
<input type="checkbox"/>	(iv) Severely disabled adults (not children) – Census definition; documentation required
<input type="checkbox"/>	(v) Illiterate adults
<input type="checkbox"/>	(vi) Persons living with HIV/AIDS
<input type="checkbox"/>	(vii) Migrant farm workers
<input type="checkbox"/>	(viii) Homeless persons
<input type="checkbox"/>	(b) At least 51% of clientele to be served will be documented as LMI.
<input checked="" type="checkbox"/>	(3) Housing (select subpart below):
<input checked="" type="checkbox"/>	(a) Single family (must be 100% LMI)
<input type="checkbox"/>	(b) Multi-unit (must be 51% LMI)
<input type="checkbox"/>	(4) Job creation: At least 51% of jobs for LMI persons.

1.9.	<i>The 2015-2020 Consolidated Plan goals below have been listed in their descending order of priority. Select the goal appropriate to your project:</i>	<u>Consolidated Plan</u>
<input checked="" type="checkbox"/>	<i>Housing Rehabilitation, Reconstruction, and Neighborhood Revitalization.</i>	
<input type="checkbox"/>	<i>New Affordable Housing Construction.</i>	
<input type="checkbox"/>	<i>Housing Affordability (Homebuyer Assistance Programs).</i>	
<input type="checkbox"/>	<i>City Coordination.</i>	
<input type="checkbox"/>	<i>Improvement of the Quality and Quantity of Public Services.</i>	
<input type="checkbox"/>	<i>Improvement of the Quality and Quantity of Community Infrastructure and Public Facilities.</i>	
<input type="checkbox"/>	<i>Planning for Future Housing and Infrastructure Needs.</i>	
<input type="checkbox"/>	<i>Homeless Services</i>	
<input type="checkbox"/>	<i>Administrative Services</i>	

Please use this area to add any additional information from the above questions:

PLEASE NOTE: Maximum length for Questions 1.10 to 1.15 below is two pages)

1.10. *Explain how the proposed project addresses the goals selected in Section 1.9:*

Necessary home repairs will improve and extend housing stock, eliminate blight, improve health and safety. Habitat for Humanity Stanislaus County will identify and address shortfalls in occupied low income housing and provide housing solutions designed to meet household residents' specific needs. Whether improving quality housing or making needed accommodations for access and functional needs, citizens can remain in sustainable homes.

1.11 *Summarize any statistics and other supporting documentation that demonstrate the importance of addressing this need or problem:*

More than 1500 households are identified in the Merced Housing Element and referenced by census data needs. The Housing Element calls out "for reimbursement in the existing supply of existing housing stock to improve quality living environments" and "to ensure energy efficiency."

1.12 *List each service provided by the project. For each service, indicate whether it is a new service or an expansion of an existing service:*

All services provided are expansions of existing services.

Lead testing and remediation will remove contaminants eliminating future health risks.

New low income 4-bedroom home will be built to code with energy efficiency.

Existing home will be demolished.

1.13 How does your agency plan to tell the target population about the project/services?:

Word of mouth referrals and referrals from City of Merced Housing Division are accelerating due to previous project success. Outreach events will be conducted to raise awareness. Utility bill inserts will be provided to low income families.

1.14 List up to three outcomes of the project (at least one is required). For each outcome listed, provide the number of participants who will benefit and the way data will be collected to track or verify the outcome:

Existing housing inventory will be improved and sustained for families unable to afford ongoing maintenance.

Longevity of homeownership will be enhanced due to reduced utility and health costs.

Safety and blight challenges will be mitigated.

1.15 Will the project collaborate with other service providers in the community? If yes, list them and briefly describe the collaboration:



Yes



No

Outreach materials and meetings with other community groups will ensure community-wide knowledge. Referrals to additional service providers will be offered to clients. The City of Merced Housing Division is our primary partner. Additional partnerships are being pursued.

Section 2: Target Population (maximum length this section is one page)

2.1 What is the target population for this project?

Single Family homeowners who are considered low income according to HUD's income guidelines of less than 80% of AMI.

2.2 How does your agency track and record client demographics?

Clients complete a Habitat for Humanity Stanislaus County Family Selection Application with demographic information, financial information, homeownership documentation, and flood and homeowner's insurance. The City of Merced reviews the application and ensures environmental regulations are followed before approving the project.

2.3 What specific census tracts or housing project areas does the project intend to serve?

All eligible homeowners within City of Merced, California including Census Tracts 7.02, 9.01, 9.02, 10.03, 10.04, 10.05, 11.01, 12, 14.01, 14.02, 15.02, 15.03, 17, 18.01, and 26.

2.4 Is the primary office located within eligible census tracts and/or Housing project areas?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2.5. Indicate whether the project will be serving individual clients (IC) or households (HH):	<input type="checkbox"/> IC <input checked="" type="checkbox"/> HH
2.6. What is the total number of unduplicated clients/households to be served?	1
2.7. Of the total number of unduplicated clients/households to be served, what is the total number of unduplicated LMI clients/households to be served, if applicable?	1
2.8. If applicable, what is the percentage of unduplicated LMI clients/households to be served?	100%
2.9. What is the cost per client/household?	\$ 250,183.20
2.10. Over the past three years, what proportion of the targeted population served by the project were City of Merced residents? (Have documentation available, if requested.) If this is a new project, what proportion are you anticipating?)	100%

Section 3: Agency Capacity

3.1. Who will be the person responsible for the overall oversight of the proposed project?

Name of person:	Eric Goossens
Title of person:	Project Manager
E-mail address:	egoossens@stanislaushabitat.org
Telephone number:	209-575-4585 x106
Alternate phone:	617-750-6724

3.2. Who will be the alternate person responsible for the overall oversight of the proposed project?

Name of person:	Anita Hellam
Title of person:	Executive Director
E-mail address:	ahellam@stanislaushabitat.org
Telephone number:	209-575-4585 x115
Alternate phone:	209-613-0603

3.3 Who will be the person(s) responsible for the day-to-day operations and management of the proposed project? Provide no more than two individuals: DO NOT COMPLETE IF SAME AS 3.2 ABOVE

Name of person:	
Title of person:	
E-mail address:	
Telephone number:	
Alternate phone:	
Name of person:	
Title of person:	
E-mail address:	
Telephone number:	
Alternate phone:	

3.4. Who will be the person(s) responsible for the financial oversight of the CDBG expenditures and fiscal compliance? Provide no more than two individuals: DO NOT COMPLETE IF SAME AS 3.2 or 3.3 ABOVE

Name of person:	
Title of person:	
E-mail address:	
Telephone number:	
Alternate phone :	
Name of person:	
Title of person:	
E-mail address:	
Telephone number:	
Alternate phone:	

Add any additional relevant information here:

(Maximum length for Questions 3.5 to 3.8 below is one page)

3.5. *List the evaluation tools your agency plans to employ to track and monitor the progress of the project.*

Excel and Word will be used to track applications, approved budgets, change orders, invoices, and project close-out documentation. Photos will be taken before, during, and after work is completed on each home. Each address will have a hard copy tracking file for project management and electronic copies.

3.6. *How does your agency plan to ensure compliance with applicable policy and procedural requirements (including those listed in HUD's "Playing by the Rules" Handbook)?*

Click link to access handbook. [Playing by the Rules Handbook](#)

Grant administration, application of uniform administration requirements, record keeping and reporting, and closeout procedures will be used. All contractors will be licensed by California and hold general liability insurance throughout each project. Workers compensation will be required when not exempted by California.

3.7. *Describe any unresolved ADA issues in the project or project office and how your agency plans to address them. (If the objective of the project is ADA rehabilitation, do not repeat the project description here.)*

No unresolved ADA issues exist.

3.8. *Please provide agency organization chart and complete Appendix F (Board Members)*

Organization Chart added as attachment.

Section 4: Auditing Control (Maximum length this section is two pages)***4.1 Briefly describe your agency's payment and disbursement procedures, with relevance to the proposed project:***

Habitat for Humanity Stanislaus County will establish scope of work, secure bids, verify compliance and completion of work, receive invoices, and submit to City of Merced for reimbursement. Contractors will be paid by check within Net 30 of submitted invoice date. 10% of rehabilitation funds will be reserved by City of Merced until project close-out documentation is received and payout schedule is approved by state of California.

4.2 Describe how your agency's Board of Directors exercises programmatic and fiscal oversight:

The board holds monthly finance committee meetings, the board reviews finances monthly, and the board contracts with an independent auditor for annual reviews.

4.3 Briefly describe your agency's record keeping system, with relevance to the proposed project:

Excel and Word will be used to track applications, approved budgets, change orders, invoices, and project close-out documentation. Photos will be taken before, during, and after work is completed on each home. Each address will have a hard copy tracking file for project management and electronic copies.

4.4 Briefly describe your agency's auditing requirements, including those for the proposed project:

Independent agency audits finances each year in accordance with current Grantee policy per sub recipient audits and OMB Circular A-133.

4.5 How does your agency plan to separate CDBG funds from other agency funds for purposes of identification, tracking, and reporting?

Peachtree software is uses sub reports by address, comparing the budgets, original scope of work, and total costs. Budgets and expenses are also tracked in Excel.

Section 5: Agency Experience (max. length: one page for Sections 5 & 6 combined)

- 5.1. Briefly highlight your agency's experience and major accomplishments in providing services to residents of Merced. (Note: you may provide more detail in Appendix A, if needed.)

12 projects have been completed serving 30 clients since 2016. In 2018 work has been completed for 2 homes that are waiting for project close-out payments to be processed. 1 home is nearing completion in early 2019. 2 additional projects are being planned.

- 5.2. Has your agency received CDBG or other federal funds in any of the past three fiscal years (Fiscal Years 2016/17 through 2018/19)? If yes, complete Appendix E for each of the grants received for Fiscal Years 2016/17, 2017/18, and 2018/19.

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
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Section 6: Back-Up Plan (maximum length: one page for Sections 5 & 6 combined)

- 6.1. Will your agency still implement this project should City funds not be awarded? If yes, how will the implementation be achieved?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
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- 6.2. If funded, how will your agency continue this project if City funds are not available in future years?

Future work in Merced is dependent on funding from sources including foundations, donors, or grants.

Appendix A: Narrative of Project (maximum length is two pages)

In two pages or less, 1) explain your proposed project and, 2) explain why it should be awarded funding.

1) Explain your proposed project:

HFHS is requesting funding to build a 4-bedroom low income home with 7 household residents to improve and preserve some of the privately owned, existing affordable housing stock in the City of Merced in compliance with the Housing Element objectives. Projects will include lead testing, lead remediation, home construction, and existing home demolition.

2) Explain why it should be awarded funding:

Habitat for Humanity Stanislaus County has a proven track record and demonstrated capacity to deliver outcomes that closely align with the City of Merced's defined priorities. More than 15 households have received direct program services that have improved their housing quality and have served to extend their housing longevity. Habitat for Humanity Stanislaus County works well with city staff in tracking and reporting necessary data, outcomes, and records.

The existing 1-bedroom home was not built to code in 1951 and has not been properly maintained. Fire hazards exist due to old electrical. Family capacity is not served by the small home. Foundation and roof are degraded. Young children are in the home and lead exposure may be threatening their health.

Appendix B: CIP Projects (maximum length for Questions B.1 to B.6: one page)¹

B.1. Have the construction plans and drawings been completed?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If no, indicate the anticipated date of completion:	06/03/19			

B.2. Will you be able to select and award a contract to a general contractor within 90 calendar days from the CDBG contract execution date? If no, please explain why below:	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
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B.3. Summarize the organization's relevant experience on similar federally funded projects:

B.4. Address the mitigation of any issues identified on the "Project Site Information section (see Questions B.8 to B.16) with respect to lead hazards, historic preservation, asbestos, location in a flood plain, or other documented health and safety problems. Were issues identified? If yes, identify each issue and the mitigation below:	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
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The existing home will be tested for lead and asbestos. Positive results will be remediated. All homes in Merced are required to have flood insurance to be considered for the program.

B.5. How will the completed work be maintained for at least five years after the termination of the agreement with the City of Merced?
--

Contractor work is warranted for one year. All updates are projected to last between 10-30 years.

B.6. Has funding for the construction phase been identified and committed? If no, describe below the issues preventing your agency from seeking outside funding:	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
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The partnership with the City of Merced is dependent on funding administered by the city. Other program obligations with different jurisdictions prevent Habitat for Humanity Stanislaus from expanding services in Merced without expanding capacity at Habitat.

¹ For Appendix B only – If legally necessary responses cannot be provided within the page-count constraints, then please provide brief summaries of the responses above and reference and attach outside documentation.

Project Site Information (maximum length for Questions B.7 to B.15 is two pages)

B.7. Is the facility agency-owned, City-owned, or privately owned?			
<input type="checkbox"/>	Agency-owned		
	Property owner(s):		
	Is there currently a lien on the property?		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	City-owned		
	City Department:		
	When will the lease expire?		
	(The lease must not expire within five years of the proposed project's completion date.)		
	Is there currently a lien on the property?		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Privately owned		
	Property owner(s):		
	Basilio Carreno-Venegas and Victoria Venegas		
	When will the lease expire?		
	(The lease must not expire within five years of the proposed project's completion date.)		
	All properties are owned and not leased.		
	Is there currently a lien on the property?		
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<input type="checkbox"/>	Other		
	Provide a brief explanation:		

B. 8 For building/structures constructed prior to December 31, 1978:				
Has a lead hazard inspection report been issued for the facility?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has the facility been abated for lead paint?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will children occupy the facility?				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Provide Year Built:				1951

B.9. Has the property been designated or been determined to be potentially eligible for designation as a local, state, or national historic site?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, describe below:				

B.10. Is the building/structure located on a Historic Site?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the building/structure in a Flood Zone?				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the building/structure in a Flood Plain?				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does your agency have flood insurance?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will demolition be required?				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

B.11. List and describe any known hazards (e.g., asbestos, storage tanks –underground/above ground):

B.12. Will the project result in an expansion of an existing facility?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, specify the size in square feet:	Existing size:	Addition size:		

B.13. The questions below ask about zoning. If zoning information is not known, contact the City of Merced's Development Services Department at (209) 385-6858 to request assistance.

What is the project structure type?

☒ Residential

☐ Commercial

☐ Public facility

☐ Public right-of-way

What is the current zoning of the project site?

Unknown

Is the project site zoned correctly for the proposed activity?

☒ Yes

☐ No

B.14. Does the project require temporary/permanent relocation of occupants?

☐ Yes

☒ No

If yes, this project is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA).

Describe the relocation plans, including timetable and notifications to occupants. List how many of the occupied units are: (a) owner-occupied; (b) renter-occupied; or (c) businesses. Indicate whether temporary and/or permanent displacement is required. [NOTE: This will be for site information only. Relocation activities will not be eligible for funding with Fiscal Year 2019/20 CDBG funds.]

B. 15. Federal regulations require that all facilities and/or services assisted with CDBG funds be accessible to the disabled. Accessibility includes such things as: entrance ramps, parking with universal logo signage, grab bars around commodes and showers, top of toilet seats that meet required height from the floor, drain lines under lavatory sink either wrapped or insulated, space for wheelchair maneuverability, accessible water fountains, access between floors (elevators, ramps, lifts), and other improvements needed to assure full access to funded facilities/programs, including serving the blind and deaf.

Describe below whether the project currently meets ADA standards for accessibility by the disabled. If not, describe the accessibility problems and methods to be utilized to address the problems, including funding and timetable. NOTE: The project site must first be fully ADA-compliant before other construction activities can be implemented with CDBG funding.

All projects are single family, owner occupied homes. ADA standards will be implemented if clients have access and functional needs.

Appendix C: Funding Sources and Detailed Budget

Complete the attached detailed budget forms in MS Excel. Choose the forms pertaining to your project category.

Project category: <i>(check one)</i>	<input checked="" type="checkbox"/> Public Service	Complete Appendices C-1 & C-2
	<input type="checkbox"/> Economic Development	
	<input type="checkbox"/> Capital Improvement Project (CIP)	
	<input type="checkbox"/> Administrative	

- All project categories must complete the following:
 - Appendix C-1: List of All Funding Sources for the Project
 - Appendix C-2: CDBG Detailed Project Budget
- Provide Last 2 Years of Financial Audits (attach separately)

NOTE! If you are filling out this application in your web browser, make sure to right-click on the links, then copy them into a new page. Otherwise, you may lose all your progress.

**CITY OF MERCED
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FISCAL YEAR 2019 APPLICATION**

Step (1): Enter the FY 2019/20 CDBG application funding request amount for this application;

Step (2): Complete the following table with the amounts of other funding sources that have been secured or funding sources that are unsecured for the implementation of the project; and

Step (3): Attach any supporting documentation that verifies the secured funding sources and amounts for the project.

TOTAL PROJECT COST*	(\$ 250,183.20)
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List Other Sources Below: (Step 2)

List Other Sources Below: (Step 2)	AMOUNT SECURED
HOME	\$ 0.00
ESG	0.00
OPWA	0.00
CDBG-R	0.00
CDBG	0.00
NSP	0.00
HPRP	0.00
Other Federal Stimulus Funds	0.00
Other Federal Funds	0.00
State Funds	0.00
County Funds	0.00
Local Funds	0.00
Private Funds	0.00
Agency Funds	182.20
Other (Please Explain)	0.00
TOTAL AMOUNT SECURED	\$ 182.20

TOTAL AMOUNT SECURED	\$	\$ 182.20
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TOTAL UNFUNDED PROJECT BALANCE	\$	(\$ 250,001.00)
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**APPENDIX C-2
FY 2019 CDBG PROJECT
DETAILED BUDGET**

AGENCY	Habitat for Humanity Stanislaus County
PROJECT	A Brush With Kindness

MISCELLANEOUS PROJECT COSTS:

ADMINISTRATIVE COSTS	
SUPPLIES	
POSTAGE	
CONSULTANT SERVICES	20,848.60
MAINTENANCE/REPAIR	
PUBLICATION/PRINTING	
TRANSPORTATION	
RENT	
EQUIPMENT RENTAL	
INSURANCE	
UTILITIES	
TELEPHONE	
OTHER EXPENSES (SPECIFY):	

CIP REQUESTS ONLY:

	6,000.00
LEAD-BASED PAINT ASSESSMENT/ABATEMENT	223,334.60
CONSTRUCTION/RENOVATION	
CONSULTANT/PROFESSIONAL SERVICES	
CONSTRUCTION MANAGEMENT	
OTHER EXPENSES (SPECIFY):	

\$ \$ 250,183.20

TOTAL CDBG PROJECT BUDGET

Appendix D: Implementation (Maximum length is one page)

Provide a listing of the specific tasks or activities needed to implement the proposed project. Number each task or activity, describe it, and give the projected date of completion. Add additional rows as needed.

[illegible]

Appendix E: Results of Prior Year Projects (maximum length: one page per project/year)

If your agency received federal funds in Fiscal Year 2016, 2017, or 2018, complete one copy of this appendix for each project for each year funded.

E.1. Agency name: Habitat for Humanity Stanislaus County

E.2. Project name: A Brush With Kindness

E.3. Year of funding: ☐ Fiscal Year 2016/17 ☐ Fiscal Year 2017/18 ☒ Fiscal Year 2018/19

E.4. Indicate the source of the federal funding awarded to the prior project:

<input checked="" type="checkbox"/> CDBG	<input type="checkbox"/> HOPWA	<input type="checkbox"/> ESG	<input type="checkbox"/> HOME
<input type="checkbox"/> CDBG-R	<input type="checkbox"/> HPRP	<input type="checkbox"/> NSP	<input type="checkbox"/> Other (Indicate below):

E.5. Amount awarded:

E.6. Amount spent to date:

\$ 140,439.47

E.7. Amount reprogrammed to date:

\$ 0.00

E.8. Indicate below the outcomes anticipated (refer to the original application for the project, if possible):

- | | |
|-----|--|
| (1) | 957 Sydney Ln - HVAC, Roof, Plumbing, Door Replacements, Window Replacements, and Fence Replacement |
| (2) | 565 V Street - Roof, Water Damaged Walls Replacement, Garage Door, Window, and Side Door Replacement |
| (3) | 937 W 5th St - Lead Remediation, HVAC, Roof, Plumbing, Windows, Doors, Stove, Carport Black Mold |

E.9. Indicate below the outcomes achieved:

- | | |
|-----|--|
| (1) | Completed all tasks for 957 Sydney Ln and 565 V Street. |
| (2) | 937 W 5th Street is nearly complete for all tasks. |
| (3) | 241 E Main Street and 820 1/2 K Street predevelopment has commenced. |

E.10. If any anticipated outcomes were NOT achieved, specify which ones and explain why below:

More funding is available from the grant. However, recruiting new families that meet program income and insurance requirements has been difficult.

(Maximum length per project: one page)

E.1. Agency name	Habitat for Humanity Stanislaus County		
E.2. Project name	A Brush With Kindness		
E.3. Year of funding:	<input type="checkbox"/> Fiscal Year 2016/17	<input checked="" type="checkbox"/> Fiscal Year 2017/18	<input type="checkbox"/> Fiscal Year 2018/19
E.4. Indicate the source of the federal funding awarded to the prior project:			
<input checked="" type="checkbox"/> CDBG	<input type="checkbox"/> HOPWA	<input type="checkbox"/> ESG	<input type="checkbox"/> HOME
<input type="checkbox"/> CDBG-R	<input type="checkbox"/> HPRP	<input type="checkbox"/> NSP	<input type="checkbox"/> Other (Indicate below):
E.5. Amount awarded:		E.6. Amount spent to date:	
E.7. Amount reprogrammed to date:			
E.8. Indicate below the outcomes anticipated (refer to the original application for the project, if possible):			
(1)	Complete rehabilitation for homes at 945 Q Street, 950 W. 8th St., 1710 Union Avenue, 1005 W. 9th Street, 1319 West 19th Street, and 1798 Glen Ave.		
(2)			
(3)			
E.9. Indicate below the outcomes achieved:			
(1)	Rehabilitation completed for homes at 945 Q Street, 950 W. 8th St., 1710 Union Avenue, 1005 W. 9th Street, 1319 West 19th Street, and 1798 Glen Ave.		
(2)			
(3)			
E.10. If any anticipated outcomes were NOT achieved, specify which ones and explain why below:			

(Maximum length per project: one page)

E.1. Agency name	Habitat for Humanity Stanislas County
------------------	---------------------------------------

E.2. Project name	A Brush With Kindness
-------------------	-----------------------

E.3. Year of funding:	<input checked="" type="checkbox"/> Fiscal Year 2016/17	<input type="checkbox"/> Fiscal Year 2017/18	<input type="checkbox"/> Fiscal Year 2018/19
-----------------------	---	--	--

E.4. Indicate the source of the federal funding awarded to the prior project:			
<input checked="" type="checkbox"/> CDBG	<input type="checkbox"/> HOPWA	<input type="checkbox"/> ESG	<input type="checkbox"/> HOME
<input type="checkbox"/> CDBG-R	<input type="checkbox"/> HPRP	<input type="checkbox"/> NSP	<input type="checkbox"/> Other (Indicate below):

E.5. Amount awarded:		E.6. Amount spent to date:	
----------------------	--	----------------------------	--

E.7. Amount reprogrammed to date:	
-----------------------------------	--

E.8. Indicate below the outcomes anticipated (refer to the original application for the project, if possible):	
(1)	Rehabilitate homes at 3168 Nottingham Ave, 1935 Fultz Ct, 2333 Circle Drive, 205 West 14th Street, and 3884 Canvasback Ct.
(2)	
(3)	

E.9. Indicate below the outcomes achieved:	
(1)	Rehabilitation completed for homes at 3168 Nottingham Ave, 1935 Fultz Ct, 2333 Circle Drive, 205 West 14th Street, and 3884 Canvasback Ct.
(2)	
(3)	

E.10. If any anticipated outcomes were NOT achieved, specify which ones and explain why below:
--

Provide a roster of the members of your agency's Board of Directors:

[illegible]



Help build it!

March 3, 2017

Stanislaus County HFH
630 Kearney Ave
Modesto, CA 95350

RE: 501(c)(3) Letter for Stanislaus County HFH, Partner ID# 0643-2256

Dear Affiliate Leader:

This letter will confirm that Stanislaus County HFH, with employer identification number 77-0233512, is considered a subordinate under the group tax exemption umbrella of Habitat for Humanity International, Inc. ("HFHI") under Section 501(c)(3) of the Internal Revenue Code.

The group exemption number assigned to HFHI by the IRS is 8545. This number may be provided to prospective donors, foundations and other grant organizations as they request it and is required on certain IRS forms.

Enclosed is a copy of the determination letter dated February 7, 2017, provided by the IRS as evidence of HFHI's tax exempt status as well as its group exemption. The determination letter, together with this letter, confirms Stanislaus County HFH's subordinate status and provides evidence of its tax exempt status under Section 501(c)(3) of the Code.

In partnership,

Beverly Huffman

Director, US/Canadian Support Services Center
Habitat for Humanity International 877-434-4435
USSupportCenter@habitat.org · habitat.org | **Habitat. We build.**

Enclosure

Internal Revenue Service
P. O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: February 7, 2017

HABITAT FOR HUMANITY INTERNATIONAL INC
HABITAT FOR HUMANITY INTRNL PARENT
% LEGAL DEPARTMENT
270 PEACHTREE ST NW STE 1300
ATLANTA GA 30303

Person to Contact:

K. Gleason #0203083

Toll Free Telephone Number:

877-829-5500

Employer Identification Number:

91-1914868

Group Exemption Number:

8545

Dear Sir or Madam:

This is in response to your January 10, 2017, request for information about your tax-exempt status.

Our records indicate that you were issued a determination letter in January 1987, and that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

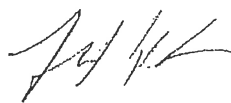
Based on the information supplied, we recognized the subordinates named on the list you submitted as exempt from Federal income tax under section 501(c)(3) of the Code.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Because your subordinate organizations are organizations described in section 170 (c) of the Code, donors may deduct contributions made to them.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

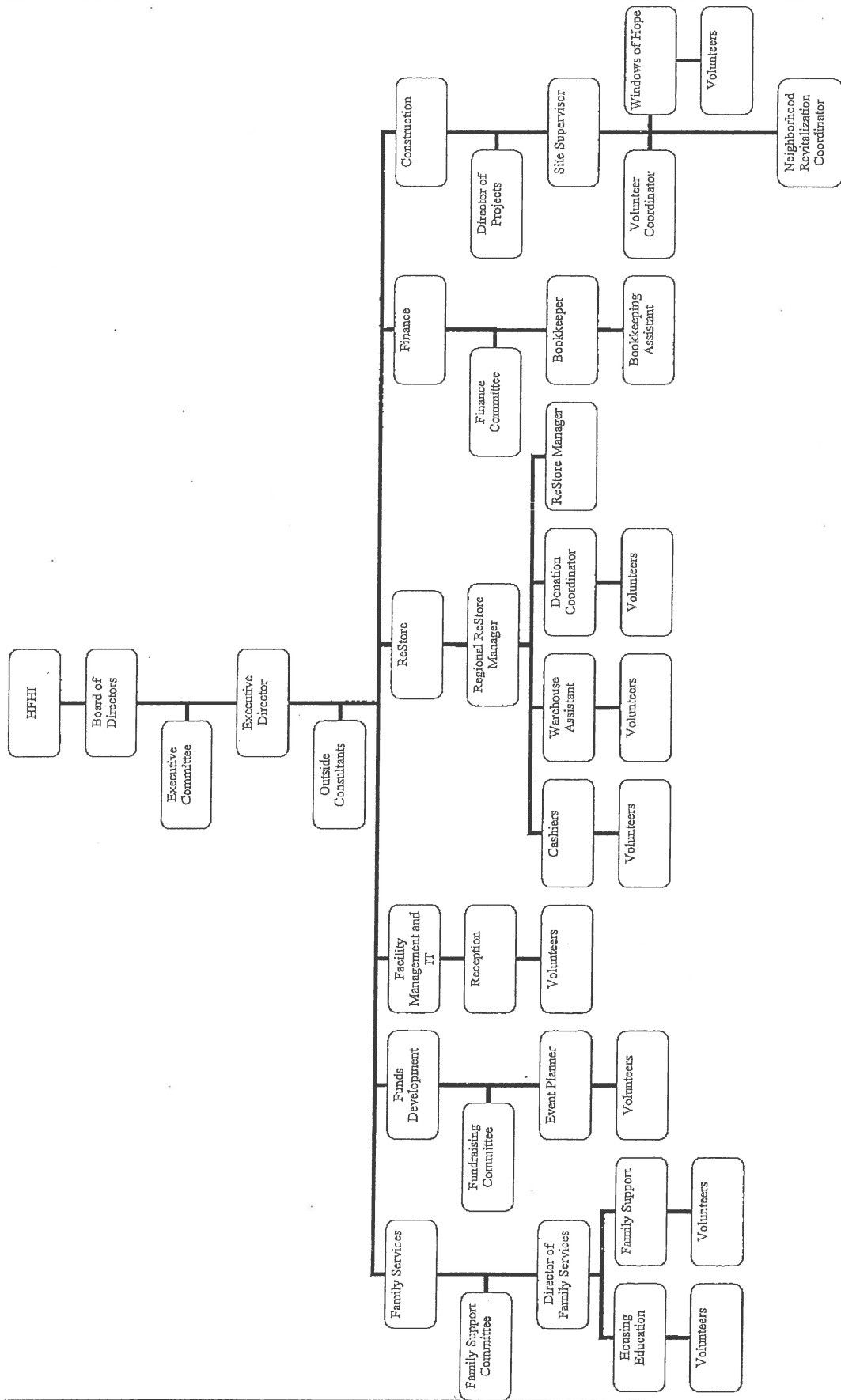


Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements



Habitat for Humanity®
Stanislaus County

Organization Chart



Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Financial Statements
For the Year Ended June 30, 2018
with Report of Independent Auditors
With Comparative Totals for 2017

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Audited Financial Statements
For the Year Ended June 30, 2018
With Comparative Totals for 2017

Contents

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Juarez, Zarate & Company CPA's.

Independent Auditor's Report

To the Board of Directors
Habitat for Humanity, Stanislaus County, Inc.
Modesto, California

We have audited the accompanying financial statements of Habitat for Humanity, Stanislaus County, Inc. (A California Nonprofit Corporation), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Habitat for Humanity, Stanislaus County, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Habitat for Humanity, Stanislaus County, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 29, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Juarez, Carate & Company
Certified Public Accountants

Modesto, California
November 29, 2018

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Financial Position
June 30, 2018

With Comparative Totals for 2017

Assets	2018	2017
Current assets		
Cash and cash equivalents	\$ 128,456	\$ (18,421)
Accounts receivable, net	16,543	9,883
Notes receivable, net	3,165	19,211
Grants receivable	-	53,600
Inventory	970,824	1,076,083
Prepaid expenses	35,001	8,065
Employee advances	200	-
Construction in progress, homes	1,647,860	2,318,717
Mortgages receivable, current portion, net of mortgage discount and allowance for loan loss	79,578	72,706
Total current assets	<u>2,881,627</u>	<u>3,539,844</u>
Non current assets		
Property and equipment, net	39,895	65,780
Loan fees, net	6,121	-
Deposits	13,920	8,600
Cash, restricted	109,609	137,411
Mortgages receivable, current portion, net of mortgage discount and allowance for loan loss	1,875,169	1,577,285
Total non current assets	<u>2,044,714</u>	<u>1,789,076</u>
Total assets	<u>\$ 4,926,341</u>	<u>\$ 5,328,920</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 68,858	\$ 447,906
Rent payable	31,996	51,018
Accrued payroll related liabilities	16,619	43,987
Other liabilities	7,820	4,398
Family partnership deposits	17,342	12,917
Amounts held on behalf of others	109,609	137,107
Amount owed to restricted cash account	39,706	-
Long-term debt, current portion, related party	58,686	16,865
Long-term debt, current portion	63,283	67,953
Total current liabilities	<u>413,919</u>	<u>782,151</u>
Long term liabilities		
Notes payable, net of current portion, related party, net of unamortized discount	574,959	22,647
Notes payable, net of current portion, net of unamortized discount	225,517	294,232
Total long term liabilities	<u>800,476</u>	<u>316,879</u>
Total liabilities	<u>1,214,395</u>	<u>1,099,030</u>
Net assets		
Unrestricted	3,711,946	4,226,452
Temporarily restricted	-	3,438
Total net assets	<u>3,711,946</u>	<u>4,229,890</u>
Total liabilities and net assets	<u>\$ 4,926,341</u>	<u>\$ 5,328,920</u>

See independent auditor's report and notes to financial statements

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Activities
For the Year Ended June 30, 2018

With Comparative Totals for 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	2018 Total	2017 Total
Revenue and other support					
Grants	\$ 276,384	\$ -	\$ -	\$ 276,384	\$ 376,381
Contributions	120,509	-	-	120,509	91,878
In-kind contributions	445,666	-	-	445,666	474,737
Fund-raising, net of direct expense	2,857	-	-	2,857	10,244
Sale of homes	680,110	-	-	680,110	464,012
ReStore sales	102,739	-	-	102,739	232,447
Total revenue and other support	1,628,265	-	-	1,628,265	1,649,699
Other revenue (loss)					
Other income	24,929	-	-	24,929	30,122
Rent income	-	-	-	-	64,841
ReStore expenses	-	-	-	-	(3,670)
Gain/(loss) on transfer of house	(102,562)	-	-	(102,562)	-
Gain/(loss) on sale of assets	3,510	-	-	3,510	4,190
Imputed interest on mortgages receivable	84,314	-	-	84,314	92,268
Total other revenue	10,191	-	-	10,191	187,751
Reclassifications	3,438	(3,438)	-	-	-
Total revenue and reclassifications	1,641,894	(3,438)	-	1,638,456	1,837,450
Expenses					
Program services	1,812,736	-	-	1,812,736	1,528,161
General & administrative	197,769	-	-	197,769	152,144
Fund-raising	107,575	-	-	107,575	116,266
Total expenses	2,118,080	-	-	2,118,080	1,796,571
Change in net assets	(476,186)	(3,438)	-	(479,624)	40,879
Net assets at beginning of year	4,226,452	3,438	-	4,229,890	4,189,011
Prior period adjustment	(38,320)	-	-	(38,320)	-
Net assets at end of year	\$ 3,711,946	\$ -	\$ -	\$ 3,711,946	\$ 4,229,890

See independent auditor's report and notes to financial statements

Habitat for Humanity, Stanislaus County, Inc.

(A California Nonprofit Corporation)

Statement of Functional Expenses

For the Year Ended June 30, 2018

With Comparative Totals for 2017

	Program Services	General & Admin	Fundraising	2018 Total	2017 Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 73
Amortization	-	379	-	379	-
Auditing and accounting	-	29,458	-	29,458	14,123
Auto expense	27,579	5,218	4,472	37,269	31,048
Bad debt expense	15,905	-	-	15,905	42,230
Bank charges	-	15,548	-	15,548	13,243
Board meetings	-	2,553	-	2,553	1,400
Construction costs	808,908	-	-	808,908	635,884
Credit counseling	-	-	-	-	2,152
Depreciation	-	22,895	-	22,895	28,279
Discounts on mortgage originations	307,246	-	-	307,246	101,821
Equipment rental	2,665	504	432	3,601	8,147
Health insurance	31,845	6,025	5,164	43,034	49,617
Insurance	17,787	3,365	2,885	24,037	23,106
Interest	25,711	4,864	4,169	34,744	21,173
Janitorial	87	17	14	118	70
Legal fees	800	-	-	800	-
Licenses and fees	566	107	92	765	171
Meetings and conferences	5,794	1,096	940	7,830	4,715
Miscellaneous	22,202	4,200	3,600	30,002	1,289
Office expense	6,482	1,226	1,051	8,759	8,983
Payroll taxes	29,695	5,618	4,816	40,129	46,611
Penalties & fees	-	1,433	-	1,433	-
Postage	799	151	130	1,080	819
Professional fees	3,303	625	536	4,464	-
Program expenses	9,154	1,732	1,484	12,370	800
Rent	96,593	18,274	15,664	130,531	144,406
Repairs and maintenance	-	-	-	-	27
Salaries	333,411	63,078	54,067	450,556	518,288
SOSI-HFHS fees	16,500	-	-	16,500	15,000
Telephone	5,147	974	834	6,955	3,459
Tithe to HFHI	-	-	-	-	2,500
Training and education	371	70	60	501	-
Travel and mileage	1,509	285	245	2,039	234
Utilities	18,193	3,442	2,950	24,585	26,551
Workers compensation	24,484	4,632	3,970	33,086	50,352
	<u>\$ 1,812,736</u>	<u>\$ 197,769</u>	<u>\$ 107,575</u>	<u>\$ 2,118,080</u>	<u>\$ 1,796,571</u>

See accompanying notes and independent accountant's audit report

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2018
With Comparative Totals for 2017

	<u>2018</u>	<u>2017</u>
<u>Operating activities</u>		
Change in net assets	\$ (479,624)	\$ 40,879
Adjustments to reconcile change in net assets to		
Net cash used by operating activities:		
Bad debt	14,004	42,230
Depreciation	22,895	28,279
Amortization	379	-
(Gain)/Loss on disposal of asset	(3,510)	(4,190)
(Gain)/Loss on transfer of asset	102,562	-
Imputed interest on mortgages receivable	(84,314)	(92,268)
Transfer of discounts on notes payable	102	(29,166)
In-kind donations	(445,666)	(474,737)
(Increase) decrease in:		
Accounts receivable	(6,660)	(4,026)
Grants receivable	53,600	3,140
Inventory	105,259	(145,990)
Prepaid expenses	(26,936)	14,026
Employee receivable	(200)	-
Construction in progress, homes	670,857	146,096
Deposits	(5,320)	-
Increase (decrease) in:		
Accounts payable	(379,048)	69,327
Accrued payroll related liabilities	(27,368)	6,675
Rent payable	(19,022)	-
Other liabilities	3,422	213
Family partner deposit accounts	4,425	(57,736)
Amount owed to trustee account	(39,706)	-
Amounts held on behalf of others	(27,498)	(35,418)
Net cash used by operating activities	<u>(567,367)</u>	<u>(492,666)</u>
<u>Investing activities</u>		
Payments received on mortgages receivable	148,575	464,012
Payments received on notes receivable	2,043	-
Purchase of intangible asset	(6,501)	-
Proceeds received for disposals of equipment	6,500	9,500
Net cash provided by investing activities	<u>150,617</u>	<u>473,512</u>

See accompanying notes and independent accountant's audit report

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2018
With Comparative Totals for 2017

	<u>2018</u>	<u>2017</u>
Financing activities		
Proceeds from note payable	650,100	-
Payment of long-term debt, related party	(40,890)	(16,447)
Payment of long-term debt	(73,385)	(54,761)
Net cash provided (used) by financing activities	<u>535,825</u>	<u>(71,208)</u>
Net increase (decrease) in cash and cash equivalents	119,075	(90,362)
Cash and cash equivalents at beginning of year	118,990	209,352
Cash and cash equivalents at end of year	<u>\$ 238,065</u>	<u>\$ 118,990</u>
Supplemental disclosure of cash flow information:		
Cash	\$ 128,456	\$ (18,421)
Cash, restricted	109,609	137,411
Cash end of year	<u>\$ 238,065</u>	<u>\$ 118,990</u>
Cash paid for interest	\$ 39,574	\$ 21,174
Non-cash transactions		
Sale of homes in mortgages receivable	\$ 680,110	\$ 464,012
Cost of homes in construction in progress	\$ 808,908	\$ 631,449

See accompanying notes and independent accountant's audit report

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

1. Purpose and Summary Accounting Policies

Purpose

Habitat for Humanity, Stanislaus County, Inc. (the Organization) is an ecumenical Christian housing ministry whose objective is to build housing by forming partnerships with the very low and low-income residents in Stanislaus County. The organization does this through contributions, grants, partnerships with various redevelopment agencies in Stanislaus County, as well as “sweat equity” provided by the potential home owners. Mortgage payments are put into a local “Fund for Humanity” and are used to build additional homes in Stanislaus County.

In addition to home building activities, the organization operates a retail thrift operation (ReStore). The ReStore specializes in selling surplus new and used building and home improvement materials, appliances, and furniture to the public. The ReStore receives donated, usable materials from retail businesses, contractors, individuals, and other organizations. All net proceeds from the operation of the ReStore help support and enhance the organization’s nonprofit mission.

Financial Statement Presentation

The financial statements of Habitat for Humanity, Stanislaus County, Inc. have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles as applicable to not-for-profit institutions. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Habitat for Humanity, Stanislaus County, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations; donor-restricted contributions whose restrictions are met in the same reporting period; and endowment net assets designated by the Board of Directors or management for specific purposes (known as quasi-endowment net assets).

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they are maintained in perpetuity by Habitat for Humanity, Stanislaus County, Inc. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

1. Purpose and Summary Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include certificates of deposit and any highly liquid debt instruments purchased with a maturity of three months or less.

Accounts receivable

Accounts receivable consists of payments to be received on the mortgage receivable. The allowance is calculated based on the amounts that are over 90 days past due.

Inventories

Inventories consist of items for the ReStore and are stated at the estimated sales price, per generally accepted accounting principles, for inventory items that are donated.

Mortgages Receivable

First mortgages from the sale of houses are interest free amounts due from the home buyer. First mortgages are for the amount of the cost of the house. Second mortgages on houses represent the difference between the cost of the house and the fair market value of the house when the residence is transferred to the occupant. Both mortgages are interest free to the homeowner but are discounted at an appropriate rate of interest for financial statement presentation purposes. A loan is considered impaired when it is probably, based on current information and events, the organization will be unable to collect on some or all principal payments due in accordance with the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal payments when due.

Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Impaired loans are measured by the fair value of the collateral. The amount of impairment, if any, and any subsequent changes are included in the allowance for loan losses.

Allowance for Loan Losses

The allowance for loan losses is established through a provision for loan losses charged to expense. Loan losses are charged to the allowance when management believes the collectability of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance. The allowance is an amount that management believes will be adequate to absorb estimated losses relating to specifically identified loans, as well as probable credit losses inherent in the balance of the loan portfolio, based on an evaluation of the collectability of existing loans and prior loss experience. This evaluation also takes into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, concentrations, and current economic conditions that may affect the borrower's ability to pay. This evaluation does not include the effects of expected

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

1. Purpose and Summary Accounting Policies (continued)

Allowance for Loan Losses (continued)

losses on specific loans or groups of loans that are related to future events or expected changes in economic conditions. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions.

The allowance consists of specific and general components. The specific components relate to loans that are impaired. For such loans that are classified as impaired, an allowance is established when the collateral value of the impair loan is lower than the carrying value of that loan. The general component covers unimpaired loans and is based on historical experience adjusted for qualitative factors.

Second mortgages totaling \$1,773,889 and \$1,773,889 as of June 30, 2018 and 2017, respectively, are held on most homes sold. The terms of the second mortgages range from 10 to 20 years and must be satisfied if the home is sold within the term of the mortgage. The second mortgages are offset by second mortgage reserves of \$1,773,889 and \$1,773,889 as of June 30, 2018 and 2017, respectively, because payment on these mortgages is waived over the term of the mortgage. See Note 5.

Land Held for Home Sites

Land purchased for homes and commercial property sites is recorded at cost unless it is determined to be impaired, in which case the impaired land is written down to fair value. Donated land is recorded at the appraised value. All related carrying costs for these properties such as maintenance, any assessments, real estate taxes, etc. are capitalized into the cost of the properties. The organization reviews land for impairment during each reporting period on a lot by lot basis. Generally accepted accounting principles in the United States of America require that if the undiscounted cash flows expected to be generated by an asset are less than its carrying amount, an impairment charge should be recorded to write down the carrying amount of such asset to its fair value. Management believes no impairments exist as of June 30, 2018 and 2017.

Construction in Progress

Costs of construction in progress consist of the land transferred from land inventory to the construction in progress account plus direct home construction costs, unless it is determined to be impaired, in which case, the impaired construction in progress is written down to fair value. Construction overhead is expenses as incurred. Completed homes are included in this classification on the statements of financial position. The organization reviews construction in progress for impairment during each reporting period on a lot by lot basis. Generally accepted accounting principles in the United States of America require that if the undiscounted cash flows expected to be generated by an asset are less than its carrying amount, an impairment charge should be recorded to write down the carrying amount of such asset to its fair value. Management believes no such impairments exist as of June 30, 2018 and 2017.

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

1. Purpose and Summary Accounting Policies (continued)

Property and Equipment

Acquisitions of property and equipment and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. It is the organization's policy to capitalize property and equipment over \$1,000. Depreciation for property and equipment is computed using the straight-line method over the estimated useful lives of the assets ranging from five to twenty-five years.

Impairment of Long-Lived Assets

On an ongoing basis, the organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The organization recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2018, and 2017, management believes that no impairments exist.

Revenue Recognition and Contributions

The organization's grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized when incurred. The organization records contributions received as unrestricted, temporarily restricted or permanently restricted depending on the existence or nature of any donor restriction. Accounting principles generally accepted in the United States of America require non-profit organizations to record promises to give during the period in which the promise is made. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional.

In-Kind Contributions and Expense

In-kind contributions for supplies amounted to \$445,666 for the fiscal year ended June 30, 2018 and \$474,737 for the fiscal year ended June 30, 2017. The FMV of the supplies was recorded as inventory for the ReStore.

Functional Allocation of Expenses

The costs of providing services of Habitat for Humanity, Stanislaus County, Inc. have been summarized on a functional basis in the statement of functional expenses. Management and general expenses have been allocated among the programs based upon an estimation of personal time and space for the related activities.

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

1. Purpose and Summary Accounting Policies (continued)

Advertising

The Organization expenses advertising costs in the period in which they are incurred. Advertising expense for the year ended June 30, 2017 was \$73. The Organization did not have any advertising expenses for the year ended June 30, 2018.

Income Taxes

Habitat for Humanity, Stanislaus County, Inc. has received favorable determination letters indicating it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The organization is classified as other than a private foundation.

Management has evaluated the organization's tax positions and concluded that the organization had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements for uncertain tax positions. With few exceptions, the organization is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years ended June 30, 2014 and before.

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 amounts 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.

Intangible Asset

Habitat for Humanity, Stanislaus County, Inc. incurred a loan origination fee of \$6,501. The fee is being amortized over ten years, the life of the loan. Amortization expense totaled \$379 for the year ended June 30, 2018. The net amount of loan fee is \$6,121.

Concentration of Credit Risk

Habitat for Humanity, Stanislaus County, Inc. maintains cash balances at one banks. The cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At June 30, 2018, the uninsured cash balances totaled \$15,353. The organization did not have any uninsured cash balances at June 30, 2017.

The organization receives income from various parties for the sales of homes. Income from the sale of four homes to an unrelated third party accounted for forty-two percent (42%) and twenty-six (26%) revenue for the year ended June 30, 2018 and 2017, respectively.

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

2. Restricted Cash

The organization collects monthly mortgage payments from residents. Included in these monthly payments are fees due to the Hope Village Homeowner's Association and escrow fees due to various tax collectors. The amounts are offset by amounts held on behalf of others on the statement of financial position. The total balance of these accounts as of June 30, 2018 and 2017 were \$109,609 and \$137,411, respectively. The amount owed to the trustee account at June 30, 2018 was \$39,706.

3. Accounts Receivable

Accounts receivable consisted of the following at June 30:

	2018	2017
Accounts receivable	\$ 33,713	\$ 25,462
Less: allowance account	(17,170)	(15,579)
Total	<u>\$ 16,543</u>	<u>\$ 9,883</u>

4. Prepaid Expenses

Prepaid expenses consisted of the following at June 30:

	2018	2017
Insurance	\$ 10,798	\$ 8,065
Worker's compensation insurance	24,203	-
	<u>\$ 35,001</u>	<u>\$ 8,065</u>

5. Property and Equipment

Property and equipment consists of the following at June 30:

	2018	2017
Furniture, fixtures & equipment	\$ 22,365	\$ 22,687
Computer equipment	6,963	14,611
Vehicles	149,894	167,837
Tenant improvements	60,359	60,359
Less accumulated depreciation	(199,686)	(199,714)
	<u>\$ 39,895</u>	<u>\$ 65,780</u>

The Company incurred depreciation expense of \$22,895 and \$28,279 for the years ended June 30, 2018 and 2017, respectively.

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

5. Non-Interest-Bearing Mortgages Receivable

The organization currently holds forty-three non-interest-bearing mortgage loans. These amounts are to be paid over terms ranging from twenty to forty years as follows:

Future maturities, net of discounts, for the years ended June 30 are as follows:

	<u>2018</u>	<u>2017</u>
Mortgages receivable-first mortgages	\$ 3,059,863	\$ 2,532,175
Mortgages receivable-second mortgages	1,773,889	1,773,889
Less: unamortized discount on non-interest bearing mortgage receivable	(1,105,116)	(882,184)
Less: allowance for loan loss	(1,773,889)	(1,773,889)
	<u>\$ 1,954,747</u>	<u>\$ 1,649,991</u>
Less current portion	(79,578)	(72,706)
	<u>\$ 1,875,169</u>	<u>\$ 1,577,285</u>

Future maturities, net of discounts, for the years ended June 30 are as follows:

2019	\$ 79,578
2020	83,557
2021	83,778
2022	86,662
2023	90,995
Therafter	1,530,177
	<u>\$ 1,954,747</u>

Imputed interest on mortgages receivable income was \$84,314 and \$92,268 for the fiscal years ending June 30, 2018 and June 30, 2017, respectively.

Discounts on mortgage originations expense was \$307,246 and \$101,821 for the fiscal years ending June 30, 2018 and June 30, 2017, respectively.

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

6. Notes Payable

Notes payable consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Notes payable, Ally Financial, Inc., secured by vehicles payable in monthly payments ranging from \$644 to \$396, including interest ranging from 0% to 4.25%, maturities ranging from August 2018 to June 2020	\$ 15,597	\$ 32,214
Notes payable, Farmers & Merchants Bank, unsecured with UCC on accounts receivable and inventory with quarterly payments of \$17,325. Maturity date is December 2022	<u>273,203</u>	<u>329,971</u>
	288,800	362,185
	<u>(63,283)</u>	<u>(67,953)</u>
Less: current portion	<u>\$ 225,517</u>	<u>\$ 294,232</u>

Note maturities for the years ended June 30 are as follows:

2019	\$ 63,283
2020	65,898
2021	61,664
2022	65,149
2023	<u>32,806</u>
	<u>\$ 225,517</u>

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

7. Notes Payable - Related Party

The organization's obligations under long-term debt, related party consisted of the following as of June 30,

	<u>2018</u>	<u>2017</u>
Note payable, Habitat for Humanity International, Inc. (HFHI), unsecured, net of unamortized discount of \$2,007, non-interest-bearing, monthly payments of \$390, matures November 2019	\$ -	\$ 9,610
Note payable, Habitat for Humanity International, Inc. (HFHI), unsecured, net of unamortized discount of \$1,230, non-interest-bearing, monthly payments of \$390, matures November 2019	-	15,180
Note payable, Habitat for Humanity International, Inc. (HFHI), unsecured, net of unamortized discount of \$1,230, non-interest-bearing, monthly payments of \$510, matures November 2019	8,955	14,722
Note payable, Habitat for Humanity International, Inc. (HFHI), secured by mortgages, interest rate 5.5%, quarterly payments of \$20,752, matures December 2027	<u>624,690</u>	<u>-</u>
	633,645	39,512
	(58,686)	(16,865)
Less: current portion	<u>\$ 574,959</u>	<u>\$ 22,647</u>

Note maturities for the years ended June 30 are as follows:

2019	\$ 58,686
2020	58,462
2021	58,265
2022	61,233
2023	64,353
2023	332,646
Thereafter	<u>\$ 633,645</u>

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

8. Operating Leases

Habitat for Humanity, Stanislaus County, Inc. is the lessee of two rental properties.

The property located at 630 Kearney, Modesto, California is under a rental agreement for the warehouse and the office building signed on October 10, 2011. It expired on June 20, 2017. The lease was renewed on September 20, 2018. This new agreement is month to month with rental payments of \$10,200.

The property located at 702 Kearney, Modesto, California is under a rental agreement signed on April 28, 2016. It expires on May 2020. The lease has two options to extend the lease for two 60-month periods. The monthly lease payments range from \$3,200 to \$3,600.

The Organization leases equipment with monthly payments ranging from \$85 to \$345. The leases expire November 2020.

Future minimum lease payments are as follows for year ending June 30, 2018:

2018	\$ 45,237
2019	46,437
2020	33,779
	<u>\$ 125,453</u>

Rent expense for the years ended June 30, 2018 and June 30, 2017 was \$130,531 and \$144,406, respectively.

9. Employee Benefits

Some Habitat for Humanity, Stanislaus County, Inc. employees are eligible to participate in the Organization's group health insurance plan. Such eligible employees are eligible to participate after 90 days

Health insurance expense for the years ended June 30, 2018 and June 30, 2017 was \$43,034 and \$49,617, respectively.

10. Net Assets

The unrestricted net assets of \$3,711,946 at June 30, 2018 and \$4,226,452 at June 30, 2017 were undesignated and available for general operations. Temporary restricted net assets for discounts on non-interest bearing notes payable were \$3,438 at June 30, 2017. There were no temporary restricted net assets as of June 30, 2018.

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Notes to the Financial Statements
June 30, 2018

11. Related Party Transactions

Habitat for Humanity, Stanislaus County, Inc. conducts various transactions with Habitat for Humanity International, Inc. a related party. The organization received grant revenue of \$37,922 for the year ended June 30, 2017. No related grant revenue was received for the year ended June 30, 2018.

The Organization employs the spouse of the executive director on a part time basis. For the fiscal year ended June 30, 2018, gross payroll totaled \$16,950. No related payroll was paid for the fiscal year ended June 30, 2017.

12. Prior period adjustment

Grants receivable which was deemed uncollectible, was written off for a total of \$53,500. A note payable to Habitat for Humanity International, Inc. was replaced by another note. This amount was adjusted to retained earnings for a total of \$15,480. The net prior period adjustment as of June 30, 2018 totaled \$38,320.

13. Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017 from which the summarized information was derived.

14. Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 presentation. Such reclassifications had no effect on change in net assets as previously reported.

15. Subsequent Events

Subsequent events have been evaluated by management through November 29, 2018, the date that the financial statements were available to be distributed.

**Bylaws
of
Habitat for Humanity, Stanislaus County**

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Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Financial Statements
For the Year Ended June 30, 2017
with Report of Independent Auditors
With Comparative Totals for 2016

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Audited Financial Statements
For the Year Ended June 30, 2017
With Comparative Totals for 2016

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Juarez, Zarate & Company CPA's.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Habitat for Humanity, Stanislaus County, Inc.
Modesto, California

We have audited the accompanying financial statements of Habitat for Humanity, Stanislaus County, Inc. (A California nonprofit corporation), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

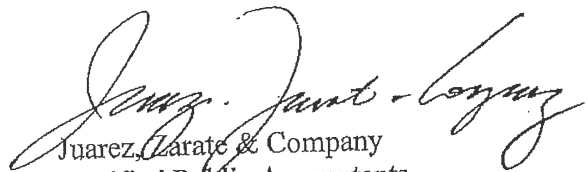
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity, Stanislaus County, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Habitat for Humanity, Stanislaus County, Inc. as of and for the year ended June 30, 2016, were audited by another auditor, whose report dated August 25, 2017, expressed an unmodified opinion on those financial statements.


Juarez, Arate & Company
Certified Public Accountants

Modesto, California
December 29, 2017

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Financial Position
June 30, 2017

With Comparative Totals for 2016

	2017	2016
Assets		
<u>Current assets</u>	\$ (18,421)	\$ 36,827
Cash	137,411	172,525
Cash, restricted	29,094	25,068
Accounts & notes receivable, trade, net	53,600	56,740
Grants receivable	1,076,083	930,093
Inventory	8,065	22,091
Prepaid expenses	2,318,717	2,464,813
Construction in progress, homes		
Mortgages receivable, current portion, net of mortgage discount	72,706	65,300
and allowance for loan loss	3,677,255	3,773,457
Total current assets		
<u>Property and equipment, at cost</u>	22,687	22,687
Furniture, fixtures and equipment	14,611	14,611
Computer Equipment	167,837	188,636
Vehicles	60,359	60,359
Leasehold improvements	265,494	286,293
Total property and equipment, net	(199,714)	(186,917)
Less: accumulated depreciation	65,780	99,376
Total property and equipment, at cost		
<u>Other assets</u>	8,600	8,600
Deposits		
Mortgages receivable, current portion, net of mortgage discount	1,577,285	1,494,375
and allowance for loan loss	1,585,885	1,502,975
Total other assets		
Total assets	\$ 5,328,920	\$ 5,375,808
Liabilities and net assets		
<u>Current liabilities</u>	\$ 447,906	\$ 378,579
Accounts payable	51,018	51,018
Rent payable	43,987	37,312
Accrued payroll related liabilities	4,398	4,185
Other liabilities	12,917	70,273
Family partnership deposits	137,107	172,525
Amounts held on behalf of others	16,865	20,526
Long-term debt, current portion, related party	67,953	64,502
Long-term debt, current portion	782,151	798,920
Total current liabilities		
<u>Long term liabilities</u>		
Notes payable, net of current portion, related party, net of unamortized discount	22,647	35,433
Notes payable, net of current portion, net of unamortized discount	294,232	352,444
	316,879	387,877
Total long term liabilities	1,099,030	1,186,797
Total liabilities		
Net assets	4,226,452	4,184,169
Unrestricted	3,438	4,842
Temporarily restricted	4,229,890	4,189,011
Total net assets	\$ 5,328,920	\$ 5,375,808
Total liabilities and net assets		

See independent auditor's report and notes to financial statements

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Activities
For the Year Ended June 30, 2017
With Comparative Totals for 2016

	Unrestricted	Temporarily Restricted	Permently Restricted	2017 Total	2016 Totals
Revenues and other support					
Grants	\$ 376,381	\$ -	-	\$ 376,381	\$ 225,806
Contributions	91,878	-	-	91,878	63,959
In-kind contributions	474,737	-	-	474,737	579,389
Fund-raising, net of direct expense	10,244	-	-	10,244	14,762
Sale of homes	464,012	-	-	464,012	343,332
ReStore sales	232,447	-	-	232,447	305,005
Total revenue and other support	1,649,699	-	-	1,649,699	1,532,253
Other revenue (loss)					
Other income	30,122	-	-	30,122	12,144
Rent Income	64,841	-	-	64,841	-
ReStore expenses	(3,670)	-	-	(3,670)	(11,977)
Gain/(Loss) on sale of equipment	4,190	-	-	4,190	(5,105)
Imputed interest on mortgages receivable	92,268	-	-	92,268	84,684
Total other revenue (loss)	187,751	-	-	187,751	79,746
Reclassifications					
	1,404	(1,404)	-	-	-
Total revenue and reclassifications	1,838,854	(1,404)	-	1,837,450	1,611,999
Expenses					
Program services	1,528,161	-	-	1,528,161	1,413,603
General & administrative	152,144	-	-	152,144	190,749
Fund-raising	116,266	-	-	116,266	122,696
Total expenses	1,796,571	-	-	1,796,571	1,727,048
Change in net assets	42,283	(1,404)	-	40,879	(115,049)
Net assets at beginning of year	4,184,169	4,842	-	4,189,011	4,304,060
Net assets at end of year	\$ 4,226,452	\$ 3,438	-	\$ 4,229,890	\$ 4,189,011

See independent auditor's report and notes to financial statements

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Functional Expenses
For the Year Ended June 30, 2017
With Comparative Totals for 2016

	Program Services	Management & General	Fundraising	2017 Total	2016 Totals
	\$ 54	\$ 10	\$ 9	\$ 73	\$ 266
Advertising		14,123	-	14,123	4,080
Auditing and accounting	-	4,347	3,725	31,048	35,933
Auto expense	22,976	-	-	42,230	25,498
Bad debt expense	42,230	-	-	13,243	13,085
Bank charges	9,800	1,855	1,588	1,400	2,509
Board meetings	-	1,400	-	635,884	542,929
Construction costs	635,884	-	-	2,152	2,198
Credit counseling	2,152	-	-	28,279	24,947
Depreciation	20,926	3,959	3,394	101,821	79,144
Discounts on mortgage originations	101,821	-	-	8,147	919
Equipment rental	6,029	1,141	977	49,617	54,858
Health insurance	36,717	6,946	5,954	23,106	17,698
Insurance	17,098	3,235	2,773	21,173	28,440
Interest	17,574	2,329	1,270	70	1,322
Janitorial	52	10	8	171	23
Licenses and fees	127	24	20	4,715	4,499
Meetings and conferences	3,489	660	566	1,289	448
Miscellaneous	1,134	142	13	8,983	11,836
Office expense	6,647	1,258	1,078	46,611	50,233
Payroll taxes	34,491	6,526	5,594	819	4,562
Postage	606	115	98	800	4,263
Program expenses	800	-	-	144,406	167,754
Rent	106,860	20,217	17,329	27	-
Repairs and maintenance	20	4	3	518,288	543,191
Salaries	383,533	72,560	62,195	15,000	15,000
SOSI-HFHS fees	15,000	-	-	3,459	7,716
Telephone	2,560	484	415	2,500	500
Tithe to HFHI	2,500	-	-	-	3,685
Training and education	-	-	-	234	2
Travel and mileage	173	33	28	26,551	29,443
Utilities	19,648	3,717	3,186	50,352	50,067
Workers compensation	37,260	7,049	6,043		
	\$ 1,528,161	\$ 152,144	\$ 116,266	\$ 1,796,571	\$ 1,727,048

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2017
(With Comparative Totals for 2016)

	<u>2017</u>	<u>2016</u>
<u>Operating activities</u>		
Change in net assets	\$ 40,879	\$ (115,049)
Adjustments to reconcile change in net assets to		
Net cash used by operating activities:		
Bad debt	42,230	25,498
Depreciation	28,279	24,947
(Gain)/Loss on disposal of asset	(4,190)	5,105
Imputed interest on mortgages receivable	(92,268)	(84,684)
Transfer of discounts on notes payable	(29,166)	119,484
Discount on note payable	-	-
Non-cash in kind contributions	(474,737)	(579,389)
(Increase) decrease in:		
Accounts receivable	(4,026)	(12,580)
Grants receivable	3,140	34,748
Inventory	(145,990)	(1,539)
Prepaid expenses	14,026	2,122
Construction in progress, homes	146,096	22,685
Other assets	-	(3,600)
Increase (decrease) in:		
Accounts payable	69,327	227,069
Accrued payroll related liabilities	6,675	(4,745)
Rent payable	-	51,018
Other liabilities	213	(152)
Family partner deposit accounts	(57,736)	(10,595)
Amounts held on behalf of others	(35,418)	11,260
Net cash used by operating activities	<u>(492,666)</u>	<u>(288,397)</u>
<u>Investing activities</u>		
Proceeds received on mortgages receivable	464,012	339,836
Proceeds received for disposals of equipment	9,500	-
Net cash provided by investing activities	<u>473,512</u>	<u>339,836</u>

See accompanying notes and independent accountant's audit report

Habitat for Humanity, Stanislaus County, Inc.
(A California Nonprofit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2017
(With Comparative Totals for 2016)

	<u>2017</u>	<u>2016</u>
<u>Financing activities</u>		
Payment of long-term debt, related party	(16,447)	(9,305)
Payment of long-term debt	<u>(54,761)</u>	<u>(114,476)</u>
Net cash used by financing activities	<u>(71,208)</u>	<u>(123,781)</u>
Net <decrease> increase in cash and cash equivalents	(90,362)	(72,342)
Cash and cash equivalents at beginning of year	209,352	281,694
Cash and cash equivalents at end of year	<u>\$ 118,990</u>	<u>\$ 209,352</u>

Supplemental disclosure of cash flow information:

Cash as presented on the statement of financial position:		
Cash	\$ (18,421)	\$ 36,827
Cash, restricted	<u>137,411</u>	<u>172,525</u>
Cash end of year	<u>\$ 118,990</u>	<u>\$ 209,352</u>
Cash paid for interest	\$ 21,174	\$ 22,681

Non-cash transactions

Sale of homes in construction in progress with mortgages receivable	631,449	112,038
Property and equipment acquired with notes payable	-	-
Transfer of funds from line of credit to note payable	-	150,000
Transfers of notes payable after home purchases	-	161,430

See accompanying notes and independent accountant's audit report

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Summary of Significant Accounting Policies

- A. Nature of Activities – Habitat for Humanity, Stanislaus County, Inc. is an ecumenical Christian housing ministry whose objective is to build housing by forming partnerships with the very low and low income residents in Stanislaus County. The organization does this through contributions, grants, partnerships with various redevelopment agencies in Stanislaus County, as well as "sweat equity" provided by the potential home owners. Mortgage payments are put into a local "Fund for Humanity" and are used to build additional homes in Stanislaus County.

In addition to home building activities, the organization operates a retail thrift operation (ReStore). The ReStore specializes in selling surplus new and used building and home improvement materials, appliances, and furniture to the public. The ReStore receives donated, usable materials from retail businesses, contractors, individuals, and other organizations. All net proceeds from the operation of the ReStore help support and enhance the organization's nonprofit mission.

- B. Basis of Accounting – The financial statements of Habitat for Humanity, Stanislaus County, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Habitat for Humanity, Stanislaus County, Inc. and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net Assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activities as net assets released from restrictions.

- C. Cash and Cash Equivalents – For purposes of reporting cash flows, cash and cash equivalents include certificates of deposit and any highly liquid debt instruments purchased with a maturity of three months or less.
- D. Inventories - Inventories consist of items for the ReStore and are stated at the estimated sales price, per generally accepted accounting principles, for inventory items that are donated.
- E. Mortgages Receivable – First mortgages from the sale of houses are interest free amounts due from the home buyer. First mortgages are for the amount of the cost of the house. Second mortgages on houses represent the difference between the cost of the house and the fair market value of the house when the residence is transferred to the occupant. Both mortgages are interest free to the homeowner but are discounted at an appropriate rate of interest for financial statement presentation purposes. A loan is considered impaired when it is probably, based on current information and events, the organization will be unable to collect on some or all principal payments due in accordance with the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal payments when due.

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Summary of Significant Accounting Policies (continued)

E. Mortgages Receivable (continued)

Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Impaired loans are measured by the fair value of the collateral. The amount of impairment, if any, and any subsequent changes are included in the allowance for loan losses.

- F. Allowance for Loan Losses - The allowance for loan losses is established through a provision for loan losses charged to expense. Loan losses are charged to the allowance when management believes the collectability of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance. The allowance is an amount that management believes will be adequate to absorb estimated losses relating to specifically identified loans, as well as probable credit losses inherent in the balance of the loan portfolio, based on an evaluation of the collectability of existing loans and prior loss experience. This evaluation also takes into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, concentrations, and current economic conditions that may affect the borrower's ability to pay. This evaluation does not include the effects of expected losses on specific loans or groups of loans that are related to future events or expected changes in economic conditions. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions.

The allowance consists of specific and general components. The specific components relate to loans that are impaired. For such loans that are classified as impaired, an allowance is established when the collateral value of the impair loan is lower than the carrying value of that loan. The general component covers unimpaired loans and is based on historical experience adjusted for qualitative factors.

Second mortgages totaling \$1,773,889 and \$1,744,001 as of June 30, 2017 and 2016, respectively, are held on most homes sold. The terms of the second mortgages range from 10 to 20 years, and must be satisfied if the home is sold within the term of the mortgage. The second mortgages are offset by second mortgage reserves of \$1,773,889 and \$1,744,001 as of June 30, 2017 and 2016, respectively, because payment on these mortgages is waived over the term of the mortgage.

- G. Land Held for Home Sites - Land purchased for homes and commercial property sites is recorded at cost unless it is determined to be impaired, in which case the impaired land is written down to fair value. Donated land is recorded at the appraised value. All related carrying costs for these properties such as maintenance, any assessments, real estate taxes, etc. are capitalized into the cost of the properties. The organization reviews land for impairment during each reporting period on a lot by lot basis. Generally accepted accounting principles in the United States of America require that if the undiscounted cash flows expected to be generated by an asset are less than its carrying amount, an impairment charge should be recorded to write down the carrying amount of such asset to its fair value. Management believes no impairments exist as of June 30, 2017 and 2016.

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Summary of Significant Accounting Policies (continued)

- H. Construction in Progress – Costs of construction in progress consist of the land transferred from land inventory to the construction in progress account plus direct home construction costs, unless it is determined to be impaired, in which case, the impaired construction in progress is written down to fair value. Construction overhead is expenses as incurred. Completed homes are included in this classification on the statements of financial position. The organization reviews construction in progress for impairment during each reporting period on a lot by lot basis. Generally accepted accounting principles in the United States of America require that if the undiscounted cash flows expected to be generated by an asset are less than its carrying amount, an impairment charge should be recorded to write down the carrying amount of such asset to its fair value. Management believes no such impairments exist as of June 30, 2017 and 2016.
- I. Property and Equipment – Acquisitions of property and equipment and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. It is the organization's policy to capitalize property and equipment over \$1,000. Depreciation for property and equipment is computed using the straight-line method over the estimated useful lives of the assets ranging from five to twenty-five years. Depreciation for the years ended June 30, 2017 and 2016 was \$28,279 and \$24,947, respectively.
- J. Impairment of Long-Lived Assets – On an ongoing basis, the organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The organization recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2017 and 2016, management believes that no impairments exist.
- K. Revenue Recognition and Contributions – The organization's grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized when incurred. The organization records contributions received as unrestricted, temporarily restricted or permanently restricted depending on the existence or nature of any donor restriction. Accounting principles generally accepted in the United States of America require non-profit organizations to record promises to give during the period in which the promise is made. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The organization receives unconditional promises to give which consist of pledges. Pledges receivable are recorded at their net realizable value based on management's estimate of the pledges being collectible.
- L. Donated Services and Supplies – Donations of services and supplies are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased if not provided by donation. Donated revenue for services and supplies amounted to \$474,737 for the fiscal year. In-kind expense of \$2,430 was recorded as inventory for the ReStore. Four homes and materials to improve other homes were donated at a value of \$477,167. These donations were included in construction in progress.

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Summary of Significant Accounting Policies (continued)

M. Functional Allocation of Expenses - The costs of providing services of Habitat for Humanity, Stanislaus County, Inc. have been summarized on a functional basis in the statement of functional expenses. Management and general expenses have been allocated among the programs based upon an estimation of personal time and space for the related activities.

N. Advertising - The organization expenses advertising costs in the period in which they are incurred. Advertising expense for the years ended June 30, 2017 and 2016 was \$73 and \$266, respectively.

O. Income Taxes - No provision for income taxes has been made. Habitat for Humanity, Stanislaus County, Inc. is a not for profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The organization is classified as other than a private foundation.

Management has evaluated the organization's tax positions and concluded that the organization had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements for uncertain tax positions. With few exceptions, the organization is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years ended June 30, 2013 and before.

P. 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 amounts 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.

Q. Fair Value of Financial Instruments - The carrying amounts of financial instruments, including cash, receivables, accounts payable, accrued expenses, and current maturities of long-term obligations, approximate fair value.

R. Concentrations - The organization maintains cash balances at various financial institutions, which at times may exceed federally insured limits. At June 30, 2017, the organization had no uninsured cash balances.

The organization receives income from various parties for the sales of homes. Income from the sale of four homes to an unrelated third party accounted for 28% and 22% of revenue for the year ended June 30, 2017 and 2016, respectively.

S. Comparative Data - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30 of the prior year, from which the summarized information was derived.

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 2 -Restricted Cash

The organization collects monthly mortgage payments from residents. Included in these monthly payments are fees due to the Hope Village Homeowner's Association and escrow fees due to various tax collectors. The amounts are offset by amounts held on behalf of others on the statement of financial position. The total balance of these accounts as of June 30, 2017 and 2016 was \$137,411 and \$172,525, respectively.

Note 3 -Non-Interest-Bearing Mortgages Receivable

The organization currently holds forty-three non-interest bearing mortgage loans. These amounts are to be paid over terms ranging from twenty to forty years as follows:

	<u>2017</u>	<u>2016</u>
Mortgages receivable-first mortgages	\$ 2,532,175	\$ 2,430,752
Mortgages receivable-second mortgages	1,773,889	1,744,001
Less: unamortized discount on non-interest bearing mortgage receivable	(882,184)	(871,077)
Less: allowance for loan loss	<u>(1,773,889)</u>	<u>(1,744,001)</u>
	\$ 1,649,991	\$ 1,559,675
Less: current portion	<u>(72,706)</u>	<u>(65,300)</u>
	<u>\$ 1,577,285</u>	<u>\$ 1,494,375</u>

Future maturities, net of discounts, for the years ended June 30 are as follows:

2018	\$ 72,706
2019	73,716
2020	77,402
2021	77,389
2022	79,876
Thereafter	1,284,390
	<u>\$ 1,665,479</u>

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 3 -Long-Term debt

Long-term debt consisted of the following at June 30:

	<u>2017</u>	<u>2016</u>
Notes payable, Ally Financial, Inc., secured by vehicles payable in monthly payments ranging from \$238 to \$645, including interest ranging from 0.0% to 8.85%, maturities ranging from August 2015 to August 2020	\$ 32,214	\$ 52,820
Notes payable, Farmers & Merchants Bank, secured by deeds of trust on homes payable in 28 quarterly installments of \$17,325 payments commenced March 2016	<u>329,971</u>	<u>364,096</u>
	362,185	416,916
	<u>(67,953)</u>	<u>(64,502)</u>
Less: current portion	<u>\$ 294,232</u>	<u>\$ 352,414</u>

Note maturities for the years ended June 30 are as follows:

2018	\$ 67,953
2019	63,854
2020	65,881
2021	61,464
Thereafter	<u>103,033</u>
	<u>\$ 362,185</u>

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 4 -Long-Term debt, Related Party

The organization's obligations under long-term debt, related party consisted of the following as of June 30:

	<u>2017</u>	<u>2016</u>
Note payable, Habitat for Humanity International, Inc. (HFHI), unsecured, net of unamortized discount of \$2,007, non-interest-bearing, monthly payments of \$390, matures November 2019	\$ 9,610	\$ 16,234
Note payable, Habitat for Humanity International, Inc. (HFHI), unsecured, net of unamortized discount of \$475, non-interest-bearing, monthly payments of \$390, past due	-	4,235
Note payable, Habitat for Humanity International, Inc. (HFHI), unsecured, net of unamortized discount of \$1,230, non-interest-bearing, monthly payments of \$390, matures November 2019	15,180	15,180
Note payable, Habitat for Humanity International, Inc. (HFHI), unsecured, net of unamortized discount of \$1,230, non-interest-bearing, monthly payments of \$510, matures November 2019	<u>14,722</u>	<u>20,310</u>
	39,512	55,959
Less: current portion	<u>(16,865)</u>	<u>(20,526)</u>
	<u>\$ 22,647</u>	<u>\$ 35,433</u>

Note maturities for the years ended June 30 are as follows:

2018	\$ 16,865
2019	13,131
2020	7,580
2021	1,936
Thereafter	-
	<u>\$ 39,512</u>

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 5 - Unrestricted and Temporarily Restricted Net Assets

At June 30, 2017 and 2016, Unrestricted Net Assets of \$4,226,452 and \$4,184,169, respectively, were available for general operations.

At June 30, 2017 and 2016, the organization had \$3,438 and \$4,842 of temporarily restricted net assets, respectively. These assets are restricted for the following purposes:

	2017	2016
Discounts on non-interest bearing notes payable	\$ 3,438	\$ 4,842
	<u>\$ 3,438</u>	<u>\$ 4,842</u>

Note 6 - Leases

The organization leases equipment and office and warehouse space with monthly payments ranging from \$30 to \$8,993. The leases expire at various times ranging from June 2017 to July 2021.

Leases expenses for the years ended June 30, 2017 and June 30, 2016 was \$152,553 and \$168,673, respectively.

Future minimum lease payments are as follows for years ending June 30:

2018	\$ 43,420.00
2019	44,620.00
2020	45,820.00
2021	37,207.00
Thereafter	-
	<u>\$ 171,067.00</u>

Note 7 - Transactions with Habitat for Humanity International, Inc.

Habitat for Humanity, Stanislaus County, Inc. conducts various transactions with Habitat International, a related party. The organization had the following transactions during the fiscal years ended June 30:

	2017	2016
Grant revenue	\$ 15,606	\$ 37,922
	<u>\$ 15,606</u>	<u>\$ 37,922</u>

HABITAT FOR HUMANITY, STANISLAUS COUNTY, INC.
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 8 -Reclassifications

Certain reclassifications have been made to the 2016 financial statements to conform to the 2017 presentation. Such reclassifications had no effect on change in net assets as previously reported.

Note 9 -Subsequent Events

Subsequent events have been evaluated by management through December 29, 2017, the date that the financial statements were available to be distributed.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/22/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Affinity, LLC P. O. Box 873401 Kansas City, MO 64187-3401	CONTACT NAME: Lockton Affinity, LLC PHONE (A/C, No, Ext): 888-553-9002 E-MAIL ADDRESS:	FAX (A/C, No): 913-652-3967
	INSURER(S) AFFORDING COVERAGE	
INSURED Habitat for Humanity Stanislaus County 630 Kearney Ave Modesto, CA 95350	INSURER A: Ace American Insurance Co.	NAIC # 22667
	INSURER B: ACE Property & Casualty Insurance Co.	20699
	INSURER C: Pacific Employers Ins Company	22748
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Hired and Non-Owned <input type="checkbox"/> Auto Liability GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		GL1064486-18	04/01/2018	04/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			H08783020-05	04/01/2018	04/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A	C48745659	04/01/2018	04/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

1064486 City of Merced 678 West 18th Street Merced, CA 95340	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Pat D. O'Farrell</i>
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BYLAWS
OF
HABITAT FOR HUMANITY, STANISLAUS COUNTY
A California Nonprofit Public Benefit Corporation

Approved July 17, 1995

Amended April 3, 2014

Article I

The name of this corporation is HABITAT FOR HUMANITY, STANISLAUS COUNTY.

**Article 2
OFFICE**

2.01. **Principal Office.** The principal office for the transaction of the business of the corporation ("principal executive office") is located at 630 Kearney Ave Modesto, California, in Stanislaus County. The board of directors may change the principal executive office from one location to another within Stanislaus County. Any change of this location shall be noted by the secretary below on these bylaws or this section may be amended to state the new location.

2.02. **Other Offices.** The board of directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

**Article 3
OBJECTIVES AND PURPOSES**

3.01. **General Purposes.** This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable and public benefit purposes.

The purposes for which the corporation is organized are to:

(a) demonstrate the love and teachings of Jesus, acting in all ways in accord with the belief that God's love and grace abound for all, and that we must be "hands and feet" of that love and grace in our world;

(b) chose, as our means of manifesting God's love, to create opportunities for all people to live in decent, durable shelter. We put faith into action by helping to build, renovate or preserve homes and by partnering with others to accelerate and broaden access to affordable housing as a foundation for breaking the cycle of poverty;

(c) affirm and support the local, national, and international concepts of Habitat for Humanity International and accept the principles of tithing believing that God's will operates through God's people to support this program; and

(d) cooperate with other charitable organizations, through grants and otherwise, which are working to develop a better human habitat for economically disadvantaged people.

(e) support sustainable and transformational development when it is based on mutual trust and fully shared accomplishment; and when it demonstrates responsible stewardship of all resources entrusted to us

3.02. **Non-partisan Activities.** This corporation has been formed under the California Nonprofit Public Benefit Corporation Law for the public benefit, charitable and educational purposes described herein above at Article 3.01, and it shall be nonprofit and nonpartisan. No part of the activities of the corporation shall consist of the publication dissemination of materials with the purpose of attempting to intervene in any political campaign on behalf of any candidate for public office or for or against any cause, measure or proposition being submitted to the people for a vote.

The corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

3.03. **Specific Purposes.** Within the context of the general purposes stated above, this corporation shall:

(a) form a local board of directors organized in accordance with state laws governing non-profit organization;

(b) build or renovate housing to be sold at no profit and no interest;

(c) perform critical home repairs and neighborhood revitalization activities to improve the quality of housing inventory for low-income homeowners;

(d) educate public with pre and post purchase housing counseling activities in accordance with HUD guidelines

(e) operate ReStores throughout the county to increase accessibility of affordable home repair materials to the general public, while creating revenue to support housing programs

(f) establish clear guidelines to qualify eligible buyers by a non-discriminatory selection process in conformity with fair housing guidelines;

(g) develop a list of expectations for qualified buyers to include such concepts as sweat equity, contractual agreements, down payment, progress payments, and community responsibility;

(h) develop ways to create a spirit of loving community among the people involved in the project;

(i) make sure the dwellings are adequate and within the ability of the families to pay;

(j) put all income from repayment of loans into a revolving Fund for Humanity to build or renovate more housing;

(k) keep accurate financial records that are open for review by anyone and have them audited annually;

(l) develop an on-going fund raising plan;

(m) own and maintain or lease suitable real estate and buildings, and any other personal property which is deemed necessary by the board of directors for the corporation's purposes; and

(n) enter into, execute, make, perform, and carry out contracts, agreements and other activities of any kind for any lawful purpose, without limit as to amount.

Article 4 MEMBERSHIP

4.01. **Members.** The corporation shall make no provisions for members. Pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under the articles of incorporation or bylaws of this corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the board of directors.

4.02. **Advisory Members.** Any individual, group or corporation which contributes time, materials and/or money to the purposes of this corporation shall be deemed and "advisory member" of the corporation.

Advisory members shall:

(a) have the right to attend board meetings make presentations or proposals at board meetings, and nominate candidates for election to the board at the meetings held for the purpose of election.

(b) Be acknowledged at an annual meeting for the purpose of reporting to them the past year's achievements and the coming year's program;

(c) Have no vote on the decisions of the officers or board of directors of the corporation, or in their election; and

(d) Be a source of finding and securing nominations for members of the board of directors and officers of the corporation.

Article 5 DEDICATION OF ASSETS

The properties and assets of this nonprofit corporation are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person individual, or any member or director of this corporation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization dedicated to public benefit purposes, provided that the organization continues to be dedicated to the exempt purposes as specified in Internal Revenue Code Section 501(c)(3).

Article 6 BOARD OF DIRECTORS

6.01. **Powers.** Subject to the provisions of the California Nonprofit Corporation Law and any express limitations in the articles of incorporation and these bylaws, the business and affairs of the corporation shall be managed, and all corporate powers shall be under the direction of the board of directors.

6.02. **Specific Powers.** Without prejudice to the general powers outlined in Section 6.01, and subject to the same limitations, the board of directors shall have the power to:

(a) Select and remove all officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with local, state and federal law, with the articles of incorporation, and with these bylaws; and fix their compensation if any;

(b) Change the principal executive office in Stanislaus County from one location to another; cause the corporation to be qualified to do business in any other state, territory,

dependency, country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meetings, including annual meetings;

(c) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, securities and other evidences of debt; and

(d) Enter into, execute, make, perform and carry out contracts or agreement of every kind and amount on behalf of the corporation.

6.0 3. **Number.** The number of elected directors shall be not less than twelve (12) nor more than twenty five (25). Within that range the board of directors may fix the exact number of elected directors.

6.04. **Election of Directors.**

(a) At a board meeting in December approximately one-third (1/3) of the directors are subject to election.

(b) Each candidate shall be elected to the board by a majority of the board members.

(c) New candidates for the board of directors may be presented to the board after approval of the president

6.05. **Term.** Each director shall:

(a) Serve for a term of three (3) years and until his or her successor is elected and take s office; and

(b) Be limited to serving two consecutive terms on the board of directors. This limitation, however, may be waived for an individual director by a vote of two-thirds (2/3) of the board of directors. This provision shall not restrict the overall number of terms a director may serve on the board of directors.

6.0.6. **Qualifications of Directors.** Each director, in order to qualify for office, must:

(a) have a sincere interest in the work of the corporation;

(b) be willing to attend monthly meetings for the board of directors and other meetings as called;

(c) be willing to accept the responsibilities of the position;

(d) support the purposes and objectives of Habitat for Humanity of Stanislaus County as set forth in Article 3; and

(e) sign the written covenant of support for the purposes and objectives of Habitat for Humanity International.

6.07. **Vacancies.** Vacancies shall be filled by the vote of a majority of the directors then in office, or by a sole remaining director should such need arise. Notwithstanding anything else in these bylaws, no director may leave office when the corporation would then be left without a duly appointed and acting director in charge of the affairs of the corporation.

6.08. **Termination; Removal.** Membership on the board of directors shall terminate:

(a) automatically on the written resignation or death of a director;
(b) on the incapacity or inactivity of a director, or failure of the director to maintain qualification for office, as determined by the vote of said director;
(c) on the failure of a director to attend at least eight (8) meetings of the board of directors per year (unless excused by a majority of the board of directors); and/or
(d) after a director has served two consecutive terms or six (6) years, whichever is greater, on the board of directors, unless the board waives this limitation pursuant to Article 6.05(b).

6.09. **Compensation.** Directors shall serve without remuneration; however, the board of directors may authorize the corporation to reimburse a director for expenses actually incurred by the director in the conduct of the affairs of the corporation.

6.10. **Restriction on Interested Directors.** No more than twenty five percent (25%) of the persons serving on the board of directors at any time may be interested persons. An interested person is (1) any person being compensated by the corporation for services rendered to it within the twelve (12) previous months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, or father-in-law of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

6.11. **Liability of Directors.** No officer, director, employee or other agent shall be personally liable for the debts, liabilities or obligations of the corporation. The directors of the corporation shall have no liability for dues or assessments.

Article 7 MEETINGS OF BOARD OF DIRECTORS

7.01. **Monthly Meetings.** Regular monthly meetings shall be held at such date, time, and place as may be determined in advance by the board of directors. Directors shall elect new members to the board of directors at a regular meeting and their term will begin the following month. Officers will be selected at the January meeting.

7.02. **Annual Meeting.** The board will hold an annual meeting in February or March for advisory members for the purpose of celebrating past accomplishments, reviewing financial statement, and presenting the new board members, program for the coming year and the budget.

7.03. **Special Meetings.** Special meetings of the board of directors may be called by the president or by any three (3) directors. The person or persons calling a special meeting shall fix the time and place of the meeting and the agenda.

7.04. **Quorum.** A majority of the elected directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, and the act of a majority of the directors present at a meeting at which a quorum is in attendance shall be the act of the board, unless a greater number is specifically required by law or by these bylaws.

7.05. Notice of Meetings.

(a) Notice of regular and special board of directors meetings shall be given at least four (4) days prior to such meeting. Said notice shall be by written notice to each director delivered personally, sent by mail, or sent via electronic mail at the address of each director as disclosed on the records of the corporation. If mailed, such notice shall be deemed given when deposited in the United States mail with first class postage prepaid. Any director may waive notice of any meeting. The business to be transacted at a special meeting shall be specified in the notice of such meeting.

(b) Notice of the annual meeting shall be given to directors and advisory members at least seven (7) days prior to such meeting.

7.06. Waiver of Notice. The transactions of any meeting of the board of directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of this meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

7.07 Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

7.08. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty four (24) hours, in which case personal notice of the time and place shall be given before the time of the resumed meeting to the directors who were not present at the time of the adjournment.

7.09. Action Without Meeting. Any action required or permitted to be taken by the board of directors may be taken without a meeting, if three-fourths (3/4) of the directors, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board of directors.

7.10. Meetings by Telephone/Teleconferencing. Any regular or special meeting may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present person at such meeting.

Article 8 OFFICERS

8.01 Roster of Officers. The officers of the corporation shall consist of the following:

- (a) President
- (b) Vice-President(s)

- (c) Treasurer
- (d) Secretary

The corporation may have any other officer(s) as the board of directors shall by resolution determine.

8.02. **Selection of Officers.** Each of the officers of the corporation shall be selected and appointed by the board of directors at the regular January meeting. Officers shall serve a term of one (2 year) with no restriction on the number or re-elections. The president, however, shall not serve as president for a continuous period longer than four (4) years. This limitation, however, may be waived by a vote of three-fourths (3/4) of the board of directors.

8.03. **Responsibilities of Officers.**

(a) The President shall:

- (1) be the principal corporate officer of the corporation;
- (2) have general and active oversight of the affairs of the corporation;
- (3) preside at meetings of the board of directors and the board of Advisors;
- (4) chair the executive committee and be an ex officio member with vote of all committees except that he or she shall not be a member of the nominating committee;
- (5) make appointments where authorized;
- (6) oversee the chief executive officer who conducts the day-to-day operations and management of the corporation in accordance with the policies set by the board of directors; and who reports to the board of directors on a regular basis as to the status of the corporation's affairs; and
- (7) perform such other duties normal to the office or as directed by the board of directors.

(b) The Vice-President shall:

- (1) serve as president pro-tem in the president's absence or incapacity;
- (2) assist the president in any way when needed;
- (3) perform such other duties normal to the office or as directed by the board of directors. At its discretion the board of directors may elect either one (1) or two (2) vice presidents and assign specific duties and authorities thereto.

(c) The Treasurer shall oversee the prudent management of the corporation's funds and securities, including:

- (1) insuring that full and accurate accounts of receipts and disbursements are kept in books belonging to the corporation;
- (2) insuring that the moneys of the corporation are kept in a separate account to the credit of the corporation;
- (3) insuring the funds of the corporation are disbursed as may be ordered by the board of directors, including the taking of proper vouchers for such disbursements;
- (4) submitting to the board of directors at its regular meetings, or whenever they may require it, and account of all financial transactions and of the financial condition of the corporation;
- (5) Serving as ex officio chair of the finance committee;
- (6) Serving as president pro tem in the absence of the president and vice

president(s).

(7) Performing such other duties normal to the office or as directed by the board of directors.

(d) The Secretary shall:

(8) Ensure that all minutes of board of directors meetings are recorded and distributed;

(9) Ensure that copies of minutes are sent out to each member of the board of directors;

(10) serve as parliamentarian, providing guidance and resolution of procedural questions or the board may appoint another officer or board member as parliamentarian;

(11) ensure the safekeeping of all official documents of the corporation, including but not limited to: articles of incorporation, bylaws, notifications of tax-exempt status, affiliation documents, minutes, annual reports, contracts, insurance policies, and copies of all required filings with government agencies or with Habitat for Humanity International;

(12) serve as president pro tem in the absence of the president, vice president(s) and financial officer; and

(13) perform such other duties normal to the office or as directed by the board of directors.

8.04. **Removal of Officers.** Any officer may be removed by a majority of the board of directors, excluding the vote of such officer if also a director, whenever in the board's judgment the best interest of the corporation and the board will be served thereby.

8.05. **Vacancies of Officers.** If the office of any officer or agent of the board of directors, one or more, become vacant for any reason, the board may choose a successor or successors, who shall hold office for the unexpired term in which such vacancy occurred.

Article 9

BOND, INDEMNITY, INSURANCE

9.01. **Bond.** If required by the board, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the financial officer on his or her death, resignation, retirement, or removal from office. The expense of this bond shall be furnished by the corporation.

9.02. **Indemnification.**

(a) **Right of Indemnity.** To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and

including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section.

(b) Approval of Indemnity. On written request to the board by any person seeking indemnification under section 5238(a) of the California Corporations Code shall determine whether the applicable standard of conduct set fourth in section 5238(b) or section 5238(c) has been met and, if so, the board shall authorize indemnification.

(c) Advancement of Expenses. If the board has authorized the indemnification as in 9.02(b) then costs incurred by the person indemnified shall be advanced to that person for the purpose of defense in any proceedings pertaining to that indemnification. The person to be indemnified will execute a promise to repay that advance in the event that the proceedings determine that the person was not entitled to be indemnified by the corporation.

9.03. **Insurance**. The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

Article 10 BOARD OF ADVISORS

10.01. **Appointment of Board of Advisors**. The board of directors may, at its discretion, create a board of advisors which shall provide advice, counsel and expertise to the board of directors. Members of the board of advisors shall be appointed by the board of directors at any regular meeting of the board of directors. There shall be no limit on the number of persons who may be appointed to the board of advisors. The roster of the board of advisors shall be reviewed annually by the board of directors. The board of advisors shall serve at the pleasure of the board of directors.

10.02. **Qualifications for Appointment to Board of Advisors**. The qualifications for appointment to the board of advisors are:

- (a) a sincere interest in the work of the corporation;
- (b) a willingness to attend at least one meeting of the board of advisors per year, or the annual meeting sponsored by the board of directors;
- (c) a willingness to sign of a statement of support for the purposes and objectives of Habitat for Humanity International; and
- (d) support of the purposes and objectives of Habitat for Humanity, Stanislaus County, as set forth in Article 3.

Article 11 COMMITTEES

11.01. **Standing Committee**. There shall exist the following standing committees of the corporation:

- (a) Executive Committee
- (b) Finance Committee

- (c) Site Selection/Site Development Committee
- (d) Family Selection Committee
- (e) Fund Raising Committee

During the early stages of the organization and for whatever length of time may be appropriate, the board of directors may combine into one committee the functions and membership of two related committees. The board of directors may create additional standing committees with such membership, powers and duties as shall be authorized by resolution of the board. The board of directors may assign such other duties and powers to the standing committees as are needed for the effective operation of the corporation.

11.02. General Responsibilities.

(a) The chair of each standing committee is expected to attend all meetings of the board of directors, and the chair of each special committee and ad hoc committee is expected to attend meetings of the board when requested by the president of the board. If unable, when expected to attend the board meeting, the committee chair may, with the approval of the president, appoint an alternate from the committee to attend and act for her or him at the meeting.

(b) All committees are accountable directly to the board of directors and shall report orally or in writing to the board at each regular meeting of the board unless instructed otherwise by the president of the board. Committees may be asked to report to the spring annual meeting.

(c) Each committee shall meet at least monthly at a time and place determined by its chair. This requirement may be waived with the consent of the president.

(d) A designated board member shall be present, if possible, at all regularly scheduled committee meetings.

(e) Minutes of committee meetings are required, including attendance and votes of all actions, and must be submitted to the secretary of the board prior to the next following meeting of the board of directors.

(f) Each committee chair shall maintain a current roster of committee membership and provide an updated roster to the board with each written report.

11.03. Special Committees. The board of directors may from time to time create special and ad hoc committees with such membership, powers, and duties for such terms as shall be authorized by action of the board.

11.04. Appointments.

(a) Membership of the executive committee and chairs of all standing committees shall be directors.

(b) Other than the ex officio members of the committees, appointments to the standing, special and ad hoc committees shall be made by the president, except that appointments to the executive and nominating committees also shall be confirmed by a majority vote of the board.

(c) The chair of each standing, special and ad hoc committee of the corporation shall be appointed by, and serve at the pleasure of the president, except that the board may by a secret two-thirds (2/3) vote of all its members remove the chair of a committee, or by majority vote remove any member of any committee.

(d) Appointments and confirmation votes of committee members generally shall be made by the newly elected board prior to the beginning of the corporation's fiscal year, or if the committee is newly created, at the meeting at which such committee is created.

(e) With the constant of the president, the chair of any standing, special or ad hoc committee other than the executive and nominating committees may appoint such additional members as appropriate.

11.05. **Actions.** A majority of the members of a committee created by or authorized to be created by these bylaws shall be required to be in attendance for the committee to act.

11.06. **Executive Committee.** The executive committee, consisting of the president as the committee chair, at least two (2) other officers and at least one (1) other director, shall be confirmed by a vote of the board. The committee, between meetings of the board, shall exercise such powers and authority of the board as shall be necessary to conduct the activities committee shall:

- (a) not make removals from office;
- (b) not fill vacancies on the board;
- (c) not accept transfers of real property or transfers of restricted or conditional gifts of other property to the corporation;
- (d) not amend or repeal bylaws or adopt new bylaws;
- (e) not amend or repeal any actions of the board which by its terms shall not be so amendable or repealable; and
- (f) not otherwise act in a manner inconsistent with statutes, the articles of incorporation, or these bylaws.

11.07. **Finance Committee.** The finance committee shall:

- (a) develop and recommend to the board appropriate financial management, accounting and audit procedures for the corporation;
- (b) oversee and be responsible for general supervision of the financial affairs of the corporation, but shall have no power to obligate the corporation or enter into any binding agreement for the corporation;
- (c) insure that all restricted current funds and the income from all restricted funds are expended in accordance with the terms of those respective funds;
- (d) be responsible for all funds of the corporation, including the prudent investment of funds as appropriate;
- (e) present annual budgets for the operation of the corporation;
- (f) work with staff and audit agency to ensure accuracy of financial records and compliance with regulators' mandates
- (g) submit an annual financial report of the corporation to the board for timely submittal to Habitat International;
- (h) ensure that all financial reports as may be required by State, Federal or other agencies; and
- (i) insure that the corporation is in compliance with all IRS regulations and all tax-exemption laws pertaining to corporations.

11.08. **Site Selection/Site Development Committee.** The site selection committee shall work with executive director and staff to:

(a) develop for approval by the board of directors criteria for selection of sites to be used for project housing construction;

(b) target the area(s) in which Habitat desires to build houses and investigate various opportunities for acquisition of properties for construction or rehabilitation of residences.

(c) creatively explore possible opportunities for working with churches, government agencies, businesses, developers and other organizations and individuals to provide sites for Habitat for Humanity housing projects;

(d) recommend to the board specific sites and site acquisition procedures; and

(e) determine the feasibility of property acquisition through title search, the examination of zoning laws, site hazards and other relevant concerns.

The committee, however, shall have no power to obligate the corporation or to enter into any agreement binding upon the corporation without the specific authorization of the board of directors.

When a property may need significant development prior to construction, committee shall function as the site development committee for planning and oversight of site development.

11.09. Family Selection Committee. The family selection committee shall:

(a) participate in the development of proposed family selection criteria and procedures for family selection, including an application form, and submit them to the board of directors for their approval; and

(b) implement those procedures for the selection of families to become home owners.

11.10. Fund Raising Committee. With the approval of the board of directors, it shall work with the director of development to:

(a) plan, administer and implement programs to raise capital, endowment and operational monies for the corporation, by appropriate fund raising programs and events, including but not limited to solicitation of churches, individuals, organizations, agencies, businesses and foundations; and

(b) otherwise seek to augment the assets and resources of the corporation. The committee shall have no power to obligate the corporation or to enter into any agreement binding upon the corporation.

Article 12 OPERATIONS

12.01. Fiscal Year. The fiscal year of the corporation shall be from July 1 to June 30.

12.02. Books and Records. The corporation shall keep correct and complete books and records of account, and shall keep minutes of the proceedings of the board of directors and its committees. All books, records and minutes may be inspected at any reasonable time by any director, chairperson of a committee, member of the board of advisors, or officer. The books and records of account, all minutes of the board of directors and of the committees, the articles of

incorporation and the corporation's bylaws shall be kept in the principal executive office. The right of inspection includes the right to copy and make extracts of documents.

12.03. **Non-Profit Status**. No part of the income of the corporation shall be distributed to, or otherwise inure to the benefit of any director, officer, or other individual. The previous sentence does not preclude the corporation from hiring employees to help administer the day-to-day operations of the corporation.

12.04. **Rules of Order**. All business meetings of the board of directors and the annual meeting shall be governed by Robert's Rules of Order, revised, as interpreted by the president, unless contradicted by provisions of the bylaws or by a ruling of the parliamentarian appointed by the board.

Article 13 AMENDMENT OF BYLAWS

The bylaws shall only be amended during two (2) successive meetings of the board of directors.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am presently elected and acting secretary of HABITAT FOR HUMANITY, STANISLAUS COUNTY, a California Nonprofit Public Benefit Corporation, and the above bylaws, consisting of thirteen (13) pages, are the bylaws of this corporation as adopted by the board of directors of the corporation on April 3, 2014, in the City of Modesto, State of California.

Date

4/7/14

