Neighborhood Housing Services of South Florida

Community Redevelopment Agency Scattered Site Infill Housing

RFP 12385-105

Table of Contents

Community Redevelopment Agency
Scattered Site Infill Housing
RFP 12385-105

Executive Summary

and Company Information

Table of Contents

1. Executive Summary

We are pleased to submit our proposal to work with the Community Redevelopment Agency to achieve its development goals in the designated areas. Our missions are aligned in the belief that long term ownership for an income diverse range of families is a catalyst for economic growth.

NHSSF is a HUD certified housing counseling agency, a Treasury certified Community Development Financial Institution, a CHDO for the City of Miami, and a chartered member of NeighborWorks America. We bring local, regional, and national perspective and resources to our work. We build homes to foster equity and neighborhood revitalization. We build homes that are solid assets for the resident and for the community as a whole. NHSSF homes are well designed, well built (with warranty), and sensitive to environmental conservation. We propose to build 5 single family detached, three-bedroom, two-bathroom homes.

2. Company Information

Neighborhood Housing Services of South Florida (NHSSF), a leading community development organization dedicated to equitable development, neighborhood revitalization, and addressing systemic forces that impede the social and economic advancement of low wealth communities. We pursue our organizational mission by offering HUD compliant comprehensive housing counseling and education, the development of family friendly, energy efficient, ownership affordable housing, community leadership training, and responsible consumer friendly mortgage lending products. NHSSF offers brokerage services thereby serving as a one stop shop for residents seeking affordable housing solutions.

NHSSF is most known for the successful deployment of $89 million in NSP2 funding. We have served South Florida diligently be engaging with local governments to revitalize neighborhoods through housing development and other strategies. We completed the development of 4 single family new construction homes for Broward County and under our CHDO completed the construction 4 homes “Village West” in Coconut Grove, Miami.

NHSSF has operated as a developer for much of its history. During the mortgage meltdown era, NHSSF was awarded $89 million in NSP2 funding and formed a consortium of local nonprofit agencies to deploy the funding. As the lead agency, NHSSF was responsible for the development, redevelopment, of 100s of multi and single-family properties. NHSSF continues to monitor the projects created by NSP2 funding and demonstrated thru this engagement, the power of P3—public, nonprofit and government collaboration. We build our capacity thru the strategic engagement of industry professionals. To this effort, we bring general contractors, architects, project management and project coordination companies and consultants. As a non-profit we do not have a small business designation but place a preference on working with contractors and consultants who are minority and/or woman owned businesses. All such companies working on this project with NHSSF are either woman or minority owned.

3. Background Key Staff and Principals

Kimberly T. Henderson – President & CEO: Kimberly T. Henderson, President and CEO of Neighborhood Housing Services of South Florida, brings over 20 years of experience managing programs, operations, and initiatives in federal, non-profit, private, and local government. She managed significant initiatives in affordable housing development, housing counseling, rental subsidy, homeownership, financial literacy, homeless services, and energy efficiency programs. Ms. Henderson is the former Director of Housing and Community Development for the *Greater Washington Urban League* where she managed nearly $25 million in affordable housing programs annually.

In her role with the Government of the District of Columbia, she worked to stabilize vulnerable families, individuals, and youth in affordable housing. She also served as the co-chair of the Interagency Council on Homelessness Youth Subcommittee. Kimberly was instrumental in the development of two innovative housing programs for youth: *Wayne Place*, which provides 24 units of transitional housing; and *Genesis,* a permanent 94-unit intergenerational housing complex for parenting teens exiting foster care and active elders. Kimberly is a former founding board member of *Hope and a Home*, a leading non-profit providing transitional housing to families experiencing homelessness.

Henderson earned the B.A. in Political Science, with an emphasis in International Affairs, from Grinnell College, Grinnell, Iowa, and the Master of Public Administration from the LBJ School of Public Affairs, University of Texas at Austin.

	**Tanya Skillman:** Consulting Project Manager with Wellhouse Development, brings over 16 years of experience in real estate and affordable housing development. Through the years, she has managed various aspects of closing affordable housing and renewable energy developments financed by tax credits. Some of the states include Georgia, Florida, Kansas, Oklahoma, Nebraska and Missouri for a total of over half a billion dollars in credits. Her areas of expertise include, underwriting, due diligence, construction monitoring and lease up. Ms. Skillman also has experience with tax exempt bond financing, USDA RD loans, project-based section 8, CDBG and HOME funds. Ms. Skillman established Wellhouse Development in 2019. Since its inception, she has assisted for profit and nonprofit clients with affordable and market rate multifamily development.
	John Pantoja, Controller/COO Prior to serving as Controller and COO for NHSSF, Pantoja worked as the Controller at Lucha in San Juan, Puerto Rico. Lucha is a leading nonprofit focused on serving resident experiencing or exiting homelessness. Pantoja has 15 years of experience in accounting as a controller and/or financial manager in non-profits, retail, and the wholesale and service industry. He holds a BBA in Accounting from Universidad del Sagrado Corazon in San Juan and is fluent in English, Spanish, and Portuguese.

NHSSF homes will be designed for the modern family with an emphasis on energy efficient appliances and hvac systems. In a metro area where the home ownership rate is less than 50%, NHSSF understands that ownership itself may strip many families of their savings. We not only want our clients to become homeowners but to maintain ownership over time. To do this, we believe in deep energy efficiency as a way to contain the cost of homeownership. NHSSF will install appliances and heating and cooling systems to reach deep levels of energy efficiency and water conservation. New bathroom fixtures installed will be WaterSense® certified.
NHSSF will also extend its solar lending program to homebuyers at favorable terms.

Deeper Subsidies: As a chartered affiliate of NeighborWorks America, NHSSF can bring the resources of NeighborWorks capital affiliates to bring deeper subsidies to later phases of this project. Through our conduit with Community Housing Capital, NHSSF will apply for single family housing tax credits. If we are able to get those credits, the savings would be passed on to the home buyer.

Long term commitment: NHSSF graduates over 700 residents annually from its HUD compliant 8-hour first time homebuyer course. Our first step is to make the units available to our current customers. Those customers who are not mortgage ready are enrolled in our financial capacity program. As they become ready to purchase by increasing their credit scores, eliminating credit impairment, and increasing their savings, those customers are assisted with real estate service providers, partner developers with available properties. NHSSF can offer our clients loans designed for first time homebuyers and low and moderate- income purchasers or we can refer the clients to our other mortgage lending partners. Further, NHSF staff will assist customers in navigating available subsidy programs. NHSSF HUD certified housing counselors offer post purchase homebuyer counseling and checks in on customers after one year to ensure ownership stability.

NHSSF will work with two general contractors on this project. We will use our line of credit of $1.5 million with Community Housing Capital to complete the project. NHSSF business sustainability is based on grant funding, real estate development, and lending. Currently, we are redeveloping our headquarters in Miami into affordable housing and permanent office space for NHSSF.

Homebuyer Information

NHSSF is a HUD certified housing counseling agency. We have over 1200 clients per year. Our office located on 2880 Oakland Park Blvd serves our Broward clients and pre Covid, NHSSF held classes and provided one on one counseling. Since Covid we have moved our programming online with minimal disruption.

Each year approximately 700 residents graduate from our homebuyer programs. We do not anticipate identifying residents for the InFill program using general marketing. Generally, our clients range in income from 30% of AMI to 160% of AMI. And we believe we can recruit prospective residents for this project from our current customers.

We are skilled at assisting clients in navigating a complex and competitive housing market. Our counselors are knowledgeable about the available homebuyer programs and NHSSF is a referral partner.

Photographs were taken on April 27, 2020, at approximately 12:45 pm

Facing S, view front of the house with mailbox & house number.

View of the east elevation

View of installed freshwater sprinkler system and house shut off valve by the rear patio

Facing northwest-View of the rear yard


Facing east, view of the rear yard

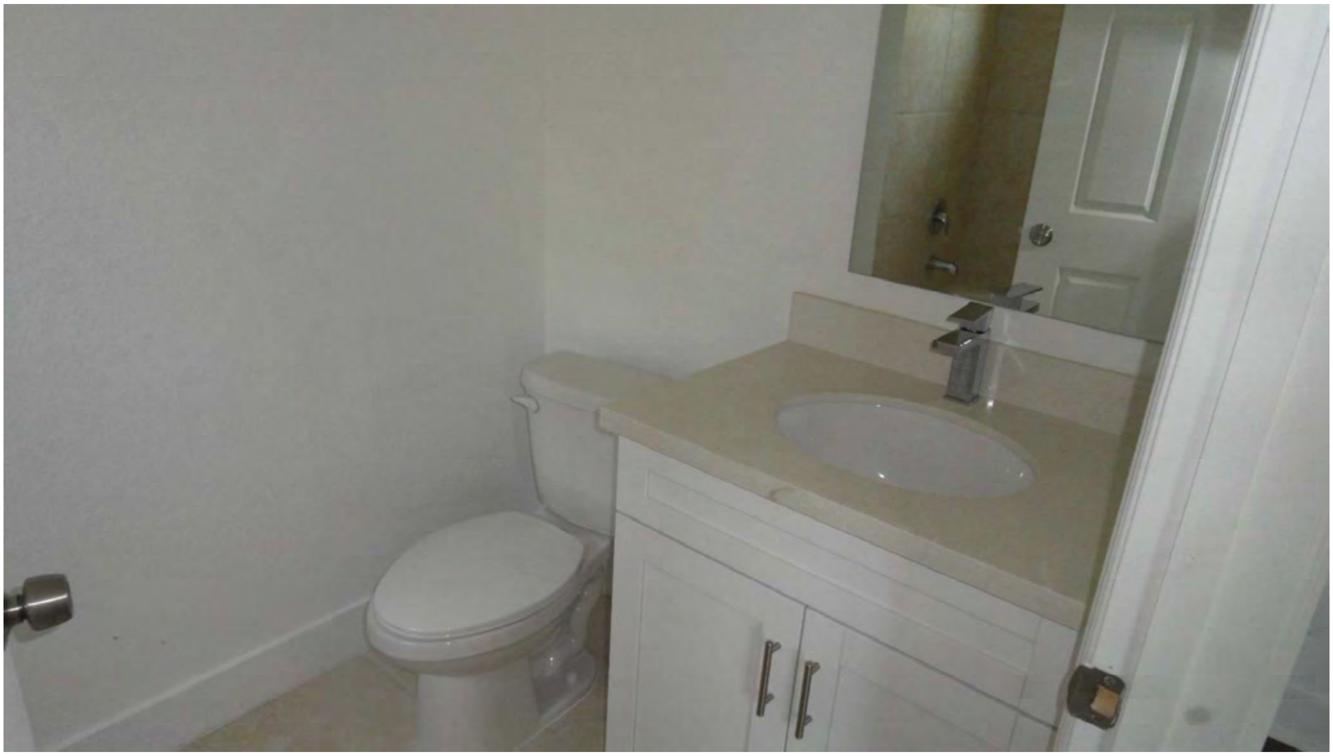

Facing north from the southwest corner of the yard, view of the west elevation


Closeup view from the front porch of the garage air and water vent


View of interior from the front entrance doors

View of finished kitchen with installed appliances and plumbing fixtures

Additional view of the typical kitchen


View into master bedroom bath of installed vanity cabinet, and plumbing fixtures

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

MBAF

MORRISON BROWN ARGIZ & FARRA, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

TABLE OF CONTENTS

MBAF
MORRISON BROWN ARGIZ & FARRA, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Neighborhood Housing Services of South Florida, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter regarding Liquidity and Decrease in Net Assets

As discussed in Note 1 to the consolidated financial statements, the Organization's consolidated statement of activities reflects a decrease in net assets of approximately $1,221,000 for the year ended June 30, 2018. Additionally, the Organization has a bond payable of $1 million maturing in July 2019 which management expects to extend. In the event that the bond is not renewed, management will have to generate cash from the sale of its notes receivable or the building. Management has provided us with their plan to return to profitability and meet its cash flow obligations for at least a year and a day from February 22, 2019. Our opinion has not been modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules on pages 23 - 28 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Morrison, Brown, Argiz & Farra

Miami, Florida
February 22, 2019

NEIGHBORHOOD HOUSING SERVICES
OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	**2018**	**2017**
CURRENT ASSETS		
Cash and cash equivalents	$ 423,862	$ 50,857
Pledge receivables	-	8,000
Other receivables	144,184	380,747
Notes receivable, current portion	56,125	65,901
Housing units held for sale	1,280,661	534,719
Prepaid expenses and other	16,285	5,859
TOTAL CURRENT ASSETS	1,921,117	1,046,083
RESTRICTED CASH	93,745	1,087,235
NOTES RECEIVABLE, NET OF CURRENT PORTION	1,703,654	2,265,977
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT	352,566	125,500
PROPERTY AND EQUIPMENT, NET	1,167,727	1,152,446
TOTAL ASSETS	**$ 5,238,809**	**$ 5,677,241**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 285,630	$ 232,386
Line of credit	244,961	-
Debt, current portion	631,452	252,906
TOTAL CURRENT LIABILITIES	1,162,043	485,292
BOND PAYABLE	1,000,000	1,000,000
DEBT, NET OF CURRENT PORTION	1,241,895	1,135,798
TOTAL LIABILITIES	3,403,938	2,621,090
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
NET ASSETS		
Unrestricted:		
Controlling interest	486,459	674,874
Non-controlling interest	34,048	11,160
Total unrestricted	520,507	686,034
Temporarily restricted	134,719	1,190,472
Permanently restricted	1,179,645	1,179,645
TOTAL NET ASSETS	1,834,871	3,056,151
TOTAL LIABILITIES AND NET ASSETS	**$ 5,238,809**	**$ 5,677,241**

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

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
NeighborWorks America grants	$ 349,055	$ -	$ -	$ 349,055	$ 286,401	$ 125,000	$ -	$ 411,401
Contributions	310,362	13,000	-	323,362	379,399	1,914,006	-	2,293,405
Gain on sale of rental property	-	-	-	-	361,216	-	-	361,216
Rental and other income	42,476	-	-	42,476	124,412	-	-	124,412
Interest income	106,206	-	-	106,206	64,583	-	-	64,583
In-kind donations	-	-	-	-	47,300	-	-	47,300
Program services	579,348	-	-	579,348	397,252	-	-	397,252
Net assets released from restriction	1,068,753	(1,068,753)	-	-	1,773,778	(1,478,867)	(294,911)	-
TOTAL REVENUES	2,456,200	(1,055,753)	-	1,400,447	3,434,341	560,139	(294,911)	3,699,569
EXPENSES								
Program services	2,172,697	-	-	2,172,697	2,077,282	-	-	2,077,282
Management and general	449,030	-	-	449,030	475,839	-	-	475,839
TOTAL EXPENSES	2,621,727	-	-	2,621,727	2,553,121	-	-	2,553,121
CHANGE IN NET ASSETS	(165,527)	(1,055,753)	-	(1,221,280)	881,220	560,139	(294,911)	1,146,448
NET ASSETS AT BEGINNING OF YEAR	686,034	1,190,472	1,179,645	3,056,151	(195,186)	630,333	1,474,556	1,909,703
NET ASSETS AT END OF YEAR	**$ 520,507**	**$ 134,719**	**$ 1,179,645**	**$ 1,834,871**	**$ 686,034**	**$ 1,190,472**	**$ 1,179,645**	**$ 3,056,151**

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

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30,

2018

	Unrestricted Controlling Interest	Unrestricted Non-Controlling Interest	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
NET ASSETS AT BEGINNING OF YEAR	$ 674,874	$ 11,160	$ 686,034	$ 1,190,472	$ 1,179,645	$ 3,056,151
Change in net assets	(188,415)	22,888	(165,527)	(1,055,753)	-	(1,221,280)
NET ASSETS AT END OF YEAR	**$ 486,459**	**$ 34,048**	**$ 520,507**	**$ 134,719**	**$ 1,179,645**	**$ 1,834,871**

2017

	Unrestricted Controlling Interest	Unrestricted Non-Controlling Interest	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
NET ASSETS AT BEGINNING OF YEAR	$ (219,188)	$ 24,002	$ (195,186)	$ 630,333	$ 1,474,556	$ 1,909,703
Change in net assets	894,062	(12,842)	881,220	560,139	(294,911)	1,146,448
NET ASSETS AT END OF YEAR	**$ 674,874**	**$ 11,160**	**$ 686,034**	**$ 1,190,472**	**$ 1,179,645**	**$ 3,056,151**

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

NEIGHBORHOOD HOUSING SERVICES
OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

	2018			2017		
	Program Services	**Management and General**	**Total Expenses**	**Program Services**	**Management and General**	**Total Expenses**
Salaries and related expenses	$ 1,024,027	$ 304,065	$ 1,328,092	$ 1,164,799	$ 304,966	$ 1,469,765
Professional fees	154,879	38,165	193,044	214,310	59,289	273,599
Rent expense and utilities	47,921	13,694	61,615	41,898	18,564	60,462
Technology services	45,619	13,077	58,696	39,921	11,580	51,501
Advertising and marketing	12,398	3,554	15,952	12,204	3,499	15,703
Interest	73,728	20,200	93,928	76,370	23,244	99,614
Rental property expenses	-	-	-	97,516	-	97,516
Office supplies/equipment rental and maintenance	52,983	12,599	65,582	47,195	13,880	61,075
Loan processing and servicing	16,112	-	16,112	5,613	-	5,613
Travel and meetings	24,728	7,089	31,817	24,907	7,166	32,073
Bank fees	8,484	2,432	10,916	5,690	1,688	7,378
Insurance	32,013	9,141	41,154	41,148	13,551	54,699
Program services	10,612	-	10,612	23,754	-	23,754
Write-Down of current year forgivable loans	474,586	-	474,586	357,771	-	357,771
Provision (reversal) loan losses	108,207	-	108,207	(144,325)	-	(144,325)
Depreciation	52,695	15,106	67,801	50,172	14,383	64,555
Other	33,705	9,908	43,613	18,339	4,029	22,368
Total Expenses	**$ 2,172,697**	**$ 449,030**	**$ 2,621,727**	**$ 2,077,282**	**$ 475,839**	**$ 2,553,121**

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

NEIGHBORHOOD HOUSING SERVICES
OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (1,221,280)	$ 1,146,448
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	67,801	64,555
Write-down of current year forgivable loans	474,586	357,771
Provision (reversal) of loan losses	108,207	(144,325)
Loss on sale of properties held for sale	21,000	65,665
Gain on sale of rental property	(8,040)	(361,216)
Loan cost amortization	6,310	3,617
Donated properties	-	(47,300)
Decrease (increase) in operating assets:		
Pledge receivables	8,000	286,000
Other receivables	236,563	(197,749)
Prepaid expenses and other	(10,426)	36,204
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	53,244	(60,737)
TOTAL ADJUSTMENTS	957,245	2,485
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(264,035)	1,148,933
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(75,042)	-
Payments received on notes receivable	67,773	60,199
Payments received from sale of notes receivable	3,716,872	336,879
Notes receivable issued	(3,320,753)	(1,882,799)
Down payment assistance forgivable loans issued	(474,586)	(332,200)
Proceeds from sale of housing units held for sale	376,536	1,018,682
Proceeds from sale of rental property	-	1,623,672
Purchase of and improvement costs for properties	(1,376,854)	(435,122)
Change in cash held in escrow and restricted cash	993,490	(454,118)
NET CASH USED IN INVESTING ACTIVITIES	(92,564)	(64,807)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on lines of credit	(2,821,103)	(290,346)
Borrowings on lines of credit	3,066,064	290,346
Repayment on debt	(321,436)	(2,188,974)
Borrowings on debt	806,079	530,321
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	729,604	(1,658,653)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	373,005	(574,527)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	50,857	625,384
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 423,862**	**$ 50,857**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	**$ 117,671**	**$ 101,950**
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Equipment acquired under capital leases	**$ 33,166**	**$ -**

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

1. GENERAL

Nature of Operations

Neighborhood Housing Services of South Florida, Inc. ("NHSSF") was incorporated on April 21, 1978. The general purpose of NHSSF is to assist the low to moderate income residents of Miami-Dade and Broward counties in Florida, by providing programs and products that address their housing and economic needs. NHSSF provides education and training of homebuyers and engages in residential lending for persons who may not meet conventional lending standards. In 2007, NHSSF began home ownership preservation counseling. The consolidated financial statements include the accounts of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries (collectively the "Organization"). The subsidiaries are as follows:

- Homeownership Realty, LLC ("HOLT") is a wholly-owned subsidiary of NHSSF and a licensed real estate brokerage whose primary focus is to assist low-to-moderate income families as well as those clients who receive homebuyer counseling provided by NHSSF to become a homeowner, as well as list properties for sale.

- 300 NW 12 Ave, LLC is a wholly-owned single purpose entity of NHSSF with legal title to the NHSSF headquarters in Miami, Florida.

- NHSSF Real Estate Holdings, Inc. ("NHSSF REH") is a not-for-profit wholly-owned subsidiary of NHSSF whose purpose is to acquire, hold, develop, construct, refurbish and/or sell affordable housing for the benefit of low income persons. Additionally, NHSSF REH has the following subsidiaries:

  - 1228 NW 4th Street, LLC ("Rio Palma"), a wholly-owned subsidiary of NHSSF REH, comprised of an 18 unit multi-family rental property occupied by low to moderate income residents of Miami-Dade County. In April 2017, Rio Palma sold the rental property and management liquidated the entity before June 30, 2017.

  - On March 26, 2013, NHSSF REH entered into an agreement with Collaborative Development Corporation to create Village West Homes, LLC ("VILLAGE WEST"). NHSSF owns 50% of Village West Homes, LLC and is the managing member; accordingly, NHSSF REH is deemed to be the controlling member. As such, the activity of VILLAGE WEST is included within these consolidated financial statements. VILLAGE WEST is a not-for-profit entity whose purpose is to acquire property for construction and resale in the Village West neighborhood of the City of Miami.

  - NHSSF Development, LLC is a single member LLC which serves as one of two general partners of Willow Lake Associates, LTD. Willow Lake Associates, LTD is a limited partnership whose focus is to acquire, develop, construct, and manage affordable multi-family residential rental housing projects in South Florida. The two general partners own a combined .01% in Willow Lake Associates, LTD, of which NHSSF Development, LLC owns 51% of the general partnership interest. Due to certain provisions in the operating agreement, NHSSF Development, LLC is not deemed to be the controlling partner. Development of these projects began in October 2015 and were in process during the years ended and at June 30, 2018 and 2017.

As limited liability companies ("LLC"), each member's liability is limited to amounts reflected in their respective member account. The LLCs have a perpetual existence until they are dissolved and its affairs are wound up in accordance with the respective operating agreements.

Economic Dependency

During the years ended June 30, 2018 and 2017, the Organization received approximately 25% and 11%, respectively, of its funding from NeighborWorks America ("NWA"). Loss of this revenue in the future could have a material effect on the programs offered by the Organization.

1. GENERAL (CONTINUED)

Management's Plans regarding Liquidity and the Decrease in Net Assets

The Organization incurred a decrease in net assets of $1,221,280 for the year ended June 30, 2018, compared to an increase in net assets of $1,146,448 during the year ended June 30, 2017. Additionally, the Organization has a bond payable of $1 million maturing in July 2019 which management believes will be extended. The Organization has developed a plan which includes decreasing its operating expenses by approximately $300,000 on an annual basis and has engaged a professional fundraiser to assist in grant writing in order to increase its annual revenues. The Organization believes they will generate additional net revenues from the sale of twelve newly built or refurbished single family homes within one year of issuance of these consolidated financial statements. In addition, the Organization believes they can sell their existing mortgage portfolio in order to generate cash flow if needed. Management is also determining a plan for its headquarters and believes they have the ability to generate up to $1 million in net cash proceeds after the repayment of the mortgage based on current market conditions and recent offers. In the event that the bond is not renewed, the cash generated from the sale of the building would satisfy the bond. Based on the foregoing, management believes the Organization will have sufficient resources to meet its obligations through February 22, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of NHSSF and its subsidiaries and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany accounts and transactions have been eliminated in the consolidation of the accounts of NHSSF and its subsidiaries.

The Organization accounts for its non-controlling interest in two entities in accordance with Accounting Standards Codification 810, "Consolidation." The accompanying consolidated statements of financial position includes the financial assets and liabilities of these entities. Non-controlling interest represents the equity ownership of the entities not held by the Organization. The accompanying consolidated statements of activities and changes in net assets and cash flows include the revenues, expenses and cash flows of the entities.

Basis of Presentation

In accordance with U.S. GAAP, the Organization is required to report its three types of net assets as follows:

Unrestricted - Net assets which are free of donor-imposed restrictions. This category includes all revenues, expenses, gains and losses that are not changes in temporarily restricted or permanently restricted net assets.

Temporarily Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled or removed by actions of the Organization pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the consolidated statements of activities as "Net assets released from restriction."

Permanently Restricted - Net assets where the use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, including those regarding fair value, and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of changes in net assets during the reporting period.

The most significant estimates include the collectability of the notes receivable and fair value of long-lived assets. These estimates may be adjusted as more current information becomes available. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits in excess of the Federal Deposit Insurance Corporation (“FDIC”) insured limits. The Organization limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the insurance limits of the FDIC. The Organization has not experienced losses in such accounts.

The Organization extends loans to low and moderate income residents. Additionally, many of the loans are second mortgages. Although the loans are collateralized by the borrower’s property, there is the risk that property values may fall below loan values creating a concentration of credit risk.

Cash and Cash Equivalents

Cash and cash equivalents include all unrestricted monies in banks and highly liquid investments with maturities of less than three months when purchased.

Restricted Cash

Restricted cash represents amounts restricted to be used for the purchase and rehabilitation of housing units held for sale, forgivable loans and other programs such as first and second mortgages and down payment assistance for low to moderate income families.

Notes Receivable and the Allowance for Loan Losses

The Organization extends loans to residents of Miami-Dade, Broward and Palm Beach counties to purchase homes and finance required home improvements. Notes receivable that the Organization has the intent and ability to hold for the foreseeable future are stated at unpaid principal balances, less an allowance for uncollectible loans. Interest on amortizing loans is recognized over the term of the loan. The Organization considers the credit quality of its notes receivable primarily by assessing the sufficiency of collateral for the receivables on an ongoing basis, while assessing the collection experience of existing receivables and the credit worthiness of new receivables.

The Organization extends two types of loans to residents: amortizing loans and forgivable residential loans. Amortizing loans comprise of restricted residential loans and other residential loans dependent upon the source of funds used to fund these loans. Forgivable residential loans are fully reserved for as of June 30, 2018 and 2017.

Management’s periodic evaluation of the adequacy of the allowance is based on the Organization’s past loan loss experience, known and other risk elements inherent in the portfolio, specified impaired loans, adverse situations that may affect the borrower’s ability to repay and the estimated value of the underlying collateral and current economic conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes Receivable and the Allowance for Loan Losses (Continued)

The Organization considers a loan impaired when, based on current information or factors, it is probable that the Organization will not collect the principal and interest payments according to the loan agreement. Management considers many factors in determining whether a loan is impaired, such as payment history, value of collateral and other factors. Loans that are contractually past due less than three months are generally not considered impaired. An allowance for the total principal balance is recorded for all loans past due for more than 90 days or in foreclosure.

An allowance for loans not considered past due is recorded based on the funding source of the loan. For first-lien mortgages that are past due between 30 - 60 days, an allowance of 10% - 15% of the principal balance is recorded. For second-lien mortgages that are past due between 30 - 60 days, an allowance of 25% - 75% of the principal balance is recorded. Management continually monitors past due loans to ensure collection and to determine impairment, if necessary.

Impaired loans are classified as nonperforming and, consequently, interest income is only recognized on these loans when actually received from the borrower. Partial payments of contractual amounts due on impaired loans are treated as interest income on a cash basis until such time as the loan is restored to performing status.

Management believes that the allowance for losses on loans is adequate. The Organization maintains and adheres to policies for credit analysis and underwriting that comply with industry standards for lending practices. The Organization reviews its lending standards periodically to stay current with economic conditions. Changes in the allowance for loan loss and the related expense can have a material effect on the consolidated statements of activities.

Housing Units Held for Sale

Housing units are classified as held for sale when management intends to sell such properties within 12 months and other criteria under authoritative guidance are met. Housing units held for sale are initially recorded at cost when acquired or constructed, or at fair market value if donated to the Organization, and are no longer depreciated as of the date they are considered held for sale. Such housing units are subsequently measured at the lower of its carrying amount or fair value less costs to sell. These housing units include land under development, developed lots, and direct and indirect costs of housing construction incurred during the development period. Cost is determined by the specific identification method.

Prepaid Expenses and Other

Prepaid expenses and other consists primarily of prepaid insurance and deposits.

Property and Equipment, Net

Property and equipment are stated at cost, if purchased, or at estimated market value at date of receipt if acquired by donation. Property and equipment purchased with a value in excess of $1,000 and with a useful life in excess of five years are capitalized. Depreciation is calculated using the straight-line method over the estimated useful life of the respective assets. Repairs and maintenance are expensed as incurred.

Impairment of Long-Lived Assets

The Organization reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. Impairment is recorded for the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There was no impairment loss recognized during the years ended June 30, 2018 and 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Issuance Costs

Debt issuance costs are amortized over the term of the loan using the effective interest rate method. Amortization of debt issuance costs included within "Interest" in the accompanying consolidated statements of functional expenses for the years ended June 30, 2018 and 2017 were $6,310 and $3,617, respectively. Accumulated amortization at June 30, 2018 and 2017 was $14,850 and $34,535, respectively.

Amortization expense for the next five years and thereafter is as follows:

2019	$ 2,736
2020	2,736
2021	2,736
2022	2,736
2023	2,736
Thereafter	3,041
Total	**$ 16,721**

The Organization has adopted an accounting standards update that requires debt issuance costs to be presented on the consolidated statements of financial position as a reduction from the carrying amount of the related liability. The standard was adopted effective July 1, 2016, and all debt issuance costs are presented as a reduction from the carrying amount of the related liability at June 30, 2018 and 2017.

Revenue Recognition

Sources of revenue for the Organization consist of grants which, absent a specific restriction by the grantor, are considered to be available for unrestricted use. Grant revenue includes only that portion of the grant that was earned.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets when earned. The Organization reports gifts of cash and other assets as restricted support or deferred support dependent on whether they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for a future period. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restriction.

The Organization recognizes program service income for fees generated by its primary business functions of home buyer education, foreclosure mitigation, loan origination, loan processing and servicing. Program services are recognized as services are provided.

Rental income is recognized for apartment rentals as they accrue. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Organization and tenants of the property are one year leases and are considered operating leases.

In-kind Donated Property and Services

Donated property and services are recorded at the approximate fair value at the date of the gift to the Organization. Volunteers donating time to the Organization are not reflected in the consolidated financial statements since the services do not require specialized skills. In-kind donations of approximately $47,000 were made during the year end June 30, 2017. There was no donated property during the year ended June 30, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The cost of providing the various services and other activities has been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been charged to program services or supporting services based on a combination of specific identification and allocation by management.

Advertising Costs

Advertising costs are charged to operations as incurred. Advertising expenses for the years ended June 30, 2018 and 2017 were approximately $16,000.

Income Taxes

NHSSF and its wholly-owned subsidiaries qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The wholly-owned subsidiaries are considered disregarded entities. Village West Homes, LLC and NHS HD are treated as partnerships and their earnings and losses are included in the tax returns of the members and taxed depending on their tax situation. Accordingly, no provision for income taxes has been recorded. Management has determined that there was no unrelated business income for the years ended June 30, 2018 and 2017.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Organization files informational tax returns and partnership returns. The Organization is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2015.

Recent Accounting Pronouncements

Restricted Cash

In November 2016, the Financial Accounting Standards Board (“FASB”) issued an accounting standards update which amends cash flow statement presentation of restricted cash. The update requires amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statements of cash flows. The update is effective retrospectively for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the FASB issued an accounting standards update which revises financial reporting by not-for profits. The update reduces the number of net asset classes from the currently required three to two. In addition, the update requires enhanced disclosures about such matters as donor restrictions, management of liquid resources and underwater endowment funds. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, with earlier application permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued an accounting standards update which will replace the current incurred loss impairment methodology in U.S. GAAP with a methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early adoption is permitted for fiscal years beginning after December 15, 2018 including interim periods in those fiscal years. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Accounting Guidance for Contributions Received and Contributions Made

In June 2018, the FASB issued an accounting standards update in an effort to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The FASB believes the update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of not-for-profit guidance, or as an exchange (reciprocal) transaction subject to other guidance and (2) determining whether a contribution is conditional or not. The update is effective on a modified prospective basis for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Lease Accounting

In February 2016, the FASB issued an accounting standards update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current US GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The update is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15 2020, with early application permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Revenue From Contracts With Customers

In May 2014, the FASB issued an accounting standards update which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods or services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively and is effective for annual periods beginning after December 15, 2018 and in interim periods in annual periods beginning after December 15, 2019. Early application is permitted, but no earlier than annual reporting periods beginning after December 15, 2016. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Subsequent Events

The Organization has evaluated subsequent events through February 22, 2019, which is the date the consolidated financial statements were available to be issued.

3. NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

The following table includes an aging analysis of the notes receivable at June 30, 2018:

	Restricted Residential Loans	Other Residential Loans	Forgivable Residential Loans	Total
Number of loans	29	10	281	320
Current	$ 586,312	$ 1,168,163	$ 2,910,628	$ 4,665,103
30-60 days	23,516	-	-	23,516
61-90 days	13,565	-	-	13,565
Over 90 days	195,367	-	-	195,367
Sub-total	818,760	1,168,163	2,910,628	4,897,551
Allowance for loan losses	(227,144)	-	(2,910,628)	(3,137,772)
	$ 591,616	**$ 1,168,163**	**$ -**	**$ 1,759,779**

The following table includes an aging analysis of the notes receivable at June 30, 2017:

	Restricted Residential Loans	Other Residential Loans	Forgivable Residential Loans	Total
Number of loans	33	18	296	347
Current	$ 581,246	$ 1,667,890	$ 3,805,550	$ 6,054,686
30-60 days	114,483	-	-	114,483
61-90 days	-	-	-	-
Over 90 days	87,196	-	-	87,196
Sub-total	782,925	1,667,890	3,805,550	6,256,365
Allowance for loan losses	(118,937)	-	(3,805,550)	(3,924,487)
	$ 663,988	**$ 1,667,890**	**$ -**	**$ 2,331,878**

The Organization extends loans to residents of Miami-Dade, Broward and Palm Beach counties to finance required home improvements and to purchase homes. These loans range in terms from 5 to 30 years, at interest rates from 2% to 6.25%. Interest income related to loans receivable amounted to approximately $106,000 and $65,000 for the years ended June 30, 2018 and 2017, respectively. The weighted average of the interest rate for amortizing loans was 3.82% and 3.67% for the years ended June 30, 2018 and 2017, respectively.

Forgivable residential loans are non-interest bearing. Forgivable loans are generally provided for down payment assistance. Forgivable loans for the Neighborhood Stabilization Program ("NSP") of approximately $1,717,000 were given out in 2014 and are forgivable between 20-30 years. Forgivable loans for the Neighborhood LIFT program of approximately $6,170,000 were given out in 2014 and are forgiven over five years (20% each year); however, if the mortgagor decides to sell the home in the first five years, then the amount not written off becomes fully repayable. During the years ended June 30, 2018 and 2017, management estimated that the possibility of collection subsequent to a borrower's sale of the home was uncertain; therefore all forgivable loans were fully reserved.

Amortizing loans are generally secured by a mortgage on the property. Mortgage loans are carried at net realizable value, and management believes that the amount of the allowance for uncollectible mortgage loans is adequate given the nature of the loans and the value of the related collateral. The allowance is maintained at a level that, in management's judgment, is adequate to absorb credit losses inherent in the portfolio. The amount of the allowance is based on management's evaluation of collectability of the loan portfolio, including the nature of the portfolio, credit concentrations, trends in historical loss experience, specific impaired loans, economic conditions and other risks inherent in the portfolio.

3. NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The following table presents the changes in allowance for loan losses as of June 30, 2018:

As of June 30, 2018:	**Restricted Residential Loans**	**Other Residential Loans**	**Forgivable Residential Loans**	**Total**
Allowance for Loan Losses:				
Balance at beginning of year	$ 118,937	$ -	$ 3,805,550	$ 3,924,487
Write-Down (forgivable loans)	-	-	(1,356,508)	(1,356,508)
Recoveries	-	-	(13,000)	(13,000)
Write-Down of current year forgivable loans	-	-	474,586	474,586
Provision of loan losses	108,207	-	-	108,207
Ending Balance	**$ 227,144**	**$ -**	**$ 2,910,628**	**$ 3,137,772**
Ending balance: individually evaluated for impairment	$ -	$ -	$ -	$ -
Ending balance: collectively evaluated for impairment	$ 227,144	$ -	$ 2,910,628	$ 3,137,772
Loans:				
Ending balance	$ 818,760	$ 1,168,163	$ 2,910,628	$ 4,897,551
Ending balance: individually evaluated for impairment	$ 232,448	$ -	$ -	$ 232,448
Ending balance: collectively				

The following table presents the changes in allowance for loan losses as of June 30, 2017:

As of June 30, 2017:	**Restricted Residential Loans**	**Other Residential Loans**	**Forgivable Residential Loans**	**Total**
Allowance for Loan Losses:				
Balance at beginning of year	$ 245,762	$ 17,500	$ 4,787,896	$ 5,051,158
Write-Down (forgivable loans)	-	-	(1,291,867)	(1,291,867)
Recoveries	-	-	(48,250)	(48,250)
Write-Down of current year forgivable loans	-	-	357,771	357,771
Reversal of loan losses	(126,825)	(17,500)	-	(144,325)
Ending Balance	**$ 118,937**	**$ -**	**$ 3,805,550**	**$ 3,924,487**
Ending balance: individually evaluated for impairment	$ 118,937	$ -	$ -	$ 118,937
Ending balance: collectively evaluated for impairment	$ -	$ -	$ 3,805,550	$ 3,805,550
Loans:				
Ending balance	$ 782,925	$ 1,667,890	$ 3,805,550	$ 6,256,365
Ending balance: individually evaluated for impairment	$ 201,679	$ -	$ -	$ 201,679
Ending balance: collectively				

When determining an appropriate allowance for uncollectible mortgage loans, the Organization evaluates each loan balance that is considered to be impaired individually. Impaired loans are fully reserved. The remaining loan balances are evaluated collectively.

A loan is considered impaired when past due for more than 90 days and when in foreclosure. Impaired loans are fully allowed for at June 30, 2018. There were no loans that have been modified in a troubled debt restructuring during the years ended June 30, 2018 and 2017.

3. NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

Amortizing loans are expected to be collected as follows for the next five years and thereafter:

Years Ending June 30,		
2019	$	56,125
2020		56,250
2021		57,879
2022		58,949
2023		61,116
Thereafter		1,469,460
Total	**$**	**1,759,779**

4. PROPERTIES HELD FOR SALE AND CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT

At June 30, 2018 and 2017, the value of housing units held for sale were approximately $1,281,000 and $535,000, respectively. During the year ended June 30, 2018, the Organization sold two single family properties previously held for sale. The properties were sold for approximately $410,000 and the net loss after selling expenses was approximately $21,000 and is reflected within “Program services” in the accompanying consolidated statement of activities for the year ended June 30, 2018. During the year ended June 30, 2017, the Organization sold six single family properties previously held for sale. The properties were sold for approximately $1,058,000 and the net loss after selling expenses was approximately $82,000 and is reflected within “Program services” in the accompanying consolidated statement of activities for the year ended June 30, 2017. Subsequent to year end the organization sold seven single family properties previously held for sale. The properties were sold for approximately $1,596,000 and the net gain after selling expenses were approximately $14,071.

Construction in progress and land held for development are carried at cost and no depreciation is recorded. At June 30, 2018 and 2017, the value of construction in progress and land held for development was approximately $353,000 and $126,000, respectively. Properties undergoing significant renovations and improvements are considered under development. All direct and indirect costs related to development activities are capitalized into construction in progress and land held for development. The capitalization of such expenses into “Construction in progress and land held for development,” in the accompanying consolidated statements of financial position, ceases when the property is ready for its intended use.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net and their estimated useful lives consist of the following at June 30,:

		2018		2017	Estimated Lives
Land	$	260,293	$	260,293	-
Building		1,041,176		1,041,176	40 years
Building improvements		193,652		193,652	10 years
Office furniture and equipment		157,221		115,345	5 years
		1,652,342		1,610,466	
Less: accumulated depreciation		484,615		458,020	
	$	**1,167,727**	**$**	**1,152,446**	

Depreciation expense for property and equipment, net was approximately $68,000 and $65,000 for the years ended June 30, 2018 and 2017, respectively.

5. PROPERTY AND EQUIPMENT, NET (CONTINUED)

In April 2017, the Organization sold the rental property held by Rio Palma and liquidated the consolidated entity before the year ended June 30, 2017. Gross proceeds from the sale were approximately $1,750,000 and the Organization recognized a net gain of approximately $361,000 as a result of the sale.

6. DEBT

The Organization's debt consists of the following at June 30,:

	2018	2017
First mortgage loan obtained from a non-profit lender in March 2014 for 300 NW 12th Avenue, LLC. Equal monthly payments of $7,583 are based on a 25-year amortization at an interest rate of 5.375% until maturity on March 31, 2024. The mortgage contained certain restrictive covenants. During the year ended June 30, 2015, the Organization entered into a loan modification agreement with the non-profit lender which included, among other things, new restrictive covenants, which require the Organization to maintain net assets less temporarily restricted net assets of $750,000 and a debt service coverage of 1.10 effective December 31, 2015, until the mortgage is fully repaid. During the year ended June 30, 2018, the Organization was out of compliance with these covenants and management obtained a waiver through March 15, 2020. Management believes that the Organization was in compliance with these covenants at and during the year ended June 30, 2017. The note payable is collateralized by the first lien on the property, which is carried at approximately $1,115,000 as of June 30, 2018 and 2017.	$ 1,140,025	$ 1,166,540
Note payable entered into in June 2013 with a municipality funded by the City of Miami for a $900,000 commitment of HUD HOME funds to be used as part of the funding to build the six houses in Village West. The loan is secured by second mortgages on the lots, which are carried at approximately $118,000 and $600,000 within "Housing units held for sale" as of June 30, 2018 and 2017, respectively. The loan bore no interest if the properties are sold to qualified buyers within 24 months. Under the terms of the agreement, proceeds from the sale of the Village West homes to qualified households is to be used to repay a portion of the loan with the balance being forgiven if certain conditions were met. During the year ended June 30, 2018 the balance was forgiven upon the sale of the properties in accordance with the agreement. All principal payments on notes payable outstanding associated with properties owned by the Organization that are held for sale as of June 30, 2017, are reflected within the caption "Debt, current portion" on the accompanying consolidated statements of financial position.	-	18,715
Revolving loan of $1,500,000, evidenced by two notes with a non-profit lender, to be used for the acquisition, rehabilitation and construction of single-family houses. Under the most recent modification to the agreement, the term of the loan was extended from September 30, 2017 to July 1, 2019 at a fixed interest rate of 6.75%. The revolving loan is secured by a first mortgage on all units to be acquired and constructed and repaid from the sale of the houses to a qualified buyer, and which have a carrying value of approximately $459,000 and $546,000 as of June 30, 2018 and 2017, respectively. All principal payments on notes payable outstanding associated with properties owned by the Organization that are held for sale as of June 30, 2018 and 2017, are reflected within the caption "Debt, current portion" on the accompanying consolidated statements of financial position.	750,043	222,906
Total debt	1,890,068	1,408,161
Current portion of debt	631,452	252,906
Less: unamortized debt issuance costs	16,721	19,457
Total debt, net of current portion	**$ 1,241,895**	**$ 1,135,798**

6. DEBT (CONTINUED)

Minimum principal payments due on notes payable outstanding as of June 30, 2018 for the next five years are as follows:

June 30,	
2019	$ 631,452
2020	181,198
2021	33,913
2022	35,782
2023	37,753
Thereafter	969,970
	1,890,068
Less: unamortized debt issuance costs	16,721
	$ 1,873,347

Interest expense related to debt for the years ended June 30, 2018 and 2017 amounted to approximately $62,000 and $66,000, respectively.

7. LINE OF CREDIT

Revolving line of credit of $1,000,000 started in November 2012 amended on August 8, 2016 and is secured by first mortgages receivables originated by NHSSF and funded by this line of credit. Under the most recent modification to this agreement, the interest rate is variable and is accrued starting at the origination date of each first mortgage receivable. The interest rate as of June 30, 2018 was 5%. The interest and line of credit are paid off as the underlying first mortgages receivables are sold to BankUnited. At June 30, 2018 and 2017, there was an outstanding balance of approximately $245,000 and $0, respectively. Interest expense related to the line of credit during the years ended June 30, 2018 and 2017, was approximately $25,000 and $0, respectively.

8. BOND PAYABLE

The bond payable is comprised of a long-term unsecured investment bond of $1,000,000 to be used by the Organization to fund its lending program. Under the most recent modification to the agreement, the maturity date was extended to July 31, 2019 at an interest rate of 0.05% per annum compounded annually. The Organization pays interest on a quarterly basis. The Organization has the right to redeem the bond at any time with 30 days' notice. Any partial redemption must cover par value of at least $1,000. Interest expense on the bond for the years ended June 30, 2018 and 2017 was approximately $5,000.

9. TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2018 and 2017, temporarily restricted net assets were approximately $135,000 and $1,190,000, respectively, and are used for providing down payment assistance and first mortgages in Miami-Dade, Broward and Palm Beach counties.

10. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets represent grants received for lending to qualified borrowers and for real estate development in Miami-Dade and Broward Counties. Per the agreement, the Organization has established a permanently restricted fund. The fund is replenished with principal payments received on loans and with funds generated from home sales. In addition, the fund is also comprised of permanent investment in real property. Should the Organization become defunct, all remaining grant funds, interest earnings, capital project proceeds, and the loan and capital projects portfolios representing the use of these funds will revert to NWA. During 2017, the Organization obtained notice from NWA granting unrestricted use of approximately $295,000 of the permanently restricted funds as reflected within the caption "Net assets released from restriction" on the accompanying statements of activities for the year ended June 30, 2017. At June 30, 2018 and 2017, permanently restricted net assets were approximately $1,180,000.

11. COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

The costs and unexpended funds reflected in the accompanying consolidated financial statements relating to government funded programs are subject to audit by the respective governmental agencies (funding sources). The possible disallowance by the related governmental agencies of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. No provision for any liability that may result has been made in the consolidated financial statements.

The Organization participates in numerous program grants and contracts. These grants and contracts are subject to financial and compliance audits by other parties. The purpose of these audits is to ensure compliance with the terms of the grant and contract. Grantor agencies may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with terms of the grants or contracts.

In addition, the Organization finances the construction of its housing units held for sale from revolving loans from two non-profit lenders. Future commitments related to the financing of these construction costs subsequent to year end are approximately $1,037,411.

12. RETIREMENT PLAN

The Organization established a Savings Incentive Match Plan (“SIMPLE”) IRA effective August 1, 2003 that covers all eligible employees. Eligible employees are those employed in the previous year and had compensation of $5,000 or above in the previous year. Employees may contribute up to $12,500 and those employees 50 years old and older may contribute up to $15,500. The Organization will match an employee’s contribution dollar for dollar up to 3% of the employee’s compensation, which is determined annually by the board of directors. Employees are immediately 100% vested in the matching contributions. During the years ended June 30, 2018 and 2017, the Organization made matching contributions totaling approximately $27,000 and $25,000, respectively.

13. ENDOWMENT

The Organization’s endowment consists of funds permanently restricted by NWA. Per the terms of these agreements, the Organization has established a permanently restricted fund. The fund is used for neighborhood revitalization expenditures, including acquisition and construction costs of homes and for making home loans. The fund is replenished with principal payments received on the loans and with funds generated from sales of homes. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Organization to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (“FUPMIFA”). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the FUPMIFA.

13. ENDOWMENT (CONTINUED)

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policy of the Organization.

The Organization has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

Summary of Endowment Net Assets at June 30, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	**$ -**	**$ -**	**$ 1,179,645**	**$ 1,179,645**

There were no changes in endowment net assets for the year ended June 30, 2018.

Summary of Endowment Net Assets at June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	**$ -**	**$ -**	**$ 1,179,645**	**$ 1,179,645**

Change in endowment net assets for the year ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ -	$ -	$ 1,474,556	$ 1,474,556
Released from restriction, expenditures and other	-	-	(294,911)	(294,911)
Endowment net assets, ending	**$ -**	**$ -**	**$ 1,179,645**	**$ 1,179,645**

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. During both of the years ended June 30, 2018 and 2017, the fair market value of permanently restricted investments was approximately $1,179,000, respectively. In accordance with U.S. GAAP, there were no deficiencies of this nature that were reported in unrestricted net assets for the years ended June 30, 2018 and 2017.

13. ENDOWMENT (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

In accordance with the NWA's fund agreements, the Organization is required to invest and use the endowment to purchase housing opportunities for qualifying low-income individuals. In addition, the Organization may fund mortgage loans to low-income qualifying individuals to purchase these properties or other qualifying properties.

All resources granted to this fund must be maintained permanently. The funds invested in notes receivable earn interest at rates ranging from 2.00% to 6.25%. The Organization is permitted to transfer or expend only the income (or other economic benefits) derived from capital assets in excess of the investment and corpus.

SUPPLEMENTARY SCHEDULES

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
CURRENT ASSETS						
Cash and cash equivalents	$ 93,298	$ 22,519	$ 179,514	$ 128,531	$ -	$ 423,862
Other receivables	71,851	-	52,757	19,576	-	144,184
Notes receivable, current portion	56,125	-	-	-	-	56,125
Housing units held for sale	-	-	703,000	577,661	-	1,280,661
Prepaid expenses and other	11,964	648	3,673	-	-	16,285
TOTAL CURRENT ASSETS	233,238	23,167	938,944	725,768	-	1,921,117
RESTRICTED CASH	93,745	-	-	-	-	93,745
NOTES RECEIVABLE, NET OF CURRENT PORTION	1,703,654	-	-	-	-	1,703,654
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT	-	-	352,566	-	-	352,566
PROPERTY AND EQUIPMENT, NET	1,167,727	-	-	-	-	1,167,727
INTERCOMPANY RECEIVABLES	266,150	50,355	218,420	(255,987)	(278,938)	-
TOTAL ASSETS	**$ 3,464,514**	**$ 73,522**	**$ 1,509,930**	**$ 469,781**	**$ (278,938)**	**$ 5,238,809**
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 267,172	$ 2,582	$ 15,876	$ -	$ -	$ 285,630
Line of credit	184,500	-	60,461	-	-	244,961
Debt, current portion	30,465	-	485,807	115,180	-	631,452
TOTAL CURRENT LIABILITIES	482,137	2,582	562,144	115,180	-	1,162,043
BOND PAYABLE	1,000,000	-	-	-	-	1,000,000
DEBT, NET OF CURRENT PORTION	1,092,839	-	149,056	-	-	1,241,895
INTERCOMPANY PAYABLES	-	-	-	278,938	(278,938)	-
TOTAL LIABILITIES	2,574,976	2,582	711,200	394,118	(278,938)	3,403,938
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Unrestricted:						
Controlling interest	(424,826)	70,940	798,730	41,615	-	486,459
Non-controlling interest	-	-	-	34,048	-	34,048
Total unrestricted	(424,826)	70,940	798,730	75,663	-	520,507
Temporarily restricted	134,719	-	-	-	-	134,719
Permanently restricted	1,179,645	-	-	-	-	1,179,645
TOTAL NET ASSETS	889,538	70,940	798,730	75,663	-	1,834,871
TOTAL LIABILITIES AND NET ASSETS	**$ 3,464,514**	**$ 73,522**	**$ 1,509,930**	**$ 469,781**	**$ (278,938)**	**$ 5,238,809**

NEIGHBORHOOD HOUSING SERVICES
OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS	**NHSSF**	**HOLT**	**NHSSF REH**	**VILLAGE WEST**	**ELIMINATIONS**	**TOTAL**
CURRENT ASSETS						
Cash and cash equivalents	$ 4,548	$ 43,394	$ -	$ 2,915	$ -	$ 50,857
Pledge receivables	8,000	-	-	-	-	8,000
Other receivables	47,770	-	288,356	44,621	-	380,747
Notes receivable, current portion	163,903	-	-	-	(98,002)	65,901
Housing units held for sale	-	-	416,652	118,067	-	534,719
Prepaid expenses and other	2,118	-	3,741	-	-	5,859
TOTAL CURRENT ASSETS	226,339	43,394	708,749	165,603	(98,002)	1,046,083
RESTRICTED CASH	682,570	-	228,824	175,841	-	1,087,235
NOTES RECEIVABLE, NET OF CURRENT PORTION	2,265,977	-	-	-	-	2,265,977
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT	-	-	125,500	-	-	125,500
PROPERTY AND EQUIPMENT, NET	1,152,446	-	-	-	-	1,152,446
INTERCOMPANY RECEIVABLES	188,794	75,607	-	-	(264,401)	-
TOTAL ASSETS	**$ 4,516,126**	**$ 119,001**	**$ 1,063,073**	**$ 341,444**	**$ (362,403)**	**$ 5,677,241**

LIABILITIES AND NET ASSETS	**NHSSF**	**HOLT**	**NHSSF REH**	**VILLAGE WEST**	**ELIMINATIONS**	**TOTAL**
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 222,768	$ 4,895	$ 3,373	$ 1,350	$ -	$ 232,386
Debt, current portion	27,523	-	205,318	118,067	(98,002)	252,906
TOTAL CURRENT LIABILITIES	250,291	4,895	208,691	119,417	(98,002)	485,292
BOND PAYABLE	1,000,000	-	-	-	-	1,000,000
DEBT, NET OF CURRENT PORTION	1,118,210	-	17,588	-	-	1,135,798
INTERCOMPANY PAYABLES	-	-	17,573	246,828	(264,401)	-
TOTAL LIABILITIES	2,368,501	4,895	243,852	366,245	(362,403)	2,621,090
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Unrestricted:						
Controlling interest	(222,492)	114,106	819,221	(35,961)	-	674,874
Non-controlling interest	-	-	-	11,160	-	11,160
Total unrestricted	(222,492)	114,106	819,221	(24,801)	-	686,034
Temporarily restricted	1,190,472	-	-	-	-	1,190,472
Permanently restricted	1,179,645	-	-	-	-	1,179,645
TOTAL NET ASSETS	2,147,625	114,106	819,221	(24,801)	-	3,056,151
TOTAL LIABILITIES AND NET ASSETS	**$ 4,516,126**	**$ 119,001**	**$ 1,063,073**	**$ 341,444**	**$ (362,403)**	**$ 5,677,241**

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
REVENUES						
NeighborWorks America grants	$ 349,055	$ -	$ -	$ -	$ -	$ 349,055
Contributions	323,362	-	-	-	-	323,362
Rental income	41,622	-	854	-	-	42,476
Interest income	106,206	-	-	-	-	106,206
Program services	256,336	157,021	65,527	100,464	-	579,348
TOTAL REVENUES	1,076,581	157,021	66,381	100,464	-	1,400,447
EXPENSES						
Program services	1,885,638	200,187	86,872	-	-	2,172,697
Support services	449,030	-	-	-	-	449,030
TOTAL EXPENSES	2,334,668	200,187	86,872	-	-	2,621,727
CHANGE IN NET ASSETS	(1,258,087)	(43,166)	(20,491)	100,464	-	(1,221,280)
NET ASSETS AT BEGINNING OF YEAR	2,147,625	114,106	819,221	(24,801)	-	3,056,151
NET ASSETS AT END OF YEAR	**$ 889,538**	**$ 70,940**	**$ 798,730**	**$ 75,663**	**$ -**	**$ 1,834,871**

NEIGHBORHOOD HOUSING SERVICES
OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	NHSSF	HOLT	NHSSF REH	RIO PALMA	VILLAGE WEST	ELIMINATIONS	TOTAL
REVENUES							
NeighborWorks America grants	$ 411,401	$ -	$ -	$ -	$ -	$ -	$ 411,401
Contributions	2,293,405	-	-	-	-	-	2,293,405
Gain on sale of rental property	-	-	-	361,216	-		361,216
Rental income	10,914	-	1,000	112,498	-	-	124,412
Interest income	64,583	-	-	-	-	-	64,583
In-kind donations	3,600	-	43,700	-	-	-	47,300
Program services	195,177	110,250	168,147	-	(59,425)	(16,897)	397,252
Net assets released from restriction	192,667	120,575	50,028	(367,519)	4,249	-	-
TOTAL REVENUES	3,171,747	230,825	262,875	106,195	(55,176)	(16,897)	3,699,569
EXPENSES							
Program services	1,796,380	88,128	130,840	61,202	17,629	(16,897)	2,077,282
Support services	402,659	23,019	34,175	15,986	-	-	475,839
TOTAL EXPENSES	2,199,039	111,147	165,015	77,188	17,629	(16,897)	2,553,121
CHANGE IN NET ASSETS	972,708	119,678	97,860	29,007	(72,805)	-	1,146,448
NET ASSETS AT BEGINNING OF YEAR	1,174,917	(5,572)	721,361	(29,007)	48,004	-	1,909,703
NET ASSETS (DEFICIT) AT END OF YEAR	**$ 2,147,625**	**$ 114,106**	**$ 819,221**	**$ -**	**$ (24,801)**	**$ -**	**$ 3,056,151**

NEIGHBORWORKS AMERICA SUPPLEMENTARY SCHEDULE
JUNE 30, 2018 AND 2017

STATEMENTS OF FINANCIAL POSITION - NEIGHBORWORKS AMERICA CAPITAL FUND

ASSETS	**June 30, 2018**	**June 30, 2017**
Restricted cash	$ 40,594	$ -
Notes receivable (A)	857,189	806,932
Properties held for re-sale	166,415	210,852
Construction in progress and land held for development	1,815	48,229
NHSSF office building	113,632	113,632
Total Assets	**$ 1,179,645**	**$ 1,179,645**
LIABILITIES AND NET ASSETS		
Permanently restricted net assets	**$ 1,179,645**	**$ 1,179,645**

(A) Notes receivable – At June 30, 2018 and 2017, notes receivable are reflected gross of the reserve of approximately $585,000 and $783,000, respectively. If these loans are not collected, the Organization will have to replace the asset with unrestricted assets.

	June 30, 2018	**June 30, 2017**
Change in net assets	$ -	$ (294,911)
Net assets, beginning of year	1,179,645	1,474,556
Net assets, end of year	**$ 1,179,645**	**$ 1,179,645**

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

(CONSOLIDATED FINANCIAL STATEMENTS)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

BAS PARTNERS
Certified Public Accountants

15800 Pines Blvd. Suite 3002
Pembroke Pines, FL 33027
Telephone: 954-362-5195
Fax: 954-430-8776

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Neighborhood Housing Services of South Florida, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

BAS PARTNERS Certified Public Accountants

15800 Pines Blvd. Suite 3002
Pembroke Pines, FL 33027
Telephone: 954-362-5195
Fax: 954-430-8776

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries as of June 30, 2019 and 2018, and the changes in their net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. the supplementary schedules on page 30 to 33 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BAS Partners LLC

Pembroke Pines, FL

November 21, 2019

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS		**2019**		**2018**
CURRENT ASSETS				
Cash and cash equivalents	$	536,626	$	423,862
Pledge receivables		-		-
Other receivables		128,990		144,184
Notes receivables, current portion		52,156		56,125
Housing units held for sale		720,662		1,280,661
Prepaid expenses and other		35,640		16,285
TOTAL CURRENT ASSETS		1,474,074		1,921,117
RESTRICTED CASH		97,711		93,745
NOTES RECEIVABLE, NET OF CURRENT PORTION		1,473,715		1,703,654
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT		1,366,276		352,566
PROPERTY AND EQUIPMENT, NET		1,109,133		1,167,727
TOTAL ASSETS	**$**	**5,520,908**	**$**	**5,238,809**

LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payables and accrued liabilities	$	397,719	$	285,630
Line of credit		377,696		244,961
Debt, current portion		1,609,067		631,452
TOTAL CURRENT LIABILITIES		2,384,482		1,162,043
BOND PAYABLE		1,000,000		1,000,000
DEBT, NET OF CURRENT PORTION		855,306		1,241,895
TOTAL LIABILITIES		4,239,788		3,403,938
COMMITMENTS AND CONTIGENCIES (NOTE 10)				
NET ASSETS				
Without donor restrictions - controlling interest		(131,668)		486,459
Without donor restrictions - non-controlling interest		(65,648)		34,048
With donor restrictions		1,478,437		1,314,364
TOTAL NET ASSETS		1,281,121		1,834,871
TOTAL NET ASSETS AND LIABILITIES	**$**	**5,520,908**	**$**	**5,238,809**

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

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
REVENUES						
Neighbor Works America grants	$ 1,664,626		$ 1,664,626	$ 349,055	$ -	$ 349,055
Contributions	152,707	200,000	352,707	310,362	13,000	323,362
Gain on sale of rental property	-		-	-	-	-
Rental and other income	9,729		9,729	42,476		42,476
Interest income	71,939		71,939	106,206	-	106,206
In-kind donations	-		-	-	-	-
Program services	456,923		456,923	579,348		579,348
Net assets released from restriction	35,927	(35,927)	-	1,068,753	(1,068,753)	-
TOTAL REVENUES	2,391,851	164,073	2,555,924	2,456,200	(1,055,753)	1,400,447
EXPENSES						
Program services	2,192,339		2,192,339	2,172,697	-	2,172,697
Management and general	917,335		917,335	449,030	-	449,030
TOTAL EXPENSES	3,109,674	-	3,109,674	2,621,727	-	2,621,727
CHANGE IN NET ASSETS	(717,823)	164,073	(553,750)	(165,527)	(1,055,753)	(1,221,280)
NET ASSETS AT BEGINNING OF YEAR	520,507	1,314,364	1,834,871	686,034	2,370,117	3,056,151
NET ASSETS AT END OF YEAR	**$ (197,316)**	**$ 1,478,437**	**$ 1,281,121**	**$ 520,507**	**$ 1,314,364**	**$ 1,834,871**

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

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

2019

	Without Donor Restrictions				
	Controlling Interest	**Non-Controlling Interest**	**Total Without Donor Restrictions**	**With Donor Restrictions**	**Total**
NET ASSETS AT BEGINNING OF YEAR	$ 486,459	$ 34,048	$ 520,507	$ 1,314,364	$ 1,834,871
Change in net assets	(618,127)	(99,696)	(717,823)	164,073	(553,750)
NET ASSETS AT END OF YEAR	**$ (131,668)**	**$ (65,648)**	**$ (197,316)**	**$ 1,478,437**	**$ 1,281,121**

2018

	Without Donor Restrictions				
	Controlling Interest	**Non-Controlling Interest**	**Total Without Donor Restrictions**	**With Donor Restrictions**	**Total**
NET ASSETS AT BEGINNING OF YEAR	$ 674,874	$ 11,160	$ 686,034	$ 2,370,117	$ 3,056,151
Change in net assets	(188,415)	22,888	(165,527)	(1,055,753)	(1,221,280)
NET ASSETS AT END OF YEAR	**$ 486,459**	**$ 34,048**	**$ 520,507**	**$ 1,314,364**	**$ 1,834,871**

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

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Program Services	**Management and General**	**Total Expenses**	**Program Services**	**Management and General**	**Total Expenses**
Salaries and related expenses	$ 709,477	$ 324,768	$ 1,034,245	$ 1,024,027	$ 304,065	$ 1,328,092
Professional fees	83,767	221,585	305,352	154,879	38,165	193,044
Rental expense and utilities	4,660	66,858	71,518	47,921	13,694	61,615
Technology services	9,188	62,953	72,141	45,619	13,077	58,696
Advertising and marketing	3,155	20,742	23,897	12,398	3,554	15,952
Interest	16,716	62,635	79,351	73,728	20,200	93,928
Office supplies/equipment rental and maintenance	10,697	57,699	68,396	52,983	12,599	65,582
Loan processing and servicing	42,904	450	43,354	16,112	-	16,112
Travel and meetings	42,268	40,979	83,247	24,728	7,089	31,817
Bank fees	1,159	8,937	10,096	8,484	2,432	10,916
Insurance	5,755	29,311	35,066	32,013	9,141	41,154
Program services	175	-	175	10,612	-	10,612
Write-Down of current year forgivable loans	69,151	-	69,151	474,586	-	474,586
Provision (Reversals) Loan losses	(4,558)	-	(4,558)	108,207	-	108,207
Down payment assistance	1,110,000	-	1,110,000	-	-	-
Depreciation	58,594	-	58,594	52,695	15,106	67,801
Other	29,231	20,419	49,650	33,705	9,908	43,613
Total Expenses	**$ 2,192,339**	**$ 917,335**	**$ 3,109,674**	**$ 2,172,697**	**$ 449,030**	**$ 2,621,727**

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

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (553,750)	$ (1,221,280)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		-
Depreciation	58,594	67,801
Write-down of current year forgivable loans	69,151	474,586
Provision (reversal) of loan losses	(4,558)	108,207
Loss on sale of properties held for sale	-	21,000
Gain on sale of rental property	-	(8,040)
Loan cost amortization	1,666	6,310
Donated properties	-	-
Decrease (increase) in operating assets:		
Pledge receivables	-	8,000
Other receivables	15,194	236,563
Prepaid expenses and other	(35,640)	(10,426)
Decrease (increase) in operating assets:		
Accounts payable and accrued liabilities	112,089	53,244
TOTAL ADJUSTMENTS	216,496	957,245
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(337,254)	(264,035)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments of property and equipment	-	(75,042)
Payments received on notes receivables	65,689	67,773
Payments received from sale of notes receivable	958,394	3,716,872
Notes receivable issued	(418,153)	(3,320,753)
Down payment assistance forgiven loans issued	(1,110,000)	(474,586)
Proceeds from sale of housing units held for sale	2,071,000	376,536
Proceeds from sale of rental property	-	-
Purchase of an improvement costs for properties	(2,028,708)	(1,376,854)
Change in cash held in escrow and restricted cash	(3,966)	993,490
NET CASH USED IN INVESTING ACTIVITIES	(465,744)	(92,564)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on lines of credit	(970,399)	(2,821,103)
Borrowings on lines of credit	1,103,134	3,066,064
Repayment on debt	(1,080,029)	(321,436)
Borrowings on debt	1,863,055	806,079
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	915,761	729,604
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	112,763	373,005
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	423,862	50,857
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 536,625**	**$ 423,862**
SUPPLEMENTAL DISCLOSRE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Cash paid during the year for interest	**$ 77,686**	**$ 117,671**
SUPPLEMENTAL DISCLOSRE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Equipment acquired under capital leases	**$ -**	**$ 33,166**

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

NOTE 1 - ORGANIZATION

Neighborhood Housing Services of South Florida, Inc. ("NHSSF") was incorporated on April 21, 1978. The general purpose of NHSSF is to assist the low to moderate income residents of Miami Dade and Broward countries in Florida, by providing programs and products that address their housing and economic needs. NHSSF provides education and training of homebuyers and engages in residential lending for persons who may not meet conventional lending standards. In 2007, NHSSF began home ownership preservation counseling. The consolidated financial statements include the accounts of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries (collectively the "Organization").The subsidiaries are as follows:

- Homeownership Realty, LLC ("HOLT") is a wholly-owned subsidiary of NHSSF and a licensed real estate brokerage whose primary focus is to assist low-to-moderate income families as well as those clients who receive homebuyer counseling provided by NHSSF to become a homeowner, as well as list properties for sale.

- 300 NW 12 Ave, LLC is a wholly-owned single purpose entity of NHSSF with legal title to the NHSSF headquarters in Miami, Florida.

- NHSSF Real Estate Holdings, Inc.("NHSSF REH") is a not-for-profit wholly owned subsidiary of NHSSF whose purpose is to acquire, hold, develop, construct, refurbish and/or sell affordable housing for the benefit of low income persons. Additionally, NHSSF REH has the following subsidiaries:

  - On March 26, 2013, NHSSF REH entered into an agreement with Collaborative Development Corporation to create Village West Homes, LLC ("VILLAGE WEST"). NHSSF owns 50% of Village West Homes, LLC and is the managing member; accordingly, NHSSF REH is deemed to be the controlling member. As such, the activity of VILLAGE WEST is included within these consolidated financial statements. VILLAGE WEST is a not for profit entity whose purpose is to acquire property for construction and resale in the Village West neighborhood of the City of Miami.

NOTE 1 - ORGANIZATION (CONTINUED)

- NHSSF Development, LLC is a single member LLC which serves as one of two general partners of Willow Lake Associates, LTD. Willow Lakes Associates, LTD is a limited partnership whose focus is to acquire, develop, construct, and manage affordable multi-family residential rental housing projects in South Florida. The two general partners own a combined 0.01% in Willow Lake Associates, LTD, of which NHSSF Development owns 51% of the general partnership interest. Due to certain provisions in the operating agreement, NHSSF Development, LLC is not deemed to be the controlling partner. Development of these projects began in October 2015 and were in process during the years ended and at June 30, 2019 and 2018.

As Limited Liability Companies ("LLC"), each member's liability is limited to amounts reflected in their respective member account. The LLCs have a perpetual existence until they are dissolved and its affairs are wound up in accordance with the respective operating agreements.

Economic Dependency

During the years ended June 30, 2019 and 2018, the Organization received approximately 25% and 25% respectively, of its funding from Neighbor Works America ("NWA"). Loss of this revenue in the future could have a material effect on the programs offered by the Organization.

Management's Plans regarding Liquidity and the Decrease in Net Assets

The Organization incurred a decrease in net assets of $553,750 and $1,221,280 for the years ended June 30, 2019 and 2018. Additionally, the Organization has a bond payable of $1 million maturing in July 2020. The Organization has developed a plan which includes decreasing its operating expenses by approximately $300,000 on a annual basis and has engaged a professional fundraiser to assist in grant writing in order to increase its annual revenues. The Organization believes they will generate additional net revenues from sale of twelve newly built or refurbished single family homes within one year of issuance of these consolidated financial statements. In addition, the Organization believes they can sell their existing mortgage portfolio in order to generate cash flow if needed. Management is also determining a plan for its headquarters and believes they have the ability to generate up to $1 million in net cash proceeds after the repayment of the mortgage based on current market conditions and recent offers. In the event that the bond is not renewed, the cash generated from the sale of the building would satisfy the bond. Based on the foregoing, management believes the Organization will have sufficient resources to meet its obligations through November 21, 2021.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRESENTATION OF CONSOLIDATION

The consolidated financial statements include the accounts of NHSSF and its subsidiaries and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All significant intercompany accounts and transactions have been eliminated in the consolidated of the accounts of NHSSF and its subsidiaries.
The Organization accounts for its non-controlling interest in two entities in accordance with Accounting Standards Codification. "The accompanying consolidated statements of financial position includes the financial assets and liabilities of these entities. Non-controlling interest represents the equity ownership of the entities not held by the Organization. The accompanying consolidated statements of activities and changes in net assets and cash flows include the revenues, expenses and cash flows of the entities.

NET ASSETS

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

NET WITHOUT DONOR RESTRICTIONS

Net Assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

NET WITH DONOR RESTRICTIONS

Net assets with donor restrictions are resources that are restricted by donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limit their use, as are its donor-restricted endowment funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET WITH DONOR RESTRICTIONS (CONTINUED)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

CLASSIFICATION OF TRANSACTIONS

All revenues and net gains are reported as increases in net assets without restrictions in the consolidated statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on investments reduce the net asset class.

MANAGEMENT ESTIMATES

The preparation of consolidated financial statements in conformity with U.S GAAP requires management to make estimates, including those regarding fair value, and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of changes in net assets during the reported period. The most significant estimates include the collectability of the notes receivable and fair value of long lived assets. These estimates may be adjusted as more current information becomes available. Accordingly, actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consists principally of cash deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits. The Organization limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the insurance limits of the FDIC. The Organization has not experienced losses in such accounts.

The Organization extends loans to low and moderate income residents. Additionally, many of the loans are second mortgages. Although the loans are collateralized by the borrower's property, there is the risk that property values may fall below loan values creating a concentration of credit risk.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH EQUIVALENTS

Cash and cash equivalents include all unrestricted monies in banks and highly liquid investments with a maturity of three months or less.

RESTRICTED CASH

Restricted cash represents amounts restricted to be used for the purchase and rehabilitation of housing units held for sale, forgivable loans and other programs such as first and second mortgages and down payment assistance for low to moderate income families.

NOTE RECEIVABLE AND THE ALLOWANCE FOR LOAN LOSSES

The Organization extends loans to residents of Miami-Dade, Broward and Palm Beach counties to purchase homes and finance required home improvements. Notes receivable that the Organization has the intent and ability to hold for the foreseeable future are stated at unpaid principal balances, less an allowance for uncollectible loans. Interest on amortizing loans is recognized over the term of the loan. The Organization considers the credit quality of its notes receivable primarily by assessing the sufficiency of collateral for the receivables on an ongoing basis, while assessing the collection experience of existing receivables and the credit worthiness of new receivables.

The Organization extends two types of loans to residents: amortizing loans and forgivable residential loans. Amortizing loans comprised of restricted residential loans and are fully reserved for as of June 30, 2019 and 2018.

Management's periodic evaluation of the adequacy of the allowance is based on the Organization's past loan loss experience, known and other risk elements inherent in the portfolio, specified impaired loans, adverse situations that may affect the borrower's ability to repay and to repay and the estimated value of the underlying collateral and current economic conditions.

The Organization considers a loan impaired when, based on current information or factors, it is probable that the Organization will not collect the principal and interest payments according to the loan agreement. Management considers many factors in determining whether a loan is impaired, such as payment history, value of collateral and other factors. Loans that are contractually past due less than three months are generally not considered impaired. An allowance for the total principal balance is recorded for all loans past due for more than 90 days or in foreclosure.

An allowance for loans not considered past due is recorded based on the funding source of the loan. For first-lien mortgages that are past due between 30-60 days, an allowance of 10% - 15% of the principal balance is recorded. For second-lien mortgages that are past due between 30 - 60 days, an allowance of 25% - 75% of the principal balance is recorded. Management continually monitors past due loans to ensure collection and to determine impairment, if necessary.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE RECEIVABLE AND THE ALLOWANCE FOR LOAN LOSSES (CONTINUED)

Impaired loans are classified as nonperforming and, consequently, interest income is only recognized on these loans when actually received from the borrower. Partial payments of contractual amounts due on impaired loans are treated as interest income on a cash basis until such time as the loan is restored to performing status.

Management believes that the allowance for losses on loans is adequate. The Organization maintains and adheres to policies for credit analysis and underwriting that comply with industry standards for lending practices. The Organization reviews its lending standards periodically to stay current with economic conditions. Changes in the allowance for loan loss and the related expense can have a material effect on the consolidated statements of activities.

HOUSING UNITS HELD FOR SALE

Housing units are classified as held for sale when management intends to sell such properties within 12 months and other criteria under authoritative guidance are met. Housing units held for sale are initially recorded at cost when acquired or constructed, or at fair market value if donated to the Organization, and are no longer depreciated as of the date they are considered held for sale. Such housing units are subsequently measured at a lower of its carrying amount or fair value less costs to sell. These housing units include land under development, developed lots, and direct and indirect costs of housing construction incurred during the development period. Cost is determined by the specific identification method.

PREPAID EXPENSES AND OTHER

Prepaid expenses and other consists primarily of prepaid insurance and deposits.

PROPERTY AND EQUIPMENT, NET

Property and equipment are stated at cost, if purchased, or at estimated market value at date of receipt if acquired by donation. Property and equipment purchased with a value in excess of $1,000 and with a useful life in excess of five years are capitalized. Depreciation is calculated using the straight line method over the estimated useful life of the respective assets. Repairs and maintenance are expensed as incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF LONG LIVED ASSETS

The Organization reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. Impairment is recorded for the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There was no impairment loss recognized during the years ended June 30, 2019 and 2018.

DEBT ISSUANCE COST

Debt issuance costs are amortized over the term of the loan using the effective interest rate method. Amortization of debt issuance costs included within "interest" in the accompanying consolidated statements of functional expenses for the years ended June 30, 2019 and 2018 were $6,310 and $6,310, respectively. Accumulated amortization at June 30, 2019 and 2018 was $13,985 and $14,850, respectively.

Amortization expense for the next five years and thereafter is as follows:

2020	$ 2,736
2021	2,736
2022	2,736
2023	2,736
2024	2,736
Thereafter	305
Total	**$ 13,985**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION

Sources of revenue for the Organization consist of grants which, absent a specific restriction by the grantor, are considered to be available for unrestricted use. Grant revenue includes only that portion of the grant that was earned.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets when earned. The Organization reports gifts of cash and other assets as with donor restriction support or deferred support dependent on whether they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for a future period. When a donor restriction expires, that is when a stipulated time restriction ends of purpose restriction is accomplished, net asset with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

The Organization recognizes program service income for fees generated by its primary business functions of home buyer education, foreclosure mitigation, loan origination, loan processing and servicing. Program services are recognized as services are provided.

Rental income is recognized for apartment rentals as they accrue. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Organization and tenants of the property are one year leases and are considered operating leases.

IN-KIND DONATED PROPERTY AND SERVICES

Donated property and services are recorded at approximate fair value at the date of the gift to the Organization. Volunteers donating time to the Organization are not reflected in consolidated financial statements since the services do not require specialized skills. There were no donated properties during the years ended June 30, 2019 and 2018.

FUNCTIONAL EXPENSES

The cost of providing the various services and other activities has been summarized on a functional basis in the consolidated financial statements of functional expenses. Accordingly, certain costs have been charged to program services or support services based on a combination of specific identification and allocation by management.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADVERTISING COSTS

Advertising costs are charged to operations as incurred. Advertising expenses for the years ended June 30, 2019 and 2018 were approximately $24,000 and $16,000 respectively.

INCOME TAXES

NHSSF and its wholly-owned subsidiaries qualifies as tax-exempt organizations under Section 501 (c)(3) of Internal Revenue Code of 1986, as amended. The wholly-owned subsidiaries are considered disregarded entities. Village West Homes, LLC and NHS HD are treated as partnerships and their earnings and losses are included in the tax situation. Accordingly, no provision for income taxes has been recorded. Management has determined that there was no unrelated business income for the years ended June 30, 2019 and 2018. The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. The U.S Federal jurisdiction and Florida are the major tax jurisdictions where the Organization files informational tax returns and partnership returns. The Organization is generally no longer subject to U.S Federal examinations by tax authorities for the years before 2016.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS

RESTRICTED CASH

In November 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standards update which amends cash flow statement presentation of restricted cash. The update requires amounts generally described as restricted cash and cash equivalents be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the consolidated statements of cash flows. The update is effective retrospectively for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

MEASUREMENT OF CREDIT LOSSES ON FINANCIAL STATEMENTS

In June 2016, the FASB issued an accounting standards update which will replace the current incurred loss impairment methodology in U.S GAAP with methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision useful information about expected credit losses. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early adoption is permitted for fiscal years beginning after December 15, 2018 including interim periods beginning after December 15, 2018 including interim periods in those fiscal years. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

ACCOUNTING GUIDANCE FOR CONTRIBUTIONS RECEIVED AND CONTRIBUTIONS MADE

In June 2018, the FASB issued an accounting standards update in an effort to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The FASB believes the update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within scope of not-for-profit guidance, or as an exchange (reciprocal) transaction subject to other guidance and (2) determining whether a contribution is conditional or not. The update is effective on a modified prospective basis for years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

LEASE ACCOUNTING

In February 2016, the FASB issued an accounting standards update which amends existing lease guidance. The update requires lessees to recognize a right of use asset and related lease liability for many operating leases now currently off balance sheet under US GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The update is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

REVENUE FROM CONTRACTS WITH CUSTOMERS

In May 2014, the FASB issued an accounting standards update which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods and services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively and is effective for annual periods beginning after December 15, 2018 and in interim periods in annual periods beginning after December 15, 2019. Early application is permitted, but no earlier than annual reporting periods beginning after December 15, 2016. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 10, 2019, the date the financial statements were available to be issued.

NOTE 3 - NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

The following table includes an aging analysis of the notes receivable at June 30, 2019:

	Restricted Residential Loans	**Other Residential Loans**	**Forgivable Residential Loans**	**Total**
Number of loans	29	10	281	320
Current	$ 574,159	$ 1,242,436	$2,334,152	$4,150,747
30-60 days	22,541			22,541
61-90 days	12,837			12,837
Over 90 days	86,896			86,896
sub-total	696,433	1,242,436	2,334,152	4,273,021
Allowance for loan losses	(412,998)	-	(2,334,152)	(2,747,150)
	$ 283,435	**$ 1,242,436**	**$ -**	**$1,525,871**

The following table includes an aging analysis of the notes receivable at June 30, 2018:

	Restricted Residential Loans	**Other Residential Loans**	**Forgivable Residential Loans**	**Total**
Number of loans	29	10	281	320
Current	$ 586,312	$ 1,168,163	$2,910,628	$ 4,665,103
30-60 days	23,516			23,516
61-90 days	13,565			13,565
Over 90 days	195,367			195,367
sub-total	818,760	1,168,163	2,910,628	4,897,551
Allowance for loan losses	(227,144)	-	(2,910,628)	(3,137,772)
	$ 591,616	**$ 1,168,163**	**$ -**	**$ 1,759,779**

NOTE 3 - NOTED RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The Organization extends loans to residents of Miami-Dade, Broward and Palm Beach counties to finance required home improvements and to purchase homes. These loans range in terms from 5 to 30 years, at interest rates from 2% to 6.25%. Interest income related to loans receivable amounted to approximately $70,000 and $106,000 for the years ended June 30, 2019 and 2018, respectively. The weighted average of the interest rate of amortizing loans was 3.82% and 3.82% for the years ended June 30, 2019 and 2018, respectively.

Forgivable residential loans are non-interest bearing. Forgivable loans are generally provided for down payment assistance. Forgivable loans for the Neighborhood Stabilization Program (NSP) of approximately $1,717,000 were given out in 2014 and are forgivable between 20-30 years. Forgivable loans for the Neighborhood LIFT program of approximately $6,170,000 were given out in 2014 and are forgiven over five years (20% each year); however, if the mortgagor decides to sell the home in the first five years, then the amount not written off becomes fully repayable. During the years ended June 30, 2019 and 2018, management estimated that the possibility of collection subsequent to a borrower's sale of the home was uncertain; therefore all forgivable loans were fully reserved.

Amortizing loans are generally secured by a mortgage on the property. Mortgage loans are carried at net realizable value, and management believes that the amount of the allowance for uncollectible mortgage loans is adequate given the nature of the loans and the value of the related collateral. The allowance is maintained at a level that, in management's judgment, is adequate to absorb credit losses inherent in the portfolio. The amount of the allowance is based on management's evaluation of collectability of the loan portfolio, including the nature of the portfolio, credit concentrations, trends in historical loss experience, specific impaired loans, economic conditions and other risks inherent in the portfolio.

The following table presents the changes in allowance for losses as of June 30, 2019:

	Restricted Residential Loans	Other Residential Loans	Forgivable Residential Loans	Total
Allowance for Loan Losses:				
Balance at beginning of year	$ 227,144	$ -	$2,910,628	$3,137,772
Write-Down (forgivable loans)	-	-	(576,476)	(576,476)
Recoveries	(4,558)	-	-	(4,558)
Write-Down of current year (forgivable loans)	121,261	-	-	121,261
Provision for loan losses	69,151	-	-	69,151
Ending Balance	**$ 412,998**	**$ -**	**$2,334,152**	**$2,747,150**
Ending balance: Individually evaluated for impairment	$ -	$ -	$ -	$ -
Ending balance: collectively evaluated for impairment	$ 412,998	$ -	$2,334,152	$2,747,150
Loans:				
Ending balance: Individually evaluated for impairment	$ 696,433	$ 1,242,436	$2,334,152	$4,273,021
Ending balance: collectively evaluated for impairment	$ 197,230	$ -	$ -	$ 197,230

NOTE 3 - NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The following table presents the changes in allowance for loan losses as of June 30, 2018:

	Restricted Residential Loans	Other Residential Loans	Forgivable Residential Loans	Total
Allowance for Loan Losses:				
Balance at beginning of year	$ 118,937	$ -	$ 3,805,550	$ 3,924,487
Write-Down (forgivable loans)	-	-	(1,356,508)	(1,356,508)
Recoveries	-	-	(13,000)	(13,000)
Write-Down of current year (forgivable loans)	-	-	474,586	474,586
Provision for loan losses	108,207	-	-	108,207
Ending Balance	**$ 227,144**	**$ -**	**$ 2,910,628**	**$ 3,137,772**
Ending balance: Individually evaluated for impairment	$ -	$ -	$ -	$ -
Ending balance: collectively evaluated for impairment	$ 227,144	$ -	$ 2,910,628	$ 3,137,772
Loans:				
Ending balance: Individually evaluated for impairment	$ 818,760	$ 1,168,163	$ 2,910,628	$ 4,897,551
Ending balance: collectively evaluated for impairment	$ 232,448	$ -	$ -	$ 232,448

When determining an appropriate allowance for uncollectible mortgage loans, the Organization evaluates each loan balance that is considered to be impaired individually. Impaired loans are fully reserved. The remaining loan balances are evaluated collectively.

A loan is considered impaired when past due for more than 90 days and when in foreclosure. Impaired loans are fully allowed for at June 30, 2019. There were no loans that have been modified in a troubled debt restructuring during the years ended June 30, 2019 and 2018.

Amortizing loans are expected to be collected as follows for the next five years and thereafter:

2020	$ 52,156
2021	53,618
2022	55,144
2023	57,164
2024	59,264
Thereafter	1,248,525
Total	**$ 1,525,871**

NOTE 4 - PROPERTIES HELD FOR SALE AND CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT

At June 30, 2019 and 2018, the value of housing units held for sale (net of provision for impairment) were approximately $721,000 and $1,281,000, respectively. During the year ended June 30, 2019, the Organization sold nine single family properties previously held for sale. The properties were sold for approximately $2,071,000 and the net gain after selling expenses was approximately $42,000 and is reflected within "Program services" in the accompanying consolidated statement of activities for the year ended June 30, 2019. During the year ended June 30, 2018, the Organization sold two single family properties previously held for sale. The properties were sold for approximately $410,000 and the net loss after selling expenses was approximately $210,000 and is reflected within "Program services" in the accompanying consolidated statement of activities for the year ended June 30, 2018.

Construction in progress and land held for development are carried at cost and no depreciation is recorded. At June 30, 2019 and 2018, the value of construction in progress and land held for development was approximately $1,558,000 and $353,000, respectively. Properties undergoing significant renovations and improvements are considered under development. All direct and indirect costs related to development activities are capitalized into construction in progress and land held for development. The capitalization of such expenses into "Construction in progress and land held for development," in the accompanying consolidated statements of financial position, ceases when the property is ready for its intended use.

NOTE 5- PROPERTY AND EQUIPMENT, NET

Property and equipment, net and their estimated useful lives consist of the following at June 30,:

	2019	2018	Estimated Lives
Land	$ 260,293	$ 260,293	-
Building	1,041,175	1,041,176	40 years
Building improvements	193,652	193,652	10 years
Office furniture and equipment	157,223	157,221	5 years
	1,652,343	1,652,342	
	543,209	484,615	
	$ 1,109,134	**$ 1,167,727**	

Depreciation expense for property and equipment, net was approximately $59,000 and $68,000 for the years ended June 30, 2019 and 2018, respectively.

NOTE 6 - DEBT

The Organization's debt consists of the following at June 30:

	2019	2018
First mortgage loan obtained from a nonprofit lender in March 2014 for 300 NW 12th Avenue, LLC. Equal monthly payments of $7,583 are based on a 25 year amortization at an interest rate of 5.375% until maturity on March 31, 2024. The mortgage contained certain restrictive covenants. During the year ended June 30, 2015, the Organization entered into a loan modification agreement with the non-profit lender which included, among other things, restrictive covenants, which require the Organization to maintain net assets less net assets with donor restrictions of $750,000 and a debt service coverage of 1.10 effective December 31, 2015, until the mortgage is fully repaid. During the year ended June 30, 2019, the Organization was out of compliance with these covenants and management obtained a waiver through March 15, 2020. The note payable is collateralized by the first lien on the property, which is carried at approximately $1,115,000 as of June 30, 2019 and 2018.	$ 1,109,894	$ 1,140,025
Revolving loan of $1,500,000, evidenced by two notes with a non-profit lender, to be used for the acquisition, rehabilitation and construction of single-family houses. Under the most recent modification to the agreement, the term of the loan was extended from July 1, 2019 to July 1, 2020 at a fixed rate of 6.75%. The revolving loan is secured by a first mortgage on all units to be acquired and constructed and repaid from the sale of the houses to a qualified buyer, and which have a carrying value of approximately $459,000 and $459,000 as of June 30, 2019 and 2018, respectively. All principal payments on notes payable outstanding associated with properties owned by the Organization that are held for sale as of June 30, 2019 and 2018, are reflected within the caption "Debt, current portion" on the accompanying consolidated statements of financial position.	1,368,464	750,043
Total debt	2,478,358	1,890,068
Current portion of debt	1,609,067	631,452
Less: unamortized debt issuance costs	13,985	16,721
Total debt, net of current portion	**$ 855,306**	**$ 1,241,895**

NOTE 6 - DEBT (CONTINUED)

Minimum principal payments due on notes payable outstanding as of June 30, 2019 for the next five years are as follows:

June 30,		
2020	$	181,198
2021		33,913
2022		35,782
2023		37,753
2024		39,826
Thereafter		2,149,886
		2,478,358
Less: unamortized debt issuance costs		13,985
	$	**2,656,373**

Interest expense related to debt for years ended June 30, 2019 and 2018 amounted to approximately $63,000 and $62,000, respectively.

NOTE 7— LINE OF CREDIT

Revolving line of credit of $1,000,000 started in November 2012 amended on August 8, 2016 and is secured by first mortgages receivables originated by NHSSF and funded by this line of credit. Under most recent modification to this agreement, the interest rate is variable and is accrued starting at the origination date of each first mortgage receivable. The interest rate as of June 30, 2018 was 5%. The interest and line of credit are paid off as the underlying first mortgages receivables are sold to Bank United. At June 30, 2019 and 2018, there was an outstanding balance of approximately $378,000 and $245,000, respectively. Interest expense related to the line of credit during the years ended June 30, 2019 and 2018, was approximately $27,000 and $25,000, respectively.

NOTE 8— BOND PAYABLE

The bond payable is comprised of a long-term unsecured investment bond of $1,000,000 to be used by the Organization to fund its lending program. Under the most recent modification to the agreement, the maturity date was extended to July 31, 2020 at an interest rate of 0.5% per annum compound annually. The Organization pays interest on a quarterly basis. The Organization has the right to redeem the bond at any time with 30 days' notice. Any partial redemption must cover par value of at least $1,000. Interest expense on the bond for the years ended June 30, 2019 and 2018 was approximately $5,000.

NOTE 9 - NET ASSET WITHOUT RESTRICTIONS

At June 30, 2019 and 2018, net assets without restrictions was ($197,316) and $520,507.

NOTE 10- NET ASSET WITH RESTRICTIONS

At June 30, 2019 and 2018, net assets with restrictions was: (a) $334,437 and $134,364, respectively. These are used for providing down payment assistance and first mortgages in Miami-Dade, Broward and Palm Beaches counties and (b) $1,144,000 and $1,180,000, respectively, representing grants received for lending to qualified borrowers and for real estate development in Miami-Dade and Broward Counties. Per the agreement, the Organization has established a donor restricted fund. The fund is replenished with principal payments received on loans and with funds generated from home sales. In addition, the fund is comprised of permanent investment property. Should the Organization become defunct, all remaining grant funds, interest earnings, capital project proceeds, and the loan and capital projects portfolios representing the use of these funds will revert to NWA.

NOTE 11- COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

The costs and unexpected funds reflected in the accompanying consolidated financial statements relating to government funded programs are subject to audit by the respective governmental agencies (funding sources). The possible disallowance by the related governmental agencies of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. No provision for any liability that may result has been made in the consolidated financial statements.

The Organization participates in numerous program grants and contracts. These grants and contracts are subject to financial and compliance audits by other parties. The purpose of these audits is to ensure compliance with the terms of the grant and contract. Grantor agencies may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with terms of the grants or contracts.

In addition, the Organization finances the construction of its housing units held for sale from revolving loans from two non-profit lenders. Future commitments related to the financing of these construction costs subsequent to year end are approximately $368,672.

NOTE 12- RETIREMENT PLAN

The Organization established a Savings Incentive Match Plan ("SIMPLE") IRA effective August 1, 2003 that covers all eligible employees. Eligible employees are those employed in the previous year and had compensation of $5,000 or above in the previous year. Employees may contribute up to $13,000 and those employees 50 years old and older may contribute up to $16,000. The Organization will match an employee's contribution dollar for dollar up to 3% of the employee's compensation, which is determined annually by the board of directors. Employees are immediately 100% vested in the matching contributions. During the years ended June 30, 2019 and 2018, the Organization made matching contributions totaling approximately $6,000 and $27,000, respectively.

NOTE 13 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of June 30, 2019 and 2018 are:

Financial assets:		
Cash and cash equivalents	$ 536,626	$ 423,862
Other receivable	128,990	144,184
Notes receivable	1,525,871	1,759,779
Total financial assets	2,191,486	2,327,825
Less financial assets held to meet donor-imposed restrictions:		
Donor restricted net assets	(1,478,437)	(1,314,364)
Amount available for general expenditures within one year	$ 713,049	$ 1,013,461

NOTE 14 - ENDOWMENT

The Organization's endowment consists of funds restricted by NWA. Per the terms of these agreements, the Organization has established donor restricted fund. The fund is used for neighborhood revitalization expenditures, including acquisition and construction costs of homes and for making home loans. The fund is replenished with principal payments received on the loans and with funds generated from sales of homes. As required by the U.S. GAAP, net assets associated with endowment funds, including funds designated by the Organization to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

NOTE 14 - ENDOWMENT (CONTINUED)

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policy of the Organization

The Organization has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

Summary of Endowment Net Assets at June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	**$ -**	**$ 1,143,717**	**$1,143,717**

Change in endowment net assets for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowments net assets, beginning	$ -	$ 1,179,645	$ 1,179,645
Released from restriction, expenditures and other		(35,928)	(35,928)
Endowments net assets, ending	**$ -**	**$ 1,143,717**	**$ 1,143,717**

NOTE 14 - ENDOWMENT (CONTINUES)

Summary of Endowment Net Assets at June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ 1,179,645	$ 1,179,645

There were no changes in endowment net assets for the year ended June 30, 2018

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the donor requires the Organization to retain as a fund of perpetual duration. During both of the years ended June 30, 2019 and 2018, the fair market value of donor restricted investments was approximately $1,144,000 and $1,179,000, respectively. In accordance with U.S GAAP, there were no deficiencies of this nature that were reported in net assets without donor restrictions for the years ended June 30, 2019 and 2018.

Spending Policy and How the Investment Objectives Relate to Spending Policy

In accordance with the NWA's fund agreements, the Organization is required to invest and use the endowment to purchase housing opportunities for qualifying low income individuals. In addition, the Organization may fund mortgage loans to low income qualifying individuals to purchase these properties or other qualifying properties.

All resources granted to this fund must be maintained. The funds invested in notes receivable earn interest at rates ranging from 2.00 % to 6.25%. The Organization is permitted to transfer or expend only the income (or other economic benefits) derived from capital assets in excess of the investment and corpus.

**NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES**

SUPPLEMENTARY SCHEDULES

FOR THE YEARS ENDED JUNE 30, 2019AND 2018

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
CURRENT ASSETS						
Cash and cash equivalents	$ 136,511	$ 32,125	$ 106,275	$ 261,715	$ -	$ 536,626
Other receivables	123,002	-	5,988	-	-	128,990
Notes receivable, current portion	52,156	-	-	-	-	52,156
Housing units held for sale	-	-	720,662	-	-	720,662
Prepaid expenses and other	35,379	261	-	-	-	35,640
TOTAL CURRENT ASSETS	347,048	32,386	832,925	261,715	-	1,474,074
RESTRICTED CASH	97,711	-	-	-	-	97,711
NOTES RECEIVABLE, NET OF CURRENT PORTION	1,473,715	-	-	-	-	1,473,715
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT	-	-	1,366,276	-	-	1,366,276
PROPERTY AND EQUIPMENT, NET	1,109,133	-	-	-	-	1,109,133
INTERCOMPANY RECEIVABLES	6,552	25,057	306,861	-	(338,470)	-
TOTAL ASSETS	**$3,034,159**	**$ 57,443**	**$ 2,506,062**	**$ 261,715**	**$ (338,470)**	**$ 5,520,909**

LIABILITIES AND NET ASSETS	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 381,344	$ 118	$ 15,808	$ 449	$ -	$ 397,719
Line of credit	-	-	377,696		-	377,696
Debt, current portion	1,095,909	-	513,158	-	-	1,609,067
TOTAL CURRENT LIABILITIES	1,477,253	118	906,662	449	-	2,384,482
BOND PAYABLE	1,000,000	-	-	-	-	1,000,000
DEBT, NET OF CURRENT PORTION	-	-	855,306	-	-	855,306
INTERCOMPANY PAYABLES	-	223	-	338,247	(338,470)	-
TOTAL LIABILITIES	2,477,253	341	1,761,968	338,696	(338,470)	4,239,788
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Without donor restrictions	$ (921,531)	$ 57,102	$ 744,094	$ (76,981)	$ -	$ (197,316)
With donor restrictions	1,478,437	-	-	-	-	1,478,437
TOTAL NET ASSETS	556,906	57,102	744,094	(76,981)	-	1,281,121
TOTAL LIABILITIES AND NET ASSETS	**$ 3,034,159**	**$ 57,443**	**$ 2,506,062**	**$ 261,715**	**$ (338,470)**	**$ 5,520,909**

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
CURRENT ASSETS						
Cash and cash equivalents	$ 93,298	$ 22,519	$ 179,514	$ 128,531	$ -	$ 423,862
Other receivables	71,851	-	52,757	19,576	-	144,184
Notes receivable, current portion	56,125	-	-	-	-	56,125
Housing units held for sale	-	-	703,000	577,661	-	1,280,661
Prepaid expenses and other	11,964	648	3,673	-	-	16,285
TOTAL CURRENT ASSETS	233,238	23,167	938,944	725,768	-	1,921,117
RESTRICTED CASH	93,745	-	-	-	-	93,745
NOTES RECEIVABLE, NET OF CURRENT PORTION	1,703,654	-	-	-	-	1,703,654
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT	-	-	352,566	-	-	352,566
PROPERTY AND EQUIPMENT, NET	1,167,727	-	-	-	-	1,167,727
INTERCOMPANY RECEIVABLES	266,150	50,355	218,420	(255,987)	(278,938)	-
TOTAL ASSETS	**$3,464,514**	**$ 73,522**	**$1,509,930**	**$ 469,781**	**$ (278,938)**	**$ 5,238,809**
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 267,172	$ 2,582	$ 15,876	-	$ -	$ 285,630
Line of credit	184,500	-	60,461	-	-	244,961
Debt, current portion	30,465	-	485,807	115,180	-	631,452
TOTAL CURRENT LIABILITIES	482,137	2,582	562,144	115,180	-	1,162,043
BOND PAYABLE	1,000,000	-	-	-	-	1,000,000
DEBT, NET OF CURRENT PORTION	1,092,839	-	149,056	-	-	1,241,895
INTERCOMPANY PAYABLES	-	-	-	278,938	(278,938)	-
TOTAL LIABILITIES	2,574,976	2,582	711,200	394,118	(278,938)	3,403,938
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Without donor restrictions	(424,826)	70,940	798,730	75,663	-	520,507
With donor restrictions	1,314,364	-	-	-	-	1,314,364
TOTAL NET ASSETS	889,538	70,940	798,730	75,663	-	1,834,871
TOTAL LIABILITIES AND NET ASSETS	**$ 3,464,514**	**$ 73,522**	**$ 1,509,930**	**$ 469,781**	**$ (278,938)**	**$ 5,238,809**

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
REVENUES						
Neighbor Works America grants	$ 1,664,626	$ -	$ -	$ -	$ -	$ 1,664,626
Contributions	352,707	-	-	-	-	352,707
Rental income	7,932	-	1,797	-	-	9,729
Interest income	71,939	-	-	-	-	71,939
Program services	128,357	108,433	109,564	110,569	-	456,923
TOTAL REVENUES	2,225,561	108,433	111,361	110,569	-	2,555,924
EXPENSES						
Program services	1,640,858	122,271	165,997	263,213	-	2,192,339
Support services	917,335	-	-	-	-	917,335
TOTAL EXPENSESS	2,558,193	122,271	165,997	263,213	-	3,109,674
CHANGE IN NET ASSETS	(332,632)	(13,838)	(54,636)	(152,644)	-	(553,750)
NET ASSETS AT BEGINNING OF YEAR	889,538	70,940	798,730	75,663		1,834,871
NET ASSETS AT END OF YEAR	**$ 556,906**	**$ 57,102**	**$ 744,094**	**$ (76,981)**	**$ -**	**$ 1,281,121**

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
REVENUES						
Neighbor Works America grants	$ 349,055	$ -	$ -	$ -	$ -	$ 349,055
Contributions	323,362	-	-	-	-	323,362
Rental income	41,622	-	854	-	-	42,476
Interest income	106,206	-	-	-	-	106,206
Program services	256,336	157,021	65,527	100,464	-	579,348
TOTAL REVENUES	1,076,581	157,021	66,381	100,464	-	1,400,447
EXPENSES						
Program services	1,885,638	200,187	86,872	-	-	2,172,697
Support services	449,030	-	-	-	-	449,030
TOTAL EXPENSESS	2,334,668	200,187	86,872	-	-	2,621,727
CHANGE IN NET ASSETS	(1,258,087)	(43,166)	(20,491)	100,464	-	(1,221,280)
NET ASSETS AT BEGINNING OF YEAR	2,147,625	114,106	819,221	(24,801)		3,056,151
NET ASSETS AT END OF YEAR	**$ 889,538**	**$ 70,940**	**$ 798,730**	**$ 75,663**	**$ -**	**$ 1,834,871**

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

(CONSOLIDATED FINANCIAL STATEMENTS)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

BAS PARTNERS
Certified Public Accountants

15800 Pines Blvd. Suite 3002
Pembroke Pines, FL 33027
Telephone: 954-362-5195
Fax: 954-430-8776

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Neighborhood Housing Services of South Florida, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 consolidated financial position of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries as of June 30, 2020 and 2019, and the changes in their net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. the supplementary schedules on page 30 to 33 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BAS Partners LLC

Pembroke Pines, FL

October 8, 2020

ASSETS		2020		2019
CURRENT ASSETS				
Cash and cash equivalents	$	308,071	$	536,626
Pledge receivables		-		-
Other receivables		72,186		128,990
Notes receivables, current portion		47,925		52,156
Housing units held for sale		-		720,662
Prepaid expenses and other		41,756		35,640
TOTAL CURRENT ASSETS		469,938		1,474,074
RESTRICTED CASH		281,713		97,711
NOTES RECEIVABLE, NET OF CURRENT PORTION		1,416,469		1,473,715
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT		1,436,080		1,366,276
PROPERTY AND EQUIPMENT, NET		1,059,704		1,109,133
TOTAL ASSETS	**$**	**4,663,874**	**$**	**5,520,908**

LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payables and accrued liabilities	$	237,832	$	397,719
Line of credit		731,020		377,696
Debt, current portion		583,514		1,609,067
TOTAL CURRENT LIABILITIES		1,552,367		2,384,482
BOND PAYABLE		1,000,000		1,000,000
DEBT, NET OF CURRENT PORTION		1,242,408		855,306
TOTAL LIABILITIES		3,794,775		4,239,788
COMMITMENTS AND CONTIGENCIES (NOTE 10)				
NET ASSETS				
Without donor restrictions - controlling interest		(20,226)		(131,668)
Without donor restrictions - non-controlling interest		(65,648)		(65,648)
With donor restrictions		954,973		1,478,437
TOTAL NET ASSETS		869,099		1,281,121
TOTAL NET ASSETS AND LIABILITIES	**$**	**4,663,874**	**$**	**5,520,908**

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

	2020			2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
REVENUES						
Neighbor Works America grants	$ 414,453		$ 414,453	$ 1,664,626		$ 1,664,626
Contributions	448,508		448,508	152,707	200,000	352,707
Gain on sale of rental property	-		-	-		-
Rental and other income	5,949		5,949	9,729		9,729
Interest income	136		136	71,939		71,939
In-kind donations	-		-	-		-
Program services	125,535		125,535	456,923		456,923
Net assets released from restriction	523,464	(523,464)	-	35,927	(35,927)	-
TOTAL REVENUES	1,518,045	(523,464)	994,581	2,391,851	164,073	2,555,924
EXPENSES						
Program services	876,830		876,830	2,192,339		2,192,339
Management and general	529,773		529,773	917,335		917,335
TOTAL EXPENSES	1,406,603	-	1,406,603	3,109,674	-	3,109,674
CHANGE IN NET ASSETS	111,442	(523,464)	(412,022)	(717,823)	164,073	(553,750)
NET ASSETS AT BEGINNING OF YEAR	(197,316)	1,478,437	1,281,121	520,507	1,314,364	1,834,871
NET ASSETS AT END OF YEAR	**$ (85,874)**	**$ 954,973**	**$ 869,099**	**$ (197,316)**	**$ 1,478,437**	**$ 1,281,121**

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

	2020				
	Without Donor Restrictions				
	Controlling Interest	**Non-Controlling Interest**	**Total Without Donor Restrictions**	**With Donor Restrictions**	**Total**
NET ASSETS AT BEGINNING OF YEAR	$ (131,668)	$ (65,648)	$ (197,316)	$ 1,478,437	$ 1,281,121
Change in net assets	111,442	-	111,442	(523,464)	(412,022)
NET ASSETS AT END OF YEAR	**$ (20,226)**	**$ (65,648)**	**$ (85,874)**	**$ 954,973**	**$ 869,099**

	2019				
	Without Donor Restrictions				
	Controlling Interest	**Non-Controlling Interest**	**Total Without Donor Restrictions**	**With Donor Restrictions**	**Total**
NET ASSETS AT BEGINNING OF YEAR	$ 486,459	$ 34,048	$ 520,507	$ 1,314,364	$ 1,834,871
Change in net assets	(618,127)	(99,696)	(717,823)	164,073	(553,750)
NET ASSETS AT END OF YEAR	**$ (131,668)**	**$ (65,648)**	**$ (197,316)**	**$ 1,478,437**	**$ 1,281,121**

The accompanying notes are an integral part of these financial

	2020 Program Services	2020 Management and General	2020 Total Expenses	2019 Program Services	2019 Management and General	2019 Total Expenses
Salaries and related expenses	$ 441,962	$ 149,305	$ 591,267	$ 709,477	$ 324,768	$ 1,034,245
Professional fees	138,891	252,526	391,417	83,767	221,585	305,352
Rental expense and utilities	20,810	50,472	71,282	4,660	66,858	71,518
Technology services	-	-	-	9,188	62,953	72,141
Advertising and marketing	35,320	11,556	46,876	3,155	20,742	23,897
Interest	23,942	32,460	56,402	16,716	62,635	79,351
Rental property expenses		-	-	-	-	-
Office supplies/equipment rental and maintenance	6,697	20,315	27,012	10,697	57,699	68,396
Loan processing and servicing	-	-	-	42,904	450	43,354
Travel and meetings	619	4,871	5,490	42,268	40,979	83,247
Bank fees	13,153	830	13,983	1,159	8,937	10,096
Insurance	26,589	3,438	30,027	5,755	29,311	35,066
Program services	4,588	-	4,588	175	-	175
Write-Down of current year forgivable loans	75,542	-	75,542	69,151	-	69,151
Provision (Reversals) Loan losses	-	-	-	(4,558)	-	(4,558)
Down payment assistance	-	-	-	1,110,000	-	1,110,000
Depreciation	49,430	-	49,430	58,594	-	58,594
Other	39,287	4,000	43,287	29,231	20,419	49,650
Total Expenses	**$ 876,830**	**$ 529,773**	**$ 1,406,603**	**$ 2,192,339**	**$ 917,335**	**$ 3,109,674**

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (412,022)	$ (553,750)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		-
Depreciation	49,430	58,594
Write-down of current year forgivable loans	75,542	69,151
Provision (reversal) of loan losses	-	(4,558)
Loss on sale of properties held for sale	-	-
Loan cost amortization	1,666	1,666
Decrease (increase) in operating assets:		
Other receivables	56,804	15,194
Prepaid expenses and other	(6,116)	(35,640)
Decrease (increase) in operating assets:		
Accounts payable and accrued liabilities	(187,503)	112,089
TOTAL ADJUSTMENTS	(10,178)	216,496
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(422,200)	(337,254)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments received on notes receivables	-	65,689
Payments received from sale of notes receivable	161,333	958,394
Notes receivable issued	(25,000)	(418,153)
Down payment assistance forgiven loans issued	-	(1,110,000)
Proceeds from sale of housing units held for sale	1,020,000	2,071,000
Purchase of an improvement costs for properties	(402,900)	(2,028,708)
Change in cash held in escrow and restricted cash	(184,002)	(3,966)
NET CASH USED IN INVESTING ACTIVITIES	569,431	(465,744)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on lines of credit	-	(970,399)
Borrowings on lines of credit	-	1,103,134
Repayment on debt	(1,014,109)	(1,080,029)
Borrowings on debt	638,325	1,863,055
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	915,761	915,761
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(228,554)	112,763
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	536,625	423,862
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 308,071**	**$ 536,625**
SUPPLEMENTAL DISCLOSRE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Cash paid during the year for interest	**$ 77,686**	**$ 77,686**
SUPPLEMENTAL DISCLOSRE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Equipment acquired under capital leases	**$ -**	**$ -**

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

NOTE 1 - ORGANIZATION

Neighborhood Housing Services of South Florida, Inc. ("NHSSF") was incorporated on April 21, 1978. The general purpose of NHSSF is to assist the low to moderate income residents of Miami Dade and Broward countries in Florida, by providing programs and products that address their housing and economic needs. NHSSF provides education and training of homebuyers and engages in residential lending for persons who may not meet conventional lending standards. In 2007, NHSSF began home ownership preservation counseling. The consolidated financial statements include the accounts of Neighborhood Housing Services of South Florida, Inc. and Subsidiaries (collectively the "Organization").The subsidiaries are as follows:

- Homeownership Realty, LLC ("HOLT") is a wholly-owned subsidiary of NHSSF and a licensed real estate brokerage whose primary focus is to assist low-to-moderate income families as well as those clients who receive homebuyer counseling provided by NHSSF to become a homeowner, as well as list properties for sale.

- 300 NW 12 Ave, LLC is a wholly-owned single purpose entity of NHSSF with legal title to the NHSSF headquarters in Miami, Florida.

- NHSSF Real Estate Holdings, Inc.("NHSSF REH") is a not-for-profit wholly owned subsidiary of NHSSF whose purpose is to acquire, hold, develop, construct, refurbish and/or sell affordable housing for the benefit of low income persons. Additionally, NHSSF REH has the following subsidiaries:

    - On March 26, 2013, NHSSF REH entered into an agreement with Collaborative Development Corporation to create Village West Homes, LLC ("VILLAGE WEST"). NHSSF owns 50% of Village West Homes, LLC and is the managing member; accordingly, NHSSF REH is deemed to be the controlling member. As such, the activity of VILLAGE WEST is included within these consolidated financial statements. VILLAGE WEST is a not for profit entity whose purpose is to acquire property for construction and resale in the Village West neighborhood of the City of Miami.

NOTE 1 - ORGANIZATION (CONTINUED)

- NHSSF Development, LLC is a single member LLC which serves as one of two general partners of Willow Lake Associates, LTD. Willow Lakes Associates, LTD is a limited partnership whose focus is to acquire, develop, construct, and manage affordable multi-family residential rental housing projects in South Florida. The two general partners own a combined 0.01% in Willow Lake Associates, LTD, of which NHSSF Development owns 51% of the general partnership interest. Due to certain provisions in the operating agreement, NHSSF Development, LLC is not deemed to be the controlling partner. Development of these projects began in October 2015 and were in process during the years ended and at June 30, 2020 and 2019.

As Limited Liability Companies ("LLC"), each member's liability is limited to amounts reflected in their respective member account. The LLCs have a perpetual existence until they are dissolved and its affairs are wound up in accordance with the respective operating agreements.

Economic Dependency

During the years ended June 30, 2020 and 2019, the Organization received approximately 25% and 25% respectively, of its funding from Neighbor Works America ("NWA"). Loss of this revenue in the future could have a material effect on the programs offered by the Organization.

Management's Plans regarding Liquidity and the Decrease in Net Assets

The Organization incurred a decrease in net assets of $412,022 and $553,750 for the years ended June 30, 2020 and 2019. Additionally, the Organization has a bond payable of $1 million maturing October 2020. The Organization has developed a plan which includes decreasing its operating expenses by approximately $300,000 on a annual basis and has engaged a professional fundraiser to assist in grant writing in order to increase its annual revenues. The Organization believes they will generate additional net revenues from sale of twelve newly built or refurbished single family homes within one year of issuance of these consolidated financial statements. In addition, the Organization believes they can sell their existing mortgage portfolio in order to generate cash flow if needed. Management is also determining a plan for its headquarters and believes they have the ability to generate up to $1 million in net cash proceeds after the repayment of the mortgage based on current market conditions and recent offers. In the event that the bond is not renewed, the cash generated from the sale of the building would satisfy the bond. Based on the foregoing, management believes the Organization will have sufficient resources to meet its obligations through November 21, 2021.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRESENTATION OF CONSOLIDATION

The consolidated financial statements include the accounts of NHSSF and its subsidiaries and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All significant intercompany accounts and transactions have been eliminated in the consolidated of the accounts of NHSSF and its subsidiaries.
The Organization accounts for its non-controlling interest in two entities in accordance with Accounting Standards Codification. "The accompanying consolidated statements of financial position includes the financial assets and liabilities of these entities. Non-controlling interest represents the equity ownership of the entities not held by the Organization. The accompanying consolidated statements of activities and changes in net assets and cash flows include the revenues, expenses and cash flows of the entities.

NET ASSETS

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net Assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are resources that are restricted by donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limit their use, as are its donor-restricted endowment funds.

In September 17,2020, NeighborWorks under a capital conversion approved $754,923 in restricted grant funds to be converted to unrestricted grant funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET WITH DONOR RESTRICTIONS (CONTINUED)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

CLASSIFICATION OF TRANSACTIONS

All revenues and net gains are reported as increases in net assets without restrictions in the consolidated statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on investments reduce the net asset class.

MANAGEMENT ESTIMATES

The preparation of consolidated financial statements in conformity with U.S GAAP requires management to make estimates, including those regarding fair value, and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of changes in net assets during the reported period. The most significant estimates include the collectability of the notes receivable and fair value of long lived assets. These estimates may be adjusted as more current information becomes available. Accordingly, actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consists principally of cash deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits. The Organization limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the insurance limits of the FDIC. The Organization has not experienced losses in such accounts.

The Organization extends loans to low and moderate income residents. Additionally, many of the loans are second mortgages. Although the loans are collateralized by the borrower's property, there is the risk that property values may fall below loan values creating a concentration of credit risk.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH EQUIVALENTS

Cash and cash equivalents include all unrestricted monies in banks and highly liquid investments with a maturity of three months or less.

RESTRICTED CASH

Restricted cash represents amounts restricted to be used for the purchase and rehabilitation of housing units held for sale, forgivable loans and other programs such as first and second mortgages and down payment assistance for low to moderate income families.

NOTE RECEIVABLE AND THE ALLOWANCE FOR LOAN LOSSES

The Organization extends loans to residents of Miami-Dade, Broward and Palm Beach counties to purchase homes and finance required home improvements. Notes receivable that the Organization has the intent and ability to hold for the foreseeable future are stated at unpaid principal balances, less an allowance for uncollectible loans. Interest on amortizing loans is recognized over the term of the loan. The Organization considers the credit quality of its notes receivable primarily by assessing the sufficiency of collateral for the receivables on an ongoing basis, while assessing the collection experience of existing receivables and the credit worthiness of new receivables.

The Organization extends two types of loans to residents: amortizing loans and forgivable residential loans. Amortizing loans comprised of restricted residential loans and are fully reserved for as of June 30, 2020 and 2019.

Management's periodic evaluation of the adequacy of the allowance is based on the Organization's past loan loss experience, known and other risk elements inherent in the portfolio, specified impaired loans, adverse situations that may affect the borrower's ability to repay and to repay and the estimated value of the underlying collateral and current economic conditions.

The Organization considers a loan impaired when, based on current information or factors, it is probable that the Organization will not collect the principal and interest payments according to the loan agreement. Management considers many factors in determining whether a loan is impaired, such as payment history, value of collateral and other factors. Loans that are contractually past due less than three months are generally not considered impaired. An allowance for the total principal balance is recorded for all loans past due for more than 90 days or in foreclosure.

An allowance for loans not considered past due is recorded based on the funding source of the loan. For first-lien mortgages that are past due between 30-60 days, an allowance of 10% - 15% of the principal balance is recorded. For second-lien mortgages that are past due between 30 - 60 days, an allowance of 25% - 75% of the principal balance is recorded. Management continually monitors past due loans to ensure collection and to determine impairment, if necessary.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE RECEIVABLE AND THE ALLOWANCE FOR LOAN LOSSES (CONTINUED)

Impaired loans are classified as nonperforming and, consequently, interest income is only recognized on these loans when actually received from the borrower. Partial payments of contractual amounts due on impaired loans are treated as interest income on a cash basis until such time as the loan is restored to performing status.

Management believes that the allowance for losses on loans is adequate. The Organization maintains and adheres to policies for credit analysis and underwriting that comply with industry standards for lending practices. The Organization reviews its lending standards periodically to stay current with economic conditions. Changes in the allowance for loan loss and the related expense can have a material effect on the consolidated statements of activities.

HOUSING UNITS HELD FOR SALE

Housing units are classified as held for sale when management intends to sell such properties within 12 months and other criteria under authoritative guidance are met. Housing units held for sale are initially recorded at cost when acquired or constructed, or at fair market value if donated to the Organization, and are no longer depreciated as of the date they are considered held for sale. Such housing units are subsequently measured at a lower of its carrying amount or fair value less costs to sell. These housing units include land under development, developed lots, and direct and indirect costs of housing construction incurred during the development period. Cost is determined by the specific identification method.

PREPAID EXPENSES AND OTHER

Prepaid expenses and other consists primarily of prepaid insurance and deposits.

PROPERTY AND EQUIPMENT, NET

Property and equipment are stated at cost, if purchased, or at estimated market value at date of receipt if acquired by donation. Property and equipment purchased with a value in excess of $1,000 and with a useful life in excess of five years are capitalized. Depreciation is calculated using the straight line method over the estimated useful life of the respective assets. Repairs and maintenance are expensed as incurred.

IMPAIRMENT OF LONG LIVED ASSETS

The Organization reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. Impairment is recorded for the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There was no impairment loss recognized during the years ended June 30, 2020 and 2019.

DEBT ISSUANCE COST

Debt issuance costs are amortized over the term of the loan using the effective interest rate method. Amortization of debt issuance costs included within "interest" in the accompanying consolidated statements of functional expenses for the years ended June 30, 2020 and 2019 were $6,310 and $6,310, respectively. Accumulated amortization at June 30, 2020 and 2019 was $13,985 and $14,850, respectively.

Amortization expense for the next five years and thereafter is as follows:

2020	$ 2,736
2021	2,736
2022	2,736
2023	2,736
2024	2,736
Thereafter	305
Total	**$ 13,985**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION

Sources of revenue for the Organization consist of grants which, absent a specific restriction by the grantor, are considered to be available for unrestricted use. Grant revenue includes only that portion of the grant that was earned.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets when earned. The Organization reports gifts of cash and other assets as with donor restriction support or deferred support dependent on whether they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for a future period. When a donor restriction expires, that is when a stipulated time restriction ends of purpose restriction is accomplished, net asset with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

The Organization recognizes program service income for fees generated by its primary business functions of home buyer education, foreclosure mitigation, loan origination, loan processing and servicing. Program services are recognized as services are provided.

Rental income is recognized for apartment rentals as they accrue. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Organization and tenants of the property are one year leases and are considered operating leases.

IN-KIND DONATED PROPERTY AND SERVICES

Donated property and services are recorded at approximate fair value at the date of the gift to the Organization. Volunteers donating time to the Organization are not reflected in consolidated financial statements since the services do not require specialized skills. There were no donated properties during the years ended June 30, 2020 and 2019.

FUNCTIONAL EXPENSES

The cost of providing the various services and other activities has been summarized on a functional basis in the consolidated financial statements of functional expenses. Accordingly, certain costs have been charged to program services or support services based on a combination of specific identification and allocation by management.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADVERTISING COSTS

Advertising costs are charged to operations as incurred. Advertising expenses for the years ended June 30, 2020 and 2019 were approximately $47,000 and $24,000 respectively.

INCOME TAXES

NHSSF and its wholly-owned subsidiaries qualifies as tax-exempt organizations under Section 501 (c)(3) of Internal Revenue Code of 1986, as amended. The wholly-owned subsidiaries are considered disregarded entities. Village West Homes, LLC and NHS HD are treated as partnerships and their earnings and losses are included in the tax situation. Accordingly, no provision for income taxes has been recorded. Management has determined that there was no unrelated business income for the years ended June 30, 2020 and 2019. The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. The U.S Federal jurisdiction and Florida are the major tax jurisdictions where the Organization files informational tax returns and partnership returns. The Organization is generally no longer subject to U.S Federal examinations by tax authorities for the years before 2017.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENTS

RESTRICTED CASH

In November 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standards update which amends cash flow statement presentation of restricted cash. The update requires amounts generally described as restricted cash and cash equivalents be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the consolidated statements of cash flows. The update is effective retrospectively for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

MEASUREMENT OF CREDIT LOSSES ON FINANCIAL STATEMENTS

In June 2016, the FASB issued an accounting standards update which will replace the current incurred loss impairment methodology in U.S GAAP with methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision useful information about expected credit losses. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early adoption is permitted for fiscal years beginning after December 15, 2019 including interim periods beginning after December 15, 2019 including interim periods in those fiscal years. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

LEASE ACCOUNTING

In February 2016, the FASB issued an accounting standards update which amends existing lease guidance. The update requires lessees to recognize a right of use asset and related lease liability for many operating leases now currently off balance sheet under US GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The update is effective using a modified retrospective approach for fiscal years beginning after December 15, 2020, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 10, 2020, the date the financial statements were available to be issued.

In July 2020, the line of credit with BankUnited in the amount of $731,021 was fully paid.

In October 2020, the Northern Trust bond payable was extended.

The United States of America (USA), like the rest of the world has been experiencing a pandemic due to the outbreak of the Coronavirus (COVID-19). This has both economic and social impact on the USA, leading to millions losing their employment, result in the great level of unemployment. Management is assessing the impact of the pandemic and also will evaluate the effect on the Organization's financial statements.

NOTE 3 - NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

The following table includes an aging analysis of the notes receivable at June 30, 2020:

	Restricted Residential Loans	Other Residential Loans	Forgivable Residential Loans	Total
Number of loans	29	10	281	320
Current	$ 364,439	$ 1,064,101	$1,853,858	$3,282,398
30-60 days	21,688			21,688
61-90 days	11,886			11,886
Over 90 days	62,178			62,178
sub-total	460,191	1,064,101	1,853,858	3,378,150
Allowance for loan losses	(59,928)	-	(1,853,858)	(1,913,786)
	$ 400,263	**$ 1,064,101**	**$ -**	**$1,464,364**

The following table includes an aging analysis of the notes receivable at June 30, 2019:

	Restricted Residential Loans	Other Residential Loans	Forgivable Residential Loans	Total
Number of loans	29	10	281	320
Current	$ 574,159	$ 1,242,436	$ 2,334,152	$ 4,150,747
30-60 days	22,541			22,541
61-90 days	12,837			12,837
Over 90 days	86,896			86,896
sub-total	696,433	1,242,436	2,334,152	4,273,021
Allowance for loan losses	(412,998)	-	(2,334,152)	(2,747,150)
	$ 283,435	**$ 1,242,436**	**$ -**	**$ 1,525,871**

NOTE 3 - NOTED RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The Organization extends loans to residents of Miami-Dade, Broward and Palm Beach counties to finance required home improvements and to purchase homes. These loans range in terms from 5 to 30 years, at interest rates from 2% to 6.25%. Interest income related to loans receivable amounted to approximately $70,000 and $106,000 for the years ended June 30, 2020 and 2019, respectively. The weighted average of the interest rate of amortizing loans was 3.82% and 3.82% for the years ended June 30, 2020 and 2019, respectively.

Forgivable residential loans are non-interest bearing. Forgivable loans are generally provided for down payment assistance. Forgivable loans for the Neighborhood Stabilization Program (NSP) of approximately $1,717,000 were given out in 2014 and are forgivable between 20-30 years. Forgivable loans for the Neighborhood LIFT program of approximately $6,170,000 were given out in 2014 and are forgiven over five years (20% each year); however, if the mortgagor decides to sell the home in the first five years, then the amount not written off becomes fully repayable. During the years ended June 30, 2020 and 2019, management estimated that the possibility of collection subsequent to a borrower's sale of the home was uncertain; therefore all forgivable loans were fully reserved.

Amortizing loans are generally secured by a mortgage on the property. Mortgage loans are carried at net realizable value, and management believes that the amount of the allowance for uncollectible mortgage loans is adequate given the nature of the loans and the value of the related collateral. The allowance is maintained at a level that, in management's judgment, is adequate to absorb credit losses inherent in the portfolio. The amount of the allowance is based on management's evaluation of collectability of the loan portfolio, including the nature of the portfolio, credit concentrations, trends in historical loss experience, specific impaired loans, economic conditions and other risks inherent in the portfolio.

The following table presents the changes in allowance for losses as of June 30, 2020:

	Restricted Residential Loans	Other Residential Loans	Forgivable Residential Loans	Total
Allowance for Loan Losses:				
Balance at beginning of year	$ 412,998	$ -	$2,334,152	$2,747,150
Write-Down (forgivable loans)	-	-	(480,294)	(480,294)
Recoveries	(172,475)	-	-	(172,475)
Write-Down of current year (forgivable loans)	(158,913)	-	-	(158,913)
Provision for loan losses	(21,682)	-	-	(21,682)
Ending Balance	**$ 59,928**	**$ -**	**$1,853,858**	**$1,913,786**
Ending balance: Individually evaluated for impairment	$ -	$ -	$ -	$ -
Ending balance: collectively evaluated for impairment	$ 59,928	$ -	$1,853,858	$1,913,786
Loans:				
Ending balance: Individually evaluated for impairment	$ 460,191	$ 1,064,101	$1,853,858	$3,378,150
Ending balance: collectively evaluated for impairment	$ 64,436	$ -	$ -	$ 64,436

NOTE 3 - NOTES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES (CONTINUED)

The following table presents the changes in allowance for loan losses as of June 30, 2019:

	Restricted Residential Loans	Other Residential Loans	Forgivable Residential Loans	Total
Allowance for Loan Losses:				
Balance at beginning of year	$ 227,144	$ -	$2,910,628	$3,137,772
Write-Down (forgivable loans)	-	-	(576,476)	(576,476)
Recoveries	(4,558)	-	-	(4,558)
Write-Down of current year (forgivable loans)	121,261	-	-	121,261
Provision for loan losses	69,151	-	-	69,151
Ending Balance	**$ 412,998**	**$ -**	**$2,334,152**	**$2,747,150**
Ending balance: Individually evaluated for impairment	$ -	$ -	$ -	$ -
Ending balance: collectively evaluated for impairment	$ 412,998	$ -	$2,334,152	$2,747,150
Loans:				
Ending balance: Individually evaluated for impairment	$ 696,433	$ 1,242,436	$2,334,152	$4,273,021
Ending balance: collectively evaluated for impairment	$ 197,230	$ -	$ -	$ 197,230

When determining an appropriate allowance for uncollectible mortgage loans, the Organization evaluates each loan balance that is considered to be impaired individually. Impaired loans are fully reserved. The remaining loan balances are evaluated collectively.

A loan is considered impaired when past due for more than 90 days and when in foreclosure. Impaired loans are fully allowed for at June 30, 2020. There were no loans that have been modified in a troubled debt restructuring during the years ended June 30, 2020 and 2019.

Amortizing loans are expected to be collected as follows for the next five years and thereafter:

2020	$ 53,618
2021	55,144
2022	57,164
2023	59,264
2024	59,264
Thereafter	1,196,369
Total	**$ 1,473,715**

NOTE 4 - PROPERTIES HELD FOR SALE AND CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMENT

At June 30, 2020 and 2019, the value of housing units held for sale (net of provision for impairment) were approximately $0 and $721,000, respectively. During the year ended June 30, 2020, the Organization sold nine single family properties previously held for sale. The properties were sold seven single family properties for approximately $1,257,000 and the net loss after selling expenses was approximately $60,000 and is reflected within "Program services" in the accompanying consolidated statement of activities for the year ended June 30, 2020. During the year ended June 30, 2019, the Organization sold nine single family properties previously held for sale. The properties were sold for approximately $2,071,000 and the net gain after selling expenses was approximately $42,000 and is reflected within "Program services" in the accompanying consolidated statement of activities for the year ended June 30, 2019.

Construction in progress and land held for development are carried at cost and no depreciation is recorded. At June 30, 2020 and 2019, the value of construction in progress and land held for development was approximately $1,436,000 and $1,366,000, respectively. Properties undergoing significant renovations and improvements are considered under development. All direct and indirect costs related to development activities are capitalized into construction in progress and land held for development. The capitalization of such expenses into "Construction in progress and land held for development," in the accompanying consolidated statements of financial position, ceases when the property is ready for its intended use.

NOTE 5- PROPERTY AND EQUIPMENT, NET

Property and equipment, net and their estimated useful lives consist of the following at June 30,:

	2020	2019	Estimated Lives
Land	$ 260,293	$ 260,293	-
Building	1,041,175	1,041,175	40 years
Building improvements	193,652	193,652	10 years
Office furniture and equipment	157,223	157,223	5 years
	1,652,343	1,652,343	
	592,639	543,209	
	$ 1,059,704	**$ 1,109,134**	

Depreciation expense for property and equipment, net was approximately $49,000 and $59,000 for the years ended June 30, 2020 and 2019, respectively.

NOTE 6 - DEBT

The Organization's debt consists of the following at June 30:

		2020		2019
First mortgage loan obtained from a nonprofit lender in March 2014 for 300 NW 12th Avenue, LLC. Equal monthly payments of $7,583 are based on a 25 year amortization at an interest rate of 5.375% until maturity on March 31, 2024. The mortgage contained certain restrictive covenants. During the year ended June 30, 2015, the Organization entered into a loan modification agreement with the non-profit lender which included, among other things, restrictive covenants, which require the Organization to maintain net assets less net assets with donor restrictions of $750,000 and a debt service coverage of 1.10 effective December 31, 2015, until the mortgage is fully repaid. During the year ended June 30, 2019, the Organization was out of compliance with these covenants and management obtained a waiver through March 15, 2020. The note payable is collateralized by the first lien on the property, which is carried at approximately $1,115,000 as of June 30, 2019 and 2018.	$	1,085,653	$	1,109,894
Revolving loan of $1,500,000, evidenced by two notes with a non-profit lender, to be used for the acquisition, rehabilitation and construction of single-family houses. Under the most recent modification to the agreement, the term of the loan was extended from July 1, 2019 to July 1, 2020 at a fixed rate of 6.75%. The revolving loan is secured by a first mortgage on all units to be acquired and constructed and repaid from the sale of the houses to a qualified buyer, and which have a carrying value of approximately $459,000 and $459,000 as of June 30, 2019 and 2018, respectively. All principal payments on notes payable outstanding associated with properties owned by the Organization that are held for sale as of June 30, 2019 and 2018, are reflected within the caption "Debt, current portion" on the accompanying consolidated statements of financial position.		396,200		1,368,464
SBA Paycheck Protection Program Loan, 0% interest rate, the loan is forgivable under certain conditions.		135,000		-
SBA Economic Injury Disaster loan, 2.75% interest with monthly payments of $641. The loan has a maturity date of July 11, 2050.		150,000		-
Total debt		1,839,602		2,478,358
Current portion of debt		583,514		1,609,067
Less: unamortized debt issuance costs		13,680		13,985
Total debt, net of current portion	**$**	**1,242,408**	**$**	**855,306**

NOTE 6 - DEBT (CONTINUED)

Minimum principal payments due on notes payable outstanding as of June 30, 2020 for the next five years are as follows:

June 30,		
2020	$	2,314,534
2021		57,399
2022		75,447
2023		43,535
2024		45,833
Thereafter		1,031,444
		3,568,192
Less: unamortized debt issuance costs		13,985
	$	**3,554,207**

Interest expense related to debt for years ended June 30, 2020 and 2019 amounted to approximately $32,000 and $63,000, respectively.

NOTE 7— LINE OF CREDIT

Revolving line of credit of $1,000,000 started in November 2012 amended on August 8, 2016 and is secured by first mortgages receivables originated by NHSSF and funded by this line of credit. Under most recent modification to this agreement, the interest rate is variable and is accrued starting at the origination date of each first mortgage receivable. The interest rate as of June 30, 2019 was 5%. The interest and line of credit are paid off as the underlying first mortgages receivables are sold to Bank United. At June 30, 2020 and 2019, there was an outstanding balance of approximately $731,000 and $378,000, respectively. Interest expense related to the line of credit during the years ended June 30, 2020 and 2019, was approximately $32,000 and $27,000, respectively.

NOTE 8— BOND PAYABLE

The bond payable is comprised of a long-term unsecured investment bond of $1,000,000 to be used by the Organization to fund its lending program. Under the most recent modification to the agreement, the maturity date was extended to October 20, 2020 at an interest rate of 0.5% per annum compound annually. The Organization pays interest on a quarterly basis. The Organization has the right to redeem the bond at any time with 30 days' notice. Any partial redemption must cover par value of at least $1,000. Interest expense on the bond for the years ended June 30, 2020 and 2019 was approximately $5,000.

NOTE 9 - NET ASSET WITHOUT RESTRICTIONS

At June 30, 2020 and 2019, net assets without restrictions was ($85,874) and ($197,316).

NOTE 10- NET ASSET WITH RESTRICTIONS

At June 30, 2020 and 2019, net assets with restrictions was: (a) $334,720 and $334,437, respectively. These are used for providing down payment assistance and first mortgages in Miami-Dade, Broward and Palm Beaches counties and (b) approximately $620,000 and $1,144,000, respectively, representing grants received for lending to qualified borrowers and for real estate development in Miami-Dade and Broward Counties. Per the agreement, the Organization has established a donor restricted fund. The fund is replenished with principal payments received on loans and with funds generated from home sales. In addition, the fund is comprised of permanent investment property. Should the Organization become defunct, all remaining grant funds, interest earnings, capital project proceeds, and the loan and capital projects portfolios representing the use of these funds will revert to NWA.

NOTE 11- COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

The costs and unexpected funds reflected in the accompanying consolidated financial statements relating to government funded programs are subject to audit by the respective governmental agencies (funding sources). The possible disallowance by the related governmental agencies of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. No provision for any liability that may result has been made in the consolidated financial statements.

The Organization participates in numerous program grants and contracts. These grants and contracts are subject to financial and compliance audits by other parties. The purpose of these audits is to ensure compliance with the terms of the grant and contract. Grantor agencies may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with terms of the grants or contracts.

In addition, the Organization finances the construction of its housing units held for sale from revolving loans from two non-profit lenders. Future commitments related to the financing of these construction costs subsequent to year end are approximately $913,953.

NOTE 12- RETIREMENT PLAN

The Organization established a Savings Incentive Match Plan ("SIMPLE") IRA effective August 1, 2003 that covers all eligible employees. Eligible employees are those employed in the previous year and had compensation of $5,000 or above in the previous year. Employees may contribute up to $13,000 and those employees 50 years old and older may contribute up to $16,000. The Organization will match an employee's contribution dollar for dollar up to 3% of the employee's compensation, which is determined annually by the board of directors. Employees are immediately 100% vested in the matching contributions. During the years ended June 30, 2020 and 2019, the Organization made matching contributions totaling approximately $700 and $6,000, respectively.

NOTE 13 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of June 30, 2020 and 2019 are:

Financial assets:	2020	2019
Cash and cash equivalents	$ 308,071	$ 536,626
Other receivable	72,186	128,990
Notes receivable	1,464,364	1,525,871
Total financial assets	2,844,621	2,191,486
Less financial assets held to meet donor-imposed restrictions:		
Donor restricted net assets	(954,973)	(1,478,437)
Amount available for general expenditures within one year	$ 889,648	$ 713,049

NOTE 14- ENDOWMENT

The Organization's endowment consists of funds restricted by NWA. Per the terms of these agreements, the Organization has established donor restricted fund. The fund is used for neighborhood revitalization expenditures, including acquisition and construction costs of homes and for making home loans. The fund is replenished with principal payments received on the loans and with funds generated from sales of homes. As required by the U.S. GAAP, net assets associated with endowment funds, including funds designated by the Organization to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

NOTE 14 - ENDOWMENT (CONTINUED)

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policy of the Organization

The Organization has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

Summary of Endowment Net Assets at June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	**$ -**	**$ 620,253**	**$ 620,253**

Change in endowment net assets for the year ended June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowments net assets, beginning	$ -	$ 1,143,717	$ 1,143,717
Released from restriction, expenditures and other		(523,464)	(523,464)
Endowments net assets, ending	**$ -**	**$ 620,253**	**$ 620,253**

NOTE 14 - ENDOWMENT (CONTINUES)

Summary of Endowment Net Assets at June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	**$ -**	**$ 1,143,717**	**$1,143,717**

Change in endowment net assets for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowments net assets, beginning	$ -	$ 1,179,645	$1,179,645
Released from restriction, expenditures and other		(35,928)	(35,928)
Endowments net assets, ending	**$ -**	**$ 1,143,717**	**$1,143,717**

There were no changes in endowment net assets for the year ended June 30, 2019

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the donor requires the Organization to retain as a fund of perpetual duration. During both of the years ended June 30, 2020 and 2019, the fair market value of donor restricted investments was approximately $620,000 and $1,144,000, respectively. In accordance with U.S GAAP, there were no deficiencies of this nature that were reported in net assets without donor restrictions for the years ended June 30, 2020 and 2019.

Spending Policy and How the Investment Objectives Relate to Spending Policy

In accordance with the NWA's fund agreements, the Organization is required to invest and use the endowment to purchase housing opportunities for qualifying low income individuals. In addition, the Organization may fund mortgage loans to low income qualifying individuals to purchase these properties or other qualifying properties.

All resources granted to this fund must be maintained. The funds invested in notes receivable earn interest at rates ranging from 2.00 % to 6.25%. The Organization is permitted to transfer or expend only the income (or other economic benefits) derived from capital assets in excess of the investment and corpus.

**NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA, INC.
AND SUBSIDIARIES**

SUPPLEMENTARY SCHEDULES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

ASSETS	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
CURRENT ASSETS						
Cash and cash equivalents	$ 243,528	$ 1,245	$ 59,769	$ 3,529	$ -	$ 308,071
Other receivables	72,186	-	-	-		72,186
Notes receivable, current portion	47,925	-	-	-		47,925
Housing units held for sale	-	-	-	-		-
Prepaid expenses and other	41,648	108	-	-		41,756
TOTAL CURRENT ASSETS	405,287	1,353	59,769	3,529	-	469,938
RESTRICTED CASH	281,713	-	-	-		281,713
NOTES RECEIVABLE, NET OF CURRENT PORTION	1,416,439	-	-	-		1,416,439
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMEN	-	-	1,436,080	-		1,436,080
PROPERTY AND EQUIPMENT, NET	1,059,704	-	-	-		1,059,704
INTERCOMPANY RECEIVABLES	-	51,242	180,560	-	(231,802)	-
TOTAL ASSETS	**$ 3,163,143**	**$ 52,595**	**$ 1,676,409**	**$ 3,529**	**$ (231,802)**	**$ 4,663,874**
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 231,791	$ 39	$ 5,998	$ 4	$ -	$ 237,832
Line of credit	-	-	-		-	-
Debt, current portion	1,429,723	-	884,812	-	-	2,314,535
TOTAL CURRENT LIABILITIES	1,661,514	39	890,810	4	-	2,552,367
BOND PAYABLE	1,000,000	-	-	-		1,000,000
DEBT, NET OF CURRENT PORTION	-	-	242,408	-		242,408
INTERCOMPANY PAYABLES	142,016	-	-	89,786	(231,802)	-
TOTAL LIABILITIES	2,803,530	39	1,133,218	89,790	(231,802)	3,794,775
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Without donor restrictions	(595,360)	52,556	543,191	(86,261)	-	(85,874)
With donor restrictions	954,973	-	-	-	-	954,973
TOTAL NET ASSETS	359,613	52,556	543,191	(86,261)	-	869,099
TOTAL LIABILITIES AND NET ASSETS	**$ 3,163,143**	**$ 52,595**	**$ 1,676,409**	**$ 3,529**	**$ (231,802)**	**$ 4,663,874**

ASSETS	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
CURRENT ASSETS						
Cash and cash equivalents	$ 136,511	$ 32,125	$ 106,275	$ 261,715	$ -	$ 536,626
Other receivables	123,002	-	5,988	-		128,990
Notes receivable, current portion	52,156	-	-	-		52,156
Housing units held for sale	-	-	720,662	-		720,662
Prepaid expenses and other	35,379	261	-	-		35,640
TOTAL CURRENT ASSETS	347,048	32,386	832,925	261,715	-	1,474,074
RESTRICTED CASH	97,711	-	-	-		97,711
NOTES RECEIVABLE, NET OF CURRENT PORTION	1,473,715	-	-	-		1,473,715
CONSTRUCTION IN PROGRESS AND LAND HELD FOR DEVELOPMEN	-	-	1,366,276	-		1,366,276
PROPERTY AND EQUIPMENT, NET	1,109,133	-	-	-		1,109,133
INTERCOMPANY RECEIVABLES	6,552	25,057	306,861	-	(338,470)	-
TOTAL ASSETS	**$ 3,034,159**	**$ 57,443**	**$ 2,506,062**	**$ 261,715**	**$ (338,470)**	**$ 5,520,909**
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 381,344	$ 118	$ 15,808	$ 449	$ -	$ 397,719
Line of credit	-	-	377,696		-	377,696
Debt, current portion	1,095,909	-	513,158	-	-	1,609,067
TOTAL CURRENT LIABILITIES	1,477,253	118	906,662	449	-	2,384,482
BOND PAYABLE	1,000,000	-	-	-		1,000,000
DEBT, NET OF CURRENT PORTION	-	-	855,306	-		855,306
INTERCOMPANY PAYABLES	-	223	-	338,247	(338,470)	-
TOTAL LIABILITIES	2,477,253	341	1,761,968	338,696	(338,470)	4,239,788
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Without donor restrictions	(921,531)	57,102	744,094	(76,981)	-	(197,316)
With donor restrictions	1,478,437	-	-	-	-	1,478,437
TOTAL NET ASSETS	556,906	57,102	744,094	(76,981)	-	1,281,121
TOTAL LIABILITIES AND NET ASSETS	**$ 3,034,159**	**$ 57,443**	**$ 2,506,062**	**$ 261,715**	**$ (338,470)**	**$ 5,520,909**

	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
REVENUES						
NeighborWorks America grants	$ 414,453	$ -	$ -	$ -	$ -	$ 414,453
Contributions	448,508	-	-	-	-	448,508
Rental income	5,949	-	-	-	-	5,949
Interest income	136	-	-	-	-	136
Program services	123,135	2,400	-	-	-	125,535
TOTAL REVENUES	992,181	2,400	-	-	-	994,581
EXPENSES						
Program services	659,701	6,946	200,903	9,280	-	876,830
Support services	529,773	-	-	-	-	529,773
TOTAL EXPENSESS	1,189,474	6,946	200,903	9,280	-	1,406,603
CHANGE IN NET ASSETS	(197,293)	(4,546)	(200,903)	(9,280)	-	(412,022)
NET ASSETS AT BEGINNING OF YEAR	556,906	57,102	744,094	(76,981)	-	1,281,121
NET ASSETS AT END OF YEAR	**$ 359,613**	**$ 52,556**	**$ 543,191**	**$ (86,261)**	**$ -**	**$ 869,099**

	NHSSF	HOLT	NHSSF REH	VILLAGE WEST	ELIMINATIONS	TOTAL
REVENUES						
NeighborWorks America grants	$ 1,664,626	$ -	$ -	$ -	$ -	$ 1,664,626
Contributions	352,707	-	-	-	-	352,707
Rental income	7,932	-	1,797	-	-	9,729
Interest income	71,939	-	-	-	-	71,939
Program services	128,357	108,433	109,564	110,569	-	456,923
TOTAL REVENUES	2,225,561	108,433	111,361	110,569	-	2,555,924
EXPENSES						
Program services	1,640,858	122,271	165,997	263,213	-	2,192,339
Support services	917,335	-	-	-	-	917,335
TOTAL EXPENSESS	2,558,193	122,271	165,997	263,213	-	3,109,674
CHANGE IN NET ASSETS	(332,632)	(13,838)	(54,636)	(152,644)	-	(553,750)
NET ASSETS AT BEGINNING OF YEAR	889,538	70,940	798,730	75,663	-	1,834,871
NET ASSETS AT END OF YEAR	**$ 556,906**	**$ 57,102**	**$ 744,094**	**$ (76,981)**	**$ -**	**$ 1,281,121**

Community Redevelopment Agency
Scattered Site Infill Housing
RFP 12385-105

Financial Information
Pro-Forma Statement and Sources of Uses

Neighborhood Housing Service of South Florida, Inc.
Proforma Cost Feasibility
Community Redevelopment Agency
Scattered Site Infill Housing RFP 12385-105

Sales Price				**259,900**
Construction Cost (Hard Costs)				
General Conditions		2.9%	5,000	
Shell		15.0%	26,000	
Stucco/Exterior Finish		3.5%	6,000	
Roofing		5.2%	9,000	
Windows/Doors		4.9%	8,500	
Flooring		4.6%	8,000	
Electrical		5.8%	10,000	
HVAC		5.8%	10,000	
Plumbing		5.2%	9,000	
Framing and Drywall		4.6%	8,000	
Driveways and Sidewalks		2.9%	5,000	
Landscape/Irrigation		3.5%	6,000	
Painting Interior/exterior		2.9%	5,000	
Millwork		3.5%	6,000	
Bathroom Fixtures		2.9%	5,000	
Kitchen Finishes/Appliances		4.0%	7,000	
Finish Work		2.9%	5,000	
Project Coordination Fee		5.8%	10,000	
Developer Fee	**c)**	7.5%	12,995	
Construction Manager/GC Fee		6.7%	11,620	
Total Construction Cost (Hard Costs)				**173,115**
Architect		4.6%	8,000	
Government/Permit Fees		4.6%	8,000	
Insurance		0.9%	1,500	
Security		1.2%	2,100	
Marketing and Sales		3.8%	6,500	
Debt Service Line of Credit		5.3%	9,115	
Contingency Fee	**b)**	10.0%	17,312	
Land Transfer Closing Costs	**a)**	1.9%	3,261	
Total Construction Cost (Soft Costs)				**55,788**
Realtor Fees/Closing Cost	**d)**		5%	12,995
Total Cost				**241,898**
NET PROFIT		**6.9%**		**18,003**

a) Closing Costs associated with Land transfer to NHSSF
b) Contiengency fee at 10%
c) Developer contemplated at 5%
d) Real Estate 3% Closing Costs 2%

Community Redevelopment Agency Scattered Site Infill Housing
RFP 12385-105
Neighborhood Housing Services of South Florida
SOURCES AND USES

		Minimum 5 Properties
SOURCES:		
Value of Land	34,000	170,000
Developer Contribution	30,152	150,760
Construction Line of Credit Bank TBA I	198,750	993,750
TOTAL SOURCES	262,902	1,314,510
USES:		
Construction "Hard" Costs	173,115	865,575
Soft Costs	46,672	233,360
Debt Service-Line of Credit Construction Loan	9,115	45,575
Land Transfer Value	34,000	170,000
TOTAL USES	262,902	1,314,510

Construction "Hard" Costs	
General Conditions	5,000
Shell	26,000
Stucco/Exterior Finish	6,000
Roofing	9,000
Windows/Doors	8,500
Flooring	8,000
Electrical	10,000
HVAC	10,000
Plumbing	9,000
Framing and Drywall	8,000
Driveways and Sidewalks	5,000
Landscape/Irrigation	6,000
Painting Interior/exterior	5,000
Millwork	6,000
Bathroom Fixtures	5,000
Kitchen Finishes/Appliances	7,000
Finish Work	5,000
Project Coordination Fee	10,000
Developer Fee	12,995
Construction Manager/GC Fee	11,620
	173,115
Debt Service Line of Credit	9,115

Pro forma - Development cost **1500**

(3br/2ba)		
Toal GC Contract	**$ 173,625.00**	**Hard Cost**
Contingency	$ 17,362.50	**Soft Costs**
Permits and other fees		
Surveyor	$ 1,500.00	
Architecture and Engineering	$ 8,000.00	
Builder's Risk Insurance	$ 1,500.00	
Permit Fees	$ 8,000.00	
Marketing and Sales	$ 7,000.00	
Line of Credit % & fees	$ 9,115.31	
Holding costs	$ 2,800.00	
Total Development Cost	**$ 228,902.81**	
Sources during construction		
Line of Credit loan (75% of sales price)	$ 194,925.00	
Predevelopment Cost	$ 5,000.00	
Difference btw Loan Amt. & Dev. Costs	$ 28,977.81	
Total Sources & Uses	**$ 228,902.81**	
Pressumed Sales Price	**$ 259,900.00**	
Real Estate Commission (Buyer's)	$ 7,797.00	
Other closing costs	$ 5,198.00	
Payoff of construction loan	$ (194,925.00)	
Net Profit (Gross - Other Closing Costs)	**$ 18,002.19**	

Assumptions
1800 sf @ $125/sf
10% Contingency
Permit & County/School Impact Fees
A&E fee = $7k/4 (avg. $2500 initial & 3 repeats @ $1500 ea.)
LOC 5.25% annual = 4 pymt. draw schedule (property held 6 mos.)

Community Redevelopment Agency
Scattered Site Infill Housing
RFP 12385-105

Project Plans and Information

CRA SCATTERED SITE INFILL HOUSING

RFP 12385-105 | NPF CRA AREA, FT. LAUDERDALE, FLORIDA

OPTION A: SINGLE FAMILY HOME

OPTION B: DUPLEX

CLIENT

NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA
& SOUTH FLORIDA COMMUNITY LAND TRUST

ARCHITECTURE

FLUX ARCHITECTS
P. O. BOX 971429 MIAMI, FL 33197
T: 305-707-8288

flux architects

Design
Planning
Architecture

PO BOX 971429
MIAMI, FL 33197
www.thefluxarchitects.com
P: 305.707.8288
LN: AA26003713

Seal of Project Architect

Edgar Gonzalez - AR98036

Allen G. Vandersluis - AR92397

Eddie Seymour - AR99062

Consultants

Project Client: NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA

Project: CRA SCATTERED SITE INFILL HOUSING

Project Address: NPF CRA AREA FT. LAUDERDALE, FL

Project Number: 20062

Sheet Name: COVER

Sheet Origin Date: 11/16/2020

Sheet Issue Date: 11/16/2020

Revisions:

No.	Description	Date

Submittal Type: CONCEPT

Drawn By: ES

Checked By: ES

Scale: AS SHOWN

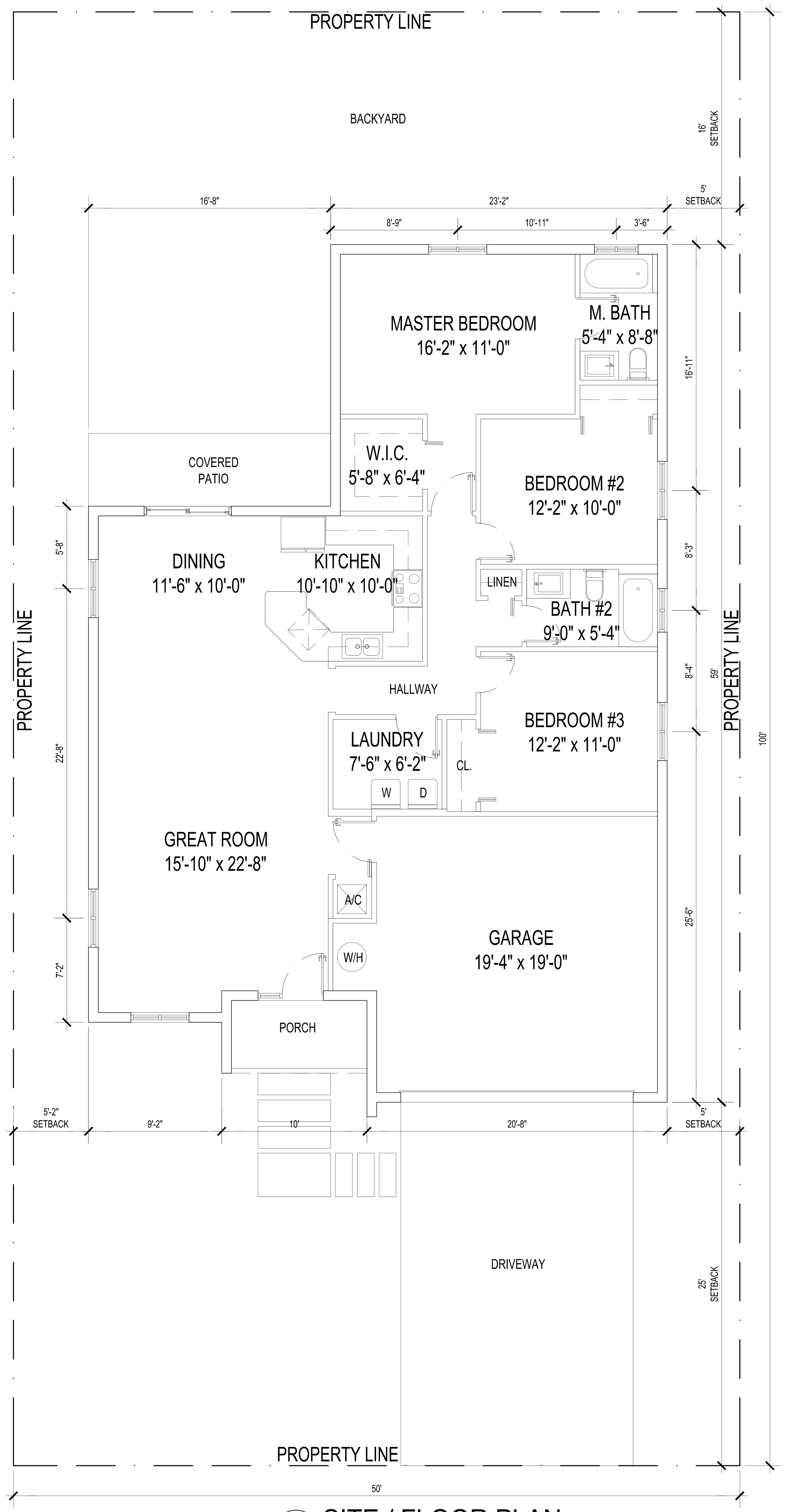
Sheet Number: COVER

ZONING DATA

Zoning: RS-8 (Single Family Home)

LOCATION: NPF CRA AREA in FT. Lauderdale, Florida

BUILDING DISPOSITION		
LOT OCCUPATIOIN	REQ./ALLOWED	PROVIDED
LOT AREA (Min.)	6,000 SF	5,000-5,600 SF
LOT WIDTH (Min.)	50 FT	50 FT
LOT COVERAGE (Max.)	50%	1,980 SF | 39.6%
FLOOR AREA RATIO (FAR)	0.75	1,980 SF | 0.4
FLOOR AREA (Min.)	1,000 SF	1,980 SF
OPEN SPACE	N/A	2,400 SF
DENSITY	8DU/AC	1DU
BUILDING SETBACKS		
PRINCIPAL FRONT	25 FT Min.	25 FT
CORNER	25% OF LOT WIDTH	N/A
SIDE	5 FT Min.	5 FT
REAR	15 FT Min	16 FT
BUILDING CONFIGURATION		
BUILDING HEIGHT	35 FT Max	12.5 FT
BUILDING SEPARATION	N/A	N/A

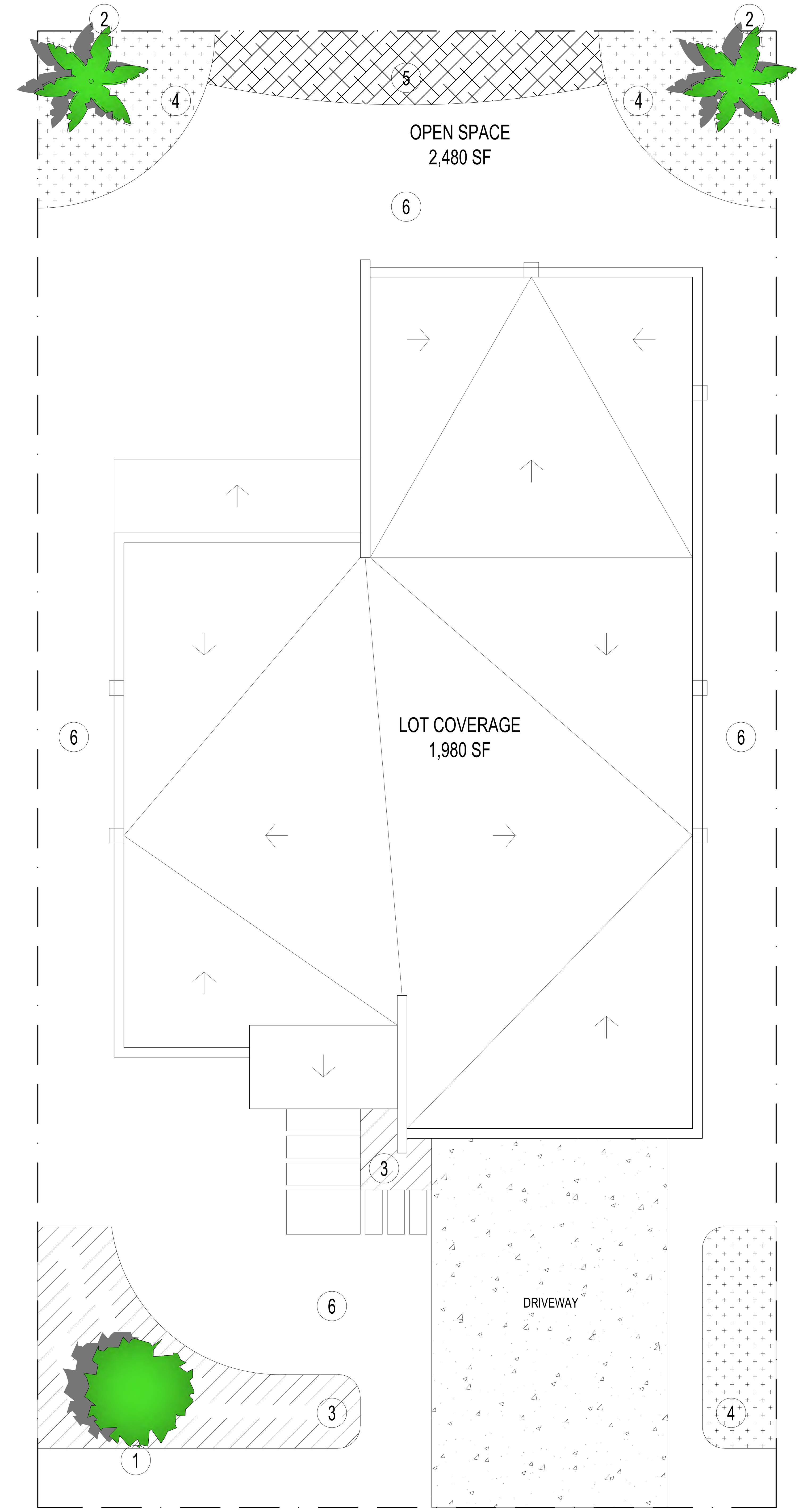


1 SITE / FLOOR PLAN

Scale: 3/16" = 1'-0"

LANDSCAPE SCHEDULE

MARK	COMMON	NATIVE	HEIGHT AT PLANTING	HEIGHT AT MATURITY	TRUNK CALIPER	CANOPY DIAMETER	QUANTITY	DROUGHT TOLERANCE
1	ILEX CASSINE	YES	12'-0"	20'-0"	2"	4'-0"	1	MEDIUM
2	CABBAGE PALM	YES	15'-0"	40'-0"	10"-16"	5'-0"	2	HIGH
3	DWARF FIREBUSH	YES	14"x14"				207 SF	MEDIUM
4	COCO PLUM	YES	24"	36" MAX HT.			300 SF	MEDIUM
5	WALTER VIBURNUM	YES	14"x14"				120 SF	MEDIUM
6	FLORATAN ST. AGUSTINE SOD	YES					PANELS	



2 LANDSCAPE PLAN

Scale: 3/16" = 1'-0"

flux architects

Design
Planning
Architecture

PO BOX 971429
MIAMI, FL 33197
www.thefluxarchitects.com
P: 305.707.8288
LN: AA26003713

Seal of Project Architect

Edgar Gonzalez - AR98036

Allen G. Vandersluis - AR92397

Eddie Seymour - AR99062

Consultants

Project Client:
NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA

Project:
CRA SCATTERED SITE INFILL HOUSING

Project Address:
NPF CRA AREA
FT. LAUDERDALE, FL

Project Number:
20062

Sheet Name:
SITE | FLOOR PLAN

Sheet Origin Date:
11/16/2020

Sheet Issue Date:
11/16/2020

Revisions:

No.	Description	Date

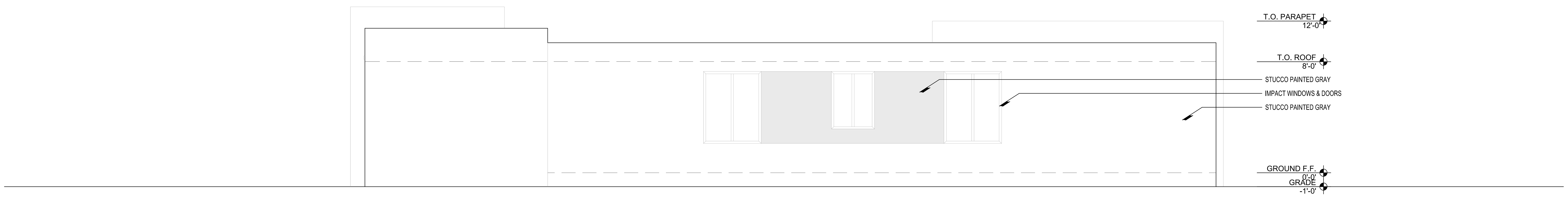
Submittal Type:
CONCEPT

Drawn By:
ES

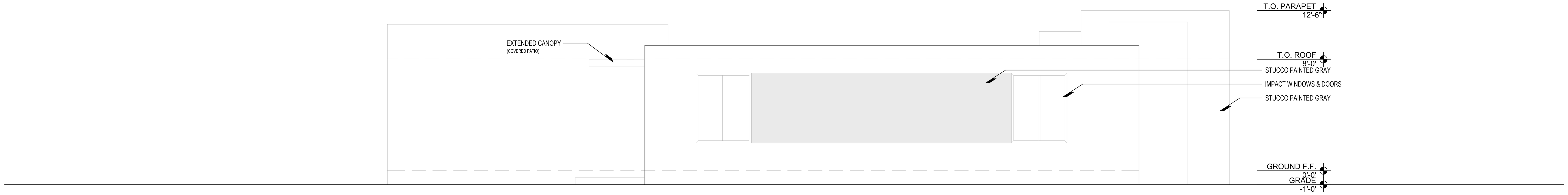
Checked By:
ES

Scale:
AS SHOWN

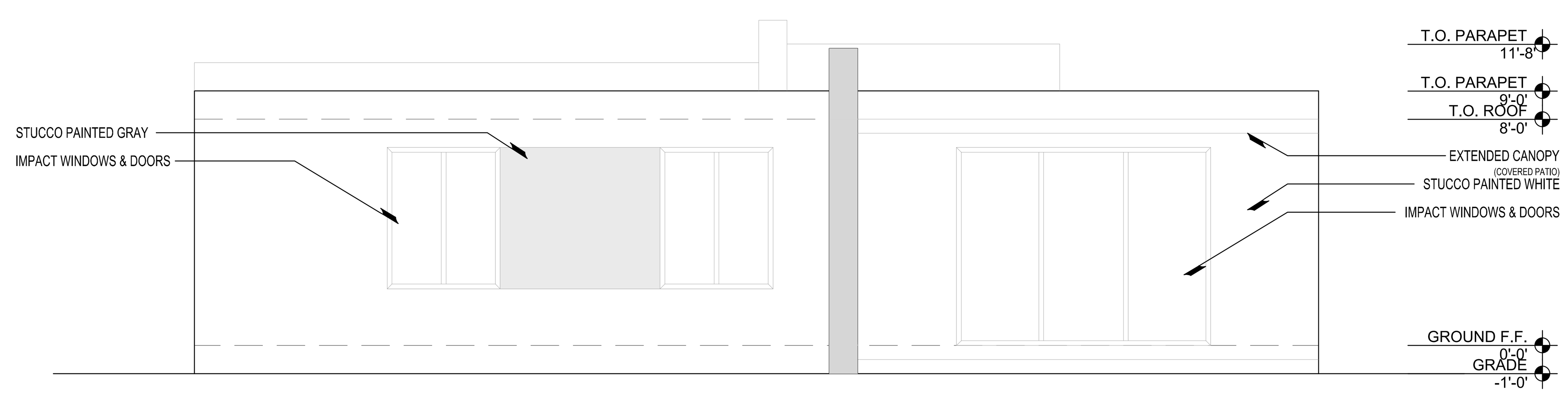
Sheet Number:
A101



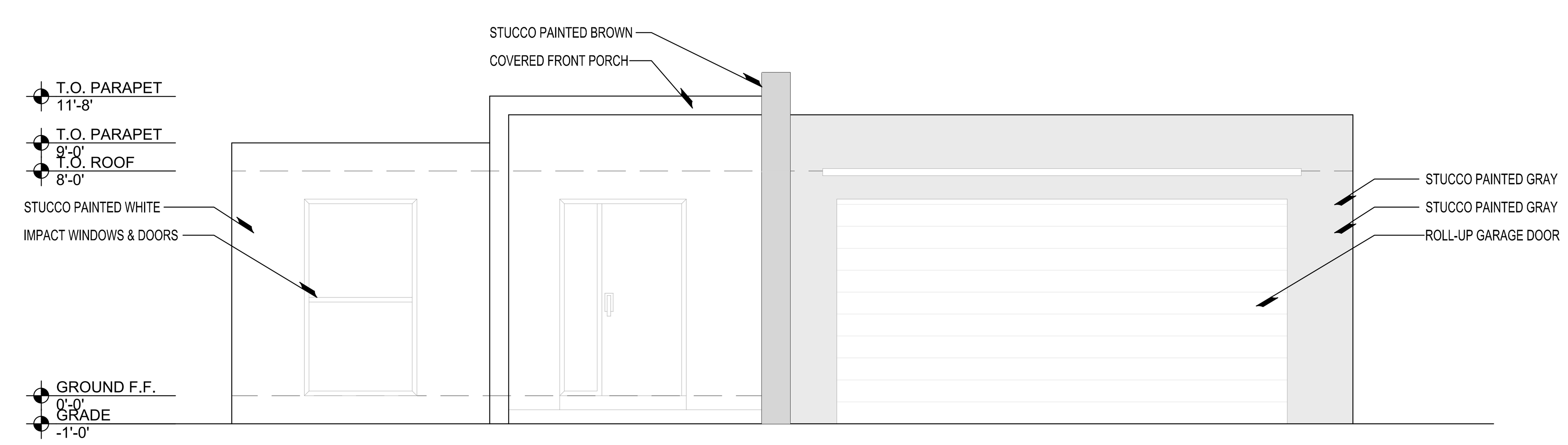
4 SIDE ELEVATION | RIGHT
Scale: 1/4" = 1'-0"



3 SIDE ELEVATION | LEFT
Scale: 1/4" = 1'-0"



2 REAR ELEVATION
Scale: 1/4" = 1'-0"



1 FRONT ELEVATION
Scale: 1/4" = 1'-0"

flux architects
Design
Planning
Architecture

PO BOX 971429
MIAMI, FL 33197
www.thefluxarchitects.com
P: 305.707.8288
LN: AA26003713

Seal of Project Architect

Eddie Seymour - AR99062

Consultants

Project Client
NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA

Project
CRA SCATTERED SITE INFILL HOUSING

Project Address:
NPF CRA AREA
FT. LAUDERDALE, FL

Project Number:
20062

Sheet Name:
ELEVATIONS

Sheet Origin Date:
11/16/2020

Sheet Issue Date:
11/16/2020

Revisions:

No.	Description	Date

Submittal Type:
CONCEPT

Drawn By:
ES

Checked By:
ES

Scale:
AS SHOWN

Sheet Number:
A102

1 FRONT PERSPECTIVE

flux architects

Design
Planning
Architecture

PO BOX 971429
MIAMI, FL 33197
www.thefluxarchitects.com
P: 305.707.8288
LN: AA26003713

Seal of Project Architect

Edgar Gonzalez - AR98036

Allen G. Vandenbus - AR92397

Eddie Seymour - AR99062

Consultants

Project Client
NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA

Project
CRA SCATTERED SITE INFILL HOUSING

Project Address:
NPF CRA AREA
FT. LAUDERDALE, FL

Project Number:
20062

Sheet Name:
FRONT PERSPECTIVE

Sheet Origin Date:
11/16/2020

Sheet Issue Date:
11/16/2020

Revisions:

No.	Description	Date

Submittal Type:
CONCEPT

Drawn By:
ES

Checked By:
ES

Scale:
AS SHOWN

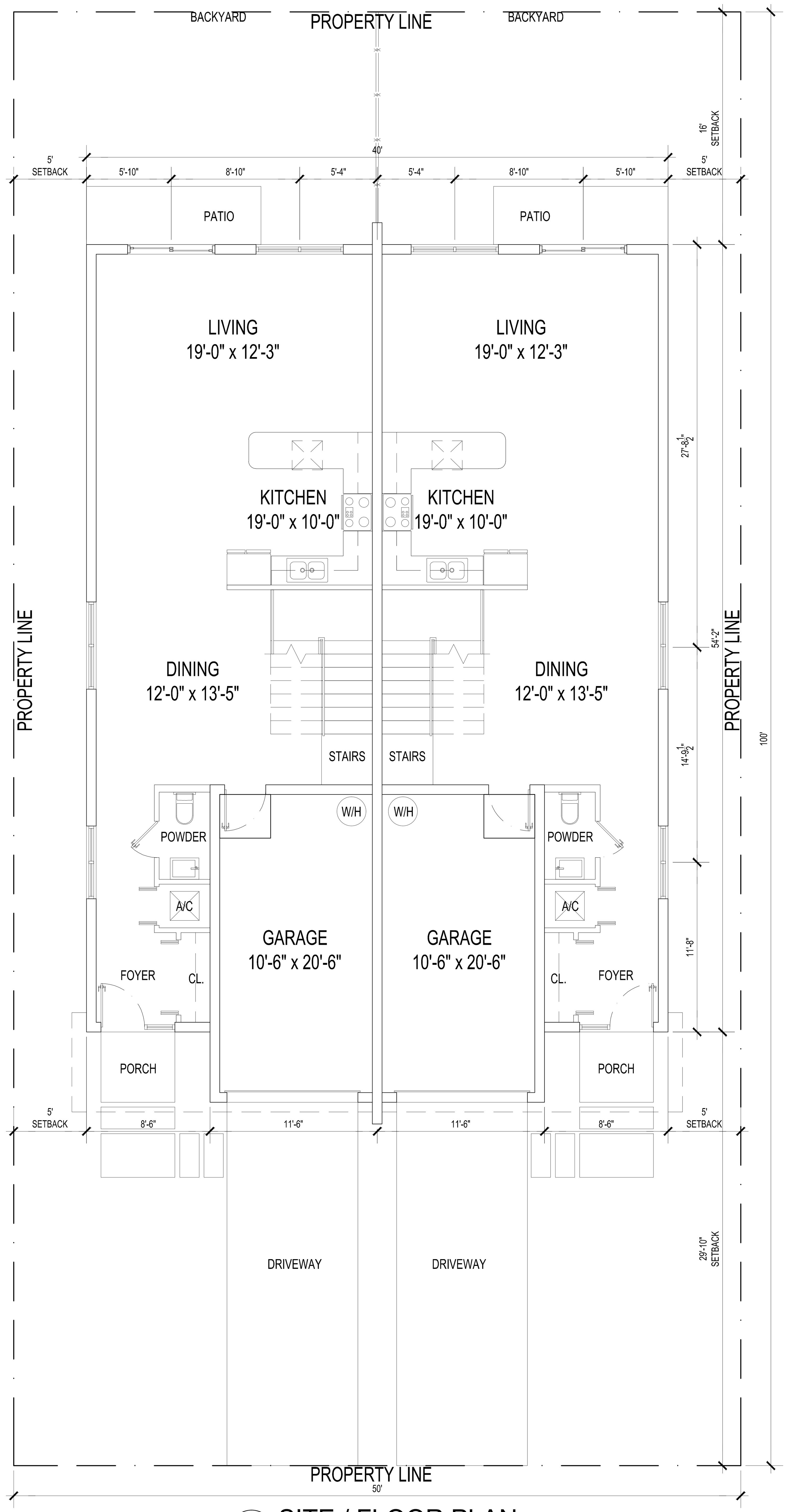
Sheet Number:
A103

ZONING DATA

Zoning: RMM-25 (Duplex)

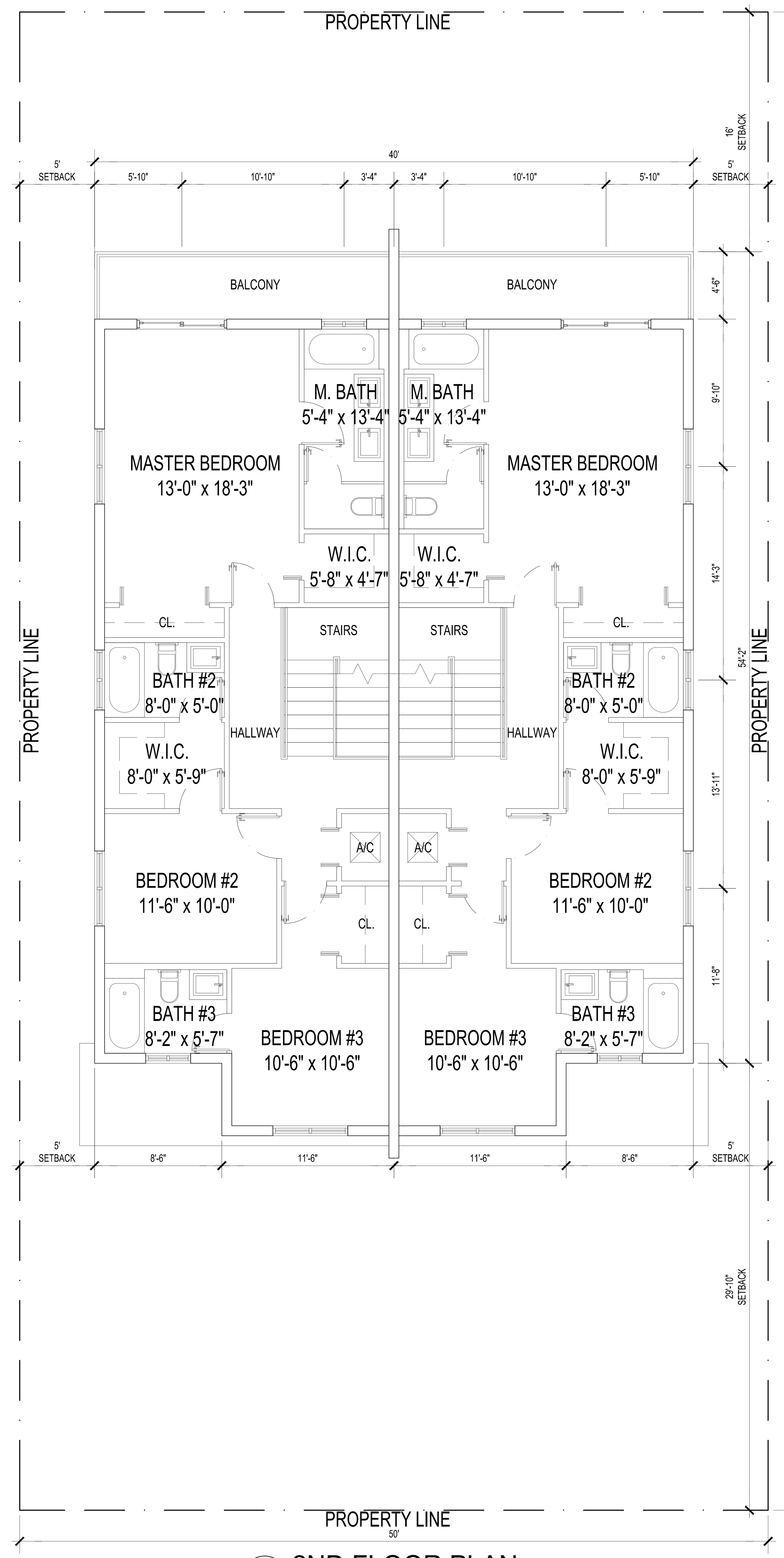
LOCATION: NPF CRA AREA in FT. Lauderdale, Florida

BUILDING DISPOSITION		
LOT OCCUPATIOIN	REQ./ALLOWED	PROVIDED
LOT AREA (Min.)	5,000 SF	5,000-5,600 SF
LOT WIDTH (Min.)	50 FT	50 FT
LOT COVERAGE (Max.)	N/A	2,278 SF | 45.5%
FLOOR AREA RATIO (FAR)	N/A	4,376 SF | 0.87
FLOOR AREA (Min.)	400 SF (Duplex)	2,188 SF
OPEN SPACE	N/A	2,000 SF
DENSITY	25DU/AC	2DU
BUILDING SETBACKS		
PRINCIPAL FRONT	25 FT Min.	25 FT
CORNER	25% OF LOT WIDTH	N/A
SIDE	5 FT Min.	5 FT
REAR	15 FT Min	16 FT
BUILDING CONFIGURATION		
BUILDING HEIGHT	35 FT Max	12.5 FT
BUILDING SEPARATION	N/A	N/A



1 SITE / FLOOR PLAN

Scale: 3/16" = 1'-0"



2 2ND FLOOR PLAN

Scale: 3/16" = 1'-0"

flux architects
Design
Planning
Architecture

PO BOX 971429
MIAMI, FL 33197
www.thefluxarchitects.com
P: 305.707.8288
LN: AA26003713

Seal of Project Architect

Edgar Gonzalez - AR98036

Allen G. Vandersluis - AR92397

Eddie Seymour - AR99062

Consultants

Project Client
NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA

Project
CRA SCATTERED SITE INFILL HOUSING

Project Address:
NPF CRA AREA FT. LAUDERDALE, FL

Project Number:
20062

Sheet Name:
FLOOR PLAN

Sheet Origin Date:
11/16/2020

Sheet Issue Date:
11/16/2020

Revisions:

No.	Description	Date

Submittal Type:
CONCEPT

Drawn By:
ES

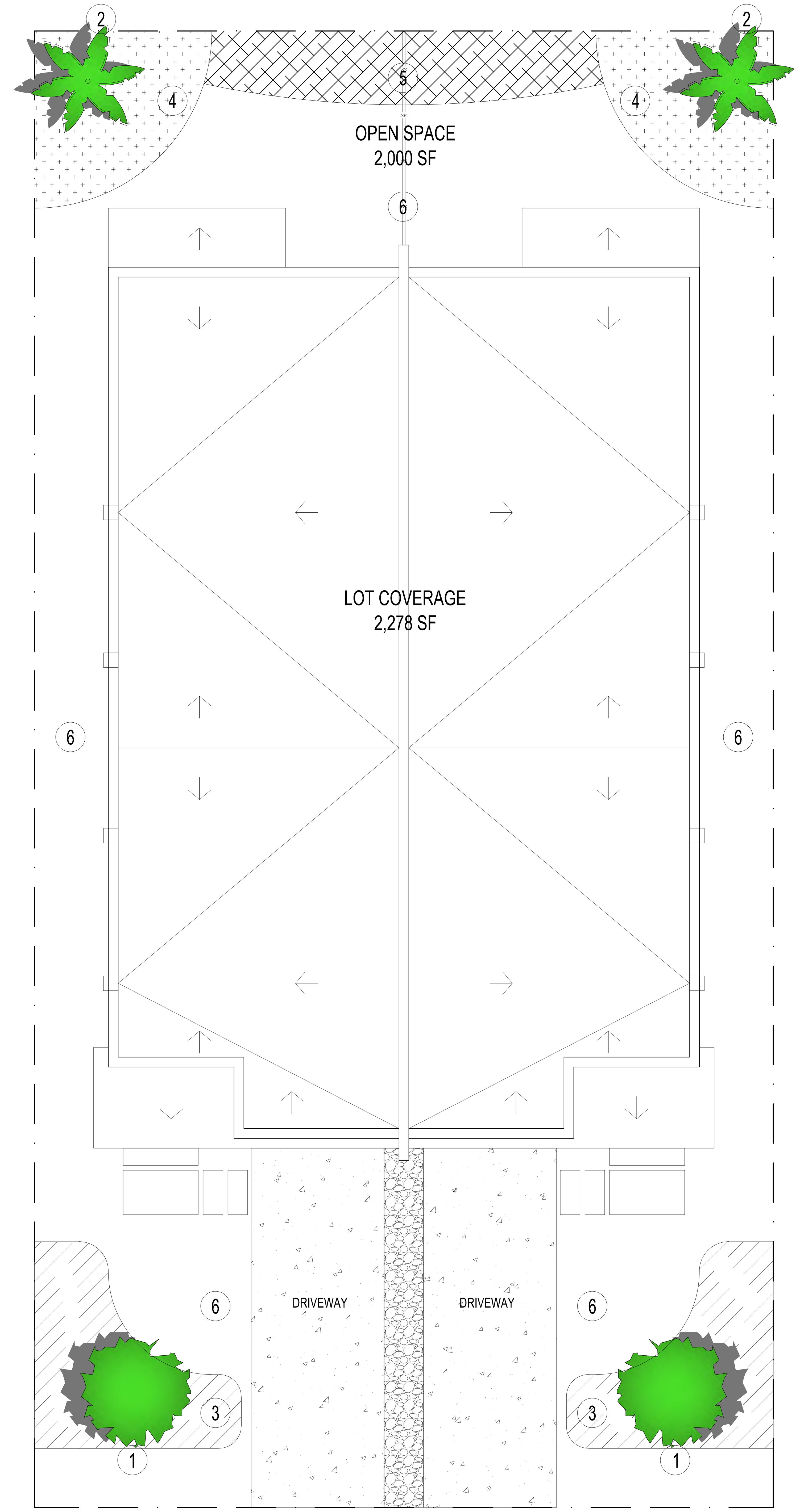
Checked By:
ES

Scale:
AS SHOWN

Sheet Number:
A201

LANDSCAPE SCHEDULE

MARK	COMMON	NATIVE	HEIGHT AT PLANTING	HEIGHT AT MATURITY	TRUNK CALIPER	CANOPY DIAMETER	QUANTITY	DROUGHT TOLERANCE
1	ILEX CASSINE	YES	12'-0"	20'-0"	2"	4'-0"	2	MEDIUM
2	CABBAGE PALM	YES	15'-0"	40'-0"	10"-16"	5'-0"	2	HIGH
3	DWARF FIREBUSH	YES	14"x14"				247 SF	MEDIUM
4	COCO PLUM	YES	24"	36" MAX HT.			226 SF	MEDIUM
5	WALTER VIBURNUM	YES	14"x14"				120 SF	MEDIUM
6	FLORATAN ST. AGUSTINE SOD	YES					PANELS	



1 LANDSCAPE PLAN
Scale: 3/16" = 1'-0"

flux architects
Design
Planning
Architecture
PO BOX 971429
MIAMI, FL 33197
www.thefluxarchitects.com
P: 305.707.8288
LN: AA26003713

Seal of Project Architect
Edgar Gonzalez - AR98036
Allen G. Vandersluis - AR92397
Eddie Seymour - AR99062

Consultants

Project Client
NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA

Project
CRA SCATTERED SITE INFILL HOUSING

Project Address:
NPF CRA AREA
FT. LAUDERDALE, FL

Project Number:
20062

Sheet Name:
LANDSCAPE PLAN

Sheet Origin Date:
11/16/2020

Sheet Issue Date:
11/16/2020

Revisions:

No.	Description	Date

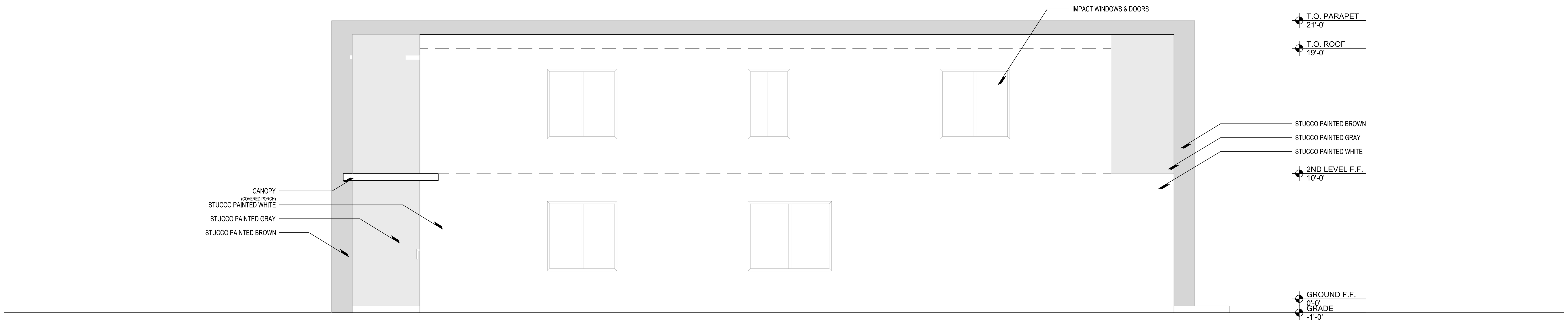
Submittal Type:
CONCEPT

Drawn By:
ES

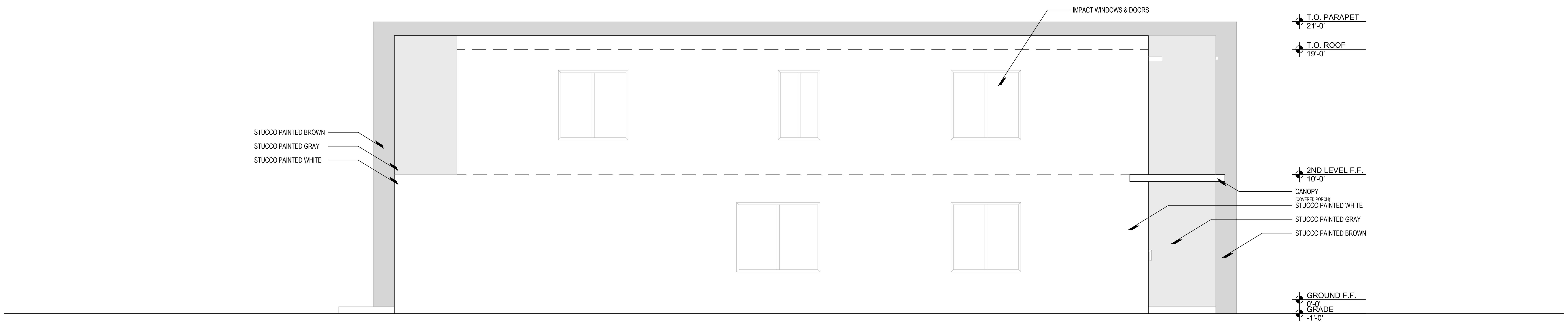
Checked By:
ES

Scale:
AS SHOWN

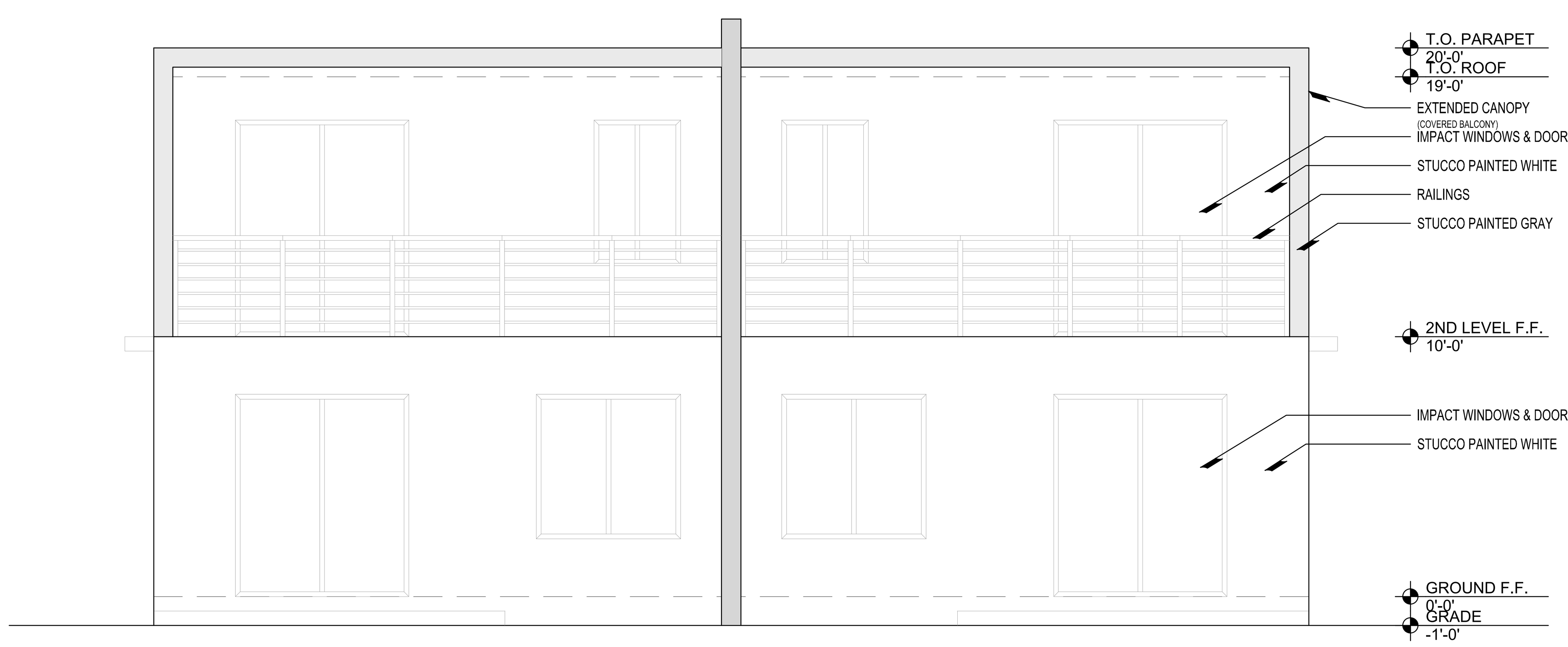
Sheet Number:
A202



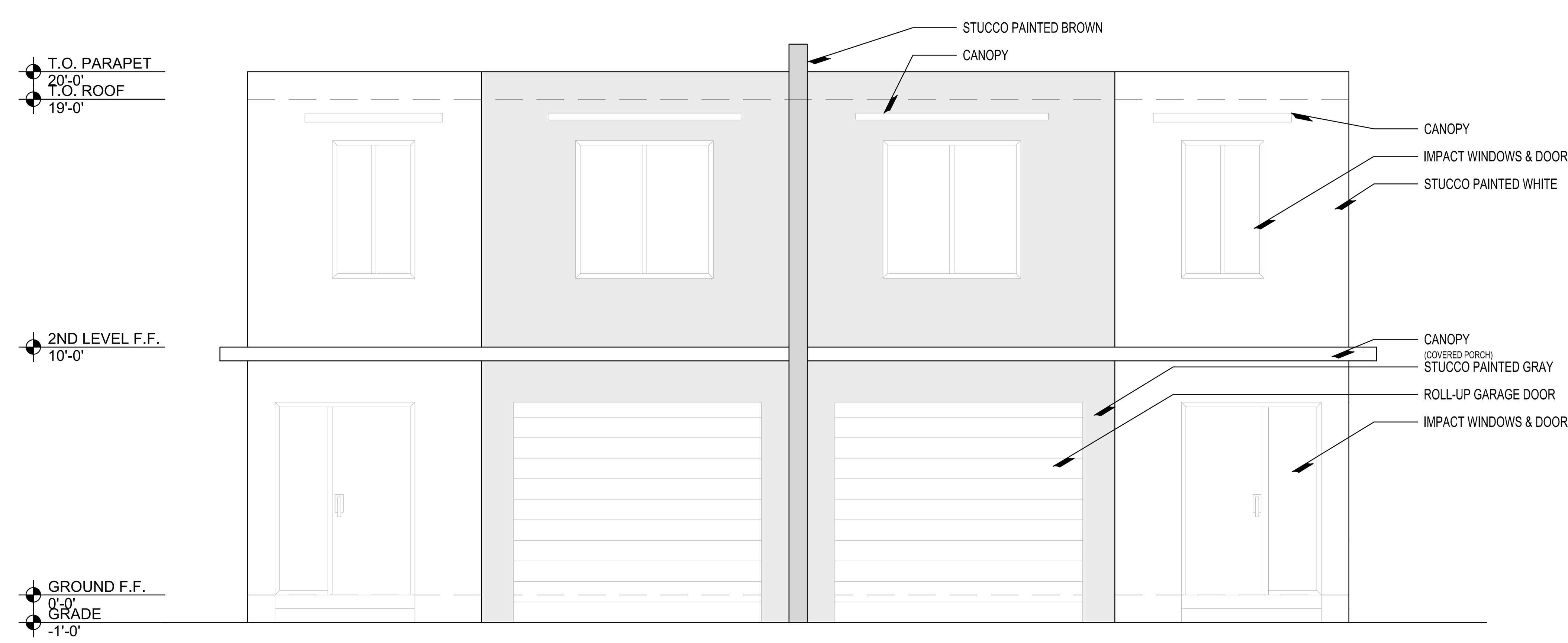
4 SIDE ELEVATION | RIGHT
Scale: 1/4" = 1'-0"



3 SIDE ELEVATION | LEFT
Scale: 1/4" = 1'-0"



2 REAR ELEVATION
Scale: 1/4" = 1'-0"



1 FRONT ELEVATION
Scale: 1/4" = 1'-0"

flux architects
Design
Planning
Architecture

PO BOX 971429
MIAMI, FL 33197
www.thefluxarchitects.com
P: 305.707.8288
LN: AA26003713

Seal of Project Architect
Eddie Seymour - AR99062

Consultants

Project Client
NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA

Project
CRA SCATTERED SITE INFILL HOUSING

Project Address:
NPF CRA AREA
FT. LAUDERDALE, FL

Project Number:
20062

Sheet Name:
ELEVATIONS

Sheet Origin Date:
11/16/2020

Sheet Issue Date:
11/16/2020

Revisions:

No.	Description	Date

Submittal Type:
CONCEPT

Drawn By:
ES

Checked By:
ES

Scale:
AS SHOWN

Sheet Number:
A203

1 FRONT PERSPECTIVE

flux architects
Design
Planning
Architecture

PO BOX 971429
MIAMI, FL 33197
www.thefluxarchitects.com
P: 305.707.8288
LN: AA26003713

Seal of Project Architect

Edgar Gonzalez - AR98036

Allen G. Vandersluis - AR92397

Eddie Seymour - AR99062

Consultants

Project Client
NEIGHBORHOOD HOUSING SERVICES OF SOUTH FLORIDA

Project
CRA SCATTERED SITE INFILL HOUSING

Project Address:
NPF CRA AREA
FT. LAUDERDALE, FL

Project Number:
20062

Sheet Name:
FRONT PERSPECTIVE

Sheet Origin Date:
11/16/2020

Sheet Issue Date:
11/16/2020

Revisions:

No.	Description	Date

Submittal Type:
CONCEPT

Drawn By:
ES

Checked By:
ES

Scale:
AS SHOWN

Sheet Number:
A204

Architecture • Planning • Design
P.O. BOX 971429 • Miami, Florida 33197 • Work: 305.707.8288 • License: AA26003713
www.thefluxarchitects.com

Professional Services Proposal
Tuesday, November 10, 2020

the Owner:
Authorized Representatives of
Neighborhood Housing Services of South Florida (NHSSF)
300 NW 12TH Ave.
Miami, FL 33128

the Architect:
Eddie Seymour, R.A.
Flux Architects LLC
PO Box 971429
Miami, FL 33197-1429

For the following Project # 20062 | Folio(s): Conceptual Design Package in response to the Ft. Lauderdale "Scatted Site Infill Housing RFP 12385-105"

A. PROJECT DESCRIPTION
Dear NHSSF, Flux Architects appreciates the opportunity to provide you with our proposal to work with you and provide a Conceptual Design Package for the project located at the above mentioned address for the following phases: **Programming & Conceptual Design**. This includes coordination with retained engineers & consultants (if needed) to produce the deliverables listed below.

TABLE A: SCOPE OF WORK

ITEM	PROGRAM	NOTES
A	~3 bedroom & 2 bathroom prototype w/ 1,500 SF or more | 1-2 car garage w/ landscaping	
A01	**PROGRAMMING & CONCEPTUAL DESIGN**	
1	Conceptual / Schematic site plan, floor plan, elevations, landscape plan	
2	Facade Design & 3D Renderings (up to 2 views)	
3	Zoning analysis, project description and area breakdown chart	
4	Unit interior layout utilizing samples provided by NHSSF as a guide	
5	Assist client w/ list of amenities/standard material features	
6	Assist client w/ list of optional materials and features with itemized price list	
7	Assist client w/ list of sustainable/energy efficient features	
8	Up to 2 virtual or phone call meetings with client OR city/building department (up to 1 hour each)	
	Total Project Floor Area (approx.) *subject to change	TBD

The Owner and the Architect agree as set forth below:

B. PROFESSIONAL SERVICES TO BE PROVIDED
.1 Architectural Services by Flux Architects LLC to include coordination with Owner hired consultants.
a. Included Services.
i. All applicable & required drawings described above in Table A: Scope of Work.
b. Services Not Included.
i. Additional Services, see Section H below.
ii. Optional Services, see Section H below.
c. All other required Consultants and /or services shall be contracted directly by the Owner or with the help of the Architect.

C. SCOPE OF SERVICES
.1 All drawings, designs, renderings, models as required by Architect's are instruments of service for the scope of services, including electronic media, is a service work done for hire and the ownership of such documents/materials vests in the Architect, however, it shall not be reused or modified without verification, adaptation or consent by Architect. The ownership of the work product can be conveyed with the sale of the

land and shall be used for the sole purpose of using on this property. No such conveyance shall be made prior to all amounts due and owed are paid to the Architect at the time of said assignment.

D. OWNER’S RESPONSIBLITIES

.1 The Owner may designate a representative authorized to act on the Owner’s behalf with respect to the Project. The Owner or such authorized representative shall render decisions in a timely manner pertaining to documents submitted by the Architect in order to avoid unreasonable delay in the orderly and sequential progress of the Architect’s services.

.2 The Owner/ Owner’s representative shall provide full information regarding requirements for the Project. The Owner shall furnish required information as expeditiously as necessary for the orderly progress of the Work, and the Architect shall be entitled to rely on the accuracy and completeness thereof.

The NHSSF shall compensate the architect as follows:

E. COMPENSATION

.1 All payments made to the architect for services shall be in the form of US Currency.
.2 Estimate of time to complete project program & scope of work are approximately 35 business days.
.3 Professional architectural service fees:

(a)	50%	At execution of proposal / agreement		$ 1,925.00
(B)	50%	At submittal to NHSSF		$ 1,925.00
			TOTAL:	**$3,850.00**

F. REIMBURSABLE EXPENSES

Reimbursable Expenses are in addition to the Architect’s compensation and include expenses incurred by the Architect, Architect’s employees and shall require written approval by the NHSSF prior to the Architect incurring any reimbursable expenses in the interest of the Project for:

.1 Expense of transportation and living expenses in connection with out-of-town travel;
.2 long-distance communications;
.3 fees paid for securing approval of authorities having jurisdiction over the Project;
.4 reproductions (other than three sets signed & sealed for permit submittal);
.5 postage and handling of documents;
.6 expense of overtime work requiring higher than regular rates;
.7 renderings and models requested by the Owner;
.8 expense of additional coverage or limits, including professional liability insurance, requested by the Owner in excess of that normally carried by the Architect and the Architect’s consultants; and
.9 Expense of additional computer-aided design and drafting equipment time when used in connection with the Project, if required.

G. SCHEDULE

Schedule for services are as described below:

.1 TBD at commencement of Services.

H. OTHER CONDITIONS

.1 ADDITIONAL SERVICES

Additional Services will constitute all services requested or required, through no fault of Flux Architects, in excess of those provided under the project’s Proposal or Professional Services Agreement; including but not limited to the following:

a. changes to design after written approval of each phase by the NHSSF,
b. design changes after commencement of the Construction Document Phase,
c. design changes required to assist in reducing the NHSSF’s construction cost,
d. attending any municipality review boards, hearings or variances,
e. additional presentation material required for any municipality review boards, hearings or variances not included as part of the outlined services,
f. excessive shop drawing submittals & RFI’s by the General Contractor,
g. excessive Construction Administration requirements due to unforeseen conditions,
h. Contractor/ Sub-Contractor’s inefficiencies to perform per the construction documents,
i. or other factors beyond the control of the architect and the architect’s employees.

In the event additional services are required, the architect will provide the NHSSF with an amendment to the Proposal or Professional Service Agreement for approval and execution before proceeding with any additional services.

.2 HOURLY RATES WILL BE AS FOLLOWS

PRINCIPAL	$ 200.00
PROJECT ARCHITECT	$ 150.00
DRAFTSMAN	$ 75.00
CLERICAL	$ 50.00

I. EXCLUDED (BUT NOT LIMITED TO) SERVICES (unless noted otherwise)

- Public Bids; Preparation & Attendance
- Geological and Topographical Surveys
- Geotechnical explorations
- Geotechnical Engineering and Foundation recommendations
- Traffic and Environmental impact studies
- Assessments by specialty, marketing, signage, lighting, laundry, kitchen, sound, acoustic, glazing, elevator & bar consultants
- Maquette's or Scale / Display Models
- 3D Models & Renderings
- Threshold Inspections
- Glazing Inspections or Certifications
- Interior Design (FFE)
- Architectural Interiors
- Civil Engineering
- Structural Engineering
- Electrical Engineering
- Mechanical Engineering
- Plumbing Engineering
- Fire Protection
- Landscape Architecture
- Permit processing
- As-built drawings
- Specifications
- Condominium Document Exhibits
- Septic Tank Design and permitting
- Grease Trap Design and permitting (other than documenting existing)
- Expanded or On-Site Construction Administration
- Environmental or hazardous material assessments and mitigation planning
- Attendance to and presentations for any review boards, zoning hearings or variance hearings

Thank you for the opportunity to prepare this proposal; furthermore, I look forward to working with you on your project.
Sincerely,

The terms and fees above are acceptable as of the day and year first written above and shall be valid for no more than 30 calendar days if not executed beforehand. Upon acceptance of this proposal, this proposal shall become the instrument of both parties creating a binding agreement for the Architect's Professional Services.

NHSSF:

Signature
John P Pantoja COO and Controller
Name & title
November 11, 2020
Date

Authorized Representative of Flux Architects

Eddie Seymour | Principal

Tuesday, November 10, 2020

Community Redevelopment Agency
Scattered Site Infill Housing
RFP 12385-105

Homebuyer Information

Community Redevelopment Agency
Scattered Site Infill Housing
RFP 12385-105

Minority/Women (M/WBE) Participation

Community Redevelopment Agency
Scattered Site Infill Housing
RFP 12385-105

Required Forms

Supplier Response Form

BID/PROPOSAL CERTIFICATION

Please Note: If responding to this solicitation through BidSync, the electronic version of the bid response will prevail, unless a paper version is clearly marked **by the bidder** in some manner to indicate that it will supplant the electronic version. All fields below must be completed. If the field does not apply to you, please note N/A in that field.

If you are a foreign corporation, you may be required to obtain a certificate of authority from the Department of State, in accordance with Florida Statute §607.1501 (visit http://www.dos.state.fl.us/).

Company: Neighborhood Housing Services of South Florida, Inc. (Legal Registration) EIN (Optional): 59-1845761

Address: 300 NW 12 Avenue
City: Miami State: FL Zip: 33128

Telephone No. 305.751.5511 FAX No. 305.751.2228 Email: johnp@nhssf.org
Delivery: Calendar days after receipt of Purchase Order **(section 1.02 of General Conditions)**: N/A

Total Bid Discount **(section 1.05 of General Conditions)**: N/A

Check box if your firm qualifies for MBE / SBE / WBE **(section 1.09 of General Conditions)**: ☑

ADDENDUM ACKNOWLEDGEMENT - Proposer acknowledges that the following addenda have been received and are included in the proposal:

Addendum No.	Date Issued	Addendum No.	Date Issued	Addendum No.	Date Issued
7b	11/14/2020	7c	11/14/2020	7d	11/14/2020
7f	11/14/2020				

VARIANCES: If you take exception or have variances to any term, condition, specification, scope of service, or requirement in this competitive solicitation you must specify such exception or variance in the space provided below or reference in the space provided below all variances contained on other pages within your response. Additional pages may be attached if necessary. No exceptions or variances will be deemed to be part of the response submitted unless such is listed and contained in the space provided below. The City does not, by virtue of submitting a variance, necessarily accept any variances. If no statement is contained in the below space, it is hereby implied that your response is in full compliance with this competitive solicitation. If you do not have variances, simply mark N/A. **If submitting your response electronically through BIDSYNC you must also click the "Take Exception" button.**

Page 1 of 2

The below signatory hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the bid/proposal. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal, I will accept a contract if approved by the City and such acceptance covers all terms, conditions, and specifications of this bid/proposal. The below signatory also hereby agrees, by virtue of submitting or attempting to submit a response, that in no event shall the City's liability for respondent's direct, indirect, incidental, consequential, special or exemplary damages, expenses, or lost profits arising out of this competitive solicitation process, including but not limited to public advertisement, bid conferences, site visits, evaluations, oral presentations, or award proceedings exceed the amount of Five Hundred Dollars ($500.00). This limitation shall not apply to claims arising under any provision of indemnification or the City's protest ordinance contained in this competitive solicitation.

Submitted by:

John P Pantoja
Name (printed)

Signature

November 14, 2020	COO and Controller
Date:	Title

revised 07/10/19

Please enter your password below and click Save to save your response.

Please be aware that typing in your password acts as your electronic signature, which is just as legal and binding as an original signature. (See Electronic Signatures in Global and National Commerce Act for more information.)

To take exception:

1) Click Take Exception.
2) Create a Word document detailing your exceptions.
3) Upload exceptions as an attachment to your offer on BidSync's system.

By completing this form, your bid has not yet been submitted. Please click on the place offer button to finish filling out your bid.

Username **johnp@nhssf.org**

Password *

Save Take Exception Close

* Required fields

Supplier Response Form

NON-COLLUSION STATEMENT:

By signing this offer, the vendor/contractor certifies that this offer is made independently and *free* from collusion. Vendor shall disclose below any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement.

Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement.

For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

> 3.3. City employees may not contract with the City through any corporation or business entity in which they or their immediate family members hold a controlling financial interest (e.g. ownership of five (5) percent or more).
>
> 3.4. Immediate family members (spouse, parents and children) are also prohibited from contracting with the City subject to the same general rules.

Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.

NAME	RELATIONSHIPS

In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.

John P. Panotja	COO and Controller
Authorized Signature	Title
John P. Pantoja	johnp@nhssf.org
Name (Printed)	Date

Please enter your password below and click Save to update your response.
Please be aware that typing in your password acts as your electronic signature, which is just as legal and binding as an original signature. (See Electronic Signatures in Global and National Commerce Act for more information.)

To take exception:
1) Click Take Exception.
2) Create a Word document detailing your exceptions.
3) Upload exceptions as an attachment to your offer on BidSync's system.

By completing this form, your bid has not yet been submitted. Please click on the place offer button to finish filling out your bid.

Username **johnp@nhssf.org**
Password *

Save Take Exception Close

* Required fields

Supplier Response Form
LOCAL BUSINESS PREFERENCE

Section 2-199.2, Code of Ordinances of the City of Fort Lauderdale, (Ordinance No. C-12-04), provides for a local business preference.

In order to be considered for a local business preference, a bidder must include the Local Business Preference Certification Statement of this bid/proposal, as applicable to the local business preference class claimed **at the time of bid submittal.**

Upon formal request of the City, based on the application of a Local Business Preference the Bidder shall, within ten (10) calendar days, submit the following documentation to the Local Business Preference Class claimed:

A) Copy of City of Fort Lauderdale current year business tax receipt, **or** Broward County current year business tax receipt, **and**

B) List of the names of all employees of the bidder and evidence of employees' residence within the geographic bounds of the City of Fort Lauderdale or Broward County, as the case may be, such as current Florida driver license, residential utility bill (water, electric, telephone, cable television), or other type of similar documentation acceptable to the City.

Failure to comply at time of bid submittal shall result in the bidder being found ineligible for the local business preference.

THE COMPLETE LOCAL BUSINESS PREFERENCE ORDINANCE MAY BE FOUND ON THE CITY'S WEB SITE AT THE FOLLOWING LINK: https://library.municode.com/fl/fort_lauderdale/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTVFI_DIV2PR_S2-186LOBUPRPR

Definitions: The term "Business" shall mean a person, firm, corporation or other business entity which is duly licensed and authorized to engage in a particular work in the State of Florida. Business shall be broken down into four (4) types of classes:

1. Class A Business – shall mean any Business that has established and agrees to maintain a permanent place of business located in a non-residential zone and staffed with full-time employees within the limits of the City **and** shall maintain a staffing level of the prime contractor for the proposed work of at least fifty percent (50%) who are residents of the City.
2. Class B Business - shall mean any Business that has established and agrees to maintain a permanent place of business located in a non-residential zone and staffed with full-time employees within the limits of the City **or** shall maintain a staffing level of the prime contractor for the proposed work of at least fifty percent (50%) who are residents of the City.
3. Class C Business - shall mean any Business that has established and agrees to maintain a permanent place of business located in a non-residential zone **and** staffed with full-time employees within the limits of Broward County.
4. Class D Business – shall mean any Business that does not qualify as either a Class A, Class B, or Class C business.

LOCAL BUSINESS PREFERENCE CERTIFICATION STATEMENT

The Business identified below certifies that it qualifies for the local business preference classification as indicated herein, and further certifies and agrees that it will re-affirm its local preference classification annually no later than thirty (30) calendar days prior to the anniversary of the date of a contract awarded pursuant to this ITB. Violation of the foregoing provision may result in contract termination.

(1)	Neighborhood Housing Services of Soutl Business Name	is a **Class A** Business as defined in City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the City of Fort Lauderdale current year Business Tax Receipt **and** a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.
(2)	Business Name	is a **Class B** Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the Business Tax Receipt **or** a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.
(3)	Business Name	is a **Class C** Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the Broward County Business Tax Receipt shall be provided within 10 calendar days of a formal request by the City.
(4)	Business Name	requests a **Conditional Class A** classification as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.
		requests a **Conditional Class B** classification as defined in the City of Fort Lauderdale

(5) Business Name

Ordinance No. C-17-26, Sec.2-186. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.

(6) Business Name

is considered a **Class D** Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186 and does not qualify for Local Preference consideration.

BIDDER'S COMPANY: Neighborhood Housing Services of South Florida *

AUTHORIZED COMPANY PERSON: John P. Pantoja * COO and Controller *

PRINTED NAME TITLE

SIGNATURE: John P. Pantoja * DATE: johnp@nhssf.org *

Please enter your password below and click Save to update your response.

Please be aware that typing in your password acts as your electronic signature, which is just as legal and binding as an original signature. (See Electronic Signatures in Global and National Commerce Act for more information.)

To take exception:

1) Click Take Exception.
2) Create a Word document detailing your exceptions.
3) Upload exceptions as an attachment to your offer on BidSync's system.

By completing this form, your bid has not yet been submitted. Please click on the place offer button to finish filling out your bid.

Username **johnp@nhssf.org**

Password *

Save Take Exception Close

* Required fields

Supplier Response Form

CONTRACTOR'S CERTIFICATE OF COMPLIANCE WITH NON-DISCRIMINATION PROVISIONS OF THE CONTRACT

The completed and signed form should be returned with the Contractor's submittal. If not provided with submittal, the Contractor must submit within three business days of City's request. Contractor may be deemed non-responsive for failure to fully comply within stated timeframes.

Pursuant to City Ordinance Sec. 2-187(c), bidders must certify compliance with the Non-Discrimination provision of the ordinance.

The Contractor shall not, in any of his/her/its activities, including employment, discriminate against any individual on the basis of race, color, national origin, religion, creed, sex, disability, sexual orientation, gender, gender identity, gender expression, or marital status.

1. The Contractor certifies and represents that he/she/it will comply with Section 2-187, Code of Ordinances of the City of Fort Lauderdale, Florida, as amended by Ordinance C-18-33 (collectively, "Section 2-187").

2. The failure of the Contractor to comply with Section 2-187 shall be deemed to be a material breach of this Agreement, entitling the City to pursue any remedy stated below or any remedy provided under applicable law.

3. The City may terminate this Agreement if the Contractor fails to comply with Section 2-187.

4. The City may retain all monies due or to become due until the Contractor complies with Section 2-187.

5. The Contractor may be subject to debarment or suspension proceedings. Such proceedings will be consistent with the procedures in section 2-183 of the Code of Ordinances of the City of Fort Lauderdale, Florida.

John P Pantoja *
Authorized Signature

John P. Pantoja COO and Controller *
Print Name and Title

johnp@nhssf.org *
Date

Please enter your password below and click Save to update your response.
Please be aware that typing in your password acts as your electronic signature, which is just as legal and binding as an original signature. (See Electronic Signatures in Global and National Commerce Act for more information.)

To take exception:
1) Click Take Exception.
2) Create a Word document detailing your exceptions.
3) Upload exceptions as an attachment to your offer on BidSync's system.

By completing this form, your bid has not yet been submitted. Please click on the place offer button to finish filling out your bid.

Username **johnp@nhssf.org**
Password *

Save Take Exception Close

* Required fields

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 09/01/2020

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 have ADDITIONAL INSURED provisions or 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
Casualty Systems
3331 SW 107th Ave.
Miami, FL 33165

CONTACT NAME: Esperanza Garcia
PHONE (A/C, No, Ext): (305) 551-0590 | FAX (A/C, No): (305) 551-0857
E-MAIL ADDRESS: Esperanza@CasualtySystems.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Scottsdale Insurance Company	
INSURER B :	Underwriters at Lloyd's London	
INSURER C :	Western World Insurance Company	
INSURER D :		
INSURER E :		
INSURER F :		

INSURED
Neighborhood Housing Services of South Florida,Inc.
300 NW 12th Ave.
Miami, FL 33128

COVERAGES **CERTIFICATE NUMBER:** CL2063006534 **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	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY; PRO-JECT; LOC; OTHER:			CPS3343488	06/30/2020	06/30/2021	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ Excluded
								$
A	AUTOMOBILE LIABILITY; ANY AUTO; OWNED AUTOS ONLY; SCHEDULED AUTOS; X HIRED AUTOS ONLY; X NON-OWNED AUTOS ONLY			CPS3343488	06/30/2020	06/30/2021	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
B	UMBRELLA LIAB; OCCUR; EXCESS LIAB; X CLAIMS-MADE; DED; RETENTION $ 25,000			0000-00299961A	12/04/2019	12/04/2020	EACH OCCURRENCE	$
							AGGREGATE	$
							ERRORS & OMISSION	$ 1,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH); If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
C	DIRECTORS & OFFICERS & EPLI Retention$1,000			NPP8660420	03/06/2020	03/06/2021	Each Occurrence	$1,000,000
							Aggregate	$1,000,000

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

CERTIFICATE HOLDER

Federation of Appalachian Housing Enterprises Inc DBA FAHE
319 Oak Street
Berea KY 40403

CANCELLATION

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

City of Fort Lauderdale • Procurement Services Division
100 N. Andrews Avenue, 619 • Fort Lauderdale, Florida 33301
954-828-5933 Fax 954-828-5576
purchase@fortlauderdale.gov

ITB NO. 12385-105

Scattered Site Infill Housing

ADDENDUM NO. 1

ISSUED: August 21, 2020

This Addendum is being issued to provide the following information. It is hereby made a part of the Plans and Specifications and shall be included with all contract documents.

Acknowledge receipt of this Addendum by inserting its number and date on the CITB Construction Bid Certification Page.

a) Opening Bid, Questions and Answers will be extended:

New Dates:

Questions and Answers: November 9, 2020
Opening Bid: November 16, 2020

All other terms, conditions, and specifications remain unchanged.

Fausto Vargas
Procurement Specialist

Company Name: Neighborhood Housing Services of South Florida, Inc.
(please print)

Bidder's Signature: John P Pantoja COO and Controller

Date: November 11, 2020