

**REVISED AGENDA**  
**PLANNING COMMITTEE & FINANCE COMMITTEE**  
**Tuesday, January 7, 2020**  
**7:00 PM**  
**Council Chambers- The Hurley Building**

**Planning Committee:** Steve Uebbing, Chair  
Jim Terwilliger  
Nick Cutri  
Dan Unrath

**1. Renewal of Homeownership and Home Preservation Program – Habitat for Humanity**

Habitat for Humanity (Habitat) and the City has partnered over the last several years to assist homeowners with exterior home repairs and improvements. This year they are also requesting funds to assist residents with wheel chair accessible ramps. Nash Bock from Habitat will be at the meeting to make a short presentation detailing the benefits of the program to the community and their proposal to continue their work. Funding for this program needs to be appropriated and recommended to be appropriated from existing CDBG funds (\$17,000).

**2. Renewal of Home Energy and Improvement Program – PathStone Corporation**

In March 2014, the City and PathStone partnered to provide assistance to low to moderate income homeowners in making repairs to their homes and energy efficiency improvements. Chris Raymond from PathStone will be at the meeting to make a short presentation detailing the benefits of the program to the community and their proposal to continue their work. Funding for this program needs to be appropriated and recommended from existing CDBG funds (\$53,800).

**3. General Discussion – City Communications**

Councilmember Steve Uebbing requested a general discussion on the City's communications be added to the agenda.

**Finance Committee:** Jim Terwilliger, Chair  
Nick Cutri  
Steve Uebbing  
Erich Dittmar

**1. Tabled IDA Resolution**

Traditionally, members of the Ontario County IDA have been appointed by the Ontario County Board of Supervisors (BOS) to represent the economic development sectors of the County's Economic Development Strategic Plan, including: manufacturing, agriculture & food, financial services, health & medical, information technology & communications, organized labor, and government. At the December 5<sup>th</sup> City Council meeting, Resolution #2019-109 requesting that the BOS change the IDA appointment process to allow for municipal input was tabled and sent back to Committee. This item has been added to the agenda for further discussion.

**Next Meeting: February 4, 2020**



We build **strength, stability, self-reliance** and **shelter**.

September 13, 2019

John Goodwin, City Manager  
City of Canandaigua  
2 North Main Street  
Canandaigua, NY 14424

Dear Mr. Goodwin,

Habitat for Humanity of Ontario County is requesting funding from the City of Canandaigua to continue our home repair program for City residents in 2020. In support of this request, please find the following documents enclosed:

1. Project Proposal – 2020 City of Canandaigua Home Preservation Program
2. A copy of Habitat's FY20 Budget (July 2019 – June 2020)
3. A copy of Habitat's most recent independent audit report

For 2020, we are requesting a total of \$17,000, which represents 1.63% of our annual budget. As in prior years, these funds will be used to provide low-income homeowners in the City of Canandaigua with affordable exterior repair services as well as to provide wheelchair ramps for low-income individuals with accessibility needs.

Thank you for your consideration. Please contact my office with any questions or additional information you require.

In partnership,

A handwritten signature in black ink, appearing to read "Nash Bock".

Nash Bock  
Executive Director



**Habitat**  
**for Humanity**<sup>®</sup>  
**of Ontario County NY**

**2020 Home Preservation Program  
Funding Proposal**

Habitat for Humanity of Ontario County  
3040 County Road 10  
Canandaigua, NY 14424

Contact: Nash Bock, Executive Director  
Email: [nashb@ontariohabitat.org](mailto:nashb@ontariohabitat.org)

Website: [www.OntarioHabitat.org](http://www.OntarioHabitat.org)

Phone: (585) 396-3600  
Fax: (585) 919-2800

Federal Tax ID: 16-1386125

## **2020 City of Canandaigua Home Preservation Program Funding Requested: \$17,000**

### **PROJECT PROPOSAL:**

Habitat for Humanity of Ontario County (Habitat) is seeking continued funding for the City of Canandaigua Home Preservation Program. Under this program Habitat provides exterior home repair services and wheelchair accessible ramps to qualified low income residents in the City of Canandaigua. The scope of this program includes minor repairs such as porches, railings and steps, exterior painting, lawn cleanup, tree removal, safety and code violations, etc., as well as wheelchair ramps for individuals in need of accessibility modification to remain in their home.

Adhering to the following elements is essential to honoring the Habitat philosophy, and makes for a sound partnership between Habitat, the partner family, and the City of Canandaigua.

- Homeowner's are active participants in the projects ("Sweat Equity")
- Enlisting volunteers from the community to provide labor
- Securing donated materials, when available
- Serving individuals/families with a demonstrated need for housing and/or repairs

### **Program Qualification & Selection Process:**

- Household income at or below 60% of the area median income.
- Demonstrated need for home repairs as evidenced by safety, security, code violations, or other issues that would compromise the integrity of the home.
- Willingness to partner with Habitat through the completion of sweat equity hours
- Owner of a detached, owner occupied dwelling within the City of Canandaigua
- Proof of current property taxes, water and sewer payments
- Proof of current homeowner's insurance policy

All applications will be reviewed by Habitat's Program Manager to ensure they meet all stated requirements. Scope of work will be established by Habitat's Construction Manager and reviewed by the Executive Director prior to final approval. Once approved, applicants will be responsible for a \$50 processing fee payable to Habitat prior to commencing work.

Habitat offers this program to City residents in need of affordable home repairs. As such, no repayment for materials or labor is required from the homeowner. Habitat also works closely with the City's Office of Code Enforcement to identify homes at risk that may benefit from program services.

To minimize program costs and maximize the impact of the City's investment, Habitat utilizes volunteers from the community and donated materials whenever possible. The funding requested in this proposal will be utilized for program related expenses including construction materials, professional services for work beyond the scope of Habitat's volunteer workforce (ex: tree service, removal of hazardous materials, demolition, etc.),

and marketing materials to increase program awareness and ensure maximum participation from eligible residents.

**Sources of Funding:** To fund this project Habitat will utilize a combination of support including: the requested City funds in this proposal; support from private donors; and proceeds from the Habitat ReStore.

**Habitat's Ability to Complete the Project:** Habitat has been successfully building new homes as well as rehabilitating existing homes in the City of Canandaigua and throughout Ontario County for nearly 30 years. More specifically, Habitat has completed over thirty-eight owner-occupied home repair projects, twenty-one within the city of Canandaigua. Habitat has the experience and knowledge required to mobilize teams of volunteers for construction projects. There is a proven record of maximizing the impact of funding by leveraging existing relationships with donors and local businesses.

**IMPACT ON THE COMMUNITY:**

If this grant proposal is approved, the funding will help Habitat provide hardworking, low-income families with a decent, safe place to call home, as well as improve the overall condition of homes in the City of Canandaigua. With this year's funding request, we hope to serve at least five families through home repair or wheelchair ramp services. With the City's support we will increase our housing production and the number of families served annually. In turn, this will enable us to move toward our goal of eliminating substandard housing, and contribute to the health, vitality, and sustainability of Ontario County.

**Measure of Success/Outcomes:** Habitat will use the following sustainable benchmarks that measure this programs success:

- Number of homeowner and home preservation applications
- Number of homes completed each year (goal of three in 2020)
- Number of repairs completed each year (goal of five in 2020)
- Number of individuals served (goal of 20 in 2020)

**Reporting:** We will communicate our program goals, outcomes, and impact, in a report to the City of Canandaigua upon completion of the proposed project. We will provide additional information as requested by the City.

**ABOUT HABITAT FOR HUMANITY:**

Habitat for Humanity of Ontario County is dedicated to eliminating substandard housing locally and worldwide through constructing, rehabilitating and preserving homes; by advocating for fair and just housing policies; and by providing training and access to resources to help families improve their shelter conditions.

Habitat for Humanity was founded on the conviction that every man, woman and child should have a simple, durable place to live in dignity and safety. We believe that decent affordable homes are the foundation, both literally and figuratively, upon which families build strength and self-reliance.

## Exhibit A

**Habitat's Investment and Impact in Canandaigua:** Habitat built its first home in the City of Canandaigua in 1992. Since that time, Habitat has built five additional homes within the City and has one more currently under construction. In addition to providing families with a decent place to live, the five completed homes combined have added \$529,000 in assessed value to the City's tax rolls.

In 2014, Habitat launched the pilot for the Home Preservation Program with the City of Canandaigua. The program was renewed every year since the initial pilot, allowing Habitat to assist numerous city homeowners with exterior home repairs. The success of this program is evidenced not only by the improved safety and physical appearance of the homes and neighborhoods served but also in the homeowners' own sense of pride and investment in their community.

Since beginning this program, Habitat has invested over 300 hours in project management, leveraged the City's support to engage thousands of dollars in additional donated goods and services, and organized volunteers to contribute over 800 hours of labor to the local community.

### Schedule of Habitat Homes Built in the City of Canandaigua

<b>Address</b>	<b>Year Completed</b>	<b>Assessed Taxable Value</b>
11 Bristol Court	1992	\$103,000 (\$14,000 land only)
116 Phoenix Street	1998	\$104,000 (\$18,000 land only)
59 Chapin Street	2015	\$157,500 (\$16,000 land only)
33 Foster Street	2017	\$128,000 (\$17,000 land only)
66 Foster Street	2019	\$112,500 (\$11,000 land only)
41 Saltonstall Street	Exp. Feb 2020	TBD

### Schedule of Completed Home Preservation Projects in the City of Canandaigua

<b>Address</b>	<b>Year</b>	<b>Work Performed</b>
70 Canandaigua Ave	2014	Foundation vegetation trimming; Exterior painting; Roof fascia repair; Installation of soffit vents & storm door
383 North Main St	2014	Foundation vegetation trimming; Porch handrail repair; Exterior painting

39 Chapin St	2014	Front porch deck & step repair; Porch painting & exterior painting
91 Chapin St	2014	Side porch repair & painting
53 Phelps St	2014	Foundation vegetation trimming; Exterior painting & entry door replacement
168 Buffalo St	2014	Foundation vegetation trimming
196 Beals St	2014	Gutter cleaning; Grab bar installation
33 Dungan St	2014	Yardwork
184 North Pearl St	2015	Gutter cleaning; Porch roof patching; Front porch railing, steps, and decking repairs and painting
32 Antis St	2015	Tree removal; Rear porch removal and construction of new steps; Front porch repair; Vinyl siding
126 Charlotte St	2016	Removal of crumbling steps; Construction of new steps and landing
189 Gibson St	2016	Installed new downspouts and proper drainage away from foundation to improve moisture situation in basement
71 Saltonstall St	2016	Demolition of condemned building
33 Foster St	2016	Demolition of condemned building
67 Saltonstall St	2017	Removal of dead tree
220 Pleasant St	2017	Installed privacy fence along south side of property
20 N Pearl St	2017	Yardwork, porch repair, siding repair, downspout extenders, replace vent cap, paint, weather-stripping for side door, parge foundation wall, repair rotten window sill
76 Phoenix St	2018	Repaired and restored porch, railings, and steps that had deteriorated due to rot
130 Gorham St	2018	Installed new storm door, re-glazed cracked window, installed exterior light for safety
249 Pleasant St	2018	Removal of dead tree
168 Niagara St	2019	Gutters and downspouts (pending), grade lawn, spread topsoil and seed.
97 Phoenix St	2019	Replace gutters, repair eave fascia, and remove dead tree (pending)
33 Foster St	2019	Removal of dead tree (pending)

**Exhibit B**  
**Home Preservation Program – Before and After Pictures**

**NORTH MAIN ST.**



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**ANTIS ST.**

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	FY20 Budget (approved)
<b>Revenue</b>	
<b>Income</b>	
Contributions	\$ 61,000
Contributions Businesses	\$ 10,000
Contributions Churches	\$ 8,500
Grants	\$ 102,000
Other Non-Program Income	
Interest Income	\$ 35
Other Program Income	
ReStore Sales - Gross	\$ 641,000
Sale to Homeowners	\$ 180,000
<b>Total Income</b>	<b>\$ 1,004,985</b>
<b>Cash Income from Balance Sheet</b>	
Mortgage Receivables (Fund for Humanity)	\$ 39,500
<b>Total Cash Income from Balance Sheet</b>	<b>\$ 39,500</b>
<b>Gross Revenue and Other Cash Received</b>	<b>\$ 1,044,485</b>
	FY20 Budget (approved)
<b>Expenses</b>	
Accounting Fees	\$ 5,800
Total Advertising/Marketing	\$ 25,000
Total Computer Expenses	\$ 10,760
Total Conferences/Travel/Meetings	\$ 16,371
Total Construction Costs	\$ 21,282
Total Dues	\$ 11,578
Total Equipment Costs	\$ 2,000
Fundraising	\$ -
Global Village Program	\$ 1,200
Insurance	
D&O	\$ 1,100
General Liability	\$ 10,700
<b>Total Insurance</b>	<b>\$ 11,800</b>
Interest	\$ 1,900
International Tithe Expense	\$ 33,736
Legal Fees	\$ 2,000
Total Occupancy Expense	\$ 24,900
Total Other Expenses	\$ 16,165
Other Mission Specific Costs	
Credit/Background Checks	\$ 1,700
Other	\$ -

	<b>FY20 Budget (approved)</b>
<b>Total Other Mission Specific Costs</b>	\$ 1,700
<b>Postage and Shipping</b>	\$ 2,500
<b>Publications</b>	
Books and Subscriptions	\$ 450
Publications - Other	\$ -
<b>Total Publications</b>	\$ 450
<b>Supplies</b>	
Office Supplies	\$ 800
Other Supplies	\$ 5,600
<b>Total Supplies</b>	\$ 6,400
<b>Total Telephone &amp; Broadband</b>	\$ 4,965
<b>Travel</b>	
Staff Mileage	\$ 3,700
<b>Total Travel</b>	\$ 3,700
<b>Total Vehicle expense</b>	\$ 12,200
<b>Total Volunteer</b>	\$ 11,800
<b>Program Services - Other</b>	\$ -
<b>Total</b>	<b>721,015.77</b>
<b>Cash Expenses from Balance Sheet</b>	
66 Foster Street, Canandaigua	\$ 5,000
1 Park Street, Clifton Springs	\$ 100,000
3 Park Street, Clifton Springs	\$ -
41 Saltonstall, Canandaigua	\$ 105,000
33 Foster Street, Canandaigua	\$ -
1 Terrace Place, Shortsville	\$ 65,000
Mortgage 3040 Co Rd 10	\$ 13,248
Mortgage 3020 Co Rd 10	\$ 3,195
ReStore Truck Loan	\$ 2,000
Property acquisition	\$ 30,000
<b>Total Cash Expenses from Balance Sheet</b>	<b>\$ 323,443</b>
<b>Total Expense</b>	<b>\$ 1,044,459</b>
<b>Net Income</b>	<b>\$ 26</b>

**HABITAT FOR HUMANITY OF  
ONTARIO COUNTY, NEW YORK, INC.**

**Financial Statements  
as of June 30, 2018  
Together with  
Independent Auditor's Report**

## INDEPENDENT AUDITOR'S REPORT

September 25, 2018

To the Board of Directors of  
Habitat for Humanity of Ontario County, New York, Inc.:

We have audited the accompanying financial statements of Habitat for Humanity of Ontario County, New York, Inc. (a New York non-profit corporation), which comprise the balance sheet as of June 30, 2018, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### *Auditor's Responsibility*

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

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

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

## INDEPENDENT AUDITOR'S REPORT (Continued)

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of Ontario County, New York, Inc. as of June 30, 2018, and the change in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

### **Report on Summarized Comparative Information**

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

*RDG+Partners CPAs PLLC*

Pittsford, New York

**HABITAT FOR HUMANITY OF ONTARIO COUNTY, NEW YORK, INC.****BALANCE SHEET****JUNE 30, 2018****(With Comparative Totals for 2017)**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 239,935	\$ 223,619
Construction in progress	206,500	58,793
Homes available for sale, net	124,000	206,110
Current portion of mortgages receivable, net	19,011	17,364
Accounts receivable	<u>2,674</u>	<u>2,456</u>
Total current assets	<u>592,120</u>	<u>508,342</u>
PROPERTY AND EQUIPMENT, net	<u>566,428</u>	<u>595,143</u>
OTHER ASSETS:		
Mortgages receivable, net of current portion	327,206	298,464
Restricted property	<u>88,000</u>	<u>88,000</u>
Total other assets	<u>415,206</u>	<u>386,464</u>
	<u>\$ 1,573,754</u>	<u>\$ 1,489,949</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 25,815	\$ 13,535
Funds held for homeowners	1,862	5,183
Current portion of long-term debt	<u>177,280</u>	<u>22,482</u>
Total current liabilities	204,957	41,200
LONG TERM LIABILITIES:		
Long-term debt, net of current portion	<u>5,635</u>	<u>176,057</u>
Total liabilities	<u>210,592</u>	<u>217,257</u>
NET ASSETS:		
Unrestricted net assets	1,275,162	1,184,692
Temporarily restricted net assets	<u>88,000</u>	<u>88,000</u>
Total net assets	<u>1,363,162</u>	<u>1,272,692</u>
	<u>\$ 1,573,754</u>	<u>\$ 1,489,949</u>

The accompanying notes are an integral part of these statements.

HABITAT FOR HUMANITY OF ONTARIO COUNTY, NEW YORK, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2018  
 (With Comparative Totals for 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	
<b>SUPPORT:</b>				
Contributions	\$ 69,302	\$ -	\$ 69,302	\$ 57,987
In-kind donations	36,225	-	36,225	239,480
Homebuilding grant	30,840	-	30,840	29,493
	<u>136,367</u>	<u>-</u>	<u>136,367</u>	<u>326,960</u>
<b>REVENUE:</b>				
Sale of homes	124,000	-	124,000	-
Mortgage discount amortization	22,219	-	22,219	20,342
Interest and other program revenue	6,872	-	6,872	5,666
ReStore income	601,870	-	601,870	584,645
Rental income	500	-	500	6,000
	<u>755,461</u>	<u>-</u>	<u>755,461</u>	<u>616,653</u>
Total support and revenue	<u>891,828</u>	<u>-</u>	<u>891,828</u>	<u>943,613</u>
<b>EXPENSES:</b>				
Cost of homes sold	93,760	-	93,760	10,304
Discount on mortgage receivable	75,075	-	75,075	-
Change in reserve on homes available for sale	10,291	-	10,291	-
Program services	568,334	-	568,334	491,627
Management and general	25,572	-	25,572	25,750
Fundraising	28,326	-	28,326	32,769
Total expenses	<u>801,358</u>	<u>-</u>	<u>801,358</u>	<u>560,450</u>
<b>CHANGE IN NET ASSETS</b>	90,470	-	90,470	383,163
<b>NET ASSETS, beginning of year</b>	<u>1,184,692</u>	<u>88,000</u>	<u>1,272,692</u>	<u>889,529</u>
<b>NET ASSETS, end of year</b>	<u>\$ 1,275,162</u>	<u>\$ 88,000</u>	<u>\$ 1,363,162</u>	<u>\$ 1,272,692</u>

The accompanying notes are an integral part of these statements.

HABITAT FOR HUMANITY OF ONTARIO COUNTY, NEW YORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018  
(With Comparative Totals for 2017)

	2018						2017
	Program			Management and General	Fundraising	Total	
	ReStore	Construction Overhead and Other	Total				
Payroll and payroll taxes	\$ 211,757	\$ 160,740	\$ 372,497	\$ 14,235	\$ 18,839	\$ 405,571	\$ 338,196
Tithe and dues to Habitat International	-	42,625	42,625	-	-	42,625	33,375
Depreciation	17,449	11,266	28,715	-	-	28,715	29,183
Vehicle and travel	13,780	3,828	17,608	-	-	17,608	15,088
Advertising	7,074	5,455	12,529	-	5,056	17,585	20,309
Printing and publications	5,851	2,838	8,689	-	2,244	10,933	3,147
Insurance	5,380	3,453	8,833	782	942	10,557	10,295
Credit card processing fees	8,681	509	9,190	-	860	10,050	8,178
Interest	1,441	7,770	9,211	-	-	9,211	8,936
Utilities	7,029	1,973	9,002	-	-	9,002	10,119
Volunteer recognition	3,840	4,203	8,043	-	-	8,043	6,750
Conferences and training	282	2,402	2,684	3,801	49	6,534	16,029
Computer expense	2,618	3,815	6,433	-	-	6,433	4,787
Professional fees	-	-	-	6,250	-	6,250	9,151
Repairs and maintenance	4,522	1,638	6,160	-	-	6,160	7,756
Office supplies and expenses	3,941	793	4,734	-	72	4,806	3,895
Telephone	2,725	1,852	4,577	-	-	4,577	4,640
Tools and equipment	-	1,689	1,689	-	-	1,689	1,668
Postage and delivery	877	545	1,422	-	264	1,686	1,113
Miscellaneous	1,160	12,533	13,693	504	-	14,197	17,531
	<u>\$ 298,407</u>	<u>\$ 269,927</u>	<u>\$ 568,334</u>	<u>\$ 25,572</u>	<u>\$ 28,326</u>	<u>\$ 622,232</u>	<u>\$ 550,146</u>

The accompanying notes are an integral part of these statements.

HABITAT FOR HUMANITY OF ONTARIO COUNTY, NEW YORK, INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018  
(With Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 90,470	\$ 383,163
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	28,715	29,183
In-kind property donation	-	(209,000)
Discount on mortgages receivable	75,075	-
Amortization of closing costs	1,299	1,023
Amortization of discount on mortgages receivable	(22,219)	(20,342)
Amortization of discount on mortgage payable	5,559	5,648
Change in reserve for homes available for sale	10,291	-
Change in:		
Construction in progress	(147,707)	(53,082)
Homes available for sale	71,819	(128,543)
Mortgages receivable	(83,245)	38,719
Accounts receivable	(218)	1,874
Accounts payable and accrued expenses	12,280	(16,149)
Funds held for homeowners	(3,321)	1,869
Net cash flow from operating activities	<u>38,798</u>	<u>34,363</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	-	(24,333)
Net cash flow from investing activities	<u>-</u>	<u>(24,333)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Closing costs paid	-	(4,128)
Repayments of long-term debt	(22,482)	(19,286)
Net cash flow from financing activities	<u>(22,482)</u>	<u>(23,414)</u>
<b>CHANGE IN CASH</b>	16,316	(13,384)
<b>CASH - beginning of year</b>	<u>223,619</u>	<u>237,003</u>
<b>CASH - end of year</b>	<u>\$ 239,935</u>	<u>\$ 223,619</u>
<b>NON-CASH FINANCING ACTIVITY:</b>		
Financing of property purchases	<u>\$ -</u>	<u>\$ 39,333</u>

The accompanying notes are an integral part of these statements.

# HABITAT FOR HUMANITY OF ONTARIO COUNTY, NEW YORK, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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### 1. ORGANIZATION

Habitat for Humanity of Ontario County, New York, Inc. (the Organization) is the Ontario County, New York affiliate of the nonprofit, Ecumenical Christian housing ministry of Habitat for Humanity, International, working globally to eliminate poverty housing through the creation of decent, affordable homes in partnership with families, volunteers and donors.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting -

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Financial Reporting -

The Organization categorizes net assets and activities as unrestricted, temporarily restricted, or permanently restricted. At June 30, 2018 and 2017, the Organization reported net assets as follows:

- Unrestricted - Unrestricted net assets include operating resources available for the support of operating activities.
- Temporarily Restricted - Temporarily restricted net assets include resources donated to the Organization subject to time or purpose restrictions as defined by the donor. As of June 30, 2018 and 2017, the Organization had \$88,000 of donated property that was temporarily restricted.
- Permanently Restricted - Permanently restricted net assets include resources subject to donor-imposed restrictions that may be maintained permanently by the Organization. There were no permanently restricted net assets at June 30, 2018 or 2017.

Cash -

The Organization's cash includes bank deposit accounts. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk with respect to cash.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Accounts Receivable -

The Organization has accounts receivable from individuals, including homeowners, related to program services provided by the Organization, or, in the case of homeowners, expenses paid for by the Organization that are to be reimbursed by the homeowner. Accounts for which no payments have been received for a significant amount of time are considered delinquent and the account is written-off when customary collection efforts are exhausted. The Organization records an allowance for doubtful accounts in anticipation of future write-offs, based on the historical collection experience of the Organization. No allowance for doubtful accounts was considered necessary at June 30, 2018 or 2017.

### Construction in Progress -

Construction in progress consists of homes owned by the Organization that are currently under construction or renovation. These homes are valued at the lower of cost or anticipated sales price.

### Homes Available for Sale -

Homes available for sale consists of homes owned by the Organization that are valued at the lower of cost or anticipated sales price. As of the balance sheet date, these homes were either awaiting closing or the current tenants are in a probationary period prior to being eligible for ownership. The reserve on homes available for sale was \$10,291 at June 30, 2018. There was no reserve on homes available for sale at June 30, 2017.

### Mortgages Receivable -

The Organization discounts its mortgages receivable. In accordance with instructions from Habitat for Humanity, International, the Organization does not charge interest on mortgages on houses sold to homeowners. By discounting the mortgages receivable, the Organization records the mortgages at the present value of the note payments to be received in the future. Imputed rates of interest that are used in computing the discount vary between 7.39% and 8.48% depending on the origination date of the mortgage. The difference between the face amount of the mortgage and its present value is accounted for as a discount and charged to program expense in the initial year of the mortgage. The discount is then amortized over the life of the mortgage using the interest method and is reported as mortgage discount amortization in the statement of activities and change in net assets.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Property and Equipment -

It is the Organization's policy to capitalize property and equipment with a cost of \$250 or greater and an estimated useful life of more than two years. Purchased property and equipment is stated at cost and depreciated using the straight-line method over an estimated useful life ranging from five to thirty-nine years. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

### Deferred Financing Costs -

Effective July 1, 2017, the Organization changed its method of presentation relating to deferred financing costs in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2015-03. Prior to fiscal 2017, the Organization's policy was to present these deferred financing costs as loan acquisition costs on the balance sheet, net of accumulated amortization. Beginning in fiscal 2017, the Organization has presented these fees as a direct deduction to the related note payable.

Deferred financing costs represent costs totaling \$7,439 as of June 30, 2018 and 2017, that were incurred in obtaining financing. The costs are being amortized on a straight-line basis through the maturity date of the related notes payable. Amortization expense is reported as interest expense on the statement of activities and change in net assets. Accumulated amortization of these costs totaled \$4,450 and \$3,151 at June 30, 2018 and 2017, respectively.

### Restricted Property -

During 2007, the Organization received a contribution of property where the donor reserved life use of the property. An appraisal was completed at the time of the contribution and the fair market value was determined to be \$88,000. The property is classified as restricted property in the accompanying statements of financial position.

### Support and Revenue -

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 statement of activities as net assets released from restrictions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Support and Revenue (Continued) -

Contributions of non-cash assets are recorded at their fair market value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

### Fair Value Measurement -

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

- Level 1 - Valuations based on quoted market prices in active markets for identical assets or liabilities that the Organization has the ability to access.

The Organization has no assets or liabilities that are valued utilizing level 1 inputs.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

The Organization's received a donation of land in both fiscal 2017 and 2018. The land has been valued using third-party appraisals, which the Organization considers to be level 2 inputs.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Organization has no assets or liabilities that are valued utilizing level 3 inputs.

### Events Occurring After Reporting Date -

The Organization has evaluated events and transactions that occurred between June 30, 2018 and September 25, 2018, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Income Taxes -

The Organization has received a letter of determination from the Internal Revenue Service advising it that it qualifies as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to income tax. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

### Estimates -

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Comparative Information -

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

## 3. MORTGAGES RECEIVABLE

Mortgages receivable secured by real estate, due on various dates with no interest, consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Mortgages receivable	\$ 822,798	\$ 739,553
Discounts on non-interest-bearing mortgages	<u>(476,581)</u>	<u>(423,725)</u>
	346,217	315,828
Less: current portion	<u>(19,011)</u>	<u>(17,364)</u>
	<u>\$ 327,206</u>	<u>\$ 298,464</u>

### 3. MORTGAGES RECEIVABLE (Continued)

The following are future maturities of mortgages receivable, net of discount, as of June 30, 2018:

	<u>Mortgage</u>	<u>Discount</u>	<u>Net</u>
2019 .....	\$ 41,839	\$ (22,828)	\$ 19,011
2020 .....	39,867	(22,828)	17,039
2021 .....	39,547	(22,828)	16,719
2022 .....	39,547	(22,828)	16,719
2023 .....	39,547	(22,444)	17,103
Thereafter .....	<u>622,451</u>	<u>(362,825)</u>	<u>259,626</u>
	<u>\$ 822,798</u>	<u>\$ (476,581)</u>	<u>\$ 346,217</u>

### 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Office equipment	\$ 18,724	\$ 18,724
Vehicles	65,511	65,511
Building	284,806	284,806
Land	209,000	209,000
Building improvements	<u>160,192</u>	<u>160,192</u>
	738,233	738,233
Less: Accumulated depreciation	<u>(171,805)</u>	<u>(143,090)</u>
	<u>\$ 566,428</u>	<u>\$ 595,143</u>

5. FINANCING ARRANGEMENTS

Long-Term Debt -

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

	<u>2018</u>	<u>2017</u>
Note payable to a financing company in monthly installments of \$686, including interest at 0.99%, through September 2020. The note is collateralized by the related vehicle.	\$ 10,226	\$ 18,317
Mortgage payable to an individual in monthly payments of \$266, including interest at 2.5%, through October 2021.	10,207	13,107
Mortgage payable to an individual in monthly principal payments of \$1,104, including interest at 1%. The note is callable by the debtor at any time after February 2019. The note is collateralized by the building purchased. The mortgage has been discounted at an imputed interest rate of 3.5%.	<u>169,124</u>	<u>180,615</u>
	189,557	212,039
Less: unamortized discount on mortgage payable	(3,653)	(9,212)
Less: unamortized debt issuance costs	(2,989)	(4,288)
Less: current portion	<u>(177,280)</u>	<u>(22,482)</u>
Long-term portion of long-term debt	<u>\$ 5,635</u>	<u>\$ 176,057</u>

The discount on the mortgage payable is being amortized over the term of the mortgage using the interest method.

The future maturities of long-term debt are as follows for the years ending June 30:

	<u>Amount</u>
2019.....	\$ 180,269
2020.....	5,103
2021.....	3,126
2022.....	<u>1,059</u>
	<u>\$ 189,557</u>

## **5. FINANCING ARRANGEMENTS (Continued)**

### Line-of-Credit -

During fiscal 2011, the Organization entered into a line-of-credit agreement with a bank. Under the terms of the agreement, the Organization may borrow up to \$100,000. Amounts borrowed bear interest at the prime rate plus 1% (6.00% and 5.25% at June 30, 2018 and 2017, respectively) and are due on demand. The line-of-credit is secured by the assignment of mortgages and payments on nine mortgages held by the Organization. There was no balance outstanding under the terms of the agreement as of June 30, 2018 or 2017.

### Debt Covenants -

The Organization has certain financial covenants in connection with its line-of-credit agreement. The Organization was in compliance with these covenants during the years ended June 30, 2018 and 2017.

### Interest Paid -

Interest paid under the terms of all financing agreements totaled \$2,353 and \$2,264 during the years ended June 30, 2018 and 2017, respectively.

## **6. COMMITMENTS**

The Organization is an affiliate of Habitat for Humanity International. This relationship allows the Organization the use of the Habitat for Humanity name and certain resources of Habitat for Humanity International such as advertising material, software, website use, etc. In return, the Organization must abide by the mission statement of Habitat for Humanity International. The Organization also voluntarily tithes 10% of all donations that are not restricted for use in the Ontario County region to Habitat for Humanity International.

## **7. DONATED SERVICES**

The Organization receives a significant amount of donated services from unpaid volunteers who assist in home rehabilitation/construction, fund-raising and special projects. The value of non-professional services is not reflected in the accompanying statements, as these services do not meet the criteria for recognition in accordance with GAAP. However, the Organization values donated goods and professional services based on the market value of the goods or services being provided, which are included as support on the statement of activities and change in net assets. The market value of contributed goods and professional services for the years ended June 30, 2018 and 2017 totaled \$36,225 and \$30,480, respectively.

**CANANDAIGUA HOME ENERGY IMPROVEMENT PROGRAM (CHEIP)  
2020 PROPOSAL**

**PATHSTONE CORPORATION WORKING WITH THE CITY OF CANANDAIGUA TO HELP LOW AND MODERATE-INCOME  
FAMILIES REDUCE HOME ENERGY EXPENSES AND MAKE HOMES MORE LIVABLE**

**Background:** For the past five years PathStone has operated the Canandaigua Home Energy Improvement Program for the City of Canandaigua. The first year, 10 low to moderate income households were assisted, the number of applicants has declined each year since. There is still a great need for home improvement, accessibility, aging in place, and energy efficiency measures among the residents of Canandaigua, some modifications to program guidelines may be required to meet the needs of this population. To broaden the reach of the program; Pathstone would like to amend the existing program to have a tiered matching funds requirement based on the owners financial situation. Homeowners would be responsible for 0%-20% of the total project cost. In addition to site built homes, mobile and manufactured homes located in, or outside manufactured home parks would also be eligible.

**Proposal:** PathStone is proposing to make some changes to the program to hopefully increase its usage. An aging population often requires home modifications to keep a home livable, items such as grab bars, hand rails, additional lighting, first floor laundries and bathrooms, plus walk in showers would be included in the program. Keeping up with home repairs can also be above the financial and physical capabilities of some low income homeowners. To this end, we propose using grant funds to also address code violations and maintenance items some homeowners cannot fully afford to correct. (A referral will be required from a City of Canandaigua Code Enforcement Officer to correct homes with only code violations.)

Energy Improvements are still a crucial part of this program. Applicants who have not received NYS Weatherization or NYSEDA services will be required to apply to one or both programs to take advantage of the free or reduced cost energy conservation measures these programs offer.

Rental properties will still be included in the program and will require the owner to equally match all funds provided by the City of Canandaigua. Homeowners earning less than 80% of the HUD area median income would not be required to provide matching funds.

Funds will be spent on a first come, first ready to proceed basis. The allocation below is an estimate; either category could receive a larger share of the program budget depending on the readiness to proceed of applicants.

Property Type	Funds per unit	Construction management fees per unit	Total estimated budget
Single family, mobile homes	5 x \$7,500	5 x \$900	\$42,000
Rental Properties	2 X \$5,000	2 x \$900	\$11,800
<b>Total</b>	<b>\$47,500</b>	<b>\$6,300</b>	<b>\$53,800</b>

**Benefits:** Anticipated program benefits include at least the following:

- Easier access to NYSERDA AHP services for LMI households by offering the required matching funds in the form of a grant.
- Aging in place and accessibility improvements for seniors and physically challenged residents.
- Mobile and manufactured homes, typically excluded from other grant programs, will be able to receive home and energy improvement grant funds.
- Benefits to participants would be lower energy costs and a healthier home environment.
- Homeowners with more deferred maintenance would be referred or enrolled in programs with more resources as well as participating in CHEIP

**PathStone's Role:** PathStone would be responsible for the following activities:

- Application Review and Applicant Eligibility Determination.
- Project review and site inspection.
- Contractor coordination.
- Permit application.
- Health and safety work scope and contract management.
- Receipt of Contractor invoice and Request for Payment.
- Final inspection of the property and project with City Code Enforcement.
- Match with additional NYS program funding to expand services.
- Administer any additional financial resources secured for this program.

**City's Role:**

- Continue the grant pool of \$53,800 to match 50% of Assisted Home Performance and Landlord funds and 100% of other repairs or improvements for LMI households plus program expenses.
- Pay 50% of the certified costs of the energy improvement project in the form of reimbursement to PathStone for payments made directly to the contractor.
- Pay 100% of the costs for code violations, accessibility, plus any health and safety portion of the project in the form of reimbursement to PathStone for payments made directly to the contractor.
- Provide Building Code Enforcement as needed.
- Pay PathStone \$900 per completed project.
- Project promotion including updated webpage on City website, mailers to City residents, and code enforcement referrals.
- Total funding for this project would be a maximum of \$53,800 with a goal of reaching at least 7 units.

**In summary,** CHEIP provides direct home improvement services in the City of Canandaigua with a focus on home energy conservation, accessibility, health, and safety using a blend of State and City funding. The program serves as leverage and a strong foundation for a larger LMI home improvement program by establishing a pipeline of interested households as well as documenting the need for home improvement services.

**RESOLUTION #2019-109**

**A RESOLUTION REQUESTING THE ONTARIO COUNTY BOARD OF SUPERVISORS CHANGE THE IDA APPOINTMENT PROCESS**

**WHEREAS**, the Ontario County Industrial Development Agency (OCIDA) was formed by the New York State Legislature by the enactment of NYS General Municipal Law §892-f to provide incentives to qualifying businesses that made significant capital investments in Ontario County and create and retain jobs; and

**WHEREAS**, the incentives provided by the OCIDA include real property tax, sales tax and mortgage recording tax abatements which impact revenues used by municipalities to provide municipal services expected and desired by residents; and

**WHEREAS**, the Ontario County Board of Supervisors (BOS) and its Planning and Research Committee provide oversight to the governance of the OCIDA and appoint members to the OCIDA Board which has a statutory limit of seven (7) members; and

**WHEREAS**, the seven (7) members of the OCIDA Board traditionally have been appointed by the BOS to represent the economic development sectors of the County's Economic Development Strategic Plan which include: manufacturing, agriculture & food, financial services, health & medical, information technology & communications, organized labor, and government; and

**WHEREAS**, recent incentives provided to projects within the City of Canandaigua have caused a community conversation about the OCIDA and concerns about representation on the OCIDA Board have been raised; and

**WHEREAS**, the Canandaigua City Council is interested in working with the BOS and the OCIDA;

**NOW, THEREFORE, BE IT RESOLVED**, that the Canandaigua City Council respectfully requests that the Ontario County Board of Supervisors change its OCIDA Board appointment process to include a board member that represents the City of Canandaigua.

**ADOPTED** this 5<sup>th</sup> day of December, 2019.

**ATTEST:**

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Nancy C. Abdallah  
City Clerk/Treasurer