

HABITAT FOR HUMANITY OF
LAKE-SUMTER, FLORIDA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
Habitat for Humanity of Lake-Sumter, Florida, Inc.

We have audited the accompanying financial statements of Habitat for Humanity of Lake-Sumter, Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

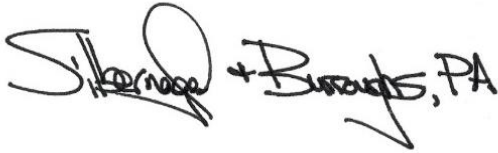
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of Lake-Sumter, Florida, Inc. as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Silvana + Burroughs, PA". The signature is written in a cursive, flowing style.

Mount Dora, FL
November 19, 2020

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 651,506
Grants receivable	18,196
Inventory held for sale - Habitat ReStore	193,903
Prepaid expenses	28,985
Escrow advances	21,628
Mortgage notes receivable, unpledged	196,311
Mortgage notes receivable, pledged	38,036
	1,148,565
LONG-TERM ASSETS	
Mortgage notes receivable, unpledged, net of discount and current portion	1,398,808
Mortgage notes receivable, pledged, net of discount and current portion	581,136
Land for future home sites	918,634
Construction in process	228,731
Land, buildings & equipment, net of accumulated depreciation	2,027,835
Intangible assets, net of accumulated amortization	7,731
Other assets	32,069
	5,194,944
TOTAL ASSETS	\$ 6,343,509
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 69,635
Accrued expenses	53,376
Payroll liabilities	50,182
Sales tax liability	3,617
Line of credit	300,000
Current portion of notes payable	94,483
Other current liabilities	5,363
	576,656
LONG-TERM LIABILITIES	
Notes payable	702,313
	1,278,969
NET ASSETS	
Net assets without donor restrictions	4,608,064
Net assets with donor restrictions	456,476
	5,064,540
TOTAL LIABILITIES AND NET ASSETS	\$ 6,343,509

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues:

In-kind donations - ReStore	\$ 969,513
Home and land sales	1,174,123
Donations	642,464
Mortgage discount amortization	159,302
In-kind donations - Homebuilding	214,036
Fund-raising projects	91,497
Global Village income	66,450
Rental income	18,275
Grants	78,030
Other income	12,616
Thrift store sales, net of cost of goods	(38,419)
Interest income	1,564
Loss on asset dispositions	(15,882)

Total Undesignated Revenues, Gains, and Other Support 3,373,569

Expenses:

Thrift stores	929,086
Housing	1,518,438
General and administrative	392,978
Other programs	277,595
Global Village	135,100
Fund development	403,338
Youth construction	389,187

Total Expenses 4,045,722

DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS (672,153)

NET ASSETS WITH DONOR RESTRICTIONS

Donations -

DECREASE IN NET ASSETS (672,153)

NET ASSETS AT BEGINNING OF YEAR 5,736,693

NET ASSETS AT END OF YEAR \$ 5,064,540

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Thrift Stores	Housing	Administrative	Other programs	Global Village/VM	Fund Development	Youth Construction	Total
Personnel	\$ 659,325	\$ 177,606	\$ 212,597	\$ 26,852	\$ 49,138	\$ 197,099	\$ 68,782	\$ 1,391,399
Advertising and newsletters	794	25	332	426	-	89,159	4,967	95,703
Collegiate challenge	-	-	-	-	8,953	-	-	8,953
Community preservation	-	-	-	204,910	-	42	-	204,952
Construction goods and services	-	963,258	-	416	-	-	288,040	1,251,714
Bank and credit card fees	22,323	681	488	39	-	22	25	23,578
Depreciation and amortization	65,468	62,586	2,555	-	30,984	4,518	846	166,957
Development expense	-	-	-	-	-	416	-	416
Donations	-	-	-	-	-	600	-	600
Dues and subscriptions	288	1,092	18,435	-	130	7,358	630	27,933
Grants and donations	-	25,865	-	22,034	-	-	-	47,899
Insurance	48	17,004	1,552	-	83	169	17,794	36,650
Legal and accounting	-	15,995	19,785	1,530	-	-	-	37,310
Loan interest	5,246	16,900	18,706	442	-	-	-	41,294
Merchandise and apparel	118	-	18	-	-	211	-	347
Minor equipment and tools	1,359	8,670	434	4,798	207	462	1,935	17,865
Office expense	10,559	716	1,512	209	2,949	1,103	43	17,091
Other expenses	866	551	9,253	-	14	636	-	11,320
Printing and postage	93	266	1,737	-	23	5,788	48	7,955
Property taxes	371	1,510	327	-	-	-	127	2,335
Rent	3,088	155	34,165	-	-	-	-	37,408
Repairs and maintenance	21,742	3,725	524	7	4,347	103	-	30,448
Service agreements	15,639	33,516	32,033	573	13,121	6,060	1,196	102,138
Special events	275	-	-	-	-	76,335	-	76,610
Tithe	-	-	15,000	-	-	-	-	15,000
Title transfer and recording fees	88	50	260	965	88	-	88	1,539
Training and conferences	21	203	3,498	19	221	1,941	-	5,903
Travel and mileage	1,754	-	2,771	279	-	807	-	5,611
Utilities	88,288	13,029	13,420	2,309	20,784	5,289	799	143,918
Vehicle operation and maintenance	31,136	11,660	3,576	5,726	1,813	5,220	3,867	62,998
Veterans Initiative direct cost	-	-	-	6,053	-	-	-	6,053
Volunteer costs	197	-	-	8	2,245	-	-	2,450
Discount on mortgages issued	-	163,375	-	-	-	-	-	163,375
	<u>\$ 929,086</u>	<u>\$ 1,518,438</u>	<u>\$ 392,978</u>	<u>\$ 277,595</u>	<u>\$ 135,100</u>	<u>\$ 403,338</u>	<u>\$ 389,187</u>	<u>\$ 4,045,722</u>

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (672,153)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation and amortization	166,957
Amortization of discounts on loans receivable	(159,302)
Loans receivable issued	(347,942)
Discounts on loans receivable issued	163,375
Loss on disposal of assets	15,882
Land used in building	197,172
Donated land	25,865
(Increase) decrease in:	
Escrow advances	(14,287)
Inventory	38,185
Accounts receivable	7,425
Prepaid expenses	(2,825)
Construction in process	316,446
Land for future home sites	(212,972)
Increase (decrease) in:	
Accounts payable	4,311
Accrued expenses	(8,121)
Other liabilities	(4,341)
Total adjustments	<u>185,828</u>
Net decrease in cash from operating activities	<u>(486,325)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Equipment purchases	(2,100)
Vehicle purchases	(32,851)
Building and land purchases and improvements	(62,467)
Payments received on mortgage notes receivable	<u>357,368</u>
Net increase in cash from investing activities	<u>259,950</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Loan proceeds	289,600
Note payments	<u>(151,040)</u>
Net increase in cash from financing activities	<u>138,560</u>
NET DECREASE IN CASH	(87,815)
CASH AT BEGINNING OF YEAR	<u>739,321</u>
CASH AT END OF YEAR	<u><u>\$ 651,506</u></u>

Non-cash transactions for June 30, 2020 included in-kind donations of \$1,183,549.
Interest paid was \$41,294.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

A. Summary of Significant Accounting Policies

Organization and Purpose – Habitat for Humanity of Lake-Sumter, Florida, Inc. (the Organization), a nonprofit organization, was incorporated on October 13, 1989. The Organization is an affiliate of Habitat for Humanity International, Inc. a nondenominational Christian nonprofit organization whose purpose is to create decent, affordable housing for those in need, and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, publications, and prayer support, the Organization is primarily and directly responsible for its own operations. The Organization is a local organization which is supported by individuals, clubs, businesses, churches, and thrift store sales.

The Organization is a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code under a group exemption letter issued to Habitat International and is exempt from federal and state income taxes.

Basis of Presentation – The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets without donor restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contributions were received.

Fair Values of Financial Instruments – The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments.

Cash and cash equivalents – The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

Mortgage notes receivable – The carrying amount approximates fair value, which is determined by discounting the future cash flows using rates that approximate the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. Interest income (amortization of the discount) is recorded using the effective interest method over the lives of the mortgage notes.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Inventory – The Organization receives donations of building materials that would otherwise have to be purchased to complete house construction. The fair value of these goods is recognized as revenue and inventory when received. They are expensed as construction costs when used. The Organization did not have any building materials on hand as of June 30, 2020.

Habitat ReStore inventory includes furniture, household items, and other materials used for re-sale. Habitat estimates the value of donated inventory items are at fair value as determined by management using average monthly sales for the year, based on an estimated inventory turnover rate of 6 times annually. Inventory held for sale at June 30, 2020 was \$193,903. ReStore sales and cost of sales for the year ending June 30, 2020 were \$979,379 and \$1,017,798, respectively.

Fair Value Measurements – The Organization has adopted FASB ASC 820, which clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participant would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in the active markets; quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

In accordance with FASB ASC 820, the Organization measures cash and cash equivalents and marketable securities at fair value. Realized and unrealized gains and losses on marketable securities are determined by using specific identification.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Fair value for securities that are traded on a national securities exchange is based upon the last reported sales price on the last business day of the year. Fair value for investments traded in the over-the-counter market, and listed securities for which no sale was reported on that date, is based upon average of the last reported bid and ask price.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in donor restricted net assets depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Land for Future Home Sites – These parcels are held by the Organization to be used for future home building sites. Donated parcels are recorded at appraised valuation. Purchased and foreclosed parcels are recorded at cost. Real estate assets are evaluated for impairment if impairment indicators are present. An impairment write-down to fair value less costs to sell occurs when management believes that events or changes in circumstances indicate that its carrying amount may not be recoverable. No impairment losses were recorded during 2020.

Construction in Process – All direct material and equipment costs and those indirect costs related to home construction are recorded as construction in process on the statement of financial position. When revenue from the sale of a home is recognized, the corresponding costs are then expensed in the statement of activities as program services.

Property and Equipment – It is the Organization’s policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Property and equipment are recorded at cost if purchased or at their estimated fair value at date of donation. Depreciation is provided using the straight-line method over the following estimated useful lives:

Building and Improvements	10 – 40 years
Office Equipment, Furniture & Fixtures	5 – 7 years

Warranties – The Organization provides a one-year warranty covering general defects in materials and workmanship on each home sold. Warranty costs are expensed when incurred.

Functional Expense Allocation – Program and supporting expenses are classified to the function which incurred the expenses when specifically identifiable. Certain expenses are allocated to each function based on management’s estimation of time spent within each function.

B. Accounts Receivable

Accounts receivable represents amounts due from clients and vendors. Due to the nature of the receivable, prior years’ experience and analysis of the specific receivables, management believes that the amounts are fully collectible; therefore, no allowance for doubtful accounts has been recorded.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

C. Sales to Homeowners

During the year ending June 30, 2020, there were 10 homes sold to qualifying applicants. Home closings for June 30, 2020 were \$1,174,123, and mortgage discounts relating to these sales were \$163,375 for the year ending June 30, 2020, as some applicants received third party financing.

D. Mortgage Notes Receivable

Mortgage notes receivable consist of noninterest-bearing and below-market interest-bearing mortgage notes which are secured by real estate and payable in monthly installments. Most of the mortgage notes have an original maturity of 20 to 30 years and arose in connection with the Organization's homebuilding initiatives in Lake and Sumter Counties of Florida. As the payments are received, the discount is amortized to recognize the imputed interest portion of each payment. The amortization of the discount is shown as mortgage discount amortization revenue on the statement of activities. Amortization included as revenue for the fiscal year amounted to \$159,302. Mortgage notes receivable at June 30, 2020 are presented net of unamortized discount resulting from the imputation of interest, as follows:

Mortgage notes receivable at face value	\$ 4,021,804
Less unamortized discount ranging from 6% to 10%	<u>(1,807,513)</u>
	<u><u>\$ 2,214,291</u></u>

These mortgage notes will be received as follows:

Year Ending June 30,	
2021	\$ 346,428
2022	346,428
2023	346,428
2024	346,428
2025 and thereafter	<u>2,636,092</u>
	<u><u>\$ 4,021,804</u></u>

The Organization received \$357,368 in total mortgage principal and interest payments during the fiscal year ending June 30, 2020.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

E. Pledged Receivables

The Organization pledged the following amounts as collateral for loans as of June 30, 2020:

Flex 2015 mortgage notes at face value	\$ 916,887
Flex 2014 mortgage notes at face value	362,873
Mortgage notes discount	<u>(660,588)</u>
	<u>\$ 619,172</u>

F. Bankruptcy

The Organization has three homeowners in bankruptcy as of June 30, 2020. The current mortgage note balances are valued at \$94,945.

G. Land, Buildings and Equipment

Land, buildings and equipment are comprised of the following at June 30, 2020:

Land, building and improvements	\$ 2,541,164
Office equipment, furniture & fixtures	327,861
Transportation equipment	<u>366,404</u>
	3,235,429
Less accumulated depreciation	<u>(1,207,594)</u>
	<u>\$ 2,027,835</u>

H. Line of Credit

Habitat for Humanity of Lake-Sumter, Florida, Inc. has a line of credit balance of \$300,000 with Florida Community Loan Fund, Inc., which expires December 31, 2021.

Interest is payable monthly at 4.25%. Habitat for Humanity of Lake-Sumter, Florida, Inc.'s interest expense for the line of credit was \$12,995 for the year ended June 30, 2020.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

I. Paycheck Protection Loan

Habitat for Humanity of Lake-Sumter, Florida, Inc. was granted a loan of \$289,600 on April 14, 2020, pursuant to the Paycheck Protection Program under Division A of the CARES Act, which was enacted March 27, 2020.

The Loan matures on April 14, 2022 and bears interest at a rate of 1.0% per annum, payable in full on April 14, 2022. The loan may be prepaid any time prior to maturity with no prepayment penalties. Under the terms of the Paycheck Protection Program, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Funds from the loan may only be used for payroll costs, mortgage payments, rent, and utilities. The Organization intends to use the entire loan amount for qualifying expenses. The Organization has decided to include the loan balance as a liability until forgiveness has been granted.

J. Notes Payable

The following is a summary of notes payable at June 30, 2020:

4.75% note payable to Habitat for Humanity International, Inc., \$4,393 monthly installments with a maturity date of June 2025, secured by mortgage notes receivable.	\$ 233,391
4.75% note payable to Habitat for Humanity International, Inc., \$7,610 quarterly installments with a maturity date of June 2024, secured by mortgage notes receivable.	98,578
4.75% mortgage note secured by real estate. Monthly installments of \$2,079 with a maturity date of May 2024.	93,830
5.0% mortgage note secured by real estate. Monthly installments of \$636 with a maturity date of September 2032.	69,482
1% Paycheck Protection Loan maturing April 2022, eligible for forgiveness.	289,600
5.99% truck loan. Monthly installments of \$337 with a maturity date of October 2023.	<u>11,915</u>
Total notes payable	<u><u>\$ 796,796</u></u>

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Scheduled principal payments are as follows:

Year ending June 30,	
2021	\$ 94,483
2022	388,725
2023	103,996
2024	108,229
2025 - thereafter	<u>101,363</u>
	<u>\$ 796,796</u>

K. Lease

The Organization has a noncancelable operating lease for equipment that expires in 2021. Rental expense for the lease was \$6,823 for the year ended June 30, 2020.

The Organization leases office space under an operating lease expiring in 2024. Rental expense under the lease was \$34,165 for the year ended June 30, 2020.

Future minimum lease payments remaining under these operating leases are as follows:

Year Ended June 30,	<u>Equipment</u>	<u>Office Space</u>
2021	\$ 2,843	\$ 34,415
2022	-	34,415
2023	-	34,415
2024	-	34,415
2025	<u>-</u>	<u>-</u>
	<u>\$ 2,843</u>	<u>\$ 137,660</u>

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

L. Donor Restricted Net Assets

At June 30, 2020, temporarily restricted net assets consisted of the following:

South Lake Build	\$	24,741
Veteran's Projects		2,600
Land		429,135
Total	\$	<u>456,476</u>

The restricted land may not be disposed of until 2020.

M. In-Kind Contributions

The Organization receives numerous in-kind contributions of materials, supplies and land used in the construction and furnishings of homes. Supplies and materials contributed during the year ended June 30, 2020 totaled \$109,938. The Organization also received \$18,555 in donated lots.

The Organization receives donations of time and effort from volunteers to construct the homes, operate the thrift stores and serve as family partners. The value of these services is not reflected in the financial statements. Last fiscal year, over 5,328 volunteers contributed their services.

The Organization also receives donations of items which are sold through its four thrift store locations. The value of these items is reflected in the financial statements. As of June 30, 2020, the Organization was only operating two thrift stores.

N. Retirement Plan

The Organization has a Simple IRA retirement plan funded by employees' voluntary contributions. Starting in May 2012, the Organization may contribute up to 3% of employee earnings or contributions, whichever is less. The Organization contributed \$21,532 to the retirement plan for the year ended June 30, 2020.

O. Other Matters

Deposits at FDIC-insured institutions are insured up to \$250,000 per account. At June 30, 2020, the Organization's uninsured bank balances approximated \$257,000.

P. Subsequent Events

Subsequent events have been evaluated through November 19, 2020, which is the date the financial statements were available to be issued. No material subsequent events were identified for recognition or disclosure.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Q. Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the balance sheet date to fund expenses without limitations:

Cash and cash equivalents	\$ 651,506
Accounts receivable	18,196
Mortgage notes receivable – current portion, unpledged	196,311
Mortgage notes receivable – current portion, pledged	38,036
	<u>\$ 904,049</u>