

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

FINANCIAL STATEMENTS

JUNE 30, 2022

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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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Habitat for Humanity of Lake-Sumter, Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are condition or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of Lake-Sumter, Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

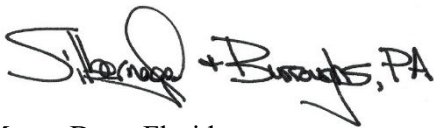
**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity of Lake-Sumter, Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of Lake-Sumter, Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Silvano + Brooks, PA". The signature is stylized and includes a checkmark at the end.

Mount Dora, Florida  
December 13, 2022

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,782,702
Inventory held for sale - Habitat ReStore	133,864
Escrow advances	82,677
Mortgage notes receivable, unpledged, net of discount	137,788
Mortgage notes receivable, pledged, net of discount	38,036
	2,175,067

LONG-TERM ASSETS

Mortgage notes receivable, unpledged, net of discount and current portion	1,209,629
Mortgage notes receivable, pledged, net of discount and current portion	358,312
Land for future home sites	431,003
Construction in process	517,761
Land, buildings & equipment, net of accumulated depreciation	2,676,931
Intangible assets, net of accumulated amortization	3,324
Other assets	36,027
	5,232,987

TOTAL ASSETS	\$ 7,408,054
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 46,604
Accrued expenses	49,553
Payroll liabilities	21,097
Sales tax liability	5,392
Funds held for others	21,504
Current portion of notes payable	97,823
Other current liabilities	4,200
	246,173

LONG-TERM LIABILITIES

Notes payable, net of current portion	252,450
Total liabilities	498,623

NET ASSETS

Net assets without donor restrictions	6,612,548
Net assets with donor restrictions	296,883
	6,909,431

TOTAL LIABILITIES AND NET ASSETS	\$ 7,408,054
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HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues:

In-kind donations - ReStore	\$ 1,071,099
Home and land sales	1,173,478
Donations	831,170
Mortgage discount amortization	295,629
In-kind donations - Homebuilding	352,971
Fund-raising projects	199,540
Global Village income	76,013
Rental income	17,300
Grants	72,160
Paycheck Protection Program proceeds (Note H)	277,961
Other income	19,970
Thrift store sales, net of cost of goods	(35,055)
Loss on asset dispositions	<u>(218,228)</u>

Total Undesignated Revenues, Gains, and Other Support 4,134,008

Net Assets Released from Restrictions 47,592

Total Revenues and Reclassifications 4,181,600

Expenses:

Thrift stores	754,855
Housing	839,727
Global Village	134,334
Youth construction	851,400
Other programs	385,657
General and administrative	375,585
Fund development	<u>390,136</u>

Total Expenses 3,731,694

INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS 449,906

NET ASSETS WITH DONOR RESTRICTIONS

Donations	296,883
Net Assets Released from Restrictions	<u>(47,592)</u>

INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS 249,291

INCREASE IN NET ASSETS 699,197

NET ASSETS AT BEGINNING OF YEAR 6,210,234

NET ASSETS AT END OF YEAR \$ 6,909,431

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022

	Thrift Stores	Housing	Global Village/VM	Youth Construction	Other Programs	Administrative	Fund Development	Total
Personnel	\$ 573,006	\$ 132,985	\$ 47,412	\$ 161,604	\$ 69,713	\$ 132,604	\$ 136,932	\$ 1,254,256
Advertising and newsletters	953	992	70	1,533	715	405	102,840	107,508
Collegiate challenge	-	-	3,730	-	-	-	-	3,730
Community preservation	-	-	45	-	282,769	-	-	282,814
Construction goods and services	-	317,876	-	654,279	-	-	-	972,155
Bank and credit card fees	23,785	752	206	39	86	978	87	25,933
Depreciation and amortization	31,440	62,541	27,521	647	3,110	4,730	4,413	134,402
Dues and subscriptions	-	1,344	219	598	328	7,649	4,850	14,988
Insurance	6,077	7,765	6,926	7,453	1,669	28,295	169	58,354
Legal and accounting	-	2,721	-	2,459	-	40,842	-	46,022
Loan interest	3,282	14,914	-	-	-	13,057	-	31,253
Merchandise and apparel	570	135	-	1,008	-	(343)	496	1,866
Minor equipment and tools	2,029	7,338	74	7,022	10,099	267	1,699	28,528
Office expense	10,805	554	2,118	83	208	3,129	2,056	18,953
Other expenses	640	486	170	354	410	8,316	545	10,921
Printing and postage	826	973	564	565	13	862	7,230	11,033
Property taxes	178	1,804	-	-	-	-	-	1,982
Rent	168	168	-	-	-	37,799	-	38,135
Repairs and maintenance	10,030	3,291	9,807	1,100	904	1,842	158	27,132
Service agreements	5,373	35,221	10,880	590	590	48,460	4,903	106,017
Special events	657	-	-	66	-	-	110,460	111,183
Tithe	-	15,000	-	-	-	15,000	-	30,000
Title transfer and recording fees	88	1,689	-	-	-	1,715	-	3,492
Training and conferences	237	292	921	277	87	6,135	1,539	9,488
Travel and mileage	604	-	45	411	906	2,045	1,189	5,200
Utilities	43,696	11,781	20,419	2,980	2,606	18,889	5,968	106,339
Vehicle operation and maintenance	40,411	12,714	2,090	8,078	11,413	2,909	4,597	82,212
Volunteer costs	-	215	1,117	254	31	-	5	1,622
Discount on mortgages issued	-	206,176	-	-	-	-	-	206,176
	<u>\$ 754,855</u>	<u>\$ 839,727</u>	<u>\$ 134,334</u>	<u>\$ 851,400</u>	<u>\$ 385,657</u>	<u>\$ 375,585</u>	<u>\$ 390,136</u>	<u>\$ 3,731,694</u>

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Increase in net assets	\$ 699,197
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	134,402
Amortization of discounts on loans receivable	(295,629)
Loans receivable issued	(324,071)
Discounts on loans receivable issued	206,176
Construction in process	91,822
Land for future home sites	46,297
Loss on disposal of assets	218,228
(Increase) decrease in:	
Escrow advances	(36,379)
Inventory	(11,763)
Grants receivable	190,579
Increase (decrease) in:	
Accounts payable	28,968
Accrued expenses	(13,876)
Other liabilities	9,607
Total adjustments	244,361
Net increase in cash from operating activities	943,558
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of property and equipment	(310,159)
Proceeds from sale of land and equipment	233,116
Payments received on mortgage notes receivable	706,939
Net increase in cash from investing activities	629,896
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Repayment of line of credit	(582,990)
Note payments	(379,377)
Net decrease in cash from financing activities	(962,367)
<b>NET INCREASE IN CASH</b>	611,087
<b>CASH AT BEGINNING OF YEAR</b>	1,171,615
<b>CASH AT END OF YEAR</b>	\$ 1,782,702

Non-cash transactions for June 30, 2022 included in-kind donations of \$1,424,070  
Interest paid was \$31,253.



HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**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, 2022

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*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, 2022.

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 8 times annually. Inventory held for sale at June 30, 2022 was \$133,864. ReStore sales and cost of sales for the year ended June 30, 2022 were \$1,070,853 and \$1,105,908, 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.

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, 2022

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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 2022.

*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, 2022

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**C. Sales to Homeowners**

During the year ended June 30, 2022, there were 7 homes sold to qualifying applicants. Home closings for June 30, 2022 were \$1,173,478, and mortgage discounts relating to these sales were \$206,176 for the year ended June 30, 2022, 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 \$295,629. Mortgage notes receivable at June 30, 2022 are presented net of unamortized discount resulting from the imputation of interest, as follows:

Mortgage notes receivable at face value	\$ 3,303,402
Less unamortized discount ranging from 5% to 9%	<u>(1,559,637)</u>
	<u><u>\$ 1,743,765</u></u>

These mortgage notes will be received as follows:

Year Ending June 30,	
2023	\$ 314,712
2024	314,712
2025	314,712
2026	314,712
2027 and thereafter	<u>2,044,554</u>
	<u><u>\$ 3,303,402</u></u>

The Organization received \$706,939 in total mortgage principal and interest payments during the fiscal year ended June 30, 2022.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**E. Pledged Receivables**

The Organization pledged the following amounts as collateral for loans as of June 30, 2022:

Flex 2015 mortgage notes at face value	\$ 641,352
Flex 2014 mortgage notes at face value	288,723
Mortgage notes discount	<u>(533,727)</u>
	<u>\$ 396,348</u>

**F. Bankruptcy**

The Organization has two homeowners in bankruptcy as of June 30, 2022. The current mortgage note balances are valued at \$34,135.

**G. Land, Buildings and Equipment**

Land, buildings and equipment are comprised of the following at June 30, 2022:

Land, building and improvements	\$ 3,334,113
Office equipment, furniture & fixtures	316,067
Transportation equipment	<u>398,327</u>
	4,048,507
Less accumulated depreciation	<u>(1,371,576)</u>
	<u>\$ 2,676,931</u>

**H. Funds Held for Others**

Habitat for Humanity of Lake-Sumter, Florida, Inc. acts as a fiscal agent on behalf of other organizations. As a fiscal agent, the Habitat for Humanity of Lake-Sumter, Florida, Inc. collects and distributes cash on behalf of the other organizations. Habitat for Humanity of Lake-Sumter, Florida, Inc. in its capacity as a fiscal agent, had little or no discretion in determining either the selection of beneficiaries or the use of assets transferred to them by other organizations.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**I. Paycheck Protection Loan**

On February 16, 2021, the Organization received loan proceeds in the amount of \$277,961 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides loans to qualifying entities in amounts up to 2.5 times the entities average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes including payroll, benefits, rent, and utilities. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$277,961 as grant revenue for the year ended June 30, 2022.

**J. Notes Payable**

The following is a summary of notes payable at June 30, 2022:

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.	\$ 169,063
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.	63,775
4.75% mortgage note, \$2,079 monthly installments with a maturity date of May 2024, secured by real estate	56,577
5.0% mortgage note, \$636 monthly installments with a maturity date of September 2032, secured by real estate	<u>60,858</u>
Total notes payable	<u><u>\$ 350,273</u></u>

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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Scheduled principal payments are as follows:

Year ending June 30,	
2023	\$ 97,823
2024	102,585
2025	78,522
2026	30,739
2027 - thereafter	<u>40,604</u>
	<u>\$ 350,273</u>

**K. Leases**

The Organization leases office space under an operating lease expiring in 2024. Rental expense under the lease was \$37,799 for the year ended June 30, 2022.

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

<u>Year Ending June 30,</u>	<u>Office Space</u>
2023	\$ 38,492
2024	<u>38,492</u>
	<u>\$ 76,984</u>

**L. Donor Restricted Net Assets**

At June 20, 2022, Donor restricted net assets consisted of \$296,883 for South Lake Preservation and Repairs.

HABITAT FOR HUMANITY OF LAKE-SUMTER, FLORIDA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**M. In-Kind Contributions**

The Organization receives numerous in-kind contributions of materials, supplies and land used in the construction and furnishings of homes, as well as advertising donations. Supplies, materials, and advertising contributed during the year ended June 30, 2022 totaled \$352,971. The Organization also received \$46,350 in donated lots. Contributions of tangible assets and materials are recognized at fair market value when received.

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, 838 volunteers contributed their services.

The Organization also receives donations of items which are sold through its two thrift store locations. The value of these items is reflected in the financial statements and totaled \$1,071,099.

**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 \$24,066 to the retirement plan for the year ended June 30, 2022.

**O. Other Matters**

Deposits at FDIC-insured institutions are insured up to \$250,000 per account. At June 30, 2022, the Organization's uninsured bank balances approximated \$979,000.

**P. Subsequent Events**

Subsequent events have been evaluated through December 13, 2022, which is the date the financial statements were available to be issued. No material subsequent events were identified for recognition or disclosure.

**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	\$ 1,782,702
Mortgage notes receivable – current portion, unpledged	137,788
Mortgage notes receivable – current portion, pledged	38,036
	<u>\$ 1,958,526</u>