

St. Lucie Habitat for Humanity, Inc.

FINANCIAL STATEMENTS

June 30, 2021

**St. Lucie Habitat for Humanity, Inc.
FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2021

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Certified Public Accountants PL

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Report of Independent Auditors

To the Board of Directors
St. Lucie Habitat for Humanity, Inc.
Fort Pierce, Florida

We have audited the accompanying statement of financial position of the St. Lucie Habitat for Humanity, Inc. as of June 30, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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 evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Directors
St. Lucie Habitat for Humanity, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Lucie Habitat for Humanity, Inc. as of June 30, 2021, and the activities, cash flows and functional expenses for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants, PL
Fort Pierce, Florida

January 20, 2022

St. Lucie Habitat for Humanity, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2021

Assets

Current Assets

Cash and cash equivalents	\$ 227,955
Investments	57,195
Accounts receivable - current portion	11,547
Mortgages receivable - current portion	160,193
Cost of homes under construction	311,555
Prepaid expenses	7,798
Utility deposit	819
Total Current Assets	777,062

Fixed Assets

Fixed assets, less accumulated depreciation of (\$340,487)	443,115
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Other Assets

Accounts receivable - non-current	620,800
Mortgage receivables, net of discount	1,616,418
Land held for development	187,923
Total Other Assets	2,425,141

Total Assets	\$ 3,645,318
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Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$ 41,690
Accrued wages and payroll taxes payable	33,624
Sales tax payable	5,173
Payroll Protection Loan	155,853
Current portion of long term debt	184,014
Total Current Liabilities	420,354

Noncurrent Liabilities

Mortgages and notes payable	1,692,501
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Net Assets

Without donor restrictions	1,532,463
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Total Liabilities and Net Assets	\$ 3,645,318
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See accompanying notes to financial statements.

St. Lucie Habitat for Humanity, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>
Support and Revenues	
Support	
Donations	\$ 248,165
In-kind donations	135,955
Grant revenues	790,878
Sponsorships	103,500
Total Support	<u>1,278,498</u>
Revenues	
ReStore sales	843,785
Processing fees	7,219
Loan amortization	120,814
Rental income	720
Home transfer of mortgages	568,000
Payroll Protection Program loan forgiveness	155,800
Investment income	8,039
Other income	1,016
Total Revenues	<u>1,705,393</u>
Total Support and Revenues	<u>2,983,891</u>
Expenses and Losses	
Program Services	
Family support and construction	1,836,757
ReStore	694,773
Total Program Services	<u>2,531,530</u>
Supporting Services	
General and administrative	206,943
Fundraising	116,453
Total Supporting Services	<u>323,396</u>
Total Expenses before Losses	<u>2,854,926</u>
Losses	
Loss on disposal of fixed assets	<u>4,710</u>
Total Expenses and Losses	<u>2,859,636</u>
Change in Net Assets	124,255
Net Assets - July 1, 2020	<u>1,408,208</u>
Net Assets - June 30, 2021	<u>\$ 1,532,463</u>

See accompanying notes to financial statements.

St. Luice Habitat for Humanity, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021

Cash Flows From Operating Activities

<i>Change in Net Assets</i>	\$ 124,255
<i>Adjustments to reconcile change in net assets to net cash (used) by operating activities:</i>	
Depreciation	29,788
Transfer to homeowners, net of discount	(127,556)
Mortgage loan discount amortization	(92,868)
Contractual forgiveness of mortgages	24,580
(Gain) loss on disposal of assets	4,710
Investment (gains) losses	(7,785)
<i>(Increase) decrease in:</i>	
Accounts receivable	(162,244)
Cost of homes under construction	(108,714)
Land held for development	98,505
<i>Increase (decrease) in:</i>	
Accounts payable	(54,006)
Accrued wages and payroll taxes payable	1,153
Sales tax payable	1,100
Net Cash Used in Operating Activities	(269,082)

Cash Flows From Investing Activities

Proceeds from sale of investments	8,039
Purchases of investments	(57,449)
Mortgage payments received	214,173
Proceeds from insurance claim	6,458
Purchases of capital assets	(41,316)
Net Cash Provided by Investing Activities	129,905

Cash Flows From Financing Activities

Principal payments on line of credit and notes payable	(95,963)
Proceeds from Payroll Protection Program	155,853
Payroll Protection Program loan forgiveness	(155,800)
Net Cash Provided by Financing Activities	(95,910)

Net Decrease in Cash (235,087)

Cash - July 1, 2020 463,042

Cash - June 30, 2021 \$ 227,955

Supplemental disclosure of cash flow information:

Interest paid \$ 12,635

Supplemental disclosure of noncash activities:

Issuance of non-interest bearing mortgage loans \$ 568,000

Discount on non-interest bearing mortgage loans \$ (440,444)

See accompanying notes to financial statements.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Lucie Habitat for Humanity, Inc. ("Habitat") was incorporated on December 21, 1995 in the State of Florida for the purpose of building houses for those who could not otherwise own a home by raising the money and doing the actual home construction, with a substantial amount of donated material and services.

On July 17, 2009, St. Lucie Habitat for Humanity CHDO, Inc. was incorporated in the State of Florida as a not-for-profit corporation, whose only member is St. Lucie Habitat for Humanity, Inc., and reports its financial activities on its separate financial statements. The purpose of this corporation is to provide homeownership for low income households. It can acquire vacant homes and renovate, but most often builds new homes (primarily with funds received from HUD grants).

On October 21, 2016, Habitat filed Articles of Organization with the State of Florida to form its wholly owned subsidiary SLHFH Funding Company I, LLC (the "Company"). The Company's purpose is to acquire and hold mortgage loans and related documents to comply with the terms of any note purchase agreement between the Company and any financial institution. As a sole member limited liability company, the entity is disregarded for purposes of the Internal Revenue Code.

Financial Statement Presentation

Habitat prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations. The significant accounting and reporting policies used by Habitat are described subsequently to enhance the usefulness and understandability of the financial statements.

Habitat prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

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

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

The financial statements are presented in accordance with FASB ASC 958 *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, Habitat is required to report information regarding its financial position and activities according to two classes of net assets (net assets with donor restrictions, and net assets without donor restrictions) based upon the existence or absence of donor-imposed restrictions.

Net Assets

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

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

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Habitat's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

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

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

Advertising costs are expensed as incurred and totaled \$22,103 for the year ended June 30, 2021.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mortgages Receivable

Habitat holds non-interest bearing mortgages on homes that it has built and sold. In accordance with generally accepted accounting principles, the present value of the original mortgages are determined (using an appropriate discount factor) and a discount expense for mortgages issued is recognized as a program expense in the year the mortgages are created. The discount expense is then amortized over the life of the mortgage, using the straight-line method and recognized as interest income.

Second mortgages exist on some of the completed homes, with some held by Habitat and others held by the City of Port St. Lucie and City of Fort Pierce. No payments are received for a majority of the second mortgages. Instead, those second mortgages held by Habitat are forgiven at the rate of 10% of the balance per year. Starting in July 2015, these mortgages became due upon maturity of the first mortgage.

Third mortgages exist on some of the completed homes, all of which are held by Habitat. No payments are received for a majority of these mortgages. Instead, these third mortgages are forgiven at the rate of 5% of the original balance per year. Starting in July 2015, these mortgages became due upon maturity of the first mortgage.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Donated property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contribution is recorded as restricted. In the absence of such stipulations, contributions are recorded as unrestricted. When assets are retired or otherwise disposed of, the asset's cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation is provided for fixed assets using the straight-line method based on estimated useful lives of 5-39 years.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Habitat obtained their exempt status under the provisions of the Internal Revenue Code 501(c)(3). St. Lucie Habitat for Humanity, Inc. is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to Habitat are tax deductible to donors under Section 170 of the IRC. Habitat is not classified as a private foundation within the meaning of Section 509(a).

Habitat has adopted the provisions of FASB ASC 740-10, *Uncertainty in Income Taxes*. Under this section, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. There was no impact to Habitat's financial statements as a result of the implementation of ASC 740-10. Habitat's income tax returns for fiscal years ending June 30, 2018, 2019, and 2020 remain open to examination by the Internal Revenue Service.

Fair Value Measurements

Habitat reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets to which Habitat has access at the measurement date.
- Level 2 – Inputs other than quoted prices, included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, Habitat measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The following methods and assumptions were used by Habitat in estimating fair value disclosures for financial instruments:

Cash and cash equivalents, investments, accounts receivable, costs of homes under construction, accounts payable, notes payable, and line of credit – The carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.

Mortgage loan receivable – The fair value of mortgage loan receivable is estimated by discounting expected future cash flows using a 7-9% rate of return.

Land held for development – The fair value of land held for development is estimated by management based on the current tax appraised values and other information compiled from industry experts, historical real estate transactions and the St. Lucie County property records.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as reported on the Statement of Financial Position, includes the following:

Checking and Money Market	\$	225,605
Petty Cash and Change Fund		1,506
Other Cash Equivalents		844
Total Cash and Cash Equivalents		\$ 227,955

At June 30, 2021, Habitat had \$336,270 on deposit at various financial institutions, which \$64,959 was not insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 3 – INVESTMENTS

Cost basis and approximate fair values of investment securities at June 30, 2021 are summarized as follows:

	Cost	Market	Gain (Loss)
Fixed income investments	\$ 30,698	\$ 37,726	\$ 7,028
Equities	19,287	19,469	182
Investments in Marketable Securities	\$ 49,985	\$ 57,195	\$ 7,210

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 – INVESTMENTS (CONTINUED)

The composition of the investment income reported on the Statement of Activities is as follows:

Dividend income	\$	644
Net realized and unrealized gains/(losses) on investments		7,785
Investment fees		(390)
Total Return on Investment	<u>\$</u>	<u>8,039</u>

Habitat's investments at June 30, 2021 were all level 1 investments.

NOTE 4 – FIXED ASSETS

An analysis of property and equipment for the year is as follows:

	July 1, 2020	Additions	Deletions	June 30, 2021
Construction in progress	\$ -	\$ 7,672	\$ -	\$ 7,672
Builders barn	348,129	-	-	348,129
Buildings and improvements	265,253	18,585	(12,565)	271,273
Leasehold improvements	22,223	-	-	22,223
Computer equipment	36,828	1,064	(26,971)	10,921
Furniture and fixtures	4,939	-	-	4,939
Tools	396	-	-	396
Vehicles	73,297	13,995	(17,500)	69,792
Warehouse and construction	48,257	-	-	48,257
Total Fixed Assets	<u>799,322</u>	<u>41,316</u>	<u>(57,036)</u>	<u>783,602</u>
Less: accumulated depreciation	<u>(356,567)</u>	<u>(29,788)</u>	<u>45,868</u>	<u>(340,487)</u>
Total Fixed Assets, Net	<u>\$ 442,755</u>	<u>\$ 11,528</u>	<u>\$ (11,168)</u>	<u>\$ 443,115</u>

Depreciation for the year was \$29,788.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 – LOANS RECEIVABLE

The activity of loans receivable is as follows:

Beginning balance, July 1, 2020		\$ 1,794,940
Mortgages issued		568,000
Principal payments received		(214,173)
Discount on mortgages issued		(440,444)
Amortization of mortgage discounts		92,868
Contractual amortized forgiveness of mortgages		<u>(24,580)</u>
Ending balance, June 30, 2021		1,776,611
Less: current portion		<u>160,193</u>
Other assets - mortgages receivable		<u>\$ 1,616,418</u>

The mortgage discount rate for the year ended June 30, 2021 was 7.23%

NOTE 6 – LINE OF CREDIT

St. Lucie Habitat for Humanity, Inc. obtained a revolving line of credit with a bank, on June 1, 2020, to be drawn upon as needed, in the amount of \$200,000, with monthly interest payments due at a 5% interest rate. As of June 30, 2021, \$0 was drawn from the line of credit and the unused portion of the line of credit was \$200,000. The line of credit matures on demand.

NOTE 7 – IN-KIND DONATIONS

Habitat received gifts-in-kind for the year ended June 30, 2021 that meet the criteria for support recognition under Financial Accounting Standards Board Accounting Standards for contributions received and made and were valued as follows:

Vacant lots		\$ 66,700
Professional services & materials		<u>69,255</u>
Total		<u><u>\$ 135,955</u></u>

Habitat received donated vacant lots with estimated fair market value of \$66,700 for the year ended June 30, 2021. Habitat intends to build new homes on the vacant lots to provide homeownership for low-income households.

Habitat was provided professional services and materials at no cost in order to build new homes. Based on current market rates, Habitat would have paid \$69,255 for the year ended June 30, 2021 for the services rendered and materials provided.

All gifts-in-kind received by Habitat for the year ended June 30, 2021 were considered without donor restrictions and able to be used as determined by the board of directors and management.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 – LEASES

In August 2014, Habitat entered into an operating lease for its Port St. Lucie ReStore. The original term was for five years and contains renewal options for 3-year periods. In 2019, Habitat exercised the first 3-year renewal option expiring March 2023. The agreement requires Habitat to pay all executory costs such as real estate taxes, operating expenses, and insurance. Rent expense for the year ended June 30, 2021 was \$143,022.

Future minimum lease payments by fiscal year are as follow:

Fiscal Year Ending June 30,	
2022	\$ 146,293
2023	111,349
Total minimum lease payments	<u>\$ 257,642</u>

NOTE 9 – LOANS PAYABLE

Long-term debt at June 30, 2021 consisted of the following:

Loan payable to bank due in monthly variable principal only with a 0% interest rate interest rate, with a final payment due on March 2050. The bank deferred the first payment until July 2020 due to COVID-19	\$ 886,444
Loan payable to bank due in monthly variable principal only with a 0% interest rate interest rate, with a final payment due on September 2048.	571,141
Loan payable to bank due in monthly principal and interest payments at a 3.77% interest rate, with a final payment due on June 2022.	115,023
Loan payable to bank due in monthly principal and interest payments at a 3% interest rate, with a final payment due on November 2037.	<u>305,154</u>
Notes Payable	1,877,762
Note Discounts, Net	(64,061)
Note Premiums, Net	62,814
Notes Payable, net	<u>\$ 1,876,515</u>

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 – LOANS PAYABLE (CONTINUED)

Maturities of long-term debt are as follows:

Due year ending June 30,	Principal
2022	\$ 184,014
2023	75,957
2024	75,957
2025	75,957
2026	75,957
Thereafter	1,389,830
Total	\$ 1,877,672

NOTE 10 – NOTE PAYABLE

In April 2020, Habitat secured a loan from a bank under the Paycheck Protection Program in the amount of \$155,800. The payment terms are as follows: neither principal nor interest is due during the deferred period which is six months from April 10, 2020. This note is eligible for forgiveness in accordance with the program requirements. Any portion of the loan that is not forgiven should convert to an amortizing term loan. The interest rate on the unforgiven loan balance is 1% per annum based upon 360 days per year. This accrued interest is due on November 15, 2020. Monthly principal payments also begin on November 15, 2020 and are payable in equal installments on the unforgiven loan balance for a period of eighteen months.

During the year, in February 2021, Habitat received a notice of paycheck protection program forgiveness extinguishing the outstanding principal and accrued interest.

In February 2021, Habitat secured a second draw loan from a bank under the Paycheck Protection Program in the amount of \$155,853. The payment terms are as follows: neither principal nor interest is due during the deferred period which is ten months from February 17, 2021. This note is eligible for forgiveness in accordance with the program requirements. Any portion of the loan that is not forgiven should convert to an amortizing term loan. The interest rate on the unforgiven loan balance is 1% per annum based upon 360 days per year. This accrued interest is due on December 18, 2021. Monthly principal payments also begin on December 18, 2021 and are payable in equal installments on the unforgiven loan balance for a period of eighteen months.

Subsequent to fiscal year end, in September 2021, Habitat received a notice of paycheck protection program forgiveness extinguishing the outstanding principal and accrued interest on the second draw loan.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 11 – FUNCTIONAL EXPENSES

Expenses have been allocated between program expenses and supporting services as follows:

	Program Services			Support Services			Total
	Family Support and Construction	ReStore	Total Program Services	General and Administrative	Fundraising	Total Support Services	
Cost of homes	\$ 771,819	\$ -	\$ 771,819	\$ -	\$ -	\$ -	\$ 771,819
Salaries and wages	197,642	367,050	564,692	70,587	70,587	141,174	705,866
Discount amortization	450,320	-	450,320	-	-	-	450,320
Cost of home repairs	210,835	-	210,835	-	-	-	210,835
Rent	-	143,022	143,022	-	-	-	143,022
Insurance	18,983	37,207	56,190	18,983	759	19,742	75,932
Payroll taxes	16,038	29,786	45,824	5,728	5,728	11,456	57,280
Professional services	-	-	-	44,765	11,191	55,956	55,956
Utilities	2,626	44,124	46,750	3,152	2,626	5,778	52,528
Employee benefits	11,704	24,384	36,088	9,753	2,926	12,679	48,767
Cost of mortgages	48,641	-	48,641	-	-	-	48,641
Office supplies	16,422	13,684	30,106	3,910	5,083	8,993	39,099
Travel	3,380	3,382	6,762	23,671	3,382	27,053	33,815
Depreciation and amortization	11,915	5,958	17,873	11,915	-	11,915	29,788
Interest	28,374	-	28,374	-	-	-	28,374
Contractual mortgage forgiveness	24,580	-	24,580	-	-	-	24,580
Other expenses	18,745	-	18,745	2,343	2,343	4,686	23,431
Advertising	-	10,610	10,610	3,315	8,178	11,493	22,103
Repairs and maintenance	-	7,399	7,399	6,054	-	6,054	13,453
Supplies	2,463	3,037	5,500	821	1,888	2,709	8,209
Education and training	643	643	1,286	1,286	643	1,929	3,215
Taxes	-	2,873	2,873	-	-	-	2,873
Printing	842	963	1,805	120	481	601	2,406
Food and entertainment	559	372	931	465	465	930	1,861
Postage	226	279	505	75	173	248	753
Total Expenses	\$ 1,836,757	\$ 694,773	\$ 2,531,530	\$ 206,943	\$ 116,453	\$ 323,396	\$ 2,854,926

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 12 – COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate it are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which Habitat operates. It is unknown how long these conditions will last and what the complete financial effect will be to Habitat.

NOTE 13 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 are:

Cash	\$ 227,955
Investments	57,195
Accounts receivable	11,547
Mortgage receivable	160,193
Prepaid expenses and utility deposit	<u>8,617</u>
Total financial assets available for general expenditure	<u><u>\$ 465,507</u></u>

NOTE 14 – DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through January 20, 2022, the date that the financial statements were available to be issued.