

St. Lucie Habitat for Humanity, Inc.

FINANCIAL STATEMENTS

June 30, 2022

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

For the Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-17



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying financial statements of St. Lucie Habitat for Humanity, Inc. ("Habitat") which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Habitat as of June 30, 2022, and the results of its operations 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 (GAAS). 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 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 opinion.

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 conditions or events, considered in the aggregate, that raise substantial doubt about Habitat's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Fort Pierce / Stuart



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

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 GAAS 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 GAAS, 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, but not for the purpose of expressing an opinion on the effectiveness of Habitat'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'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.

*Berger Toombs Elam
Gaines & Frank*

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

November 18, 2022

St. Lucie Habitat for Humanity, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2022

Assets

Current Assets

Cash and cash equivalents	\$ 370,039
Investments	63,901
Accounts receivable - current portion	25,156
Mortgages receivable - current portion	180,747
Cost of homes under construction	1,463,345
Prepaid expenses	819
Utility deposit	7,467
Total Current Assets	2,111,474

Fixed Assets

Fixed assets, less accumulated depreciation of (\$367,971)	584,605
--	---------

Other Assets

Accounts receivable - non-current	879,333
Mortgage receivables, net of discount	1,686,259
Land held for development	166,271
Total Other Assets	2,731,863

Total Assets	\$ 5,427,942
--------------	--------------

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$ 50,236
Accrued wages and payroll taxes payable	32,387
Sales tax payable	4,895
Current portion of long term debt	112,185
Total Current Liabilities	199,703

Noncurrent Liabilities

Mortgages and notes payable	2,674,244
-----------------------------	-----------

Net Assets

Without donor restrictions	2,553,995
----------------------------	-----------

Total Liabilities and Net Assets	\$ 5,427,942
----------------------------------	--------------

See accompanying notes to financial statements.

St. Lucie Habitat for Humanity, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>
Support and Revenues	
Support	
Donations	\$ 348,258
In-kind donations	99,415
Grant revenues	645,230
Sponsorships	281,500
Total Support	<u>1,374,403</u>
Revenues	
ReStore sales	765,616
Processing fees	4,870
Loan amortization	131,500
Home transfer of mortgages	277,471
Payroll Protection Program loan forgiveness	155,853
Gain on disposal of fixed assets	975
Other income	5,007
Total Revenues	<u>1,341,292</u>
Total Support and Revenues	<u>2,715,695</u>
Expenses and Losses	
Program Services	
Family support and construction	768,633
ReStore	764,454
Total Program Services	<u>1,533,087</u>
Supporting Services	
General and administrative	208,325
Fundraising	139,613
Total Supporting Services	<u>347,938</u>
Total Expenses before Losses	<u>1,881,025</u>
Losses	
Loss on investments	<u>12,035</u>
Total Expenses and Losses	<u>1,893,060</u>
Change in Net Assets	822,635
Net Assets - July 1, 2021	<u>1,731,360</u>
Net Assets - June 30, 2022	<u><u>\$ 2,553,995</u></u>

See accompanying notes to financial statements.

St. Luce Habitat for Humanity, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022

Cash Flows From Operating Activities

<i>Change in Net Assets</i>	\$ 822,635
 <i>Adjustments to reconcile change in net assets to net cash (used) by operating activities:</i>	
Depreciation	28,709
Transfer to homeowners, net of discount	(131,136)
Mortgage loan discount amortization	(131,500)
Contractual forgiveness of mortgages	21,038
(Gain)/loss on disposal of assets	(975)
Investment (gains)/losses	12,842
 <i>(Increase)/decrease in:</i>	
Accounts receivable	(73,245)
Cost of homes under construction	(1,151,790)
Increase in deposits	331
Land held for development	21,652
 <i>Increase/(decrease) in:</i>	
Accounts payable	8,546
Accrued wages and payroll taxes payable	(1,237)
Sales tax payable	(278)
Net Cash Used in Operating Activities	(574,408)

Cash Flows From Investing Activities

Proceeds from sale of investments	85,745
Purchases of investments	(105,293)
Mortgage payments received	151,203
Proceeds sale of capital assets	1,500
Purchases of capital assets	(170,724)
Net Cash Used in Investing Activities	(37,569)

Cash Flows From Financing Activities

Principal payments on line of credit and notes payable	(105,511)
Proceeds from long term debt	1,015,425
Payroll Protection Program loan forgiveness	(155,853)
Net Cash Provided by Financing Activities	754,061

Net Increase in Cash 142,084

Cash - July 1, 2021 227,955

Cash - June 30, 2022 \$ 370,039

Supplemental disclosure of cash flow information:

Interest paid \$ 13,996

Supplemental disclosure of noncash activities:

Issuance of non-interest bearing mortgage loans \$ 277,471

Discount on non-interest bearing mortgage loans \$ (146,335)

See accompanying notes to financial statements.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2022

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, 2022

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 \$61,193 for the year ended June 30, 2022.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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. It is Habitat's policy to capitalize property and equipment over \$1,000 and depreciate 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, 2022

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, 2019, 2020, and 2021 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, 2022

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	\$	366,303
Petty Cash and Change Fund		1,936
Other Cash Equivalents		1,800
Total Cash and Cash Equivalents	\$	370,039

At June 30, 2022, Habitat had \$485,526 on deposit at various financial institutions, which \$138,739 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, 2022 are summarized as follows:

	Cost	Market	Gain (Loss)
Fixed income investments	\$ 47,680	\$ 39,692	\$ (7,988)
Equities	26,202	24,209	(1,993)
Investments in Marketable Securities	\$ 73,882	\$ 63,901	\$ (9,981)

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 – INVESTMENTS (CONTINUED)

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

Dividend income	\$ 1,319
Net realized and unrealized gains/(losses) on investments	(12,842)
Investment fees	(512)
Total Return on Investment	<u>\$ (12,035)</u>

Habitat's investments at June 30, 2022 were all level 1 investments.

NOTE 4 – FIXED ASSETS

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

	July 1, 2021	Additions	Deletions	June 30, 2022
Construction in progress	\$ 7,672	\$ -	\$ (7,672)	\$ -
Builders barn	348,129	-	-	348,129
Buildings and improvements	271,273	159,873	-	431,146
Leasehold improvements	22,223	-	-	22,223
Computer equipment	10,921	2,273	-	13,194
Furniture and fixtures	4,939	-	-	4,939
Tools	396	-	-	396
Vehicles	69,792	13,826	(1,750)	81,868
Warehouse and construction	48,257	4,750	(2,326)	50,681
Total Fixed Assets	<u>783,602</u>	<u>180,722</u>	<u>(11,748)</u>	<u>952,576</u>
Less: accumulated depreciation	<u>(340,487)</u>	<u>(28,709)</u>	<u>1,225</u>	<u>(367,971)</u>
Total Fixed Assets, Net	<u>\$ 443,115</u>	<u>\$ 152,013</u>	<u>\$ (10,523)</u>	<u>\$ 584,605</u>

Depreciation for the year was \$28,709.

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 5 – LOANS RECEIVABLE

The activity of loans receivable is as follows:

Beginning balance, July 1, 2021	\$	1,776,611
Mortgages issued		277,471
Principal payments received		(151,204)
Discount on mortgages issued		(146,334)
Amortization of mortgage discounts		131,500
Contractual amortized forgiveness of mortgages		<u>(21,038)</u>
Ending balance, June 30, 2022		1,867,006
Less: current portion		<u>180,747</u>
Other assets - mortgages receivable	\$	<u><u>1,686,259</u></u>

The mortgage discount rate for the year ended June 30, 2022 was 7.49%

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 5.75% interest rate. As of June 30, 2022, \$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, 2022 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	\$	45,000
Professional services & materials		<u>54,415</u>
Total		<u><u>\$ 99,415</u></u>

Habitat received donated vacant lots with estimated fair market value of \$45,000 for the year ended June 30, 2022. Habitat intends to build new homes on the vacant lots to provide home ownership 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 \$54,415 for the year ended June 30, 2022 for the services rendered and materials provided.

All gifts-in-kind received by Habitat for the year ended June 30, 2022 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, 2022

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, 2022 was \$146,357.

Future minimum lease payments by fiscal year are as follow:

Fiscal Year Ending June 30,	Rent
2023	\$ 111,349

NOTE 9 – LOANS PAYABLE

Long-term debt at June 30, 2022 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 March 2050.	\$ 852,341
Loan payable to bank due in monthly variable principal only with a 0% interest rate interest rate, with a final payment due September 2048.	548,630
Loan payable to bank due in monthly variable principal only with a 0% interest rate interest rate, with a final payment due July 2051.	894,247
Loan payable to bank due in monthly principal and interest payments at a 3.97% interest rate, with a final payment due August 2026.	205,387
Loan payable to bank due in monthly principal and interest payments at a 3% interest rate, with a final payment due November 2037.	284,862
Notes Payable	2,785,467
Note Discounts, Net	(57,011)
Note Premiums, Net	57,973
Notes Payable, net	\$ 2,786,429

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 – LOANS PAYABLE (CONTINUED)

Maturities of long-term debt are as follows:

Due year ending June 30,	Principal
2023	\$ 112,185
2024	119,310
2025	119,778
2026	120,265
2027	265,795
Thereafter	2,048,134
Total	\$ 2,785,467

NOTE 10 – 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 11 – 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, 2022 are:

Cash	\$ 370,039
Investments	63,901
Accounts receivable	25,156
Mortgage receivable	180,747
Prepaid expenses and utility deposit	8,286
Total financial assets available for general expenditure	\$ 648,129

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 12 – FUNCTIONAL EXPENSES

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

	Program Services			Support Services			Total Expenses
	Family Support and Construction	ReStore	Total Program Services	General and Administrative	Fundraising	Total Support Services	
Salaries and wages	\$ 225,036	\$ 417,925	\$ 642,961	\$ 80,370	\$ 80,370	\$ 160,740	\$ 803,701
Cost of homes	217,756	-	217,756	-	-	-	217,756
Rent	-	146,357	146,357	-	-	-	146,357
Cost of mortgages	84,092	-	84,092	-	-	-	84,092
Insurance	17,043	33,402	50,445	17,043	682	17,725	68,170
Payroll taxes	17,394	32,305	49,699	6,212	6,212	12,424	62,123
Advertising	-	29,373	29,373	9,179	22,641	31,820	61,193
Utilities	2,873	48,273	51,146	3,448	2,873	6,321	57,467
Discount amortization	54,710	-	54,710	-	-	-	54,710
Professional services	-	-	-	34,590	8,647	43,237	43,237
Travel	3,883	3,884	7,767	27,186	3,884	31,070	38,837
Cost of home repairs	38,089	-	38,089	-	-	-	38,089
Office supplies	13,925	11,604	25,529	3,316	4,310	7,626	33,155
Interest	31,686	-	31,686	-	-	-	31,686
Employee benefits	7,077	14,745	21,822	5,898	1,769	7,667	29,489
Depreciation and amortization	11,484	5,742	17,226	11,483	-	11,483	28,709
Supplies	6,702	8,265	14,967	2,234	5,138	7,372	22,339
Contractual mortgage forgiveness	21,038	-	21,038	-	-	-	21,038
Other expenses	13,959	-	13,959	1,745	1,745	3,490	17,449
Repairs and maintenance	-	5,238	5,238	4,286	-	4,286	9,524
Taxes	-	5,262	5,262	-	-	-	5,262
Printing	1,207	1,379	2,586	172	690	862	3,448
Education and training	557	557	1,114	1,114	557	1,671	2,785
Postage	106	132	238	36	82	118	356
Food and entertainment	16	11	27	13	13	26	53
Total Expenses	\$ 768,633	\$ 764,454	\$ 1,533,087	\$ 208,325	\$ 139,613	\$ 347,938	\$ 1,881,025

St. Lucie Habitat for Humanity, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 13 – RESTATEMENT OF BEGINNING NET ASSETS

Net assets were restated as of July 1, 2021 to properly reflect non-current accounts receivables.

	<u>As Previously Stated 7/1/2021</u>	<u>Restated 7/1/2021</u>
Accounts receivable - non-current	<u>\$ 620,800</u>	<u>\$ 819,697</u>
Without donor restrictions	<u>\$ 1,532,463</u>	<u>\$ 1,731,360</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 November 18, 2022, the date that the financial statements were available to be issued.