

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

***FINANCIAL STATEMENTS  
JUNE 30, 2021***

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***Habitat for Humanity of York County, Inc.***

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**June 30, 2021**

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# ***C. DEWITT FOARD & COMPANY, P.A.***

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Habitat for Humanity of York County, Inc.  
Rock Hill, South Carolina

We have audited the accompanying financial statements of Habitat for Humanity of York County, Inc. ("Habitat" - a nonprofit corporation), which comprise the statement of financial position 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 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 in the first paragraph present fairly, in all material respects, the financial position of Habitat for Humanity of York County, Inc., as of June 30, 2021 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.

### Report on Summarized Comparative Information

We have previously audited Habitat's 2020 financial statements, and our report dated November 2, 2020, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*C. Dewitt Foard & Company, P.A.*  
November 5, 2021

***Habitat for Humanity of York County, Inc.***  
**Statement of Financial Position**  
**June 30, 2021, with prior year comparative totals**

	June 30,	
	2021	2020
<b><u>ASSETS</u></b>		
Cash	\$ 916,382	\$ 633,606
Receivables:		
Grants and contributions	119,018	31,567
Mortgages	1,269,262	1,298,771
Inventories:		
Land held for development	151,627	153,627
Construction in process	67,964	101,710
Homes held for resale	120,391	-
Resale store	182,512	152,917
Prepays	23,529	15,347
Property and equipment (net of depreciation)	892,083	879,246
<b><i>TOTAL ASSETS</i></b>	<b><i>\$ 3,742,768</i></b>	<b><i>\$ 3,266,791</i></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 72,756	\$ 28,372
Payroll liabilities	42,030	44,310
Refundable advance	-	103,486
Forgiveable loans	2,263	5,538
Escrows	31,530	23,633
Capital lease obligation	24,484	34,013
Notes payable	561,949	567,266
Total Liabilities	735,012	806,618
Net Assets:		
Without donor restrictions	2,738,876	2,374,700
With donor restrictions	268,880	85,473
Total Net Assets	3,007,756	2,460,173
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b><i>\$ 3,742,768</i></b>	<b><i>\$ 3,266,791</i></b>

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**Habitat for Humanity of York County, Inc.****Statement of Activities****Year Ended June 30, 2021, with prior year comparative totals**

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	Year Ended June 30, 2021			2020 TOTALS
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<b><u>SUPPORT AND REVENUE</u></b>				
Grants	\$ 289,515	\$ 453,718	\$ 743,233	\$ 323,721
Contributions	132,758	81,055	213,813	413,975
Donated goods and services	73,681	-	73,681	43,924
Sale of homes	302,900	-	302,900	526,695
Resale store	1,296,477	-	1,296,477	1,039,538
Mortgage loan discount amortization	106,012	-	106,012	119,493
Special events	13,285	-	13,285	10,610
Other income	28,199	-	28,199	11,861
Net assets released from restrictions	351,366	(351,366)	-	-
<b><i>TOTAL</i></b>	<b><i>2,594,193</i></b>	<b><i>183,407</i></b>	<b><i>2,777,600</i></b>	<b><i>2,489,817</i></b>
<b><u>EXPENSES</u></b>				
Program services:				
Construction	1,004,359	-	1,004,359	1,200,139
Resale store	993,920	-	993,920	980,481
Management and general	172,578	-	172,578	157,136
Fundraising	59,160	-	59,160	58,827
<b><i>TOTAL</i></b>	<b><i>2,230,017</i></b>	<b><i>-</i></b>	<b><i>2,230,017</i></b>	<b><i>2,396,583</i></b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b><i>364,176</i></b>	<b><i>183,407</i></b>	<b><i>547,583</i></b>	<b><i>93,234</i></b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b><i>2,374,700</i></b>	<b><i>85,473</i></b>	<b><i>2,460,173</i></b>	<b><i>2,366,939</i></b>
<b><i>NET ASSETS, ENDING</i></b>	<b><i>\$ 2,738,876</i></b>	<b><i>\$ 268,880</i></b>	<b><i>\$ 3,007,756</i></b>	<b><i>\$ 2,460,173</i></b>

**Habitat for Humanity of York County, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2021, with prior year comparative totals**

	Year Ended June 30, 2021						2020 TOTALS
	Program Services		Management and General	Fundraising	TOTALS		
	Construction	ReStore					
<b>PERSONNEL</b>							
Wages	\$ 289,801	\$ 368,788	\$ 96,171	\$ 29,812	\$ 784,572	\$ 717,055	
Payroll taxes	23,982	51,056	7,958	2,467	85,463	91,402	
Benefits	47,876	29,194	15,888	4,925	97,883	127,757	
<b>Total</b>	<b>361,659</b>	<b>449,038</b>	<b>120,017</b>	<b>37,204</b>	<b>967,918</b>	<b>936,214</b>	
<b>OTHER EXPENSES</b>							
Cost of homes	235,871	-	-	-	235,871	452,241	
Mortgage discount	73,743	-	-	-	73,743	142,800	
Home repair	145,502	-	-	-	145,502	67,628	
Supplies	16,658	24,359	3,288	7,729	52,034	90,595	
Occupancy	21,787	241,922	3,890	1,776	269,375	284,136	
Interest expense	3,226	17,915	1,299	1,378	23,818	19,458	
Insurance	41,895	58,247	13,903	4,310	118,355	68,001	
Mileage/Vehicle	8,281	7,124	392	121	15,918	21,979	
Global Village	-	-	-	-	-	14,237	
Services	38,636	36,287	19,810	2,567	97,300	74,369	
Dues and meetings	16,743	395	-	-	17,138	20,625	
Equipment costs	10,380	6,352	3,445	1,068	21,245	23,638	
Printing and postage	1,272	585	422	131	2,410	4,294	
Tithe	15,000	-	-	-	15,000	18,950	
Communications	8,091	8,227	2,685	832	19,835	16,625	
Depreciation	5,615	40,896	3,427	1,556	51,494	49,841	
Cost of goods sold	-	101,143	-	-	101,143	82,916	
Marketing and other	-	1,430	-	488	1,918	8,036	
<b>Total</b>	<b>642,700</b>	<b>544,882</b>	<b>52,561</b>	<b>21,956</b>	<b>1,262,099</b>	<b>1,460,369</b>	
<b>TOTAL</b>	<b>\$ 1,004,359</b>	<b>\$ 993,920</b>	<b>\$ 172,578</b>	<b>\$ 59,160</b>	<b>\$ 2,230,017</b>	<b>\$ 2,396,583</b>	

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**Habitat for Humanity of York County, Inc.****Statement of Cash Flows****Year Ended June 30, 2021, with prior year comparative totals**

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	Year Ended June 30,	
	2021	2020
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 547,583	\$ 93,234
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation expense	54,769	49,841
Amortization of loan discount	(106,012)	(119,493)
Decrease (increase) in operating assets:		
Operating receivables	(87,451)	15,515
Inventories	(114,240)	146,870
Prepays	(8,182)	30,722
Increase (decrease) in operating liabilities:		
Payables	44,384	(16,501)
Payroll liabilities	(2,280)	(21,415)
Refundable advance	(103,486)	103,486
Escrows	7,897	8,037
	<b><u>232,982</u></b>	<b><u>290,296</u></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Mortgages made to homeowners (net of discounts)	(27,065)	(95,680)
Principal payments received from homeowners	162,586	181,659
Proceeds from (purchases of) certificates of deposit, net	-	56,978
Purchase of property and equipment	(70,881)	(9,827)
	<b><u>64,640</u></b>	<b><u>133,130</u></b>
<b><u>FINANCING ACTIVITIES</u></b>		
Payments on capital lease obligation	(9,529)	(9,599)
Proceeds from notes payable	50,934	-
Principal payments on notes payable	(56,251)	(49,600)
	<b><u>(14,846)</u></b>	<b><u>(59,199)</u></b>
<b>CHANGE IN CASH</b>	<b>282,776</b>	<b>364,227</b>
<b>CASH, BEGINNING</b>	<b>633,606</b>	<b>269,379</b>
<b>CASH, ENDING</b>	<b>\$ 916,382</b>	<b>\$ 633,606</b>

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*See accompanying notes to financial statements.**Page 5*

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# ***Habitat for Humanity of York County, Inc.***

## **Notes to Financial Statements**

**June 30, 2021**

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### **NOTE 1 – NATURE OF OPERATIONS**

#### *Organization*

Habitat for Humanity of York County, Inc., (Habitat) is a South Carolina not-for-profit corporation that operates from facilities in Rock Hill, South Carolina. Habitat seeks to build homes, communities and hope within York County. Furthermore, Habitat strives to make decent housing a matter of conscience and action. Habitat is an affiliate of Habitat for Humanity International (HFH International).

#### *Purpose*

The purpose of Habitat is to create or preserve decent, affordable housing for those in need. Habitat builds homes that are sold to individuals at no profit, utilizing non-interest-bearing mortgages. The families are required to contribute 250 hours of “sweat equity” towards the construction of their home and other projects. Habitat repairs homes in partnership with homeowners with incomes under 60% and who pay a portion of repair costs and contribute sweat equity in accordance with their abilities.

#### *Funding sources*

Habitat is supported primarily through contributions, grants, and homeowner mortgage payments. In addition, Habitat operates two resale stores, which sell donated furniture and goods.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Basis of accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in day-to-day operations and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives. Such amounts, if any, are reflected as designated net assets without donor restrictions in the accompanying statement of financial position.

*Net Assets With Donor Restrictions* - Net assets with donor restrictions consist of spendable and non-spendable amounts. Spendable amounts are subject to donor-imposed stipulations that may or will be met, either by actions of Habitat or the passage of time. When a restriction expires, that is when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reported in the statement of activities as net assets released from restrictions. Net assets were released during the year by payment for restricted purposes. Spendable net assets with donor restrictions at year-end were restricted to home repairs (\$91,380), neighborhood revitalization (\$97,500) and Wells Fargo Build Program (\$80,000). Non-spendable amounts are subject to donor-imposed stipulations that they be maintained permanently by Habitat. During the year ended June 30, 2021, Habitat had no non-spendable net assets with donor restrictions.

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## ***Habitat for Humanity of York County, Inc.***

### **Notes to Financial Statements**

**June 30, 2021**

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#### Cash

Cash consist of cash on hand, cash in banks, and money market funds.

#### Receivables

Grants and contributions receivable consist of unconditional promises to give. All amounts are expected to be collected in the subsequent fiscal year, so no present value discount has been provided. In addition, management has determined that no allowance for doubtful accounts is necessary based on an evaluation of the receivables, historical experience, and current and anticipated economic conditions. Conditional promises to give are not recorded until the conditions are substantially met. At June 30, 2021, Habitat had no conditional promises to give.

#### New accounting pronouncement

Habitat adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09), during the fiscal year ending June 30, 2021. The core principle of this standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The implementation of this standard had no impact on Habitat's financial statements.

#### Resale store inventory

Purchased inventory is recorded at cost, utilizing a first-in, first-out flow assumption, and was \$77,042 as of June 30, 2021. Habitat receives a large amount of furniture and other goods which are sold in its resale stores. Management has estimated that the value of this donated inventory at any given time approximates one month's sales and the balance at June 30, 2021, was \$105,470.

#### Other inventory

Inventories also include land and construction in process, which are expected to be sold to homeowners and are carried on the books at cost or the fair value when donated. Donated land is recorded at appraised value; however, if an appraisal was not available at the date of the contribution, it is recorded at the value used for assessing local property taxes. Costs benefiting all lots, including lots to be used in construction, are allocated between lots. Management has determined that lots carried on the books at \$28,000 are not currently buildable due to zoning or other issues. Construction in progress consists of costs related to construction, donated goods and services capitalized in construction and an overhead allocation based on construction expenses and salaries and wages.

#### Functional allocation of expenses

Expenses that are inherently program, management and general, or fundraising, are charged directly to those functions. Facility costs are allocated based on the estimated square footage utilized by that function. All other expenses are allocated to program services, management and general, and fundraising based on management's estimates of time spent.

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## ***Habitat for Humanity of York County, Inc.***

### **Notes to Financial Statements**

**June 30, 2021**

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#### *Donated services*

Habitat pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Habitat with program services, management and general support, and fundraising efforts. Habitat depends on volunteers to construct homes, and the resale store utilizes a large number of volunteers for related functions. In accordance with accounting standards, the value of such services is not recorded in the financial statements unless the services require specialized skills or enhance the value of Habitat's assets. During the year, Habitat recognized services requiring specialized skills with an approximate value of \$63,681.

#### *Escrows*

Escrows consist primarily of amounts received from new homeowners, which will be used to pay for closing costs.

#### *Property and equipment*

Property is recorded at cost if purchased or fair value if donated, subject to a \$500 capitalization policy. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation expense is recorded using the straight-line method of depreciation over the estimated useful lives of the assets, which range from three years for computers, five to ten years for furniture and equipment, and 30 to 40 years for buildings.

#### *Federal income tax status*

Habitat is exempt from Federal income tax on its exempt function income under Internal Revenue Code Section 501(c)(3) under a group exemption letter granted to Habitat for Humanity International (HFHI), which is classified as other than a private foundation as defined by Section 509(a) of the Internal Revenue Code.

#### *Cash flows*

Interest expense paid during the year ended June 30, 2021, amounted to \$27,709.

#### *Use of estimates*

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Prior year adjustment.*

During the year, management identified that the present value discount related to mortgages receivable was understated by \$139,083 as of June 30, 2020. This resulted in a decrease in mortgages receivable and beginning net assets as of that date. The beginning net assets in the accompanying financial statements have been restated to reflect this change.

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# ***Habitat for Humanity of York County, Inc.***

## **Notes to Financial Statements**

**June 30, 2021**

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### Prior-year comparative totals

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with Habitat's 2020 financial statements, from which the summarized information was derived. Also, certain prior-year amounts have been reclassified to conform to the current-year presentation.

### **NOTE 3 – PROPERTY AND EQUIPMENT**

#### Balance at June 30, 2021

Property and equipment which are used by Habitat in its operations consist of the following at June 30, 2021:

Buildings and improvements	\$	878,547
Land		156,013
Furniture and equipment		116,955
Vehicles		<u>190,216</u>
Total		1,341,731
Less – accumulated depreciation		<u>449,648</u>
TOTAL	\$	<u><u>892,083</u></u>

### **NOTE 4 – MORTGAGES RECEIVABLE**

#### Balances at June 30, 2021

Mortgages receivable from homeowners do not bear interest. Therefore, these mortgages are carried on the books net of a discount for the present value of future payments. The rate of interest used to determine this discount is established annually by HFHI and was 7.23 percent for the current fiscal year. Management has adopted a policy to value all mortgages at the current year rate rather than the interest rate in effect for the year the home was sold to the homeowner.

Mortgage activity for the year ended June 30, 2021, was as follows:

	<u>Mortgages</u>	<u>Discount</u>
Mortgages receivable, beginning	\$ 2,360,734	\$ 1,061,963
Add – new mortgages	<u>66,600</u>	<u>39,535</u>
Subtotal	2,427,334	1,101,498
Deduct:		
Payments received and amortization of discount	<u>162,586</u>	<u>106,012</u>
Mortgages receivable, ending	<u><u>\$ 2,264,748</u></u>	<u><u>\$ 995,486</u></u>

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## ***Habitat for Humanity of York County, Inc.***

### **Notes to Financial Statements**

**June 30, 2021**

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Management reviews the outstanding balances regularly for collectability to determine if an allowance for doubtful accounts is needed and has frequent communication with the homeowners and is able to identify collection problems. Because the mortgages are collateralized by the related homes, which are worth more than the discounted mortgage, management feels no allowance for uncollectible accounts is required at June 30, 2021. Payments of \$157,351 are expected in the fiscal year ending June 30, 2022.

#### **NOTE 5 – REFUNDABLE ADVANCE**

During the prior year, Habitat obtained a refundable advance for \$210,382 as part of the Payroll Protection Program (PPP) to mitigate the effects of the COVID-19 pandemic. During the year ended June 30, 2020, Habitat utilized \$106,896 of this amount for eligible costs and recognized that amount as earned in the accompanying financial statements. The remaining \$103,486 was utilized in the current year and is reflected as in grant revenue in the accompanying financial statements. The entire amount has been formally forgiven and this program is not expected to be a recurring source of income for Habitat.

#### **NOTE 6 – DEBT**

##### *Mortgage payable*

A mortgage note payable of \$469,724 is due to a local financial institution and is secured by Habitat's land, building, inventory and equipment. The note requires monthly payments of \$4,803, applied first to interest at 3.95 percent and then to principal, with all remaining balances due when the loan matures in June 2023.

##### *Truck note payable*

A note payable secured by a truck with a balance of \$14,521 is due to a local financial institution and is secured by the related vehicle. The note requires monthly payments of \$594, applied first to interest at 3.25 percent and then to principal.

##### *Truck note payable*

A note payable secured by a truck with a balance of \$23,147 is due to a local financial institution and is secured by the related vehicle. The note requires monthly payments of \$611, applied first to interest at 4 percent and then to principal.

##### *Truck note payable*

A note payable secured by a truck with a balance of \$50,357 is due to a local financial institution and is secured by the related vehicle. The note requires monthly payments of \$809, applied first to interest at 4.44 percent and then to principal.

##### *Capacity Building note payable*

The Capacity Building note payable of \$4,199 is due to the South Carolina Association of Habitat Affiliates and is unsecured. The note requires quarterly payments of \$2,151, applied first to interest at 2.00 percent and then to principal.

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## ***Habitat for Humanity of York County, Inc.***

### **Notes to Financial Statements**

**June 30, 2021**

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#### Maturities

Future minimum payments of principal are due during the year ending June 30:

2022	\$ 64,894
2023	63,135
2024	404,676
2025	11,441
2026	9,096
2027	<u>8,707</u>
TOTAL	<u>\$ 561,949</u>

#### Forgivable loans

From fiscal years 1999 to 2001, Habitat was awarded forgivable loans of \$135,253 from the South Carolina Land Trust Fund. Approximately 5 percent of the original loan value is forgiven each year that a qualifying low-income homeowner lives in a home constructed with these funds. The amount forgiven during the current fiscal year was \$3,275 and the remaining loan amount to forgive was \$2,263 as of June 30, 2021.

#### **NOTE 7 – LEASES**

##### Capital

During the prior year, Habitat entered into two non-cancellable capital leases for lighting. The leases are payable in 60 monthly installments of \$282 and \$527, respectively, through October 2024 and January 2024. These leases are interest-free and no provision for a discount has been recorded due to materiality. The lease obligation and related assets have been capitalized for financial reporting purposes. Future minimum rental payments are due during the year ended June 30:

2022	\$ 9,700
2023	9,700
2024	<u>5,084</u>
TOTAL	<u>\$ 24,484</u>

##### Operating

Habitat leases retail, warehouse space and office equipment under operating lease agreements. Lease expense for the current fiscal year was \$181,230. Future minimum rental payments under these leases are due during the year ended June 30:

2022	\$ 167,799
2023	167,513
2024	167,268
2025	166,776
2026	<u>138,980</u>
TOTAL	<u>\$ 808,336</u>

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## ***Habitat for Humanity of York County, Inc.***

### **Notes to Financial Statements**

**June 30, 2021**

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#### *Future pronouncements*

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2022. It is expected that the implementation of this standard will result in an increase in assets and liabilities, but it will not result in a material change in net assets.

#### **NOTE 8 – CONCENTRATIONS OF RISK**

##### *Geographic area*

Habitat operates in a small geographic area and is therefore sensitive to changes in the local economy.

##### *Cash and cash equivalents and certificate of deposit*

Cash and cash equivalents held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash and cash equivalents held by Habitat at year-end include \$542,252 in excess of insured limits covered by the FDIC.

#### **NOTE 9 – RELATED PARTY TRANSACTIONS**

Habitat annually remits a portion of its contributions (excluding any in-kind contributions) to Habitat for Humanity International (HFHI). These funds are used to construct houses in economically depressed areas around the world. During the year, Habitat sent HFHI a tithing of \$15,000 and \$7,500 for its annual sustainability fee. Habitat also sent dues of \$7,500 to the South Carolina Association of Habitat Affiliates.

#### **NOTE 10– LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Habitat has \$1,192,751 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$916,382, receivables of \$119,018, which are expected to be collected during the year, and the \$157,351 portion of mortgages receivable that are due from homeowners in the next fiscal year. Financial assets of \$268,880 are subject to donor restrictions that they be utilized for a specific purpose. Habitat has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management Habitat invests cash in excess of daily requirements in short-term investments, primarily money market funds.

#### **NOTE 11 - UNCERTAINTIES**

The COVID-19 pandemic has resulted in major changes in the local economy. At this point, the full impact of this pandemic on Habitat is unknown, but management believes that it may negatively impact its support and revenue for the foreseeable future.

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***Habitat for Humanity of York County, Inc.***

**Notes to Financial Statements**

**June 30, 2021**

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**NOTE 12 – SUBSEQUENT EVENTS**

Habitat has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.