

NASSAU HABITAT FOR HUMANITY, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2021

**WITH SUMMARIZED COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NASSAU HABITAT FOR HUMANITY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nassau Habitat for Humanity, Inc.
Fernandina Beach, FL

Opinion

We have audited the accompanying financial statements of Nassau Habitat for Humanity, Inc. (a Not-for-Profit Entity), which comprise the statement of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nassau Habitat for Humanity, Inc. as of December 31, 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.

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 Nassau Habitat for Humanity, 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 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 Nassau Habitat for Humanity, 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, including omissions, 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, but not for the purpose of expressing an opinion on the effectiveness of Nassau Habitat for Humanity, 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 Nassau Habitat for Humanity, 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.

Report on Summarized Comparative Information

We have previously audited Nassau Habitat for Humanity, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it was derived.

affinity CPA, P.A.

Tampa, Florida
October 25, 2022

NASSAU HABITAT FOR HUMANITY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 129,203	\$ 117,806
Mortgage notes receivable, net of discounts, due within one year (Note 5)	104,619	62,859
Homes held for sale	183,726	145,890
Construction in progress (Note 6)	144,117	105,312
Other assets	3,924	2,117
	<u>565,589</u>	<u>433,984</u>
Total current assets		
Non-current assets		
Mortgage notes receivable, net of discounts, due after one year (Note 5)	731,767	712,436
Land for development	230,163	299,556
	<u>961,930</u>	<u>1,011,992</u>
Total non-current assets		
	<u>\$ 1,527,519</u>	<u>\$ 1,445,976</u>
Total assets		
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 669	\$ 3,323
Homeowners' escrow deposits (Note 3)	9,168	8,680
	<u>9,837</u>	<u>12,003</u>
Total liabilities		
Net assets without donor restrictions	1,517,682	1,433,973
Commitments and contingencies (Notes 10 and 11)		
	<u>\$ 1,527,519</u>	<u>\$ 1,445,976</u>
Total liabilities and net assets		

See independent auditor's report and accompanying notes to the financial statements.

NASSAU HABITAT FOR HUMANITY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	December 31,	
	2021	2020
PUBLIC SUPPORT AND OTHER REVENUES		
Public support		
Contributions	\$ 205,573	\$ 330,277
In-kind contributions	3,380	3,758
	208,953	334,035
Other revenues		
Sale of homes (mortgages received)	502,474	125,640
Amortization of mortgage discounts	92,865	88,399
Residential rental	22,120	10,592
Other	594	635
	618,053	225,266
Total other revenues	618,053	225,266
Total public support and other revenues	827,006	559,301
 EXPENSES		
Program services - home construction	688,338	240,278
Supporting services - management and general	54,959	59,148
	743,297	299,426
Total expenses	743,297	299,426
 Change in net assets	83,709	259,875
Net assets without donor restrictions, beginning of year	1,433,973	1,174,098
Net assets without donor restrictions, end of year	\$ 1,517,682	\$ 1,433,973

See independent auditor's report and accompanying notes to the financial statements.

NASSAU HABITAT FOR HUMANITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses</u>	
	<u>Home Construction</u>	<u>Management and General</u>	<u>December 31,</u>	
			<u>2021</u>	<u>2020</u>
Personnel expenses	\$ 5,531	\$ 31,344	\$ 36,875	\$ 32,277
Other Expenses				
Construction	371,598	-	371,598	147,483
Dues and subscriptions	1,500	6,231	7,731	8,168
Professional	-	6,789	6,789	8,327
Occupancy	4,962	1,698	6,660	4,174
Office	-	6,363	6,363	5,853
Insurance	2,655	-	2,655	3,211
Vehicle	2,356	-	2,356	1,904
Meals and entertainment	2,248	-	2,248	2,509
Advertising and promotion	1,412	-	1,412	924
Equipment and tools	1,228	-	1,228	790
Rental	467	-	467	1,004
Property tax	-	-	-	7,425
Miscellaneous	-	2,534	2,534	242
Total expenses before non-cash items	393,957	54,959	448,916	224,291
Mortgage discounts applied to current-year home sales	294,381	-	294,381	75,135
Total expenses	<u>\$ 688,338</u>	<u>\$ 54,959</u>	<u>\$ 743,297</u>	<u>\$ 299,426</u>

See independent auditor's report and accompanying notes to the financial statements.

NASSAU HABITAT FOR HUMANITY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 83,709	\$ 259,875
Adjustments to reconcile change in net assets to net cash flows provided by operating activities		
Issuance of non-interest bearing mortgage loans	(502,474)	(125,640)
Mortgage payments received from homeowners	135,576	90,375
Mortgage notes receivable transferred to homes held for sale	104,291	79,645
Amortization of discount on mortgage notes	201,516	(13,264)
(Increase) Decrease in assets:		
Inventory	(7,248)	(220,764)
Other assets	(1,807)	2,000
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	(2,654)	(17,285)
Escrow funds payable	488	4,560
Net cash provided by operating activities	11,397	59,502
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit	-	(31,000)
Net cash used in financing activities	-	(31,000)
Net change in cash and cash equivalents	11,397	59,502
Cash and cash equivalents, beginning of year	117,806	58,304
Cash and cash equivalents, end of year	\$ 129,203	\$ 117,806

See independent auditor's report and accompanying notes to the financial statements.

NASSAU HABITAT FOR HUMANITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 NATURE OF ORGANIZATION

Nassau Habitat for Humanity, Inc. (“Habitat” or the “Organization”) is a nonprofit corporation established in 1993 to build quality and affordable housing for eligible families in Nassau County, Florida. The Organization is affiliated with Habitat for Humanity International (“Habitat International”), a Christian-inspired ministry whose mission is to provide low-income families with decent, affordable housing.

In fulfilling its mission, the Organization builds single-family homes, sells them to low-income families (the “homeowners”), and holds non-interest-bearing mortgage notes receivables with payments commensurate with the homeowner’s ability to pay. Homeowners who have demonstrated a housing need are required to volunteer 300 hours of service to the building of their home or other homes that the Organization is building. Upon completion, the homes are sold at a defined purchase price based on a third-party appraisal.

The Organization receives support from the local community through volunteer labor, donated building materials and services, and donations. This support and the cash collected on mortgage notes receivable are used to fund operations and future home construction.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Habitat have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and, accordingly, reflect all significant receivables, payables and other assets and liabilities.

Basis of Presentation

Habitat has adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to provide financial statements which are prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. As such, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors (the “Board”).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors or grantors. Some donor or grantor restrictions are temporary in nature. Those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NASSAU HABITAT FOR HUMANITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Revenue Recognition

The Organization first determines if a transaction represents an exchange transaction and if so, accounts for the transaction in accordance with FASB ASC 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Contributions are recorded at their fair market value on the date of receipt. All contributions are available for unrestricted use unless specifically designated by the donor. The Organization reports contributions restricted by donors as increases in net assets *without* restrictions if restrictions expire (that is, when either stipulated time restriction ends, or a purpose restriction is accomplished) in the same reporting period in which revenue is recognized.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Sale of homes represents homes built and subsequently sold by Habitat. When homes are sold to qualified buyers who finance the purchase, the resulting mortgage notes are zero-interest bearing and discounted based upon prevailing market rates at the inception of the mortgages. The first mortgage gross sale amount is included as the sale of home in the Statement of Activities and the applicable discount from this note is presented as the mortgage discounts in the Statement of Functional Expenses. In certain instances, there is a silent second mortgage on the home that is fully reserved on the Statement of Financial Position since the Organization does not anticipate it will receive cash from these mortgages. When homes or land are sold to buyers in the form of a cash sale, the gross sale amount is included in the sale of home in the Statement of Activities. Contracts are considered to have commercial substance as they involve a signed promissory note which is paid in accordance with the note terms. Due to the nature of the contracts, there is no variable consideration and only one performance obligation. As such, Habitat recognizes the income from the sale of homes on the completed contract method when home closings occur.

Habitat accounts for grants and contracts as exchange transactions. Revenue is recognized as an increase in the Statement of Activities as stipulated performance is executed, or as expenditures are incurred in accordance with applicable agreements under expenditure reimbursement contracts. A receivable is recorded to the extent contract revenue exceeds payment received. Advances in excess of costs incurred are deferred and recognized as revenue when the related expense is incurred.

NASSAU HABITAT FOR HUMANITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Support arising from donated, or in-kind goods, property, and services is recognized in the financial statements at its fair value. GAAP requires recognition of in-kind services, if such services (1) create or enhance nonfinancial assets or (2) require specialized skills and are provided by individuals possessing those skills, who would typically charge a fee. For the years ended December 31, 2021, and 2020 volunteers provided approximately 6,800 and 1,600 volunteer hours, respectively, to assist the Organization in providing home construction services for which no amount has been recorded in the financial statements because the non-professional construction-related volunteer services did not meet the criteria for recognition under GAAP.

Additionally, Habitat utilizes the services of outside volunteers to perform a variety of tasks that assist the Organization in areas other than construction. The fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under GAAP.

Cash and Cash Equivalents

Habitat considers all highly liquid instruments with maturities of three months or less when purchased to be cash equivalents.

Mortgage Notes Receivable

The Organization constructs and sells affordable housing with interest-free mortgages. Sales of homes are recorded at the gross amount of payments to be received over the lives of the mortgages. These payments do not include interest. The notes have been discounted at various interest rates depending on the prevailing interest rate for similar mortgages at the inception of the loan using the effective interest method over the lives of the mortgages. Mortgages are reported net of discounts. The Organization does not maintain an allowance for uncollectible mortgages because the net mortgage receivable balances is below market prices and the Organization has the ability to foreclose on properties and resell them to collect any past due amounts.

Inventory

Habitat's inventory includes homes held for sale, construction in progress, and land for development. The inventory items are recorded at the lower of cost, as determined on a specific identification basis, or net realizable value. Donated materials are valued at market or retail value on the date of donation.

Construction in progress consists of lots and construction costs of houses not completed as of December 31, 2021. Costs incurred in conjunction with home construction are capitalized until the home is sold. Upon sale of the home, all direct costs are expensed.

Property and Equipment

Property and equipment are recorded at cost or, if donated, the estimated fair value at the date of donation. Habitat has a policy of capitalizing expenditures for property and equipment with costs greater than \$2,500. Depreciation is provided using the straight-line method over the estimated useful lives of assets. If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as restricted support. In the absence of such stipulations, gifts of property are recorded as unrestricted support. Maintenance and repairs that do

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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or otherwise retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amounts of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value.

Use of Estimates

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

Functional Allocation of Expenses

The costs of providing the Organization's various programs and other supporting activities have been summarized in the Statement of Functional Expenses. Expenses directly attributable to a specific functional area of the Organization are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on time and effort spent by employees on each functional area or based on the Organization's square footage analysis for all indirect occupancy-related expenses.

Income Tax

Habitat is exempt from federal and state income taxes under Section 501(c)(3) and, accordingly, no provision for income taxes has been made in the accompanying financial statements. However, the Organization may be subject to tax on unrelated business income, if any, which may be generated from other activities not related to its exempt purpose.

Management has evaluated Habitat's tax position and concluded that no uncertain tax positions have been taken that would require adjustment to the financial statements to comply with the provisions of the Income Tax Topic of the FASB ASC. With few exceptions, Habitat is subject to income tax examinations by the U.S. federal or state tax authorities up to three years after tax returns are filed.

Advertising

Advertising costs are charged to operations when incurred. During each of the years ended December 31, 2021 and 2020, Habitat incurred approximately \$1,000 related to the advertisements for its home construction activities.

NASSAU HABITAT FOR HUMANITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Summarization and Reclassification of Certain 2020 Information

The financial information for the year ended December 31, 2020, presented for comparative purposes, is not intended to be a complete presentation as it does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Habitat's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

Recent Accounting Pronouncements Not Yet Adopted

1. In 2016, Accounting Standards Update No. 2016-02, *Leases* ("ASU 2016-02") was issued. The amendments in ASU 2016-02 affect any entity that enters into leasing contracts. This ASU supersedes the requirements in ASC 840, *Leases*, and most industry-specific guidance.

The core principle of the guidance is to increase transparency and comparability among organizations by recognizing rights and obligations of leasing activities as assets and lease liabilities on the balance sheet. Under this ASU, lease assets and lease liabilities should be recognized for those leases previously classified as operating leases. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021. The Organization will adopt this new standard effective for the year ending December 31, 2022 and shall disclose qualitative and quantitative information. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

2. In 2020, ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, was issued. This ASU is intended to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. The standard will be effective for the Organization for year ending December 31, 2022. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Going Concern Evaluation

On an annual basis, as required by FASB ASC 205, *Presentation of Financial Statements*, the Organization performs an evaluation to determine whether there are conditions or events (known or reasonably knowable), considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year after the date that the financial statements are available to be issued. The Organization's assessment did not indicate that substantial doubt is raised about the ability to remain a going concern for one year from the date the financial statements were available for issuance.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization evaluated subsequent events through October 25, 2022, the date the financial statements were available for issue.

NASSAU HABITAT FOR HUMANITY, INC.
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

Habitat collects escrow payments from its mortgagors to pay real estate taxes and property insurance. Escrow payments are deposited into a bank account restricted to escrow transactions.

The balance of the bank account as of December 31, 2021 and 2020 was approximately \$5,000 and \$8,000 respectively.

NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Habitat's financial assets available within one year of the balance sheet date to meet cash needs for general expenditure as of December 31 are as follows:

	December 31,	
	2021	2020
Financial assets at year-end		
Cash and cash equivalents	\$ 129,203	\$ 117,806
Mortgage notes receivable due within one year	104,619	62,859
	233,822	180,665
Less those unavailable for general expenditures within one year, due to contract restrictions (see Note 3)	(5,401)	(8,105)
Current financial assets available to meet cash needs for general expenditures within one year	\$ 228,421	\$ 172,560

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 more fully described in Note 7, *Line of Credit*, Habitat has a revolving line of credit with a lending institution in the amount of \$50,000.

NOTE 5 MORTGAGE NOTES RECEIVABLE

As of December 31, 2021 and 2020, Habitat held 27 and 28 mortgages receivable, respectively, for properties it had sold to qualified buyers. As of December 31, 2021, these mortgages have maturity dates ranging from 1 to 30 years. The notes on these mortgages are non-interest bearing, payable in equal monthly installments, and are secured by deeds of trust on the properties. The payments collected on these mortgages are used to help fund future home construction. As mortgage payments are made, Habitat recognizes the amortization of the discount as revenue.

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Mortgage notes receivable as of December 31 were as follows:

	December 31,	
	2021	2020
Mortgage notes receivable at face value	\$ 1,652,257	\$ 1,389,650
Less: Unamortized discounts on mortgage notes	(815,871)	(614,355)
	836,386	775,295
Less: Amounts due within one year	(104,619)	(62,859)
Mortgage notes receivable, due after one year	\$ 731,767	\$ 712,436

Principal payments on the mortgage notes receivable balance are expected to be received as follows:

Year ending December 31,

2022	\$ 104,619
2023	104,619
2024	103,979
2025	100,667
2026	95,958
Thereafter	1,142,417
Total	\$ 1,652,259

During the years ended December 31, 2021 and 2020, Habitat sold three and one homes, respectively, to qualified buyers at a zero-interest mortgage which the Organization is financing. For the years ended December 31, 2021 and 2020, the sales and the resulting discount on the sales of these homes were approximately \$502,000 and \$294,000, respectively, for the year ended December 31, 2021; and \$126,000 and \$75,000, respectively, for the year ended December 31, 2020.

NOTE 6 CONSTRUCTION IN PROGRESS AND MATERIALS AND SUPPLIES INVENTORY

All construction costs, including materials, supplies and subcontract labor and services paid by the Organization, as well as the value of those items donated to the Organization, are considered work in progress until a mortgage is signed on the house. At December 31, 2021 and 2020, two and one home was under construction, respectively.

NOTE 7 LINE OF CREDIT

Habitat has a revolving line of credit with a financial institution in the amount of \$50,000. The line of credit was originally issued on March 9, 2017. Interest on outstanding advances under the line is payable monthly at 4.50%. The line of credit is due upon demand, collateralized by all residential property home sites in Nassau County, Florida. As of December 31, 2021 and 2020, the line of credit had a \$-0- outstanding balance.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balance at a financial institution. Accounts at each institution are federally insured up to certain limits. The Organization has not experienced any losses in such accounts. As of December 31, 2021 and 2020, the Organization had no uninsured balances. The Organization believes it is not exposed to any significant credit risk on its cash balances.

Since the Organization's home sales are concentrated within one geographic location (Nassau County, Florida) for individuals who may not otherwise qualify for home mortgage financing, there is a concentration of credit risk associated with the mortgage notes receivable. To minimize this risk, it is the Organization's policy to require credit reports, employment verifications, and background checks on all potential homeowners. Additional protection is provided by the recorded first mortgage liens on the real property during the period that the mortgage is outstanding, and the non-assumable nature of the mortgage without prior written approval from the Organization.

NOTE 9 RELATED-PARTY TRANSACTIONS

The Organization, an affiliate of Habitat International, has a policy to remit a percentage of all unrestricted contributions received annually to Habitat International. During each of the years ended December 31, 2021 and 2020, payments to Habitat International totaled approximately \$4,000.

NOTE 10 COMMITMENTS

The Organization leases its office space under an operating lease agreement from the City of Fernandina Beach, Florida for a monthly rental of \$155. The lease is extended each year, for a maximum of four years, from the initial term ending September 30, 2020. Additionally, the Organization also leases certain storage space under month-to-month agreements.

Rent expense totaled approximately \$7,000 and \$4,000 for the years ended December 31, 2021 and 2020, respectively.

NOTE 11 CONTINGENCIES

In March 2020, the World Health Organization declared a novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. These measures could negatively impact the Organization's operations, vendors and donors. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Organization's operations or cash flows.

The Organization may be periodically involved in legal actions and claims that arise as a result of events that occur in the normal course of operations.

Donations as of December, 2021

	Month	YTD
Amelia Dental Group		500.00
Amelia Island Board of Realtors		5,000.00
Amelia Plantation Chapel	2,500.00	10,000.00
American Integrity		
Anne King		200.00
Bade Charitable Fund	400.00	400.00
Barger, Frank		50.00
Benevity		242.28
Berenson, Mark		100.00
Beuf, Carlo	50.00	50.00
Bland, Kerry	615.00	3,575.00
Bob & Beth Williams	100.00	600.00
Bosland Paul		1,000.00
Braddock, William		1,500.00
Campana, Richard & Patricia		500.00
Charities Aid Foundation of America		70.00
Charity Aid Foundationun	20.00	130.00
Community Foundation		1,100.00
Cunningham, Theresa	1,000.00	2,000.00
Davidson Bill & Diana Schwab		100.00
Dee Kauffman		250.00
Dr. Michael Harrison	50.00	150.00
Dukas, Chuck	50.00	50.00
Fidelity Charitable		1,000.00
First Presbyterian Church		3,000.00
Front, Stream		35.00
geig, Fredrick		100.00
Groth, Daniel		2,500.00
Habitat	3,178.50	9,006.50
Holcomb, Von	25.00	275.00
Jacksonville Jaguars		75,000.00
Jerow/Schreier		100.00
Jones, Robin		45.00
Kern, Eleanor		3,000.00
Knights of Columbus		1,000.00
Kolar Ronald & Janet	100.00	200.00
Krebs, John	100.00	100.00
Ligare Kathleen Schwab		250.00
London Rhea		20.00
Long, Carol	50.00	50.00
Long, Samuel	9,992.58	15,141.55
Marwa Gallas Fund		500.00
Mehta, Sukh	100.00	100.00

Donations as of December, 2021

	Month	YTD
Mendelson, Gary		1,000.00
Nance, Cindy		26.60
National Philanthropic Trust		1,000.00
Network for Good		1,233.73
NewBern Foundation		500.00
Owens, Claude		1,000.00
Partridge, Ian		250.00
Pat D'Alesso		100.00
Peter Chamberlain		500.00
Plantation Ladies Association of Amelia Island		1,815.00
Publix		6,000.00
Quinn John		250.00
Rayonier Advanced Materials Foundation		2,000.00
Rayonier Community Fund	4,000.00	4,000.00
Reinhold Preik		2,000.00
reinholdt Roseland		1,000.00
Richard & Particia Campa		1,000.00
Richard Keller		50.00
Rieck, Stephen & Nancy	425.00	925.00
Robert Whiting		50.00
Sanborn Karen		100.00
Santry, Marie	1,000.00	1,000.00
Saypol, Cathy		50.00
Schwab Charitable	500.00	24,550.00
Searles Family Foundation	1,000.00	1,000.00
Southeastern Bank	1,500.00	1,500.00
ST. Peter's Episcopal Church		500.00
Thomas Muellen		70.00
Vestal, Aaron		18.15
Waronker & Rosen Inc.	100.00	100.00
Wayne & Jean Middleton Vanguard	1,000.00	2,000.00
Webster John		11,370.68
West, Mary Catherine	100.00	100.00
Westrock		1,000.00
William Mock		100.00
Wright, Martha		100.00
Wyatt, Caroline		75.00
Yamamoto Charitable Fund		50.00
TOTAL	\$ 27,956.08	\$ 207,374.49

Nassau Habitat For Humanity

Financial Summary - December 2020

Cash in Bank at Beginning of Month	\$	107,909
Cash In Bank at End of Month	\$	109,701
Increase/(Decrease) in Bank Balance (excluding escrow)	\$	1,792

Cash Receipt Sources	Actuals		Budgeted	
	Current Month	YTD	Monthly	YTD
Homeowner Payments	\$ 10,209	\$ 90,713	\$ 8,931	\$ 107,167
Rent (plus escrow downpayment)	\$ 1,118	\$ 10,592	\$ 468	\$ 5,616
Cash Donations and Other Cash Income	\$ 6,944	\$ 330,912	\$ 26,333	\$ 316,000
Total	\$ 18,271	\$ 432,217	\$ 35,732	\$ 428,783
Disbursements				
Costs of Goods Sold not included in CIP	\$ -	\$ 7,565	\$ -	\$ -
Expenses	\$ 7,959	\$ 75,368	\$ 6,667	\$ 80,000
6th on Elm Infrastructure Costs	\$ -	\$ -	\$ 2,667	\$ 32,000
CIP Costs (net of land)	\$ 10,572	\$ 98,084	\$ 9,720	\$ 116,640
Repurchased Homes	\$ -	\$ 4,953	\$ -	\$ -
Undeveloped Property Costs (includes 6th on Elm)	\$ -	\$ 191,595	\$ 15,917	\$ 191,000
Total	\$ 18,531	\$ 377,665	\$ 34,970	\$ 419,640

Available Line of Credit \$ 50,000

Annual Budget Summary

	Projected	
Beginning Cash Balance as of 1/1/20	\$ 55,811	\$ 55,811
Homeowner Payments	\$ 107,167	\$ 90,713.20
Rental Payments (Plus Escrow Down Payment)		\$ 10,592.00
Cash Donations and Other Income	\$ 316,000	\$ 330,912
Fundraising Income		
Expenses Excluding Payroll	\$ 80,000	43090.73
Payroll		32276.86
CIP Net of Land Costs (Calhoun, Weaver, S. 13th)	\$ 116,640	\$ 98,084
Weaver Infrastructure Costs	\$ 32,000	
Repurchased Home Expenses		\$ 4,953
Undeveloped Property Expenses	\$ 8,132	\$ 677
New Land Acquisition	\$ 191,000	190918.11
Projected Ending Cash Balance	\$ 59,338	\$ 145,343

Beginning Cash Balance as of 1/1/21
Homeowner Mortgage Payments
Home Rental Payments
Cash Donations & Other Cash Income
Fundraising Income
Expenses Excluding Payroll
Payroll
CIP Net of Land Costs (Elm & S. 13th)
Weaver Infrastructure Costs
Repurchased Home Expenses
Undeveloped Property Expenses
New Land Acquisition

Notes:

Homeowner Payments - \$8,506/Month Mortgage payments + 425/month rent
Cash in Banks - Principle and Money Market Accounts only (not escrow)
2019 Expenses were \$67,854
2 Bedroom Construction cost estimate based on \$95/sq ft - \$75,000
3 Bedroom construction cost estimate based on \$88/sq ft. - \$106,000