Pinellas County Board of County Commissioners
Housing and Community Development Department
315 Court Street
501
Clearwater, FL 33756

December 10th, 2021

Re: Letter of Interest 22-0058-LI JJ - Community Redevelopment Area CRA Housing Programs

Dear Reviewer,

Please find the attached LOI application on behalf of *Habitat for Humanity of Pinellas & West Pasco Counties* in response to bid 22-0058-LI JJ.

Thank you for taking time to consider this application. Please don't hesitate to reach out directly shall you have any additional questions.

Respectfully submitted,

Mike Sutton
President & CEO

Application Checklist

Letter of Interest 22-0058-LI JJ - Community Redevelopment Area CRA Housing Programs

Habitat for Humanity of Pinellas Inc		
		Check
1	Application	X
	a) Project Summary Attachment	
	b) Proposed Development Team Attachment	
	c) Development Team Resumes Attachments	
2	Exhibit C: Property Request (HIP only)	X
3	Exhibit F: HIP Development Timeline	X
4	Exhibit G: HIP Development Sources & Uses	X
5	New Construction Design Rendering (HIP only)	X
6	Organization Documents	
	a. 501(c) (3) letter (IRS), if non-profit	X
	b. Articles of Incorporation/ Certificate of Organization, etc.	X
	c. Bylaws/ Operating Agreement/ Partnership Agreement	X
	d. Current list of Board of Directors and Officers	X
	e. An entity organization chart reflecting proposed structure of Applicant	N/A
7	Audited financial statements for the most recent three (3) years from the parent/sponsor organization, unaudited financial statements may be subsituted where audited financials are unavailable.*	X
8	Three references from previous similar projects	X
9	Conflict of Interest Statement	X

*Where unaudited financials are used additional documentation will be required by the County before a loan is made – e.g. signed federal tax returns from the owner/principal and/or parent/sponsor, etc.

APPLICATION

I) APPLICANT INFORMATION

Applicant Name and Title	Habitat for Humanity of Pinellas Inc Mike Sutton - President & CEO
Signature	
Address	13355 49th Street North, Suite B
City, State, Zip	Clearwater, FL 33762
Telephone	727-536-4755
Fax	727-209-2191
Email	Msutton@habitatpwp.org
2nd Contact Name (if applicable)	Sean King - Dir of Govt Relations & Advocacy sking@habitatpwp.org
Tax ID Number	59-2509116
DUNS# (if applicable)	
Applicant Type	LLC ☐ Sole Owner ☐ 501(c) 3 ☒ Partnership ☐ Joint-Venture ☐ Corp. ☐ Other ☐

II) Experience & Capacity

a. Development Experience:

Complete the chart below to summarize your past and current projects with or without public subsidy. Please use additional sheets as necessary.

Project Name/Location	Type[1]	Public FundingSource and Amount	# units	Project Start Date	# units completed/ date	Applicant's Role	Reference contact (name / title / phone)
Tellor Estate / Pinellas Park	SFHO	County Funding	51	2019	51 / 2021	Developer / Contractor	Mike Sutton / President & CEO/727-536-4755
Haven Ridge	SFHO	County Funding	15	2010	15 /2017	Developer / Contractor	Mike Sutton / President & CEO/727-536-4755
Shady Grove	SFHO	County Funding	19	2011	19 /2014	Developer / Contractor	Mike Sutton / President & CEO/727-536-4755
Stevens Creek	SFHO	County Funding & City of Clearwater	51	2009	51/2014	Developer / Contractor	Mike Sutton / President & CEO/727-536-4755
Residential Infill	SFHO	Numerous public funding sources, including SHIP, HOME, CDBG, HUD, SHOP & CRA	585	1985		Developer / Contractor	Mike Sutton / President & CEO/727-536-4755

[1] Types: OOR = Owner Occupied Rehab, RR = Rental, SFHO = Single Family Homeowner (including duplexes & triplexes, MF = more than 4 units in one building

b. Proposed Development Team:

Complete the chart below for each proposed development team member. Resumes or other biographical materials may be submitted in addition to below. Please notate next to name if attaching material. Please use additional sheets as necessary.

Role	Years of Experience	Name	Email	Phone
Architect	23	Gaby Camacho M.Arch - Staff	gcamacho@habitatpwp.org	727-536-4755
General Contractor	36	Habitat for Humanity of Pinellas Inc		727-536-4755
Construction Manager	31	Rick Vail -Staff	rvail@habitatpwp.org	727-536-4755
Realtor				
Other:____________	**Please see attachment for additional information of the key members of development team**			

Provide the names of the officers and any direct or indirect shareholders or members of the applicant owning 10% or more interest; for partnerships, provide the names of all General Partners and all Limited Partners owning 10% or more. For joint ventures, provide the information separately for each entity that comprises the joint venture. Also, state the role that each principal would play in the development of the site. Please use additional sheets as necessary.

Shareholder or Member Name	% of Ownership or Interest	General Partner or LP?	Role in Proposed Project
	Please see attachment for list of nonprofit Board of Directors		

Has any principal identified above OR any organization in which any principal is or was a GP, Corporate Officer or owns 10% or more been subject of any of the following?	Yes	No
1. Felony conviction or pending case:		X
2. Had an ownership or interest in a property that has received a code enforcement judgment or received multiple citations:		X
3. In the past 5 years, failed to qualify as a responsible bidder or refused to contract after a government award has been made.		X
4. In past 5 years, failed to file any required tax returns or failed to pay any federal, state, or city taxes or other charges:		X
5. In past 7 years, filed a bankruptcy petition or was involved in involuntary bankruptcy proceedings:		X
6. Been convicted of fraud, bribery, or grand larceny:		X
7. Been barred by, or otherwise not in good standing with, the County, the State of Florida, or the U.S. Department of Housing and Urban Development:		X
8. Have any governmental lien pending against real estate owned by applicant or any principals in Pinellas County or elsewhere:		X

III) Project Summary

In the space provided describe what programs you are applying for (HRP, HIP, or both). Include information about your development strategy, specifically addressing your:

- Readiness to proceed;
- Development team's experience on similar projects in similar markets (including with applicant income verification);
- Financial strength of your team;
- How your project leverages public funding with private sources

Please use additional sheets as necessary.

Please see attachment titled "A) Project Summary"

a. Complete and attach ***Exhibit C: Property Request List (note this is only required for HIP applicants).***

b. Complete and attach ***Exhibit D: HRP Development Timeline (if applying for this program)***

c. Complete and attach ***Exhibit E: HRP Sources & Uses (if applying for this program)***

d. Complete and attach ***Exhibit F: HIP Development Timeline (if applying for this program)***

e. Complete and attach ***Exhibit G: HIP Sources & Uses (if applying for this program)***

f. Designs (HIP applicants only) – Summarize how your designs will support neighborhood revitalization and blend with the existing character of the surrounding neighborhood. Consider the users of the space and items such building materials, energy efficiency measures, finishes, size, configuration, parking location and other relevant factors such as hazard resilience and mitigate the risk of wind and flood damage. **HIP applicants must include a conceptual rendering of the new construction proposed.**

According to the 2019 Lealman CRA Plan, the primary zoning designation within the CRA is for residential development with approximately 1,422 acres zoned residential. The residential zoning is a "a mix of low-medium density, residential development (6.22 du/acre)", with approximately 46.6% of the units being classified as single-family detached housing. Additionally, "the current Future Land Use Map calls for predominantly residential (single-family and multi-family) uses (50.4%)". Much of the existing housing stock was built during the post WWII housing boom of the 1950s through the 1970s or in a second wave in the 1980s. These homes are generally single-story single-family homes, platted on lots ranging from 45' to 50' wide and approximately 125'- 130' in depth.

Habitat's proposed single-family infill development will be in harmony and consistent with the scale, bulk, coverage and character of adjacent properties and, generally, with properties in the greater neighborhood. All homes developed will be single-story and range between 1,100sqdt to 1,500sqft in total size. Our proposed single-family dwelling design will not result in any adverse visual impacts on adjacent properties. We will seek to utilize rear alleys whenever possible, remain consistent with the form-based code and maintain a pattern of development that promotes walkability. Since the proposed residential development(s) are similar in nature vis-à-vis placement of other residential uses in the area it is not expected to impair the value of those properties. This will also likely have no negative or otherwise effect on the health or safety of persons residing or working in the neighborhood and likely have no negative or otherwise effect on traffic congestion.

As for our building construction, every home will be EnergyStar certified. This includes; insulated fiberglass exterior doors, Low-E double panel windows throughout, HVAC system with programmable thermostat and fresh air intake damper, Mastic sealed ductwork, R-30 fiberglass insulation over living spaces, R-11 frame wall insulation, R-4.1 insulation on concrete exterior walls, and Microwave vented to the outside. Homes also come equipped with hurricane shutters and hurricane-rated garage doors as well as roof trusses hurricane strapped. All homes finished floor elevations are built above the local based flood elevation to mitigated flood issues, Lastly, finishes include; hardwood cabinets, carpet/tile/vinyl flooring, whirlpool appliances and be pre-wiring for both cable and phone.

g. Description of Marketing Plan – In the space below describe how your project will be marketed to potential tenants. (Required for applicants of all programs.)

Our organization has been providing affordable homeownership opportunities in the community since 1985. Through our extensive community involvement, there is significant awareness of our services within the public. On average, we receive approximately 250 pre-application submissions monthly from individuals/families seeking assistance. We maintain a website that can be accessed 24/7 where prospective applicants can learn more about program eligibility and guidelines and complete the first steps in the pre-application process. Additionally, we advertise our homeownership program via social media, email, direct mail and in both earned and unearned local media outlets. Lastly, we employ program recruitment and engagement coordinators whose full-time positions are to recruit potential homeowner candidates in the community.

Our program also operates differently than the traditional developers who spec build homes. We actively recruit homeowners throughout the year and maintain a pipeline of 100+ qualified candidates at any given time. These qualified homeowners are then matched to vacant properties based on location and need, with the homes being built to family size. We anticipate our marketing and recruitment efforts to begin immediately upon successful agreement. Given our model, we would expect the lots provided to be matched with a qualified candidate before a building permit is pulled.

Historically, we have successfully recruited homebuyers from the local areas we are building. This is typically accomplished through a coordinated marketing and outreach effort within the focus community. While unique to each community, marketing efforts may include; ad placements in hyper-local publications, location-targeted social media advertising, direct mail campaigns and unearned media attention highlighting new initiatives. In synchronization, our community outreach efforts may include; recruitment events at local community centers, engaging local businesses who serve the area or employ residents, word of mouth referrals, door knocking, attending community events and leveraging stakeholders to spread the messaging.

Although not a requirement, our preference, as stated above, is to recruit homeowners locally from the areas we are serving. Specific to the Lealman CRA, we intend to partner with the Lealman Exchange Community Center to hold homeownership information events for residents. We would also seek to partner with the various nonprofits that operate within the Exchange to raise local awareness about our program and opportunities. If needed, we would also engage both targeted social media marketing as well as a direct mail campaign, encouraging residents to apply to our program.

Specifically related to marketing for 'Good Neighbors', our organization attends/holds regular recruitment events within the Baycare Health Systems and other employers within the medical field. We also maintain a working relationship with the Pinellas County School Board, which has previously donated a lot and provided us an opportunity to market our program to their employees. Additionally, we have a partnership with the Pinellas County Sheriff's Office and have previously served Sherriff Office employees (although not sworn officers). In our program, we currently have 26 pre-qualified candidates who are either in the medical field or work locally in the Pinellas County School system.

Given our pipeline of qualified candidates, capacity and experience in homeowner recruitment and formal relationships with community partners we foresee no issues with our ability to effectively sell the homes to qualified homebuyers.

Certification: To the best of my knowledge, information in this application and all attachments are true and correct. I am authorized to sign on behalf of the applicant. All steps necessary to submit this application have been taken. By execution below, I acknowledge and agree to the provisions of the Letter of Interest. I understand that government representatives may be entitled to review records regarding the project and any other information submitted in connection with this application. Applicant authorizes the County to release to the government or any court of competent jurisdiction any project related information in its possession. Applicant and its principals authorize the County to request and confer with bank references, to check and receive reports from credit references and credit reporting agencies concerning the credit worthiness of applicant and its principals. Applicant and its principals authorize credit references and reporting agencies and persons and entities and persons familiar with applicant's or its principal's work to release and make available to the County credit reports, and any other data and references. I further authorize the County to share with applicable state and federal agencies the information contained in this application and any information obtained or reasonably necessary for loan consideration.

Print Name: Mike Sutton　　　　Date: 12/10/2021

Signature: ______________________

Title: President & CEO

D. <u>Submittal Requirements and Instruction:</u>

- **Letters of interest shall be submitted utilizing Pinellas ePro procurement website until December 14, 2021 3:00 P.M. EST.**

  Pinellas County Board of County Commissioners (BCC) uses Pinellas ePro by Periscope Holdings Inc. to notify contractors/vendors of bids, quotations and proposal opportunities.
  To receive notifications or submit responses, contractors/vendors *must* register with Pinellas ePro online using the following link/URL: **www.ebids.pinellas.gov**

- For information contained in this letter of interest, please submit all questions within Pinellas ePro within the Q & A Tab. Questions submitted any other way or to any other person in any other County department or entity will not be addressed.
- Submission of a Letter of Interest does not constitute an award commitment nor eligibility for any costs incurred in the preparation or submission of such letter.
- Any award which may result from submission to this Letter of Interest, by County Code, is not subject to protest.
- Pinellas County reserves the right to reject all letters of interest received and to negotiate the terms of the contract with the selected applicant(s) prior to entering into a written agreement.

Merry Celeste

Merry Celeste,
Division Director of Purchasing and Risk Management

A)Project Summary

-Readiness to proceed;
-Development team's experience on similar projects in similar markets (including with applicant income verification);
-Financial strength of your team;
-How your project leverages public funding with private sources

This Letter of Intent (LOI) submission is solely for the Housing Investment Program (HIP). Per the program requirements, Habitat would commit to developing all County-owned properties as shown on Exhibit A into fee-simple single-family homes for income eligible qualified homeowners. Homes will be exclusively marketed to 'Good Neighbor' qualified buyers for a minimum of the first 30 days. We further commit no homes will be placed under contract with a buyer that is not a 'Good Neighbor' within the exclusive marketing period. All sales will be income-restricted to eligible homebuyers making 120% or below the Area Median Income. In Exchange for the County conveying the 5 properties offered, Habitat would work diligently to obtain properties listed on Attachment B that are viable for both purchase and redevelopment. As the County is already aware of, these properties are in various distressed states and remain under private ownership control. Habitat shall attempt to contact all property owners to negotiate sale/transfer of the property. Habitat will also leverage any funding or lien forgiveness to make redevelopment(s) feasible. We commit to making any and all best efforts to obtain properties listed on Exhibit B; however, we cannot make any guarantees in our ability to obtain subject properties.

Our organization stands as a ready, willing, and capable partner. We have vast experience in developing, constructing, and selling fee-simple affordable housing over our 36-year history in our community, having just completed our 722nd home. Habitat's approach to providing affordable housing is highly successful and results in a permanent solution. The program is predicated on the principle of a hand-up and not a handout. Homes are sold at the appraised value or max affordability of the homeowner. The homeowners are provided a 'conventional' 30-year 0% interest mortgage, never paying over 30% of their total household income for their housing expenses. This helps break the cycle of generational poverty by providing a path to affordable homeownership and significantly strengthens economic mobility. However, the impact of affordable homeownership does not stop at the threshold of the door; it is felt throughout the community. Homeowners are more likely to maintain their properties, thereby improving their neighborhoods and surrounding communities. These improvements help to stabilize neighborhoods, which, in turn, can develop resources to improve schools, support local businesses and build the capacity of community-based organizations.

As for our financials, we are in the strongest financial position we have ever been in. We have significant operational reserves and have a $20 million operations budget for this fiscal year. We have the capital required for this project, yet also have access to multiple credit facilities to help facilitate our capital requirements if needed. As a nonprofit organization, we received a 4-Star Charity Navigator rating and GuideStar Platinum Seal of Transparency, which is the highest level of transparency for nonprofits. Lastly, 95 cents of every dollar donated to Habitat Pinellas and West Pasco goes directly to building homes for moderate-income families in our community.

Our current development team has directly contributed to the majority of our growth and success over the last several years. Our CEO Mike Sutton has led our organization to this immense growth in serving more families, building over 400 homes since taking over the helm. He leads our development team with more than 100 years of experience within the construction, development and financial services sectors. This last fiscal year, we completed 60 single-family fee-simple homes sold to qualified low to moderate-income buyers. This fiscal year we are on track to complete 65 homes and have a 3-year strategic plan to complete a total of 210 homes. Nationally, we rank as the 2nd largest Habitat affiliate by new home construction and locally, according to the Tampa Bay Business Journal, we are the 14th largest homebuilder in the Tampa Bay region.

A shining example of our experience with a similar project is the work we have accomplished in partnership with the County in the Greater Ridgecrest Area, which has many parallels to the Lealman CRA . In both a public/private partnership, our organization has been able to complete almost 70 homes in Greater Ridgecrest over the past 5 plus years, helping to significantly impact the fabric of the community. Our organizational investment in the area is over $10 million and our work still continues to this day. We have witnessed a tremendous blight reduction and increased community revitalization where we have redeveloped properties in synchronization with the County's investments. We can have the same impact, utilizing a like model within the Lealman CRA.

Although everyone thinks of home construction when they think of Habitat, our services are much more encompassing. In addition to general contracting/home building, we also provide in-house services that include; loan origination, homeowner education program, volunteer services and mortgage servicing. Not outsourcing loan origination services means we maintain a close financial relationship with our homeowners, assisting in every step of the way to help them achieve their ultimate goal of homeownership. This also means we are adept at income verification as well as all other tasks (employment/asset verification, financial statement reviews, etc) required to complete mortgage underwriting. We also have extensive experience coordinating with down payment assistance programs and various local, state, and federal funding sources that require income eligibility certification or compliance. The strength and effectiveness of our program is highlighted by our sub 3% delinquency rate over a 500+ loan portfolio.

At Habitat we leverage every dollar we receive through the addition of private donations and volunteer support. We do not solely rely on public funding, yet because Habitat homes are not given away, the mortgage payments created by the building of each home is used to build even more homes. This means even more leverage for each public dollar made available!

B) Proposed Development Team Attachment

Role	Years of Experience	Name	Email	Phone	Resume Attached
CEO	16	Mike Sutton	msutton@habitatpwp.org	727-536-4755	Y
COO	15	Ken Rush	krush@habitatpwp.org	727-536-4755	Y
CFO	14	Pamela Lee	plee@habitatpwp.org	727-536-4755	Y
Chief Construction Officer / Architect	23	Gaby Camacho	gcamacho@habitatpwp.org		Y
Structural Engineer	59	Dan Stowers		727-360-2815	Y
Director of Construction	31	Rick Vail	rvail@habitatpwp.org	727-536-4755	N

MICHAEL E. SUTTON, CFRE

6534 Black Mangrove Drive
Largo, FL 33773
(727) 560-9244
msuttontke@gmail.com

SUMMARY

Nonprofit leader who is a Certified Fund Raising Executive. Experience in the nonprofit sector includes a breadth and depth of knowledge in all aspects of development, management, marketing, communications, recruitment of volunteers and fundraising. Highly-skilled in developing key relationships with business and community leaders, faith-based organizations, and prospective donors. Ability to quickly access opportunities and issues and develop and implement appropriate response strategies.

Comfortable working in a results-oriented environment of high expectations. Skilled at training and mentoring staff to higher levels of production. Strong written and verbal communication skills. The energy and ability to juggle multiple tasks. Skills & involvement include: strategic planning, operations management, financial management, mergers, organizational development, program development and management, volunteer and staff training, marketing and communications, and fund raising.

PROFESSIONAL EXPERIENCE

PRESIDENT & CHIEF EXECUTIVE OFFICER, 2014 – Present
HABITAT FOR HUMANITY OF PINELLAS & WEST PASCO COUNTIES – Clearwater, FL

CEO of the #2 ranked Habitat for Humanity affiliate in the U.S., based on new home construction (out of 1,240 Habitat affiliates), who provides leadership and oversees the continued delivery of the Habitat for Humanity mission of partnering with people in need to build and renovate decent, affordable housing in Pinellas County.

Key Accomplishments:

- Have grown the organization to be recognized as the second largest Habitat affiliate in the county, out of more than 1,200, based on new home construction.
- In seven years, more than doubled the impact of the organization from serving 25 families a year to 61 families in 2020. On pace to serve 70 families in 2019.
- During tenure, increased revenue from $6 million to over $18 million; projected to do $20 million in revenue in 2021.
  - Increased private revenue 150% during tenure.
  - Grew retail operation and increased Store revenue by a net $400,000.
  - Grew banking partnerships more than 300% in five year time period.
- Increased staffing level more than 200%, providing full time employment to 72 FTEs.
- Launched neighborhood revitalization program focused on providing home repairs to owner-occupants in specific neighborhoods, providing additional revenue and services for organization.
- Oversaw expansion plans to include a resource center in the South St Petersburg Community Redevelopment Area, which opened in March 2018.
- Led and oversaw successful merger of Habitat for Humanity of Pinellas County with West Pasco Habitat for Humanity in March 2019.

- Awards received: 2020 Tampa Bay Business Journal One Tampa Bay Honoree; 2020 Tampa Bay Business Journal Business of Pride Honoree; 2019 Tampa Bay Business Journal One Tampa Bay Honoree; 2019 Clearwater Regional Chamber of Commerce CYP Award of Excellence; 2019 Tampa Bay Beaches Chamber of Commerce Nonprofit of the Year; 2018 Safety Harbor Chamber of Commerce Nonprofit of the Year; 2018 Tampa Bay Business Journal One Tampa Bay Honoree; 2017 Tampa Bay Business Journal Nonprofit of the Year; 2016 Palm Harbor Chamber of Commerce Nonprofit of the Year; 2016 Pinellas Park Chamber of Commerce Nonprofit of the Year; 2015 Tampa Bay Beaches Chamber of Commerce Nonprofit of the Year; 10th Annual WEDU Be More Awards "Judges' Choice - Be More Encouraged" Award; 2015 St. Petersburg Chamber "Good 'Burger" Award in the "Community Conscious" category

EXECUTIVE VICE PRESIDENT & CHIEF DEVELOPMENT OFFICER, 2009 – 2014
BIG BROTHERS BIG SISTERS – Pinellas, Citrus & Hernando Counties, FL

As Executive Vice President, worked closely with CEO and to drive key organizational metrics in both fund development function and programmatic functions. This included children served, recruitment of male/female volunteers, and private revenue growth.

Key Accomplishments:

- With a focus on diversifying revenue across organization, developed and delivered a multi-year revenue plan that saw the increase of private revenue to more than 50% of funding.
- Launched Leadership Giving Society, focused on the engagement of individual donors making five and six figure donations to the organization.
- Launched giving society focused on multi-year giving with more than 60 individuals supporting at a minimum of $1,000 per year for five years.
- Implemented stewardship program focused on retention and upgrading of donors.
- Managed Sports Buddies program which engaged potential volunteers with agency through their love of sports. Served as relationship manager with Tampa Bay Rays, Tampa Bay Buccaneers, Tampa Bay Lightning and the Tampa Bay Storm.
- Successfully built a culture of philanthropy within the organization by engaging Board of Directors and all staff in the fund development process.
- In conjunction with marketing staff, successfully launched two marketing campaigns focused on the recruitment of volunteers: The 100 men in 100 Days Campaign and The Big Couple Campaign.

DIRECTOR OF DEVELOPMENT, 2005 – 2009
HABITAT FOR HUMANITY – Bryan/College Station, TX

Senior member of management team, responsible for planning, managing and implementing all fundraising activities of the housing ministry as well as oversight of marketing, communications, and volunteer functions.

Key Accomplishments:

- Raised, on average, $1.5M in private revenue annually from individuals, corporations, and faith based organizations for house sponsorships. Also raised approximately $500,000 annually from individuals, foundations, corporations and 3rd party events.
- Worked with team to secure more than $1M annually through partnerships with Habitat for Humanity International (SHOP program – Self-Help Opportunity Program through HUD) and Federal Home Loan Bank of Atlanta and Federal Home Loan Bank of Dallas.
- Launched affiliates first website and social media channels.
- Assisted in the data-based conversation to Raiser’s Edge.

- Assisted in the launch of Corporate Challenge program and Circle of Women initiative.

SENIOR EXPANSION CONSULTANT, 2003 – 2005
TAU KAPPA EPSILON INTERNATIONAL FRATERNITY - Indianapolis, IN

Was responsible for, at each university at which TKE expands, to build an organization that consistently ranks, on its campus, in the top 20% in the categories of recruitment, academics, service, campus involvement and alumni relations. Responsibilities include project management, short term – high output marketing, advertising, management and consultant training, multiple project coordination, public speaking and effectively manage a $125,000 budget in a non-profit organization. Responsible for interacting effectively with alumni and undergraduates, manage relationships with university administrators, portray a positive image to the public, help execute successful programs, and contribute toward the growth and improvement of the organization.

EDUCATION & CREDENTIALS

Center for Creative Leadership – Eckerd College Leadership Development Program

CFRE – Certified Fund Raising Executive

Certificate in Fundraising Management, Indiana University

Certificate in Sales, Dale Carnegie Training of Indiana

Bachelor of Arts Degree, University of South Florida

HONORS & AFFILIATIONS

Clearwater Regional Chamber of Commerce Board of Directors (know known as Amplify Clearwater)
    Board of Directors (February 2016 - present)
    Membership Chairman (February 2016 – December 2018)
    Board Chair-Elect (January 2018 – December 2018)
    Board Chairman (January 2019 – December 2019)
    Immediate Past Board Chairman (January 2020 – Present)

Valspar Championship - Copperhead member (September 2014 – present)

Nonprofit Leadership Center of Tampa Bay
    Board of Directors (September 2015 – December 2016)
    CEO Circle (August 2016 – present)

Leadership Pinellas Class of 2015

Tampa Bay Business Journal 2010 “Up & Comers” Award

University of South Florida Alumni Association (2003 – present)

Association of Fundraising Professionals (2005 – present)

Tau Kappa Epsilon Fraternity (2000 – present)

Big Brothers Big Sisters of Pinellas County – Big Brother (2009 – 2014)

Kenneth Rush

14010 Roosevelt Blvd, Suite 704 Clearwater, FL 33762 • 727-536-4755• krush@habitatpwp.org

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Chief Operations Officer

Provides leadership and support throughout the organization to ensure both effects operations and organizational systems that reflect core values

Results-oriented, dedicated professional with 15+ years' experience in operations and project management. Successful record of accomplishments within construction and land development as well as operational expertise in the affordable housing sector. Self-directed individual who leads projects to identify and implement solutions with team input

Key skills include:

- Construction/Project Management
- Site Development
- Project Management
- Team Building & Leadership
- Internal & External Communications
- Executing Long-Term Strategic Plans

PROFESSIONAL EXPERIENCE

Habitat for Humanity of Pinellas & West Pasco Counties, *Clearwater, FL.*
Chief Operations Officer (February 2013 – Present)
Facilitated operational growth of affiliate in becoming a $20 million annual operation. Responsible for multiple departments and implementing organizational directives.

Notable accomplishments:

- Grew land acquisition activities to meet affiliates significant growth
- Lead ReStore expansion to multi-store operation
- Facilitated operational aspects affiliate merger with West Pasco County
- Oversees facilities operations of multiple sites throughout our services area, ensuring compliance with local safety guidelines and facilities are fully functional for staff and visitors.

Director of Construction (2011 – 2013)

- Oversaw 100% growth in new home production
- Grew construction department staff by two-fold to increase production
- Implemented new safety policies and procedures for staff and volunteers, leading to a significant reduction in workplace incidents

Construction Manager (2007 – 2011)

- Directed 8 team leaders in the construction department to complete projects and meet deadlines constantly.
- Implemented new construction methods to achieve best practices and cost savings
- Lead annual "Blitz Build" completing two homes builds in only one-week

Project Manager (2006-2007)

- Oversaw initial planning and development of future townhomes and planned communities
- Lead team in Gulf-Coast to help rebuild homes after Hurricane Katrina

Ken Rush Home Inspections, St. Petersburg, FL.
Owner/Operator (2000 – 2008)
Operated a successful home inspection business for eight years serving clients throughout the Tampa Bay Area. Extensive knowledge of local residential housing stock, regulatory build code compliance and technical home construction expertise.

Notable Accomplishments:

- Completed over 300 inspection annually
- Skilled at inspection of multi-home typology, including single-family, multi-family, mobile homes and entire development
- Inspection services provided throughout the State of Florida

City of St. Petersburg, St. Petersburg, FL.
Equipment Operator (1994 – 2002)
Preparing and manipulating heavy equipment to ensure the appropriate movement of materials, and liaising with coworkers to ensure that the projects are completed accurately. Duties always conducted in in a safe and diligent.

Notable Accomplishments:

- Lead for Heavy Equipment and Forestry crew
- Stihl Corporation Certified in Forestry Operations
- Member of Emergency Disaster Reponses Team

EDUCATION & CREDENTIALS

Jefferson County Community College, Jefferson County, OH.
Machine Trade School

Certifications
Habitat for Humanity International Competent Person • Certified Home Inspector • Eckerd Leadership Institute Training • Class A CDL License

Community Activities
City of St. Petersburg Affordable Housing Advisory Committee • Tampa Bay Builder Association • Florida Housing Coalition • National Association of Remolding Industry

PAMELA LEE, CPA

Saint Petersburg, FL

PROFILE

Dedicated CPA with 14 years of experience in both the private and public sector. My time has been spent developing and implementing financial systems, strategies, processes, and controls that improve profit and loss scenarios. I am an expert in establishing accounting functions, systems, and best practices, as well as cost-reduction and lasting business relationships to ensure goal-surpassing fiscal performance. I pride myself on my integrity, positive attitude, and my drive to never give up.

CONTACT

PHONE:
217-415-5543

WEBSITE:
www.linkedin.com/in/pamelarenae

EMAIL:
Pamelarenae85@gmail.com

SKILLS

Subscription Revenue
Revenue Recognition
Start-ups
Problem Solver
Servant Leadership
Strategic Vision
Cash Management
Financial Analysis
Risk Management
Accounting Automation

HOBBIES

Triathlon
Reading
Cooking

EDUCATION AND CERTIFICATIONS

University of Illinois at Springfield - August 2003 – December 2007
- Master of Arts in Accountancy
- Bachelor of Arts in Business Administration

Certified Public Accountant- September 2015-September 2021
Certified Fraud Examiner- March 2009- March 2020

WORK EXPERIENCE

Habitat for Humanity of Pinellas & West Pasco Counties- CFO 2020 -Current
- Lead long-term financial planning and cost management in alignment with strategic plan
- Lead implementation of homeowner services 360 degree platform
- Develop forecasts, measure operating performance against budget, prepare trend analyses
- Manage, mentor, and develop direct reports, managing work delegation and allocation, training, problem resolution and building an effective team dynamic

FASTer Way to Fat Loss- Director of Finance & Administration 2019-2020
- Member of Executive Management Team, reporting directly to the CEO, for a rapidly growing company that tripled revenue in one fiscal year
- Developed company methodology for budgeting & forecasting financial results
- Lead conversion of cash to accrual accounting and implementation of QuickBooks that integrated across all platforms
- Responsible for HR- grew from 5 to 30 plus employees
- Negotiated improved merchant processing rates that led to $500k in cost reduction annually

MGT of America Consulting, LLC- Director of Finance 2017- 2019
- Lead software implementation of NetSuite and integrate across all platforms
- Coordinate and manage monthly/quarterly/annual financial closings & reporting package to internal and external parties, and coordinate annual audit
- Develop and document business processes and accounting policies to maintain strong internal controls with an efficient workflow
- Budget forecasting and variance analysis to management and practice leaders
- Organize, direct, and motivate staff to meet company objectives and employee development

Illinois State Dental Society- Director of Finance and Administration 2013 - 2017
- Prepare and manage annual budget
- Coordinate and manage monthly and annual closing and reporting package
- Establish internal controls, accounting policies and oversee of compliance
- Act as a liaison to the Finance and Planning Committee and Board of Directors
- Manage relationships and negotiate contracts with endorsed vendors
- Implement new membership management database

Eck, Schafer, & Punke LLP- Senior Accountant 2007- 2013
- Develop audit plans, evaluate accounting operations, coordinating & performing fieldwork for various not for profit organizations
- Prepare tax returns and conduct tax research for C and S status corporations, partnerships, not for profit's and individuals

Gabriela Camacho

Contact

(727) 637-4262
gcamacho@habitatpwp.org

Education

Master of Architecture
University of Colorado, Denver
Major: Architectural Design

Bachelor of Architecture
Universidad Central de Venezuela, Caracas
Major: Architecture & Planning

Experience

Chief Construction Officer
Habitat for Humanity of Pinellas & West Pasco Counties
2009 to Present

Project Manager
Architectonics Studio

Senior Project Manager
Fraze Design

Key Skills

- Project & Operations Management
- Building Codes & Regulations
- Strategic Planning
- Budgeting, Procurement & Negotiation

Accomplishments

- Rose in status from Site Supervisor to Chief Construction Officer at HFHPWP, in recognition of my industry knowledge, adaptability to growth, and management capabilities
- Oversaw the Construction Department at HFHPWP as the organization experienced 300% growth
- Currently managing a department of 20 employees with an estimated annual housing budget of $8,580,000
- 100% on-time delivery of construction projects

Management/Leadership skills

- Strong leadership skills to work effectively with cross-functional teams
- Able to lead others in high-demand, time sensitive situations
- Delegating tasks or responsibilities to accomplish departmental goals and add to employee's professional development
- Strongly committed to team building and staff development
- Current member of the Habitat for Humanity PWP Executive and Leadership teams
- Skilled at hiring and performance management, including disciplining and dismissal, if necessary

Communication skills

- Ability to grasp new ideas and integrate them into desired results
- Communicates effectively both orally and in writing. English/Spanish
- Serve as liaison within all levels of the organization, as well as the clients
- Responsible for coordinating with contractors, engineers, and city planners
- Adept at communicating daily operations, overseeing team members, and coordinating all phases of the construction process
- Strong problem-solving and decision-making abilities
- Ability to convey needs effectively in a fast-paced environment

References

Available upon request

Daniel Robert Stowers

Address: 5901 Gulfport Blvd. South, Gulfport, Florida 33707
Phone: 727-360-2815
Email: dcstowers@aol.com

Synopsis

I became involved with Habitat for Humanity in Columbus in 1991 when I volunteered to drive a transportation van during a conference being held there. During that conference I learned more about Habitat and was very impressed. Since then, I have participated in eight Jimmy Carter Builds and many other special blitz builds. I began volunteering for Habitat for Humanity of Pinellas and West Pasco Counties as a Site Supervisor. I now complete all of the engineering work required for permitting and help design house plans pro bono.

Education

Bachelors of Engineering, *San Jose State University*, San Jose, California
Graduated 1962

Experience

Engineer, *Santa Clara County*, San Jose, California
1962-1967

Engineer, *Ohio Department of Highways,* Columbus, Ohio
1967-1969

Head of Design, *Chief Engineer Office*, *Ohio Department of Natural Resources*, Columbus, Ohio
1969-1991

Civil Engineering Consultant, *Habitat for Humanity*, Columbus, Ohio and Clearwater, Florida
1991-present

Certificate

Registered Civil Engineer, State of Florida
Current

Exhibit C - Property Request Form

Directions: Review available properties from Appendix A. Use the chart below to indicate properties you wish to acquire from Pinellas County via quit claim deed. Note these properites are specifically reserved for the Home Investment Program. Responders will be awarded properties based upon the quality of their proposal and the number of new single-family residences they propose to build from the Lealman Lien List on Exhibit B.

Pinellas County Owned Properties - select from Appendix A	
	Enter one Parcel ID on each line.
1	26-30-16-03690-004-0220
2	34-30-16-12888-001-0090
3	02-31-16-33930-001-0300
4	02-31-16-33966-000-0220
5	03-31-16-51030-016-0161

Exhibit E - HIP Development Schedule

Directions (current entries are sample only):

1) Based on your estimates and requests, indicate on the chart below your estimated schedule with an "X" for each development step.

2) Create/add additional charts if needed.

3) Use the "Notes" section to explain your schedule if necessary.

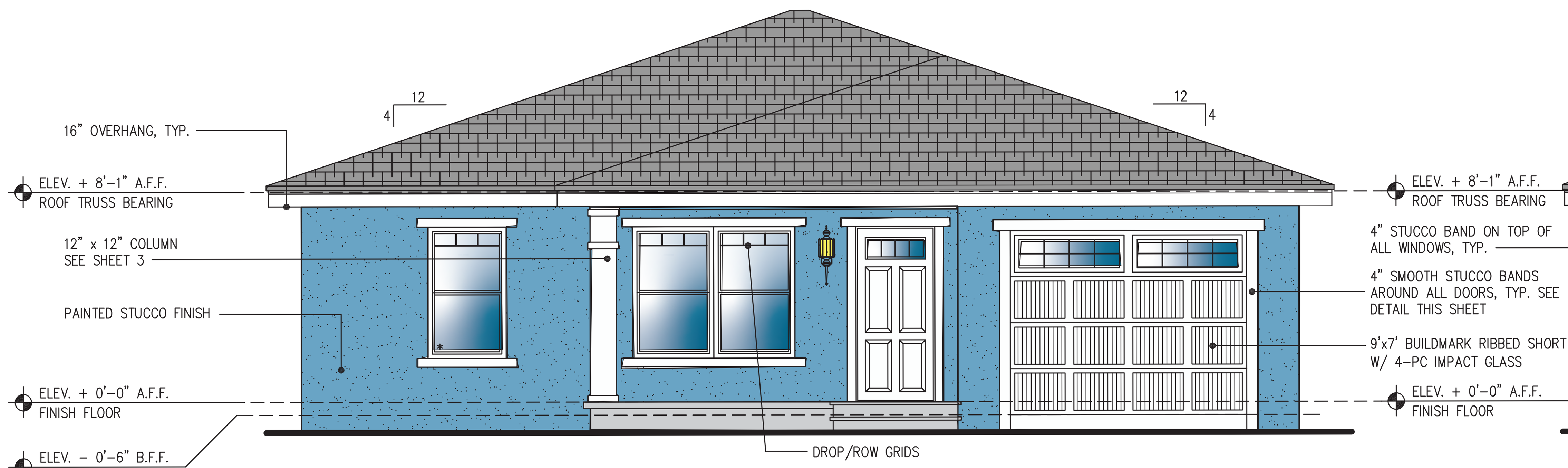
Phase 1	Month																	
# of Properties = **5**	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Agreement(s) Signed/Property Transfer			X															
Regulatory Approvals/Permitting for Construction Start Obtained					X													
Start of Construction							X											
Construction Completion/Receipt of CO										X								

Phase 2 (if applicable)	Month																	
# of Properties = 10	1	2	3	4	5	6	7	8	9	10	1	12	13	14	15	16	17	18
Agreement(s) Signed/Property Transfer									X	X		X						
Regulatory Approvals/Permitting for Construction Start Obtained													X					
Start of Construction														X				
Construction Completion/Receipt of CO																		X

NOTES:

Phase 1 consists of the five properties listed in Exhibit A to the transferred by the County. We anticipate the properties will transfer ownership quickly, and we will immediately begin the construction planning and permitting process. We expect this timeframe to be approximately 90 days for residential infill development. Upon successful permitting, construction will take three months and can occur simultaneously on all five homes. During the pre-development and construction phase, we will have already identified an eligible/qualified homebuyer, which the sale will be completed upon final CO.

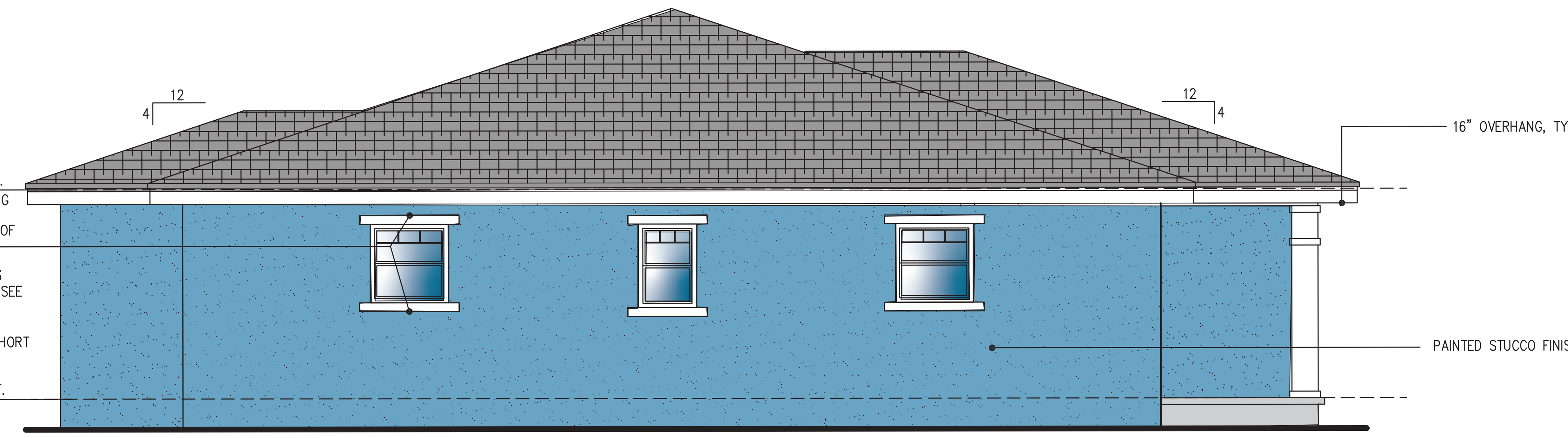
Phase 2 consists of the properties listed in Exhibit B. Due to these properties being in various distressed states and remaining under private ownership control, the timeline and ultimate outcomes are uncertain. We will work diligently to obtain as many developable properties as feasible throughout the 18 month development timeframe. We are hopeful we can obtain and develop at least 10 properties within the development timeframe. Thus the Phase 2 schedule reflect 9 to 12 to obtain the properties generally leaving 6 to 9 months for development.



FRONT (NORTH) ELEVATION

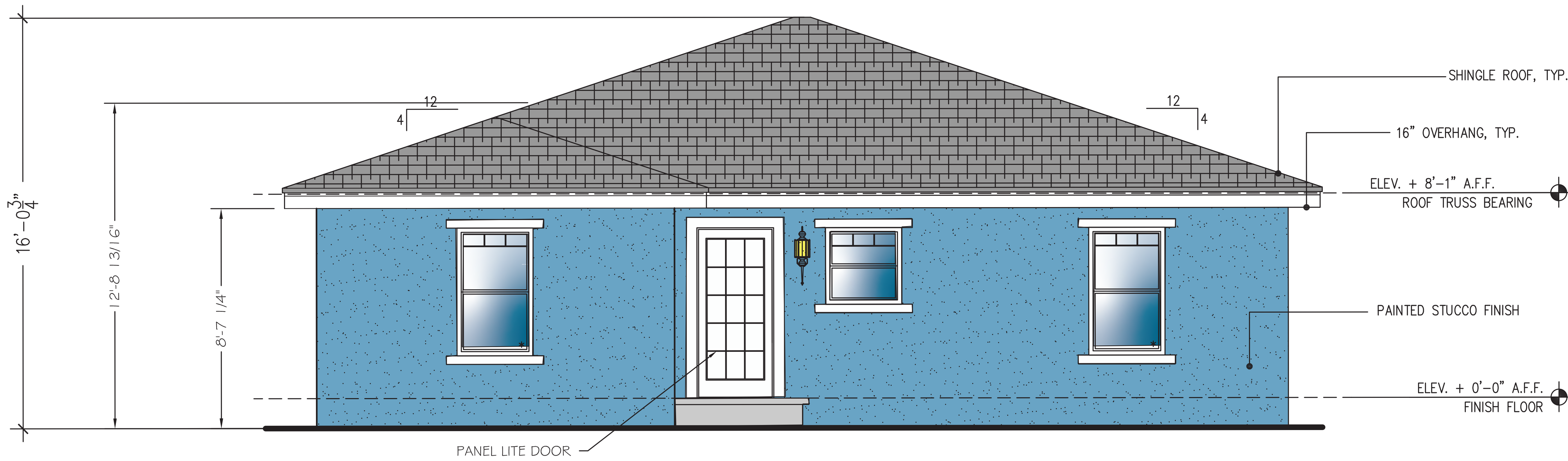
SCALE: 1/4" = 1'-0"

* = INDICATES EMERGENCY EGRESS WINDOW



SIDE (WEST) ELEVATION

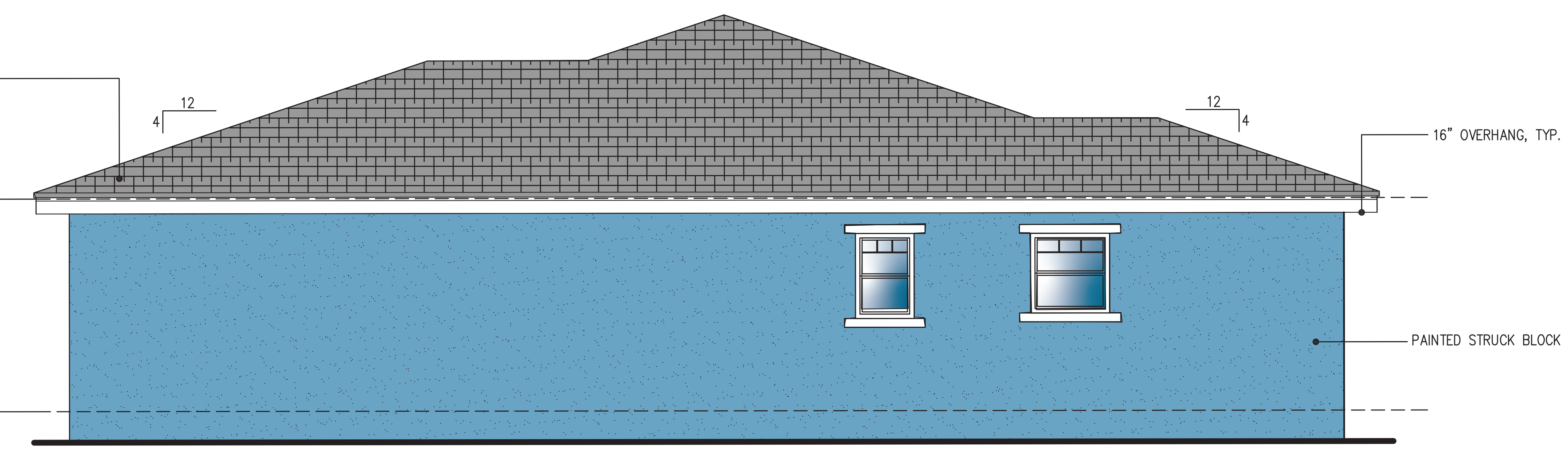
SCALE: 1/4" = 1'-0"



REAR (SOUTH) ELEVATION

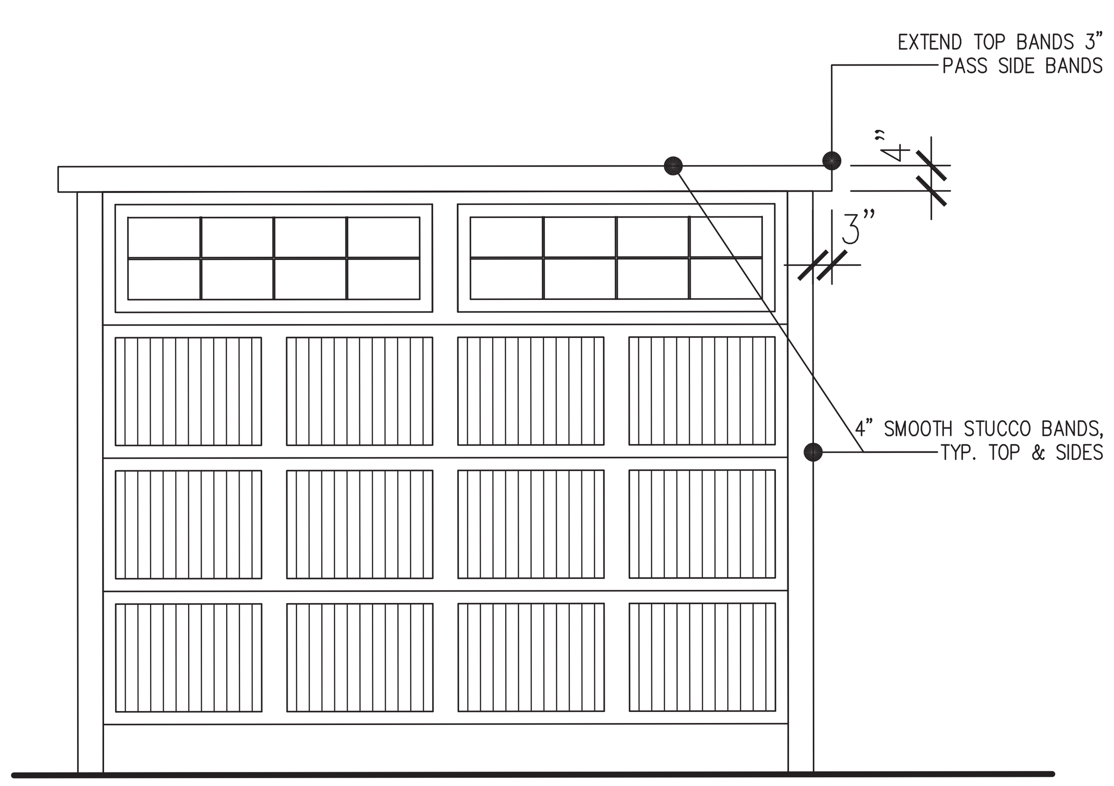
SCALE: 1/4" = 1'-0"

* = INDICATES EMERGENCY EGRESS WINDOW



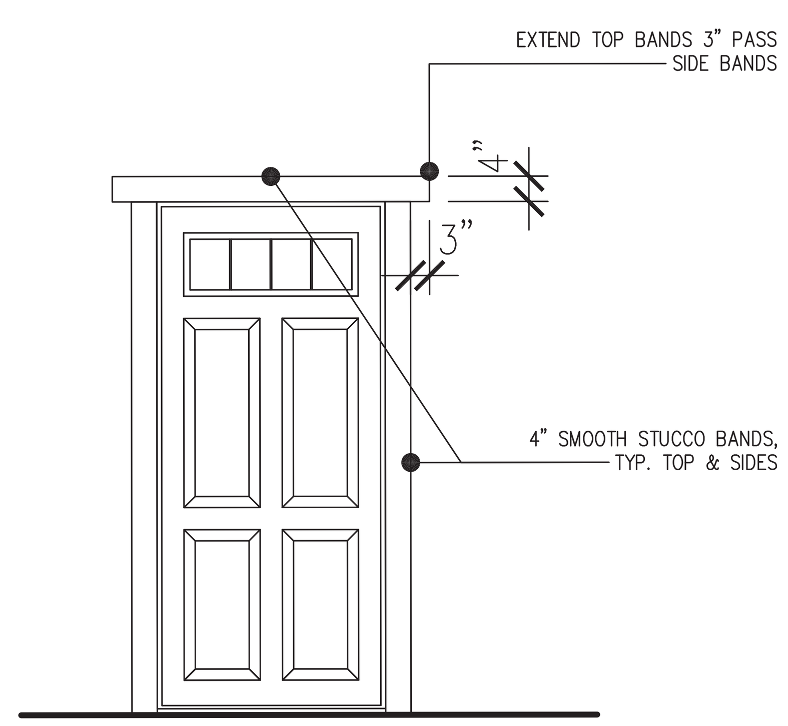
SIDE (EAST) ELEVATION

SCALE: 1/4" = 1'-0"



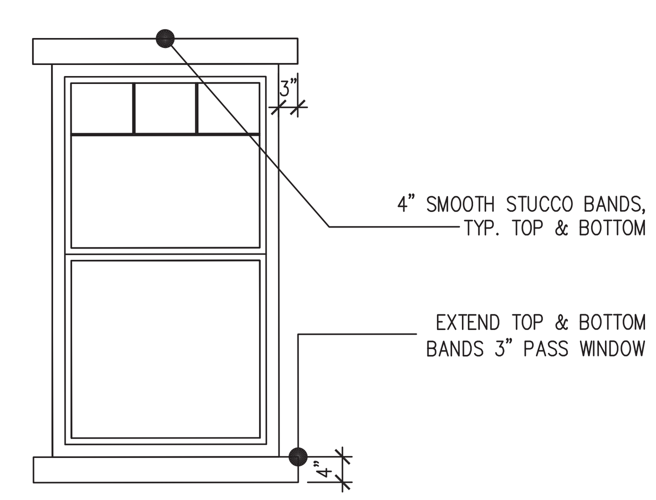
GARAGE DOOR STUCCO BAND DETAILS

SCALE: 1/2" = 1'-0"



DOOR STUCCO BAND DETAILS

SCALE: 1/2" = 1'-0"



WINDOW STUCCO BAND DETAILS

SCALE: 1/2" = 1'-0"

DANIEL ROBERT STOWERS
LICENSED
PE 0045052
STATE OF
FLORIDA
PROFESSIONAL ENGINEER

1025 LA SALLE STREET	Daniel R. Stowers P.E. Civil Engineer 5920 Bahama Way North St. Pete Beach Florida 33706	HABITAT FOR HUMANITY OF PINELLAS & WEST PASCO COUNTIES 13355 49th STREET NORTH CLEARWATER, FL 33762 PHONE: 727 536-4755 FAX: 727 209-2191	ELEVATIONS	SCALE 1/4" = 1'-0" SHEET 5 OF 6

Exhibit D: HIP Development Sources & Uses

Directions (current entries are sample only):

1) Based on your estimates and requests, complete all blue shaded cells.

1	# of units to be constructed in this program	15
2	Square feet per typical home	1,200
3	Sales price per home	$195,000
4	Total projected sales proceeds estimate (calculates automatically)	$2,925,000

	Development Uses	Amount	Notes	
5	Cost per sqft/property	$163		
6	Total Hard Costs per property	$145,750		
7	Total Soft Costs per property	$20,000		
8	Developer's Fee per property	$29,250		
9	**Total Development Costs for all properties**	**$195,000**		

	Construction Sources (List each source seperately)*	Amount	Applied, Committed or Projected	Notes (e.g. if applying for give dates by which award will be made, etc.)
10	Developers Cash Equity	$170,000		
11	CRA Subsidy for Property Purchases	$25,000		
12		$0		
13		$0		
14		$0		
15	**Total Construction Sources (should equal total in line 9)**	**$195,000**		

	Takeout Sources (List Each Source)**	Amount	Applied, Committed or Projected	Notes (e.g. if applying for give dates by which award will be made, etc.)
16	1st mortgage	$195,000		e.g. property presold with deposit and commitment from lender
17		$0		
18		$0		
19		$0		
20		$0		
21	**Total Takeout Sources (should equal total in line 15)**	**$195,000**		
	Backup Takeout***			
22		$0		e.g. line of credit from XXX to repay Pinellas County loan
23		$0		
	Total	**$0**		

* Typical Sources include: Developer's Cash Equity, Development Subsidy, Construction Financing, Private Philanthropy

** Typical Sources include: 1st mortgage, 2nd mortgage/downpayment assistance, homebuyer downpayment, affordable housing subsidy, etc.

*** Sources to repay Pinellas County loan and other construction financing if property does not sell within 90 days e.g. Line of Credit, equity in account XXX,

Internal Revenue Service
District Director
C - 1130
ATLANTA, GA 30301-

Department of the Treasury

Date: MAY 13 1987

Employer Identification Number:
59-2509116
Contact Person:
MICHAEL ISAACS
Contact Telephone Number:
(404) 331-0172

PINELASS HABITAT FOR HUMANITY INC
PO BOX 16101
ST PETERSBURG, FL 33733-

Our Letter Dated:
6-25-85
Caveat Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi). Your exempt status under section 501(c)(3) of the code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes a notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If the heading of this letter indicates that a caveat applies, the caveat below or on the enclosure is an integral part of this letter.

Letter 1050(DO/CG)

I.I.

PINELASS HABITAT FOR HUMANITY INC

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Paul Williams
District Director

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of PINELLAS HABITAT FOR HUMANITY, INC., a corporation organized under the laws of the State of Florida, filed on January 14, 1985, as shown by the records of this office.

The document number of this corporation is N07086.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twelfth day of October, 2005

Glenda E. Hood

Glenda E. Hood
Secretary of State

CR2EO22 (2-03)

ARTICLES OF INCORPORATION

OF

PINELLAS HABITAT FOR HUMANITY, INC.

ARTICLE I - NAME

The name of this corporation shall be "Pinellas Habitat for Humanity, Inc."

ARTICLE II - PURPOSE

The corporation is organized for the following purposes:

(a) To implement the Gospel of Jesus Christ by working with economicallly disadvantaged people to help them create a better human habitat in which to live and work.

(b) To cooperate with other organizations which are working to develop a better habitat for economically disadvantaged people.

(c) To have and utilize those powers granted under Florida Statute chapter 617.021

(d) To accomplish these purposes the corporation shall have all power lawfully permitted to a corporation not for profit under the laws of the State of Florida as they now exist or as they may hereafter be amended. In no event shall the corporation have any power or corporate purposes which conflict with Section 501(c)(3) of the Internal revenue Code as it now exists or may hereafter be amended, or any successor statute concerning the taxability of charitable organizations. Upon dissolution of the corporation all of the assets remaining after payment of all costs and expenses of such dissolution shall be distributed to organizations which have qualified for exemption under Section 501(c)(3) of the Internal Revenue Code or its successor, or to a local, state or federal government for public purposes.

ARTICLE III - TERM

The corporation shall commence business on filing with the Secretary of State and shall have perpetual existence, except that the same may be dissolved, as provided by law.

ARTICLE IV - MEMBERSHIP

All persons who have expressed a current interest in furthering the purposes and goals of the corporation shall be members of the corporation. A contribution within the current or prior fiscal year shall be such an expression of interest. The Board of Directors, by by-laws or resolution, shall appropriately fur[illegible] implement this article at its discretion.

ARTICLE V - BOARD OF DIRECTORS

The affairs of the corporation shall be managed by a Board of Directors. Directors shall be elected by the Membership at the annual meeting of the Membership in October of each year. Provisions for this annual meeting, nomination and election of directors, filling of vacancies on the Board of Directors and related matter shall be determined by the by-laws of the corporation.

The Board of directors shall provide for an Executive committee in the by-laws of the corporation, establishing its composition and delegating appropriate authority.

ARTICLE VI - OFFICERS

The corporation shall have a Chairperson, a Vice-Chairperson, a Secretary, a Treasurer and any such additional officers as may be provided for from time to time in the by-laws of the corporation. The Board of Directors shall have the power to remove officers at any time and to elect officers at any time to fill vacancies.

ARTICLE VII - BY-LAWS

The by-laws of the corporation are to be made, altered or rescinded by the Board of Directors, subject only to the limitations imposed by the charter of incorporation.

ARTICLE VIII - AMENDMENT

Amendments to this charter of incorporation may only be made by a two-thirds majority vote of the Membership present at an annual meeting of the Membership or at a special meeting of the Membership called for that purpose. However, article II is not subject to amendment.

ARTICLE IX - FISCAL YEAR

The fiscal year of this corporation shall be from October 1, through September 30 of the following calendar year.

ARTICLE X - NO ISSUE OF STOCK

The corporation shall issue no stock.

ARTICLE XI - INITIAL DIRECTORS, PLACE OF BUSINESS ETC.

The initial directors, pending elections at the first annual meeting of the Membership shall be as follows:

Fred Burney
3080 36th Ave. S.
St. Petersburg, FL 33712

Gabriel Cazares
2581 Countryside Blvd.
Clearwater, FL 33519

Debbie Chambers
2245 Burlington Ave. N.
St. Petersburg, FL 33713

Bill Daniel
310 Brightwaters Blvd.
St. Petersburg, FL 33704

Emily Dipple
2482 35th. Ave. N.
St. Petersburg, FL 33713

Helen Edwards
1161 15th Ave. S.
St. Petersburg, FL 33705

Patrick Farmer
1429 Orange
Clearwater, FL 33516

Victor Gavel
1100 N. Shore Dr. N.E.
St. Petersburg, FL 33701

Robert Gemmer
1863 Lakewood Dr. S.
St. Petersburg, FL 33712

Donald Hafner
6896 15th Ave. N.
St. Petersburg, FL 33710

Jerrie Hendrix
5631 4th St. S.
St. Petersburg, FL 33705

Beverly Jones
13544 Alpine Ave
Seminole, FL 33542

Bruce Lavorey
7938 1st. Ave.S.
St. Petersburg, FL 33707

Evelyn Lassiter
3640 41st. Lane S.
St. Petersburg, FL 33711

Marty McGinn
8235 37th Ave.
St. Petersburg, FL 33710

Gail Michael
792 31st. Ave. N.E.
St. Petersburg, FL 33704

George Oldring
1846 D. 54th Pl. S.
St. Petersburg, FL 33712

Jon Peterson
317 29th. St. N.
St. Petersburg, FL 33713

Wm.B.Robinson
2001 26th Ave. S.
St. Petersburg, FL 33712

Ken Smith
145 Pinellas Way N.
St. Petersburg, FL 33710

W.S. Symons
230 43rd Ave. N.
St. Petersburg, FL 33703

Pat Turner-Sharpton
3801 21st. Ave. S.
St. Petersburg, FL 33711

ARTICLE XI - INITIAL DIRECTORS, PLACE OF BUSINESS ETC. (continued)

The initial registered office of the corporation shall be:

538 28th St. South
St. Petrrsburg, Florida
(Mailing address:)
P.O. Box 16101
St. Petersburg, FL 33733.

The initial Resident Agent shall be:
James Schwarzlose

ARTICLE XII - INCORPORATORS

Incorporators filing this documents shall be:

W.S. Symons
230 43rd Ave. N.
St. Petersburg, FL 33703

Debbie Chambers
2245 Burlington Ave. N.
St. Petersburg, FL 33713

Emily Dipple
2482 35th. Ave. N.
St. Petersburg, FL 33713

Jerrie Hendrix
5631 4th St. S.
St. Petersburg FL 33705

FILED
1985 JAN 14 AM 9:18
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

In witness thereof, these articles have been duly incorporated:

W.S. Symons //
W. S. Symons

Debbie Chambers
Debbie Chambers

Emily Dipple //
Emily N. Dipple

Jerrie Hendrix
Jerrie Scott Hendrix

NOTARIZATION ON REVERSE SIDE

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Merger, filed on March 8, 2019, for HABITAT FOR HUMANITY OF PINELLAS COUNTY, INC., the surviving Florida entity, as shown by the records of this office.

The document number of this entity is N07086.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Nineteenth day of March, 2019

Laurel M. Lee

Laurel M. Lee
Secretary of State

CR2E022 (01-11)

ARTICLES OF MERGER
NOT FOR PROFIT CORPORATION

FILED

The following Articles of Merger are submitted in accordance with the Florida Not For Profit Corporation Act, pursuant to Section 617.1105, Florida Statutes.

2019 MAR 8 P 12:32

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

First: The name and jurisdiction of the **Surviving** Corporation:

Habitat for Humanity of Pinellas County, Inc. Florida N07086

Second: The name and jurisdiction of the **Merging** Corporation:

West Pasco Habitat for Humanity, Inc. Florida N37827

Third: The Plan of Merger is attached.

Fourth: The merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State

OR July 1, 2019.

Fifth: ADOPTION OF MERGER BY SURVIVING CORPORATION

Section III There are no members or members entitled to vote on the plan of merger. The plan of merger was adopted by the board of directors on February 25, 2019. The number of directors in office was 21. The vote for the plan was as follows:
__18__ FOR ___0___ AGAINST.

Sixth: ADOPTION OF MERGER BY MERGING CORPORATION

Section III There are no members or members entitled to vote on the plan of merger. The plan of merger was adopted by the board of directors on February 27, 2019. The number of directors in office was 14. The vote for the plan was as follows:
__13__ FOR __0___ AGAINST.

Seventh: SIGNATURES FOR EACH CORPORATION

HABITAT FOR HUMANITY OF PINELLAS COUNTY, INC.

By: Ellen Hirsch de Haan
Ellen Hirsch de Haan, Esq., attorney in fact

WEST PASCO HABITAT FOR HUMANITY, INC.

By: Ellen Hirsch de Haan
Ellen Hirsch de Haan, Esq., attorney in fact

PLAN OF MERGER

The following Plan of Merger is submitted in compliance with Section 617.1101, Florida Statutes and in accordance with the laws of any other applicable jurisdiction of incorporation, and is attached to the Articles of Merger which are being filed with the Division of Corporations for the State of Florida.

The name and jurisdiction of the **Surviving** Corporation:

Habitat for Humanity of Pinellas County, Inc.	Florida

The name and jurisdiction of each **Merging** Corporation:

West Pasco Habitat for Humanity, Inc.	Florida

A statement of any changes in the Articles of Incorporation of the surviving corporation to be effected by the merger is as follows:

1. The current language of Article IV - MEMBERSHIP is deleted in its entirety and replaced with the following:

    There are no members in this corporation. All rights are reserved to the Board of Directors.

2. The current language of Article VIII - AMENDMENT is deleted in its entirety and replaced with the following:

    Amendments to these Articles of Incorporation may be approved by two-thirds (2/3) of the directors in office at the time the amendment is adopted who are present at a meeting at which a quorum is present.

3. The current language of Article IX - FISCAL YEAR is deleted in its entirety and replaced with the following:

    The fiscal year of the corporation shall be from July 1 to June 30 of the following year.

The terms and conditions of the merger are as follows:

1. The current Board of Directors of West Pasco Habitat for Humanity, Inc. shall merge into the Board for Habitat for Humanity of Pinellas County, Inc., subject to remaining lengths of terms in office, beginning with Directors who are seated on July 1, 2019. The Boards acknowledge that the merger is in the best interest of each corporation, and endorse this Plan of Merger.

The initial Board of Directors of the Surviving Corporation will be:

Name	Email Address	Term End
Chuck Aldrich	chuckjaldrich@yahoo.com	06/2021 – 2nd term
Alfredo Anthony	alfredo@numilstrat.net	06/2020 – 1st term
Ronice Barlow	rbarlow@frk.com	06/2020 – 1st term
Massimo Bosso	Max.Bosso@RyanCompanies.com	06/2019 – 1st yr
Brandon Brayboy	BBrayboy@alltrustinsurance.com	06/2021 – 1st term
Jason Clement	jason@sportadvisory.com	06/2020 – 2nd term
Scott Daigle	Scott.Daigle@td.com	06/2021 – 2nd term
Tamara DeBose	ccchuckles@yahoo.com	Non-Voting
Kimberly Falana	kfalana66@yahoo.com	06/2019 – 1st yr
Joe Faw	jfaw@baytobayproperties.com	06/2021 – 2nd term
Scott Gault	sgault@bankoftampa.com	06/2019 – 1st term
Matt Godri	mattg@midfinance.com	06/2021 – 1st term
Ellen Hirsch de Haan	Ellen@whhlaw.com	06/2020 – 1st term
Chris Kamke	CKamke@amaliearena.com	06/2021 – 1st term
Anysia McDowall	amcdowall@tampaedc.com	06/2021 – 1st term
Dav Mosby	dav.mosby@raymondjames.com	06/2019 – 1st term
Karl Nurse	Karl@baytechlabel.com	06/2019 – 1st yr
Kristi Pettit	kristi.cheatham-pettit@clearwatergas.com	06/2021 – 1st term
Amy Rettig	amy.rettig@nielsen.com	06/2019 – 1st term
Tracy West	twest@thecopperheads.org	06/2021 – 2nd term
Dr. Tonjua Williams	williams.tonjua@spcollege.edu	06/2019 – 1st yr
Chris Chambers	Chris@Chamberslaw.com	6/2019 - 2nd term
Anthony Esposito	Tony@danaent.com	6/2021 - 2nd term
Kim Bogart	Bogartk@cityofnewportrichey.org	6/2021 - 1st Term
Amanda Hart	Amanda@blackjack.com	6/2020 - 2nd term
Al Corture	No email	Honorary member
Julie Holt	julie@anclote-title.com	6/2019 - 2nd term
Patti Templeton	patti@onecommunitynow.com	6/2021 - 1st term
Jarret Dixon	masterrestoration@gmail.com	6/2019 - 2nd term
James Downey	JDowney@valley.com	6/2020 - 1st term
David Longspaugh	David@yoursunsetrealty.com	6/2021 - 1st term
Lauren LeTona	letonal@cityofnewportrichey.org	6/2020 - 1st term
Jack Mariano	jmariano@pascocountyfl.net	6/2020 - 1st term
Barry Horvath	Barry@advisorsmortgagegroup.net	6/2021 - 1st term
Dan Ernest	Gotodan@fairwaymc.com	6/2020 - 1st term

2. The operations of the Surviving Corporation will be governed by the new Board of Directors, subject to its Articles of Incorporation as amended in the merger documents, and its amended and restated By-Laws.

3. At the next annual election, the Nominating Committee will prepare a slate of nominations to fill vacant positions.

Other provisions relating to the merger are as follows:

1. Habitat for Humanity of Pinellas County, Inc. shall be the surviving corporation.

2. The staff of the Merging Corporation shall continue to be employed in the West Pasco location, with support from the staff of the Surviving Corporation.

3. The CEO of the surviving corporation shall supervise staff of West Pasco Habitat for Humanity.

4. The operations of West Pasco Habitat for Humanity will continue to be handled at the offices in New Port Richey, Florida.

5. The merged Board of Directors of the Surviving Corporation shall work together to review and finalize policies and committee charters, including a plan to communicate the merger to current and potential homeowner candidates and current and potential donors, to ensure a smooth transition and minimal interruption of services. Any revisions to the policies shall be present to the merged Board of Directors for approval. Copies will be provided to Staff as applicable.

6. The Surviving Corporation and the Merging Corporation adopt this Plan of Merger in accordance with applicable law

7. The Surviving Corporation will register a Fictitious Name for day to day business operations and communications, which will be Habitat for Humanity of Pinellas and West Pasco Counties.

8. Corporate offices will be located at:

Corporate Headquarters:

13355 49th Street North, Clearwater, FL 33762

Other Offices:

1350 22nd Street South, St. Petersburg, FL
4131 Madison Street, New Port Richey, FL 34652

ReStore Locations:

4131 Madison Street, New Port Richey, FL 34652
13355 49th Street North, Clearwater, FL 33762

9. The Surviving Corporation and the Merging Corporation agree that all rights, assets, debt, and liabilities of the Merging Corporation will be transferred to and assumed by the Surviving Corporation, as disclosed during the preliminary due diligence period.

10. Copies of the amended and restated Bylaws will be provided to all Directors.

Adopted this 1st day of March, 2019

HABITAT FOR HUMANITY OF PINELLAS COUNTY, INC.

By: Ellen Hirsch de Haan

Ellen Hirsch de Haan, Esq., attorney in fact

WEST PASCO HABITAT FOR HUMANITY, INC.

By: Ellen Hirsch de Haan

Ellen Hirsch de Haan, Esq., attorney in fact

BYLAWS OF
HABITAT FOR HUMANITY OF PINELLAS COUNTY, INC.

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PREAMBLE

HABITAT FOR HUMANITY OF PINELLAS COUNTY, INC. shall seek to sponsor specific projects in habitat development, starting with the construction of modest but adequate housing, and to associate with other groups functioning with purposes consistent with those listed below, namely, to witness to the gospel of Jesus Christ: (1) by working in cooperation with God's people in need to create a better human habitat in which to live and work; (2) by working in cooperation with other agencies and groups which have a kindred purpose; (3) through loving acts and the spoken word; and (4) by enabling an expanding number of persons in all walks of life to participate in this ministry.

ARTICLE I

NAME, FORM OF ORGANIZATION AND PURPOSES

Section 1.1 Name. The name of the corporation is HABITAT FOR HUMANITY OF PINELLAS COUNTY, INC. The corporation shall do business as Habitat for Humanity of Pinellas and West Pasco Counties.

Section 1.2 Nonprofit and Tax Exempt Status. The corporation is organized as a nonprofit corporation, under the Florida Not For Profit Corporation Act, and as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, as amended.

Section 1.3 The corporation shall have no members. Pursuant to Chapter 617, Florida Statutes, all powers and voting are reserved to the board of directors.

Section 1.4 Purposes.

The purposes for which the corporation is organized, as stated in its articles of incorporation, include the following:

a. To work with economically disadvantaged people;

b. To cooperate with other charitable organizations, through grants and otherwise, which are working to develop a better human habitat for the economically disadvantaged;

c. To have and utilize those powers granted under Florida Statutes, Chapter 617, as amended from time to time.

d. To accomplish these purposes the corporation shall have all power lawfully permitted to a corporation not for profit under the laws of the State of Florida as they now exist or as they may hereafter be amended. In no event shall the corporation have any power or corporate purposes which conflict with Section 501 (c) (3) of the Internal Revenue Code as it now exists or may hereafter be amended, or any successor statute concerning the taxability of charitable organizations.

e. To provide its services in Pinellas County, and the western half of Pasco County from Suncoast Parkway west, in Florida.

ARTICLE II OFFICES

Section 2.1 Principal Office. The principal office of the corporation shall be located in Pinellas County, Florida, at the address designated in the most recent annual report filed with the Florida Secretary of State. The corporation shall maintain at its principal office a copy of the corporate records specified in Section 7.4 of Article VII.

A second office will be located in Pasco County, Florida, at 4131 Madison Street, New Port Richey, FL 34652, or such other place as designated from time to time.

Section 2.2 Registered Office and Agent. The registered office of the corporation required by law to be maintained in the State of Florida may, but need not, be identical with the principal office. The corporation shall maintain a registered agent whose office is identical with the registered office. The corporation may change its registered office or registered agent from time to time in the manner required by law.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 General Powers and Authority of the Board. All corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of, the board of directors.

Section 3.2 Number, Term, and Qualifications. The authorized number of directors of the corporation shall be not less than twelve (12) nor more than twenty-eight (28), as the board of directors shall determine from time to time. At all times, there will be a minimum of five (5) Directors from Pinellas County and five (5) Directors from Pasco County. No related family members shall serve concurrently on the Board of Directors.

The first term of a director will be for one (1) year to give the individual an opportunity to decide if board service is right for them. Thereafter, each director shall serve for a term of three (3) years. A duly elected and qualified director shall not be eligible for re- election to the board of directors if he or she has served two (2) consecutive three (3) year terms. A board member or officer's term may be extended in extraordinary circumstances by a 2/3 vote of the sitting board of directors.

Section 3.3 Election of Directors. Except as provided in Section 3.6 below relating to vacancies, directors shall be elected by the board of directors at the annual meeting of the board of directors. The Nominating Committee shall present a slate of nominees for election as directors. Nominations may also be made by directors from the floor. Those persons who receive a plurality of the votes cast shall be deemed to have been elected. If any director then holding office so demands, the election of directors shall be by secret ballot.

Section 3.4 Resignation of Directors. A director may resign by delivering written notice to the board of directors, president or secretary of the corporation. A resignation is effective when the notice is received unless the notice specifies a later effective date. If a resignation is made effective at a later date, the board of directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date.

Section 3.5 Removal of Directors. A director may be removed without cause by the vote of two-thirds (2/3) of the directors then in office. In addition, a director may be removed by the affirmative vote of a majority of the directors then in office for failing to attend two (2) unexcused regular meetings of the board of directors within the same fiscal year.

Section 3.6 Vacancies. If a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, the board of directors may fill the vacancy, provided, that if the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy only by the affirmative vote of a majority of all the directors remaining in office or by the sole remaining director. A director elected to fill a vacancy shall hold office until the next annual meeting of the board of directors, or until the end of the unexpired term that such director is filling.

Section 3.7 Chairperson and Vice Chairperson. The chairperson of the corporation shall preside at all meetings of the board of directors and perform such other duties as may be prescribed from time to time by the board. The vice chairperson shall, in the absence of the chairperson, or in the event of the death, inability or refusal to act, preside at all meetings of the board.

Section 3.8 No Compensation. The board of directors shall not permit compensation of directors for their services as such.

Section 3.9 Advisory Board. The Board may create one or more non-executive or advisory committees for purposes of advising or providing recommendations to the Board and staff on various matters affecting or of interest to the Corporation, but the Board shall not delegate to such Advisory Committee any of its powers.

Section 3.10 Habitat Homeowners on Board. In accordance with the laws of the State of Florida, members of a Habitat for Humanity of Pinellas County household with an active mortgage may serve on the board of directors in a non-voting capacity. Habitat homeowners without an active mortgage may serve on the board with full rights of a director.

ARTICLE IV MEETINGS OF DIRECTORS

Section 4.1 Place of Meetings. All meetings of the board of directors shall be held in Pinellas County or in Pasco County, Florida, at such time and place as the board of directors may determine from time to time.

Section 4.2 Annual Meeting. The annual meeting of the board of directors, for the purpose of electing directors, appointing officers, approving a budget for the year, and transacting other business, shall be held at 6:00 p.m. on the third Monday of June of each year, or at such other times as the board of directors may determine.

Section 4.3 Regular Meetings. Additional regular meetings of the board of directors shall be held at 6:00 p.m. on the third Monday of each month during the year, or at such other dates or times as the board of directors may determine.

Section 4.4 Special Meetings. Special meetings of the board of directors may be called by or at the request of the chairperson or twenty percent (20%) of the directors then in office. Such meetings must be held within Pinellas County, Florida.

Section 4.5 Notice of Meetings. Regular meetings of the board of directors may be held without notice if the board previously has fixed the date, time and place of the meeting; otherwise, regular meetings must be preceded by at least two (2) days' notice to each director of the date, time, place and purpose of the meeting.

Notice required by the foregoing provisions may be given by any usual means of communication and may be oral or written. However, any board action to remove a director shall not be valid unless each director is given at least seven (7) days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived pursuant to Section 4.6 below.

Oral notice or electronic mail is effective for purposes of communication. Written notice is effective at the earliest of the following: (a) when received; (b) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with first class postage affixed; (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or, thirty (30) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with other than first class, registered or certified postage affixed. Written notice is correctly addressed to a director if addressed to the director's last known address shown in the corporation's current list of directors.

Section 4.6 Waiver of Notice. A director may at any time waive any notice required by law or these bylaws. Except as hereinafter provided in this section, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director, upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law or these bylaws, objects to lack of notice and does not thereafter vote for or assent to the objected to action.

Section 4.7 Quorum. A quorum of the board of directors consists of a majority of the directors in office immediately before a meeting begins; provided that in no event shall a quorum consist of fewer than two (2) directors.

Section 4.8 Manner of Acting. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors, unless the vote of a greater number of directors is required by law or these bylaws.

Section 4.9 Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless: (a) such director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or (b) such director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) such director delivers written notice of dissent or abstention to the presiding officer of the meeting before adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 4.10 Meeting via Communications Equipment. The board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.11 Action without Meeting. Action required or permitted by law or these bylaws to be taken at a meeting of the board of directors may be taken without a meeting by Written Consent to Action Taken Without a Meeting, in accordance with Chapter 617, Florida Statutes. The motion can be conveyed by email or fax, and the vote by each director can be made by email or fax.

Section 4.12 Joinder. A Director who is not present at a meeting may submit a written joinder to action taken at the meeting, after the meeting. The joinder does not count toward a quorum.

Section 4.13 Director Conflict of Interest Transactions. A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. For purposes of this section, a director has an indirect interest in a transaction if: (a) another entity in which the director has a material interest is a general partner of the party in the transaction or (b) another entity of which the director is a director, officer, or trustee is a party to the transaction.

A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair and arm's length at the time it was entered into. A transaction in which a director has a conflict of interest may be approved by the vote of the remaining directors or a committee of the board if (a) the material facts of the transaction and the director's interest are disclosed or known to the board or committee of the board; and, (b) the directors approving the transaction in good faith reasonably believe that the transaction is fair to the corporation. The Director with the conflict will abstain from voting.

For purposes of this section, a conflict of interest transaction is approved if it receives the affirmative vote of a majority of the directors on the board, who have no direct or indirect interest in the transaction, but a transaction may not be approved under this section by a single director.

The Board of Directors must investigate the proposed contract, and determine it is competitive, the potential provider is experienced and able to provide the services required, and that awarding the contract would be in the best interests of the corporation. This would include an obligation to obtain competitive bids.

If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to approve the transaction, a quorum is present for the purpose of taking action under this section. The presence of a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section if the transaction is otherwise approved as hereinabove provided. Conflict of interest agreements are to be signed annually by each member of the board of directors.

ARTICLE V

OFFICERS

Section 5.1 Number. The officers of the corporation shall consist of the chairperson of the board, the vice chairperson, secretary, treasurer, Immediate Past Chair, and three at-large positions; as well as the CEO, who shall be a non-voting member; and other officers as are appointed by the board of directors from time to time. No more than one (1) of the four (4) principal offices may be held by the same person.

Section 5.2 Appointment and Term. The board of directors at its annual meeting shall appoint the principal officers of the corporation. The Nominating Committee shall present a slate of nominees for appointment. Nominations may also be made from the floor. All nominees for the four (4) principal offices must be members of the board of directors. At least three (3) positions on the Executive Committee shall be filled by individuals primarily involved in West Pasco County, and at least three (3) positions on the Executive Committee shall be filled by individuals primarily involved in Pinellas County.

The Executive Committee shall consist of eight (8) individuals: the Chair, the Vice Chair, the Secretary and the Treasurer; as well as the Immediate Past Chair; and three At-Large positions. The CEO of the Corporation shall be a non-voting member of the Executive Committee. The chairperson of the board shall hold office for a period of two (2) years and all other officers shall hold office for a period of one (1) year, or until such officer's death, resignation, or removal, or until such officer's successor is elected and qualifies. No person may be appointed to serve for more than two (2) successive terms in the office of chairman of the board or six (6) successive terms for the other officers. The board of directors may appoint assistant secretaries, assistant treasurers, and other officers at such time or times as the need may arise. A vacancy occurring in a position of officer of the corporation may be filled at any time by the board of directors. The term of an officer elected to fill a vacancy shall expire at the end of the unexpired term that such officer is filling.

Section 5.3 Resignation and Removal. An officer may resign at any time by delivering notice to the corporation. A resignation is effective when the notice is effective unless the notice specifies a future effective date. If a resignation is made effective at a future date and the board of directors accepts the future effective date, the board of directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date. The board of directors may remove any officer at any time with or without cause.

Section 5.4 Contract Rights of Officers. The appointment of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the corporation. An officer's resignation does not affect the corporation's contract rights, if any, with the officer. An officer only has contract rights assigned by the board of directors, the Articles of Incorporation, these Bylaws and Chapter 617, Florida Statutes.

Section 5.5 Chairperson. The chairperson shall be the head of the board of directors of the corporation and, shall supervise the CEO of the corporation in accordance with these bylaws. The chairperson may sign, with the secretary or any other proper officer of the corporation so authorized by the board of directors, any deeds, leases, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the corporation, except where the signing and execution thereof expressly shall be delegated by the board of directors to some other officer or agent of the corporation, or where required by law to be otherwise signed and executed. The chairperson shall serve as the chairperson of the board of directors and shall preside at all meetings of the board of directors. The chairperson shall, in general, perform all duties incident to the office of chairperson and such other duties as may be prescribed from time to time by the board of directors.

Section 5.6 Vice Chairperson. In the absence of the chairperson, or in the event of the death, inability or refusal to act of the chairperson, the vice chairperson, unless otherwise determined by the board of directors, shall perform the duties of the chairperson and, when so acting, shall have all the powers of and be subject to all the restrictions upon the chairperson. The vice chairperson shall also serve as vice chairperson of the board of directors and, in the absence of the chairperson, or in the event of the death, inability or refusal to act of the chairperson, shall preside at all meetings of the board. The vice chairperson shall perform such other duties as may be assigned from time to time by the chairperson or the board of directors.

Section 5.7 Secretary. The secretary shall: (a) cause to be prepared minutes of all meetings of the board of directors and of the Executive Committee; (b) authenticate records of the corporation when requested to do so; (c) give all notices required by law and by these bylaws; (d) sign such instruments as may require such signature; and, (e) in general, perform all duties incident to the office of secretary and such other duties as may be assigned from time to time by the chairperson or the board of directors.

Section 5.8 Treasurer. The treasurer shall: (a) cause to have custody of all funds and securities belonging to the corporation and receive, deposit or disburse the same under the direction of the board of directors; (b) cause to keep full and accurate accounts of the finances of the corporation in books especially provided for that purpose; (c) cause such returns, reports and/or schedules as may be required by the Internal Revenue Service and the state taxing authorities to be prepared and filed in a timely manner; (d) cause a true balance sheet (statement of the assets, liabilities, and fund balance) of the corporation as of the close of each fiscal year and true statements of activity (support and revenue, expenses, and changes in fund balance), functional expenses, and cash flows for such fiscal year, and all reasonable detail, to be prepared and submitted to the board of directors; and, (e) in general, perform all duties incident to the office of treasurer and such other duties as may be assigned from time to time by the chairperson or the board of directors.

Section 5.9 No Compensation. The principal officers of the corporation described in the foregoing sections shall not be compensated for their services as such.

Section 5.10 CEO. The board of directors may appoint a CEO, who shall be the chief executive officer of the corporation and, subject to the control of the board of directors and have overall responsibility for the routine management of the affairs of the corporation. The CEO shall report to the chairperson and shall work closely with the board of directors. The CEO shall be an officer of the Corporation in a non-voting capacity. The CEO may sign, with the secretary or any other proper officer of the corporation so authorized by the board of directors, any deeds, leases, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the corporation, except where the signing and execution thereof expressly shall be delegated by the board of directors to some other officer or agent of the corporation, or where required by law to be otherwise signed and executed. Further duties of the CEO shall include: (a) coordinating the activities of the operating committees; (b) representing the corporation in the community; (c) overseeing the building projects of the corporation; (d) supervising the administrative functions of the corporation; (e) act as the closing recording secretary for the Corporation; (f) be a signatory on operational checking accounts; and, (g) in general, performing such other duties as may be assigned from time to time by the chairperson or the board of directors. The board of directors approves compensation and benefits for the CEO.

ARTICLE VI COMMITTEES

Section 6.1 Standing Committees in General. In addition to the Executive Committee established by these Bylaws, from time to time, the board of directors may create one or more standing committees, as required to carry out the business of the corporation. Standing committees may be composed both of individuals currently serving as duly elected and qualified directors of the corporation and volunteers that meet eligibility criteria for serving on the committee, as set forth by the committee chair or the board itself. Each standing committee shall have one or more directors, who shall be appointed by and serve at the pleasure of the board. All Standing Committees shall be approved by the Executive Committee.

Section 6.2 Executive Committee.

Executive Committee Functions. The Executive Committee is a standing committee, and shall consist of the four principal officers of the corporation and up to three (3) additional directors elected by the board. If the corporation has approved an affiliate chapter in accordance with Section 7.2 then one of the three (3) additional directors shall be the president of the chapter affiliate. These additional directors shall serve in such capacity until the next annual meeting of the board of directors; provided that the appointment of additional directors must be approved by a majority of all the directors in office when such action is taken.

The chairperson shall serve as the chairperson of the Executive Committee and shall preside at all of its meetings. Except to the extent prohibited or limited by Section 6.1 above or by resolution of the board of directors, the Executive Committee shall have all the authority of the Board, except:

a) take any final action on any matter that, under Florida law, requires approval of the Board;
b) Fill any vacancies on the Board or Executive Committee;
c) Amend or repeal these By-Laws or adopt new By-Laws;
d) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
e) Create any other Executive Committee or appoint its members;
f) Approve the annual budget;
g) Approve home owner candidates;
h) Adopt or amend the strategic plan of the organization.

In addition, the Executive Committee shall perform the functions described below:

Human Resources Functions. In performing this function, the Committee shall oversee the implementation and administration of policies and procedures relating to volunteers and employees of the corporation. The Executive Committee will also approve compensation plans for the corporation. If there is no functioning Executive Committee, the Board of Directors shall serve in this capacity.

Strategic Planning Functions. In performing this function, the Committee shall: (i) coordinate the strategic planning functions of the corporation; and (ii) monitor and evaluate the performance of the corporation with respect to the achievement of its mission, purposes, and goals.

Section 6.3 Ad-Hoc Committees in General. From time to time, the board of directors and/or staff may create one or more ad-hoc committees, in addition to the Nominating Committee and any operating committees established by these bylaws, and delegate non-board functions to such committees. Ad-Hoc committees may include both directors and individuals who are not directors of the corporation. Ad-Hoc committees may not exercise the authority of the board. Focus Groups or Ad-Hoc Groups can also be formed by the board or staff to work on a particular issue; duration of this type of group is expected to be several months in nature at the most.

Section 6.4 All committees shall operate in accordance with their Charters and policies established by the board of directors from time to time.

ARTICLE VII GENERAL PROVISIONS

Section 7.1 Amendments. These bylaws may be amended or repealed and the board of directors may adopt new bylaws. The corporation shall provide at least seven (7) days' written notice of any meeting of directors at which an amendment is to be approved, unless notice is waived pursuant to Section 4.6 above. The notice must state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. Any amendment must be approved by two-thirds (2/3) of the directors in office at the time the amendment is adopted.

Section 7.2 Chapters. The board of directors may establish chapters of the affiliate in order to expand the number of target neighborhoods it is working in. Chapters shall be established in accordance with the most current guidelines proposed by Habitat for Humanity International. Chapters may be given such authority, as the board of directors deems necessary as permitted by law and these bylaws. The president of the chapter shall be a member of the board of directors and serve on the Executive Committee of the corporation as specified in Section 6.2 above. The board of directors may establish other less formal associations as they deem fit in order to further the corporation's purpose and mission.

Section 7.3 Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall time to time be determined by resolution of the board of directors; provided, that any check, draft or other order for the payment of an amount in excess of Two Thousand Five Hundred Dollars ($2,500) shall be signed by two authorized parties, and any amount in excess of Ten Thousand Dollars ($10,000) shall require two authorized signatures, one of which must be an authorized director of the corporation.

Section 7.4 Corporate Minutes and Records. The corporation shall keep as permanent records minutes of all meetings of its board of directors, a record of all actions taken by the directors without a meeting, and a record of all actions taken by the Executive Committee and any other committees of the board of directors. The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

The corporation shall keep a copy of the following records at its principal office: (a) its articles of incorporation or restated articles of incorporation and all amendments to them currently in effect; (b) its bylaws or restated bylaws and all amendments to them currently in effect; (c) a list of the names and business or home addresses of its current directors and officers; and (d) its most recent annual report delivered to the secretary of state, as required by the Florida Not For Profit Corporation Act. Current directors of the corporation shall be able to inspect the minutes and records described above during normal business. In addition, to the extent required by applicable law, the corporation shall make available for inspection during regular business hours, by any individual, copies of: (i) any application filed with and any letter or other document issued by the Internal Revenue Service with respect to the tax exempt status of the corporation; and, (ii) the annual returns filed with the Internal Revenue Service for the three most recent years (to the extent the corporation is required to file such returns); provided, that the names and addresses of contributors to the corporation may be kept confidential.

In addition the corporation shall maintain any other Official Records specified in Chapter 617, Florida Statutes.

Section 7.5 Corporate Seal. The corporate seal of the corporation shall be in such form as the board of directors may from time to time determine.

Section 7.6 Financial Reports. The books of the corporation shall be closed as of the end of each fiscal year and financial statements shall be prepared and submitted to the board of directors (see Section 5.8 regarding duties of the treasurer). At the discretion of the board of directors, and pursuant to applicable laws, the corporation may engage an independent certified public accountant to audit or review the financial statements.

Section 7.7 Fiscal Year. The fiscal year of the corporation shall begin on July 1 and end on June 30 of the following year.

Section 7.8 Indemnification. The corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because he or she is or was a director of the corporation, against reasonable expenses actually incurred by the director in connection with the proceeding. An officer of the corporation who is not a director is entitled to indemnification to the same extent as a director. In addition, if an individual is made a party to a proceeding because the individual is or was a director, officer, employee or agent of the corporation, the board of directors may, to the extent permitted by law, authorize the corporation to advance expenses to such individual and/or indemnify such individual against liability incurred in the proceeding. Furthermore, the corporation shall cover the members of the board of directors with Directors/Officers Liability Insurance. Indemnification shall include reasonable attorneys' fees and costs.

Section 7.9 Investments. The corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the board of directors and/or the Finance Committee without being restricted to the class of investments which a director or trustee is or may hereafter be permitted by law to make or any similar restriction; provided, that no action shall be taken by or on behalf of the corporation if such action is a forbidden activity or would result in the denial of tax exempt status under Section 501(c)(3) of the Internal Revenue Code as amended.

Section 7.10 No Loans To or Guaranties For Directors. The corporation may not lend money to or guarantee the obligation of a director or officer of the corporation, but the fact that a loan or guaranty is made in violation of this section does not affect the borrower's liability on the loan. This above does not apply to recipients (homeowners) of the Habitat for Humanity of Pinellas County, Inc. program.

Section 7.11 Prohibited Activities. The corporation is organized as a nonprofit corporation exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these articles of incorporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Anything contained in these bylaws to the contrary notwithstanding, the corporation shall not carry on or otherwise engage in any activities not permitted to be carried on or engaged in by: (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended, or any corresponding section of any future tax code; (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, as amended, or any corresponding section of any future tax code; or, (iii) a corporation organized and existing under the Florida Not For Profit Corporation Act.

ARTICLE VIII DISSOLUTION

Section 8.1 Dissolution. In the event of the dissolution and liquidation of this corporation, to the extent allowed or permitted under applicable laws, the property and assets of the corporation shall be, as determined by the board of directors, distributed to or sold and the proceeds of such sales distributed to (i) Habitat for Humanity International, Inc., a GA Nonprofit Corporation and a corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, as amended; or (ii) any other organization(s) organized and operating for the same purposes for which the corporation is organized and operating or any organization(s), foundation(s), fund(s), or corporations(s) organized and operating exclusively for religious, charitable, scientific, educational, or other purposes permitted by Section 501(c)(3) of the Internal Revenue Code, as amended, all of which such organizations, foundations, funds, or corporations shall be exempt under Section 501(c)(3) of the Internal Revenue Code, as amended. In the event that any assets are not disposed of in accordance with these provisions or that the corporation shall fail to act within a reasonable time in the manner provided, the Circuit Court of Pinellas County shall, upon application of one or more persons having a real interest in the corporation or its assets, make such distribution(s) as herein provided.

These Amended and Restated Bylaws adopted by the Boards of Directors this 1 day of March, 2019

HABITAT FOR HUMANITY OF PINELLAS COUNTY, INC.

BY: ______________________

Joseph W. Faw
Its Secretary

Habitat for Humanity of Pinellas & West Pasco Counties

We build strength, stability, self-reliance and shelter.

Section 3- Governance - Board and Committees

Board Roster Form

Affiliate name: Habitat for Humanity Of Pinellas County, Inc.
Official Affiliate Address: 13355 49th Street N
Official Affiliate phone number: 727-536-4755

Name	Board/Committee Role	Affiliation
Alfredo Anthony	Immediate Past Chair / South St. Pete Advisory Committee	President NUMILLENNIUM STRATEGIES, LLC
Amy Rettig	Board Member / Gala Committee	SVP, Community Engagements, Florida Site Leader NIELSEN
Brandon Brayboy	Board Chair / Homeowner services Committee/Executive Committee	President LAKELAND LIQUIDATION
Bruce Terwilliger	Board Member / Executive Committee	Partner TERWILLIGER, DAVIS AND LEADBETTER, LLC
Caprice Edmond	Board Member	Pinellas County School Board Member
Dana Mayo	Board Member	Founding Member & Executive Managing Director HUNT CAPITAL PARTNERS, LLC
Dav Mosby	Board Member / Finance Committee	Vice Chairman, Investment Banking RAYMOND JAMES
David Longspaugh	Board Member	Owner RE/MAX SUNSET REALTY
Davisha Earley	Board Member	Habitat Homeowner
Doug Woolard	Board Member/Golf	Board of Directors COPPERHEAD CHARITIES & VALSPAR CHAMPIONSHIP
Frank Starkey	Board Vice Chairman	President PEOPLE PLACES, LLC
George Spowart	Board Member	Chief Marketing Officer RED ROVER
Gerald Thomas	Board Member	West Florida Region Sales Manager FLORIDA BLUE
Heather Ford	Board Treasurer	Chief Financial Officer POWER DESIGN
Jarrett Dixon	Board Member	Founder & CEO MASTER RESTORATION
Karl Nurse	Board Member / South St. Pete Advisory	President BAY TECH LABEL
Ken Ginel	Board Secretary / Finance Committee	Chief Financial Officer RAYMOND JAMES BANK
Kristen Lewis	Board Member	Vice President and Sr. Relationship Manager BANK OF AMERICA MERRILL LYNCH
Kristi Cheatham Pettit	Board Member / Golf, Gala	Gas Sales & Public Affairs Manager CLEARWATER GAS SYSTEM
Lynn Skelton	Board Member	Owner PROSOURCE OF PORT RICHEY
Matt Godri	Board Member / Finance and ReStore Committee	Chief Financial Officer MID-ATLANTIC FINANCE COMPANY
Max Bosso	Board Member / Construction and Property Advisory	Vice President of Real Estate Development RYAN COMPANIES US, INC.
Patti Templeton	Board Member / Executive Committee / Homeowner Selection Committee Pasco	Executive Director ONE COMMUNITY NOW
Rebecca Watson	Board Member / Executive Committee	Founder LIMITLESS LEADER, INC.
Sean Bunner	Board Member	Director Business Development, Investment Banking RAYMOND JAMES
Tamara DeBose	Board Member / Homeowner Services Committee	Habitat Homeowner

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Financial Report and Compliance Report
June 30, 2021

Contents

RSM US LLP

Independent Auditor's Report

Board of Directors
Habitat for Humanity of Pinellas County, Inc.

We have audited the accompanying consolidated financial statements of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 above present fairly, in all material respects, the financial position of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, *Rules of the Auditor General of the State of Florida,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2021, on our consideration of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Habitat for Humanity of Pinellas County, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Habitat for Humanity of Pinellas County, Inc. and Subsidiaries' internal control over financial reporting and compliance.

RSM US LLP

St. Petersburg, Florida
November 3, 2021

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 8,921,559	$ 8,439,609
Assets held in escrow	928,396	796,822
Accounts receivable	204,399	57,641
Unconditional promises to give, net	347,485	199,281
Estate receivable	1,570,860	-
Habitat ReStore inventory	175,051	262,737
Homes under construction	3,085,356	1,767,797
Land held for development	2,865,033	2,729,696
Home held for investment or resale	185,162	-
Property and equipment, net	418,652	995,511
Mortgages receivable, net	718,796	778,112
Other mortgages receivable	660,796	771,110
Other receivables	314,220	358,720
Beneficial interest in assets held by community foundations	1,561,014	22,135
Investment in joint venture	4,012,587	4,022,108
Deferred affordable housing notes receivable	350,000	350,000
Other assets	253,685	162,611
Total assets	$ 26,573,051	$ 21,713,890
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 694,799	$ 462,491
Escrow deposits	942,546	826,742
Down payments and advance payments	64,600	44,100
Capital lease payable	43,074	55,519
Notes payable, net	8,474,585	9,264,810
Deferred affordable housing note payable	350,000	350,000
Total liabilities	10,569,604	11,003,662
Commitments and contingencies (Notes 13 and 14)		
Net assets:		
Net assets without donor restrictions	13,814,020	10,241,308
Net assets with donor restrictions	2,189,427	468,920
Total net assets	16,003,447	10,710,228
Total liabilities and net assets	$ 26,573,051	$ 21,713,890

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021
(With Summarized Comparative Totals for 2020)

	2021			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	2020 Total
Support and revenue:				
Contributions:				
Building materials and services	**$ 386,917**	**$ 26,000**	**$ 412,917**	$ 935,131
Donated land	**58,246**	**102,703**	**160,949**	205,892
Cash	**1,986,444**	**326,700**	**2,313,144**	2,237,459
Estates and trusts	**1,537,648**	**1,570,860**	**3,108,508**	128,312
Habitat ReStore merchandise	**1,345,424**	**-**	**1,345,424**	1,425,299
Transfers to homeowners	**12,137,001**	**-**	**12,137,001**	10,936,438
Gain on sale of mortgages	**-**	**-**	**-**	98,456
Mortgage discount amortization	**148,313**	**-**	**148,313**	48,743
Sales—Habitat ReStore	**1,563,185**	**-**	**1,563,185**	1,312,804
Fundraising events, net of direct costs of $174,558	**411,069**	**-**	**411,069**	259,736
Foundations and grants	**1,713,818**	**-**	**1,713,818**	995,376
Other	**119,433**	**-**	**119,433**	190,420
Investment income	**82,485**	**-**	**82,485**	20,490
Net assets released from restrictions	**305,756**	**(305,756)**	**-**	-
Total support and revenue	**21,795,739**	**1,720,507**	**23,516,246**	18,794,556
Expenses:				
Program:				
Construction	**15,023,020**	**-**	**15,023,020**	13,687,019
Mortgage discounts	**89,055**	**-**	**89,055**	102,906
Habitat ReStore	**2,579,109**	**-**	**2,579,109**	2,240,743
Supporting services:				
General and administrative	**516,084**	**-**	**516,084**	445,972
Fundraising	**554,826**	**-**	**554,826**	587,514
Total expenses	**18,762,094**	**-**	**18,762,094**	17,064,154
Changes in net assets before other changes	**3,033,645**	**1,720,507**	**4,754,152**	1,730,402
Other changes:				
Interest expense	**(59,238)**	**-**	**(59,238)**	(76,883)
Gain (loss) on sale of land and property and equipment	**61,698**	**-**	**61,698**	(152,946)
Forgiveness of debt	**536,607**	**-**	**536,607**	346,492
Amortization of joint venture deferred revenue	**-**	**-**	**-**	12,323
Total other changes	**539,067**	**-**	**539,067**	128,986
Changes in net assets	**3,572,712**	**1,720,507**	**5,293,219**	1,859,388
Net assets:				
Beginning	**10,241,308**	**468,920**	**10,710,228**	8,850,840
Ending	**$ 13,814,020**	**$ 2,189,427**	**$ 16,003,447**	$ 10,710,228

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statement of Activities and Change in Net Assets
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions:			
Building materials and services	$ 840,631	$ 94,500	$ 935,131
Donated land	74,968	130,924	205,892
Cash	1,963,882	273,577	2,237,459
Estates and trusts	128,312	-	128,312
Habitat ReStore merchandise	1,425,299	-	1,425,299
Transfers to homeowners	10,936,438	-	10,936,438
Gain on sale of mortgages	98,456	-	98,456
Mortgage discount amortization	48,743	-	48,743
Sales—Habitat ReStore	1,312,804	-	1,312,804
Fundraising events, net of direct costs of $94,606	259,736	-	259,736
Foundations and grants	989,626	5,750	995,376
Other	190,420	-	190,420
Investment income	20,490	-	20,490
Net assets released from restrictions	474,189	(474,189)	-
Total support and revenue	18,763,994	30,562	18,794,556
Expenses:			
Program:			
Construction	13,687,019	-	13,687,019
Mortgage discounts	102,906	-	102,906
Habitat ReStore	2,240,743	-	2,240,743
Supporting services:			
General and administrative	445,972	-	445,972
Fundraising	587,514	-	587,514
Total expenses	17,064,154	-	17,064,154
Changes in net assets before other changes	1,699,840	30,562	1,730,402
Other changes:			
Interest expense	(76,883)	-	(76,883)
Loss on sale of land and property and equipment	(152,946)	-	(152,946)
Forgiveness of debt	346,492	-	346,492
Amortization of joint venture deferred revenue	12,323	-	12,323
Total other changes	128,986	-	128,986
Changes in net assets	1,828,826	30,562	1,859,388
Net assets:			
Beginning	8,412,482	438,358	8,850,840
Ending	$ 10,241,308	$ 468,920	$ 10,710,228

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2021
(With Summarized Comparative Totals for 2020)

	2021								
	Program Services				Supporting Services				
	Construction	Mortgage Discounts	Habitat ReStore	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total	2020 Total
Salaries	$ 2,008,660	$ -	$ 511,963	$ 2,520,623	$ 273,342	$ 422,157	$ 695,499	$ 3,216,122	$ 3,120,184
Employee benefits	220,823	-	98,305	319,128	32,296	52,511	84,807	403,935	405,838
Retirement plan	35,969	-	6,627	42,596	8,271	5,527	13,798	56,394	30,711
	2,265,452	-	616,895	2,882,347	313,909	480,195	794,104	3,676,451	3,556,733
Building materials and supplies	11,275,798	-	-	11,275,798	-	-	-	11,275,798	10,247,453
Insurance and taxes	133,780	-	33,376	167,156	-	-	-	167,156	179,473
Repairs and maintenance	47,406	-	-	47,406	-	-	-	47,406	15,209
Depreciation and amortization	108,886	-	9,418	118,304	34,996	-	34,996	153,300	169,648
Mortgage discounts	-	89,055	-	89,055	-	-	-	89,055	102,906
Office supplies, equipment and utilities	269,445	-	51,000	320,445	38,244	7,016	45,260	365,705	241,758
Printing and advertising	117,167	-	25,875	143,042	1,099	3,831	4,930	147,972	71,796
Travel	67,870	-	15,973	83,843	6,661	1,130	7,791	91,634	78,205
Professional services	115,660	-	2,699	118,359	80,717	4,710	85,427	203,786	217,743
Other	129,680	-	39,429	169,109	27,458	42,144	69,602	238,711	166,349
Donated merchandise sold	-	-	1,448,487	1,448,487	-	-	-	1,448,487	1,312,804
Purchased merchandise sold	-	-	114,698	114,698	-	-	-	114,698	100,539
Rent	233,876	-	221,259	455,135	13,000	15,800	28,800	483,935	427,971
Bad debt expense	48,000	-	-	48,000	-	-	-	48,000	25,567
Support of Habitat for Humanity International	210,000	-	-	210,000	-	-	-	210,000	150,000
	$ 15,023,020	$ 89,055	$ 2,579,109	$ 17,691,184	$ 516,084	$ 554,826	$ 1,070,910	$ 18,762,094	$ 17,064,154

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services				Supporting Services			
	Construction	Mortgage Discounts	Habitat ReStore	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries	$ 1,904,145	$ -	$ 491,771	$ 2,395,916	$ 256,445	$ 467,823	$ 724,268	$ 3,120,184
Employee benefits	237,194	-	98,575	335,769	29,056	41,013	70,069	405,838
Retirement plan	19,091	-	4,146	23,237	5,554	1,920	7,474	30,711
	2,160,430	-	594,492	2,754,922	291,055	510,756	801,811	3,556,733
Building materials and supplies	10,247,453	-	-	10,247,453	-	-	-	10,247,453
Insurance and taxes	150,896	-	28,577	179,473	-	-	-	179,473
Repairs and maintenance	15,209	-	-	15,209	-	-	-	15,209
Depreciation and amortization	120,867	-	10,344	131,211	38,437	-	38,437	169,648
Mortgage discounts	-	102,906	-	102,906	-	-	-	102,906
Office supplies, equipment and utilities	203,550	-	19,940	223,490	9,144	9,124	18,268	241,758
Printing and advertising	58,643	-	300	58,943	-	12,853	12,853	71,796
Travel	55,906	-	13,613	69,519	3,230	5,456	8,686	78,205
Professional services	139,122	-	975	140,097	73,851	3,795	77,646	217,743
Other	83,912	-	33,552	117,464	16,805	32,080	48,885	166,349
Donated merchandise sold	-	-	1,312,804	1,312,804	-	-	-	1,312,804
Purchased merchandise sold	-	-	100,539	100,539	-	-	-	100,539
Rent	275,464	-	125,607	401,071	13,450	13,450	26,900	427,971
Bad debt expense	25,567	-	-	25,567	-	-	-	25,567
Support of Habitat for Humanity International	150,000	-	-	150,000	-	-	-	150,000
	$ 13,687,019	$ 102,906	$ 2,240,743	$ 16,030,668	$ 445,972	$ 587,514	$ 1,033,486	$ 17,064,154

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Changes in net assets	**$ 5,293,219**	$ 1,859,388
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	**131,436**	146,841
Amortization of intangibles	**21,864**	22,807
Amortization of loan costs	**15,202**	50,536
Bad debt expense	**48,000**	25,567
Unrealized and realized gains on investments	**(69,686)**	(2,111)
Mortgage discount amortization	**(148,313)**	(48,743)
Net donated materials and labor	**68,500**	(17,500)
Gain on sale of mortgages	**-**	(98,456)
Mortgage discounts	**89,055**	102,906
Loss on sale of property held for investment or sale	**41,290**	157,068
Gain on sale of property and equipment	**(102,988)**	(4,122)
Donated land for development	**(160,949)**	(205,892)
Forgiveness of debt	**(536,607)**	(346,492)
(Increase) decrease in:		
Accounts receivable	**(146,758)**	(3,743)
Other receivables	**44,500**	(215,147)
Unconditional promises to give	**(196,204)**	(114,519)
Estate receivable	**(1,570,860)**	-
Land held for development	**(1,272,235)**	(1,388,626)
Habitat ReStore inventory	**87,686**	(107,026)
Homes under construction	**(44,878)**	667,189
Other assets	**(112,938)**	(76,057)
Increase (decrease) in:		
Accounts payable and accrued expenses	**232,308**	(212)
Deferred revenue in joint venture	**-**	(12,323)
Escrow deposits	**115,804**	162,646
Down payments and advance payments	**20,500**	(10,953)
Net cash provided by operating activities	**1,846,948**	543,026
Cash flows from investing activities:		
Proceeds from sale of land held for development	**14,292**	179,069
Proceeds from sale of property and equipment	**633,563**	117,238
Purchases of property and equipment	**(85,152)**	(14,217)
Purchase of property held for investment	**(284,078)**	-
Transfers of assets to community foundations	**(1,500,000)**	-
Contributions to investment in joint venture	**-**	(4,022,108)
Distributions from investment in joint venture	**40,328**	-
Proceeds from sale and payments received on mortgages	**228,888**	139,242
Net cash used in investing activities	**(952,159)**	(3,600,776)

(Continued)

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2021 and 2020

		2021		2020
Cash flows from financing activities:				
Payments on notes payable	**$**	**(1,851,652)**	$	(5,020,443)
Proceeds from notes payable		**1,582,832**		11,680,107
Payments of deferred financing costs		**-**		(219,862)
Payments on capital lease obligations		**(12,445)**		(11,075)
Net cash (used in) provided by financing activities		**(281,265)**		6,428,727
Net increase in cash		**613,524**		3,370,977
Cash and cash equivalents (including assets held in escrow):				
Beginning		**9,236,431**		5,865,454
Ending	**$**	**9,849,955**	$	9,236,431
Supplemental disclosure of cash flow information:				
Cash paid during the year for interest	**$**	**70,573**	$	94,289
Supplemental schedule of noncash investing transactions:				
Transfers of property to homeowners through issuance of mortgages receivable	**$**	**11,166,038**	$	9,916,062

See notes to consolidated financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

Habitat for Humanity of Pinellas County, Inc. (Habitat) was incorporated in January 1985. Habitat is an affiliate of Habitat for Humanity International, Inc. (Habitat International), a nondenominational Christian, not-for-profit organization, whose mission is to build and repair simple, decent, affordable houses for those who lack adequate shelter. Although Habitat International assists with information resources, training, publications, prayer support and in other ways, Habitat is primarily and directly responsible for its own operations.

Pinellas Funding Company I, LLC (Pinellas Funding) was incorporated in July 2013 and is solely-owned by Habitat. Pinellas Funding was formed to complete the sale of mortgages with PNC Bank (see Note 16). Pinellas Funding purchased mortgages from Habitat and subsequently sold these mortgages to PNC Bank.

On August 31, 2010, Pinellas County Habitat for Humanity Community Development Organization (Pinellas CHDO) was incorporated as a not-for-profit organization in accordance with the laws of the State of Florida. Pinellas CHDO is wholly-owned by Habitat and has met the requirements specified by the U.S. Department of Housing and Urban Development (HUD) to act in the capacity of a Community Housing Development Organization (CHDO) and has been certified by Pinellas County, Florida. As a result, Pinellas CHDO is eligible to participate in government programs that provide special set-aside funds that can be used to provide affordable housing to low income families within Pinellas County.

The following are the significant policies used in the preparation of the accompanying consolidated financial statements:

Principles of consolidation: The accompanying consolidated financial statements include the accounts of Habitat, Pinellas Funding and Pinellas CHDO (collectively, the Organization), which are not-for-profit corporations. The entities comprising the Organization are related through a controlling financial interest and Habitat's direct and indirect ability to determine the direction of management. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Basis of presentation: A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Contributions and other inflows of assets that are not subject to donor imposed stipulations, but may be designated for specific purposed by actions of the Board of Directors (Board). This designation may be removed at the Board's discretion. Net assets without donor restrictions include expendable funds available to support operations as well as net assets invested in property and equipment.

Net assets with donor restrictions: Contributions and other inflows of assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by actions of the Organization or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor-restricted contributions for which restrictions are met within the same year as received are reported as contributions without donor restrictions.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Use of estimates: The preparation of consolidated financial statements in conformity with generally accepted accounting principles (U.S. GAAP) 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 consolidated financial statements and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Fair value measurements: The Organization measures beneficial interest in assets held by community foundations at fair value on a recurring basis (at least annually). The Organization defines fair value in accordance with U.S. GAAP, which specifies a hierarchy of valuation techniques used to measure fair value. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs.

The following in a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Organization.

Level 2: Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs based on the Organization's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

The Organization evaluates the various types of financial assets to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. The Organization employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the report date.

During the years ended June 30, 2021 and 2020, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its consolidated statements of financial position or activities and changes in net assets.

Cash and cash equivalents: Cash and cash equivalents consist of cash on deposit with financial institutions. The Organization considers all highly liquid assets with an initial maturity of three months or less as cash. Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally insured limits. From time to time the Organization's cash balances may have exceeded the federally insured limit. However, the Organization has not experienced, and does not expect, to incur any losses in such accounts.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Assets held in escrow: The Organization currently services the mortgages on the homes it sells. Included in assets held in escrow are cash amounts received for insurance and property taxes on such homes. These cash amounts are recorded as an asset and offset by escrow deposits, a related liability.

Accounts receivable and other receivables: Accounts receivable consist of various amounts due from homeowners and homeowner candidates. Other receivables consists of second mortgages, a note receivable in connection with a new markets tax credit program (see Note 8), and amounts due from various financial institutions. Management estimates the allowance for uncollectible accounts receivable and other receivables based on a review of the individual receivable outstanding as of the end of the year. The Organization has determined that all amounts are collectible; accordingly, no allowance for potentially uncollectible accounts has been recorded at June 30, 2021 and 2020.

Unconditional promises to give: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, or when a pledge becomes due, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Conditional promises to give are not included as support until the performance and/or control barriers are substantially met.

The carrying amount of unconditional promises to give is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. The allowance is based on prior years' experience and management's analysis of specific promises made. Certain accounts are written off under the direct write-off method' other accounts are part of the reserve for doubtful accounts established based on management's estimate.

As of June 30, 2021 and 2020, the Organization recorded allowances in the amount of $56,000 and $28,000, respectively.

Estate receivables: The Organization has been named as a beneficiary of future distributions from an estate. The estate receivable is recorded at fair value upon the Organization's interest becoming irrevocable and measurable.

Habitat ReStore inventory: Habitat ReStore inventory includes donated and purchased household building materials, appliances and furniture that are sold at the Habitat ReStores. Donated merchandise is stated at its estimated fair value, which is determined based on its future economic benefit. During the years ended June 30, 2021 and 2020, the Organization estimated the fair value of donated merchandise to be approximately $1,345,000 and $1,425,000, respectively. Purchased merchandise is stated at lower of cost or net realizable value, with cost being determined by the first-in, first-out method.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Homes under construction: Homes under construction consist of labor, material and lot costs using the specific identification method, and include indirect construction costs incurred during the construction period. When the home is ultimately sold, construction costs are expensed and reported as building materials and supplies in the consolidated statements of functional expenses. As the purpose and mission of the Organization is to build affordable housing for low-income families, the Organization does not generally write down the value of homes under construction to estimated sales value, because any excess cost over sales value is a component of program services. Habitat transferred 60 and 54 homes to homeowners during the years ended June 30, 2021 and 2020, respectively.

Land held for development: Land held for development includes the cost of land and land improvements or, if donated, the approximate fair value of the land at the date of the donation, held for future construction of homes. Land held for development is carried as the lower of costs or net realizable value.

Property and equipment: Property and equipment are recorded at acquisition cost, including costs necessary to prepare the asset for its intended use, less accumulated depreciation. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the assets ranging from three to 10 years.

Maintenance and repairs are charged to expense as incurred, while renewals and betterments in excess of $1,000 are capitalized. Upon retirement, sale or other disposition of property and equipment, the costs an accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the consolidated statements of activities and changes in net assets.

Impairment of long-lived assets: The Organization's long-lived assets, such as land, building and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount exceeds the fair value of the asset. The Organization determined there was no impairment on long-lived assets as of June 30, 2021 and 2020.

Mortgages receivable, net and other mortgages: Mortgages receivable consist predominantly of non-interest bearing residential first mortgages secured by real estate and payable in monthly installments over the life of the mortgage, generally ranging from five to 35 years. Non-interest-bearing mortgages have been discounted based upon prevailing market rates for low income housing at the inception of the mortgages, as provided by Habitat International. This discount will be recognized as mortgage discount amortization income over the term of the mortgage.

In addition to the mortgages receivable included in the consolidated statements of financial position, the Organization also enters into equity creation agreements with certain homebuyers. These equity creation agreements known as a silent second mortgage originate at the same time of the first mortgage and reflect the difference between the purchase price and the fair market value of the house. This equity creation agreement is part of the mortgage document and is executed for protection against homeowners who may sell their house for a profit before the mortgage is repaid, and to protect the homeowner by preventing predatory lenders from paying off the first mortgage and saddling the homeowners with an onerous new mortgage. This amount is considered forgiven by the mortgagee over the life of the mortgage and the mortgagor agrees that the remaining balance is secured by the mortgage until forgiven in full. The Organization does not record a value for the equity creation agreements as it is unlikely that the amount will ever be collected.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The Organization uses established underwriting criteria to ensure that only families who meet the Organization’s financial and credit criteria are approved to be partner families and receive a non-interest-bearing mortgage loan from the Organization. This includes, but is not limited to, a thorough review of each prospective homeowner’s credit report, sources of income and financial history.

The Organization regularly reviews its mortgages receivable and monitors the accounts for delinquencies. The Organization has documented delinquency procedures that are followed starting with 10 to 15 days after the payment due date. Once a payment is 120 days or more late, the Organization will turn the file over to its attorney who will send a letter or other notice as required by law. If the homeowner does not cure the default, foreclosure proceedings are initiated.

Non-interest-bearing mortgages originated are discounted based on prevailing market rates at the time of the sale, which results in the net mortgage receivable balances being generally less than 50% of the home’s fair value. Therefore, the Organization believes that losses resulting from nonpayment of mortgage notes receivable, given its collateral value, are not likely. Accordingly, the Organization has not recorded an allowance for mortgages receivable.

Debt issuance costs: Debt issuance costs are amortized using the straight-line method over the expected life of the related debt, which approximates the effective interest method, and are presented as a direct deduction from the face amount of the financings (see Note 10). The related expense is included in interest expense in the consolidated statements of activities and changes in net assets.

Investment in joint venture: The Organization makes investments in various companies to facilitate New Markets Tax Credit transactions (see Note 8). The Organization accounts for their investment under the equity method of accounting as they maintain significant influence over the investment; however, do not have control.

Beneficial interest in assets held by foundations: The beneficial interest in assets held by community foundations is recorded at fair value in the consolidated statements of financial position. Changes in the fair value of the beneficial interest in assets held by foundations are recorded as investment income in the consolidated statement of activities and changes in net assets.

Other assets: Other assets consist mainly of prepaid expenses, refundable deposits and intangible assets. In accordance with U.S. GAAP, if an intangible asset is determined to have an indefinite useful life, it shall not be amortized until its useful life is determined to be no longer indefinite.

Revenue recognition: The Organization first determines if a transaction represents an exchange transaction and if so, accounts for the transaction in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers (Topic 606), 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.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The Organization's revenue from contracts with customers consists of transfers to homeowners and Habitat ReStore sales. The Organization's contracts have a single performance obligation. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring goods to the customer. Revenue is recorded based on transaction price, which is a fixed consideration. The Organization recognizes Habitat ReStore sales at a point in time when control of the goods is passed to the customer, which typically occurs at point of sale and is also when customer payment is collected. Sales from the Habitat ReStore are reported net of sales tax collected.

The Organization recognizes revenue from home sales at a point in time, when a closing occurs. A closing is considered to occur when title, possession and other attributes of ownership have been transferred to the buyer; and the Organization is not obligated to perform significant activities and changes in net assets after the sale. Revenue from the sale of homes is recorded in the consolidated statements of activities and changes in net assets as transfers to homeowners. Transfers to homeowners are recorded at the gross mortgage amount plus down payment received.

Federal, state and local government and other grant transactions within the scope of Topic 606, if any, are recognized as support when performance occurs pursuant to the contract agreement.

The Organization performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. Performance obligations meeting certain specific criteria, is recognized over time as the customer consumes and receives the benefit of the Organization's services as they are performed. If certain criteria is not met, the revenue is recognized at a point in time.

All revenue recognized under Topic 606 is recognized at a point in time.

Revenue recognition on contracts and grants deemed to be non-exchange transactions follow FASB ASC 958-605, Revenue Recognition *(*Topic 958-605). Unconditional contributions received, including promises to give, cash, other assets and grants and contracts deemed to be non-exchange transactions, are recorded as support to net assets with or without donor restrictions, at estimated fair value, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Conditional contributions are those contributions that certain donor imposed rights of refund/return and barriers (performance obligations and/or controlling stipulations). Conditional contributions are recognized into revenue when conditions are satisfied and then follow the above polices for unconditional contributions. Conditional contributions received in advance of satisfying conditions are recorded as deferred revenue.

The Organization accounts for sales of mortgages receivable under FASB ASC 860-20, Sales of Financial Assets. Gain on sale of loans sold are recognized when the loans are sold and include cash from any sale and the write off of any discounts on the mortgage loans.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Donated services, materials, and land: Donated services, materials, and land are recorded as increases in net assets without donor restrictions unless the use of the related assets is limited by donor imposed restrictions. Donated services, materials and land are reflected in the accompanying consolidated statements of activities, at their estimated fair values at the date of receipt. Habitat reports revenues for the fair value of donated services received when the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated.

During the years ended June 30, 2021 and 2020, Habitat recorded donation revenue of approximately $413,000 and $935,000, respectively, related to donations of building materials and services. During the years ended June 30, 2021 and 2020, Habitat received approximately $161,000 and $206,000, respectively, in donated lots from various financial institutions and donors recorded at their tax assessed just market value which approximates fair value.

Advertising costs: Advertising costs are expensed as incurred and were approximately $148,000 and $72,000 for the years ended June 30, 2021 and 2020, respectively.

Income tax status: Habitat and Pinellas CHDO are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. Pinellas Funding is a disregarded entity and, therefore, revenues and expenses flow through to Habitat for federal tax purposes. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements.

The Organization has adopted the accounting standard on accounting for uncertain income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this policy, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position would be sustained on examination by taxing authorities, based on the technical merits of the position. Management has evaluated the Organization's tax position and had concluded the Organization has taken no uncertain tax positions that require disclosure.

The Organization would be liable for income taxes in the U.S. federal jurisdiction. Generally, the Organization is no longer subject to U.S. federal tax examinations by tax authorities before 2018.

Functional expense allocation: The costs of providing the programs and supporting services have been reported on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Expenses allocated using management's estimate of time spent include payroll, employee benefits, and retirement plan expenses. Expenses allocated using management's estimate of usage include professional services, certain insurance, and depreciation and amortization. Lastly, expenses allocated using square footage include rent and utilities.

Reclassification: Certain amounts in the 2020 consolidated financial statements have been reclassified to conform to the 2021 presentation. Net assets and changes in net assets were unchanged due to these reclassifications.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Newly adopted accounting pronouncements: In August 2018, the FASB issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurements (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement,* which modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Organization adopted this standard retrospectively in the current year. The adoption of this ASU did not have a significant impact on the consolidated financial statements.

Recent accounting pronouncements: In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit entities. The ASU will require a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities apart from contributions of cash or other financial assets. The ASU will also require enhanced disclosure, including disaggregation of nonfinancial assets recognized by category and qualitative information about each category. The amendments in this ASU will be applied on at retrospective basis and are effective for annual reporting periods beginning after June 15, 2021, and interim periods beginning after June 15, 2022 (the Organization's June 30, 2022 consolidated financial statements), with early adoption permitted. The Organization is currently evaluating the impact this ASU will have on the consolidated financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases, (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principal of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance capital leases. The standard is effective for annual periods beginning after December 15, 2021 (the Organization's June 30, 2023 consolidated financial statements), with early adoption permitted. The Organization is in the process of evaluating the impact of this new guidance.

Subsequent events: Management has evaluated all events subsequent to the consolidated statements of financial position date of June 30, 2021, through November 3, 2021, which is the date the consolidated financial statements were available to be issued. There were no subsequent events, other than those disclosed in Note 10, that would require adjustment to or disclosure in the accompanying consolidated financial statements.

Note 2. Availability and Liquidity

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. Generally, the Organization strives to maintain a minimum amount of cash on hand equal to 90 days of operating expense. Additionally, the Organization may draw upon its line of credit (see Note 10) to manage cash flows should the liquidity need arise. The following represents the Organization's financial assets available to meet general expenditures over the next 12 months at June 30:

	2021	2020
Cash and cash equivalents, less use restrictions of $6,400 and $13,750 at June 30, 2021 and 2020, respectively	$ 8,915,159	$ 8,425,859
Accounts receivable	204,399	57,641
Unconditional promises to give (due in less than one year)	151,913	123,952
Estate receivable	1,570,860	-
Mortgages receivable (due in less than one year)	113,539	114,471
	$ 10,955,870	$ 8,721,923

Note 3. Unconditional Promises to Give and Estate Receivable

Unconditional promises to give and estate receivable consist of the following at June 30:

	2021	2020
Gross unconditional promises to give	$ 2,004,585	$ 237,884
Less allowance for uncollectible promises	(56,000)	(28,000)
Less unamortized discount	(30,240)	(10,603)
Unconditional promises to give, net	$ 1,918,345	$ 199,281

	2021	2020
Amounts due in:		
Less than one year	$ 1,722,773	$ 123,952
One to four years	281,812	113,932
	$ 2,004,585	$ 237,884

Promises to give with due dates extending beyond one year are discounted to present value using treasury bill rates with similar term investments with an added amount for economic uncertainty. The applicable discount rate for amounts due in more than one year was approximately 3%.

At June 30, 2021 and 2020, approximately $20,000 and $26,000 respectively, of unconditional promises to give were deemed uncollectible and written off.

During 2021, the Organization was named a 5% beneficiary in an estate and trust which became irrevocable in May 2021. The gift was made without donor restriction. As of June 30, 2021, the Organization has an outstanding estate receivable balance of approximately $1,570,000 which is expected to be collected during fiscal year 2022.

Note 4. Property and Equipment

Property and equipment consists of the following at June 30:

	2021	2020
Vehicles	$ 183,745	$ 215,061
Furniture and fixtures	96,423	96,423
Land	-	232,787
Buildings	192,267	516,311
Leasehold improvements	405,773	373,030
Signage	45,254	41,908
Construction equipment	52,690	52,690
Office equipment	213,040	257,290
	1,189,192	1,785,500
Less accumulated depreciation	(770,540)	(789,989)
	$ 418,652	$ 995,511

Depreciation expense was approximately $131,000 and $147,000 for the years ended June 30, 2021 and 2020, respectively.

Note 5. Mortgages Receivable, Net

Mortgages receivable, net consist of the following at June 30:

	2021	2020
Non-interest bearing loans at par value	$ 1,368,981	$ 1,487,555
Less unamortized discount based on imputed interest	(650,185)	(709,443)
	$ 718,796	$ 778,112

All loans were deemed performing as of June 30, 2021 and 2020. Loans are deemed performing if they are less than 90 days delinquent, or if on an approved payment plan and current with the terms of the plan. No amounts were past due as of June 30, 2021 and 2020.

As of June 30, 2021, the balances due on the mortgages that are scheduled to be received for the next five years and thereafter are as follows:

Years ending June 30,	
2022	$ 113,539
2023	106,033
2024	101,134
2025	95,047
2026	82,356
Thereafter	870,872
	$ 1,368,981

Note 5. Mortgages Receivable, Net (Continued)

The initial amount of each mortgage loan approximates the Organization's cost to build the house, plus mortgage discount expense. The residential mortgage loans have been discounted to reflect their economic value. The interest rates used to determine the discount range from 3.0% to 10.0% and are based on prevailing market rates, as provided by either Habitat International or applicable federal rates, in the year the mortgage originated. The discount rate used for each of the years ended June 30, 2021 and 2020, was 7.66%. The discount is calculated by computing the present value of each of the non-interest-bearing notes using the applicable discount rate.

The Organization typically sells mortgages receivable to various financial institutions at face value. During the years ended June 30, 2021 and 2020, the Organization sold mortgages receivable with a face value of $11.2 million and $9.9 million, respectively. The Organization recognized no gain on sale of mortgages during the year ended June 30, 2021. The Organization recognized a gain on sale of mortgages of approximately $98,000 during the year ended June 30, 2020.

The Organization services loans which it had sold to various banks. Under the agreements with the banks, the Organization agrees to service all loans in accordance with all applicable federal and state laws and regulations, and customary practices, policies and procedures for servicing residential mortgage loans. Additionally, in the event a loan becomes in default, the loan is subject to certain recourse by the bank.

Note 6. Beneficial Interest in Assets Held By Foundations

The Organization established funds, with the use of net assets with donor restrictions, within the Pinellas Community Foundation (PCF) in the amount of $10,000 and Community Foundation of Tampa Bay (CFTB) in the amount of $10,000 and named the Organization as beneficiary of each fund (original funds). During 2021, with the use of net assets without donor restrictions, the Organization established additional funds within PCF in the amount of $1,000,000 and CFTB in the amount of $500,000 and named the Organization as beneficiary of each fund. The various fund agreements grant variance power to the respective Community Foundations, which allows the respective Community Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the respective Community Foundation's board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The source of the funds originated from contributions without restrictions. Earnings on the funds, net of any service fees, will be periodically distributed to the Organization in accordance with the agreement. The Organization has received approximately $39,000 and $1,000 in earnings on these accounts for the years ended June 30, 2021 and 2020, respectively. The portfolio is managed by an investment company with oversight by PCF and CFTB. As of June 30, 2021 and 2020, the Organization's investment in beneficial interest in assets held by community foundations totaled approximately $1,561,000 and $22,000, respectively.

Note 7. Fair Value Measurement

The Organization's investments are reported at fair value in the accompanying consolidated statements of financial position.

Fair value of assets measured on a recurring basis at June 30, 2021 and 2020, is as follows:

2021	Estimated Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Estate receivable	$ 1,570,860	$ -	$ -	$ 1,570,860
Beneficial interest in assets held by community foundations	1,561,014	-	-	1,561,014
	$ 3,131,874	$ -	$ -	$ 3,131,874

2020	Estimated Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Beneficial interest in assets held by community foundations	$ 22,135	$ -	$ -	$ 22,135

The beneficial interest in assets held by community foundations are managed by two independent third-party trustees, and the Organization has no authority over investment decisions. The trust assets are valued based upon the third-party information without adjustment. The Organization does not develop, nor are they provided with, the quantitative inputs used to develop the fair market values. Thus, the beneficial interest in assets held by community foundations are classified as Level 3 within the fair value hierarchy level.

The estate receivable is valued based on the Organization's percentage ownership of the underlying assets held by the trust adjusted for expected expenses of the estate. Thus the estate receivable is classified as Level 3 within the fair value hierarchy level.

Note 7. Fair Value Measurement (Continued)

During the years ending June 30, 2021 and 2020, there were no transfers into and out of Level 3 investments. The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2021 and 2020.

	2021		
	Estate Receivable	Beneficial Interest in Assets Held by Community Foundations	Total
Beginning balance	$ -	$ 22,135	$ 22,135
Additions	1,570,860	1,500,000	3,070,860
Change in beneficial interests	-	38,879	38,879
Ending balance	$ 1,570,860	$ 1,561,014	$ 3,131,874

	2020		
	Estate Receivable	Beneficial Interest in Assets Held by Community Foundations	Total
Beginning balance	$ -	$ 20,000	$ 20,000
Change in beneficial interests	-	2,135	2,135
Ending balance	$ -	$ 22,135	$ 22,135

Note 8. Investment in Joint Venture

The Organization participates in New Markets Tax Credit (NMTC) programs. NMTC financing allows an entity to receive a loan or investment capital from outside investors, who will receive new markets tax credits to be applied against their federal tax liability. The programs provide funds to eligible organizations for investment in "qualified low-income community investment". Program compliance requirements included creation of a promissory note and investment in a qualified community development entity (CDE). Tax credit recapture is required if compliance requirements are not met over a seven-year period.

In August 2012, the Organization invested, along with other Habitat affiliates, in a joint venture (CCML Leverage II LLC) to take advantage of NMTC financing. As a result, the Organization invested $100,000 of cash plus a leverage amount of construction in process value of $1,330,132. With this initial investment, the Organization was able to secure a 16-year loan in the amount of $1,880,000 payable to CCM Community Development XXVII (CCM), an affiliate of the joint venture. The loan accrued interest only for years one through seven at a reduced rate of .7608%. Beginning in years eight through 15, the principal balance of the loan was reduced by an eight-year amortization at the same rate of .7608% (see Note 10). During the year ended June 30, 2020, the loan was forgiven and CCML Leverage II LLC was dissolved. All remaining income was distributed to the Organization. The Organization recognized approximately $300,000 of forgiveness of debt income during the year ended June 30, 2020.

Note 8. Investment in Joint Venture (Continued)

In December 2019, the Organization invested in a partnership (Habitat Pinellas Leverage III, LLC), with 95.0% ownership to take advantage of NMTC financing. As a result, the Organization has invested $4,032,750 and was able to secure two 20-year loans in the amount of $4,245,000 and $1,755,000 payable to a community development entity. The loan proceeds are to be used solely for the purpose of acquiring, rehabbing and/or constructing single-family homes in qualified census tracts and selling all homes to low income persons. The loans are interest only for years one through seven at a reduced rate of 0.7076% per year. Beginning in year eight through year 20 the principal balance of the loan is reduced by a twelve-year amortization at the same rate of 0.7076%. In December 2026, Hancock Whitney New Markets Investor 37, LLC (the Fund), and the upstream effective owner of Hancock Whitney New Markets CDE 37, LLC (holder of the promissory note due from the Organization) is expected to exercise its put option. Under the terms of the put option agreement, Habitat Pinellas Leverage III, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow the Organization to extinguish its outstanding debt owed to the Fund.

Investments in joint ventures are accounted for under the equity method, with the Organization’s share of the operating results of the joint venture reflected in investment income from joint venture. During each of the years ended June 30, 2021 and 2020, investment income from joint ventures was approximately $30,800 and $2,000, respectively, and is included in investment income on the consolidated statements of activities.

Note 9. Capital Lease Payable

The Organization acquired equipment through capital lease arrangements. Equipment under the capital leases totaled $77,259 at June 30, 2021 and 2020. Depreciation expense reported in the consolidated statements of activities and changes in net assets for each of the years ended June 30, 2021 and 2020, was approximately $15,000.

Minimum payments required under the capital lease during the following fiscal years are as follows at June 30, 2021:

Years ending June 30:		
2022	$	13,930
2023		13,930
2024		13,930
2025		3,472
Total minimum lease payments		45,262
Less interest portions included in payments		(2,188)
Present value of lease obligations	$	43,074

Note 10. Notes Payable

	2021	2020
Loans payable to Habitat International as part of the SHOP 2010 grant, with total monthly payments ranging from $545 to $951 at 0% interest; maturing between January 2018 and January 2021. The loans payable were paid in full during fiscal year 2021.	$ -	$ 3,692
Loans payable to Habitat International as part of the SHOP 2011 grant with total monthly payments ranging from $456 to $971 at 0% interest; maturing between January 2019 and January 2021. The loans payable were paid in full during fiscal year 2021.	-	4,680
Loans payable to Habitat International as part of the SHOP 2012 grant with total monthly payments ranging from $290 to $362 at at 0% interest; maturing between July 2019 and January 2022.	795	1,476
Loans payable to Habitat International as part of the SHOP 2013 grant with total monthly payments ranging from $74 to $444 at 0% interest; maturing between July 2020 and January 2023.	12,667	24,091
Loan payable to Habitat International as part of the SHOP 2014 grant with monthly payments of $520 beginning January 2018, at 0% interest; maturing January 2022.	5,760	10,960
Loan payable to Habitat International as part of the SHOP 2015 grant with monthly payments of $677 beginning July 2019, at 0% interest; maturing July 2023.	19,637	26,407

(Continued)

Note 10. Notes Payable (Continued)

	2021	2020
Loans payable to Habitat International as part of the SHOP 2016 grant with total monthly payments ranging from $70 to $768 beginning January 2020, at 0% interest; maturing through January 2026.	$ 84,634	$ 89,000
Loans payable to Habitat International as part of the SHOP 2017 grant with total monthly payments ranging from $145 to $510 beginning January 2022, at 0% interest; maturing through July 2026.	106,250	40,625
Loans payable to Habitat International as part of the SHOP 2018 grant with total monthly payments ranging from $221 to $515 beginning July 2022, at 0% interest; maturing through July 2026.	35,500	-
Loan payable to Habitat International as part of the SHOP 2019 grant with monthly payments of $528 beginning January 2023, at 0% interest; maturing January 2027.	25,375	-
Note payable from Pinellas Funding to PNC Community Development Company, LLC for $1,004,236 with monthly payments of $2,843 at 0% interest until maturity at June 2043; collateralized by assignment of notes (see Note 16).	660,796	771,110
Note payable to Hancock Whitney New Markets CDE 37, LLC (see Note 9), debt requires interest only. Loan A $4,245,000 and Loan B $1,755,000. Debt requires interest only payments through December 2026 and matures in December 2039. The loan is secured by substantially all the assets acquired by the Organization from the loan proceeds. Debt has a put option feature that is exercisable on December 25, 2026.	6,000,000	6,000,000
Two (2) notes payable to the City of St. Petersburg for purchase of land with 0% interest, and collateralized by real property. The loans are forgiven if the home is owned by an eligible homeowner through January 2032.	24,000	-
Three (3) $15,000 notes payable to the City of St. Petersburg for three parcels of land with 0% interest, and collateralized by real property. The loans are forgiven if the home is owned by an eligible homeowner beginning February 2030 through March 2030.	45,000	45,000

(Continued)

Note 10. Notes Payable (Continued)

	2021	2020
Note payable to Pinellas County for the purchase of Habitat Pinellas Park Sub property with 0% interest. Effective October 2022, the loan was extended to have principal payments due at the earlier of the borrowers' sale of the property or March 2023.	$ 700,000	$ 840,000
$192,250 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of February 2023, collateralized by the property. No payments were due until the earlier of the maturity date or the date the property was sold. The note payable was paid in full during fiscal year 2021. .	-	31,250
$192,250 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of February 2023, collateralized by the property. No payments are due until the earlier of the maturity date or the date the property is sold.	31,250	31,250
$212,500 note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of December 2021, collateralized by the property. Repayment of the balance will be forgiven upon the sale of the property as approved by Pinellas County. The Organization is required to remain in compliance with a land use restriction for 14 years.	210,000	205,000
Note payable of $90,000 to Pinellas County for the purchase of property with 0% interest. Principal is due at the earlier of the borrowers' sale of the property or March 2023.	90,000	-
Paycheck Protection Program note payable with 1% interest and was scheduled to mature in April 2022. During 2021, the Organization received notification from the Small Business Administration the entire outstanding principal amount and accrued interest was forgiven.	-	536,607
Note payable of $410,000 to a bank to refinance outstanding note payable. The note accrued interest at 4.75% and required monthly principal and interest payments of $4,312 through August 2029. The loan was collateralized by Madison St. building. The note payable was paid off in full during fiscal year 2021.	-	357,550

(Continued)

Note 10. Notes Payable (Continued)

	2021	2020
Note payable of $166,884 to Pasco County for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021.	$ 104,303	$ 125,163
Note payable of $244,000 to Pasco County for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	211,467	244,000
Note payable of $12,900 to Pasco County for the purchase of Leisure Lane property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	12,900	12,900
Note payable of $18,861 to Pasco County for the purchase of Leisure Lane property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	18,861	18,861
Note payable of $10,460 to Pasco County for the purchase of Van Doren Avenue property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	10,460	10,460
Note payable of $20,600 to Pasco County for the purchase of Van Doren Avenue property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	20,600	20,600
Note payable of $35,000 to City of Clearwater for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or March 2023.	35,000	-
Note payable of $500,000 to City of Clearwater for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or June 2023.	50,000	-
Note payable of $130,000 to City of Clearwater for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or April 2023.	130,000	-
	8,645,255	9,450,682
Debt issuance costs, net of accumulated amortization	(170,670)	(185,872)
	$ 8,474,585	$ 9,264,810

Note 10. Notes Payable (Continued)

The following is a summary of future contractual debt maturities during each of the following years ending June 30:

2022	$	629,947
2023		875,962
2024		191,453
2025		93,784
2026		74,076
Thereafter		6,780,033
	$	8,645,255

Effective October 2021, the Organization entered into a loan agreement for $1.6 million to facilitate the purchase of land. The loan bears interest at Prime less 0.25% with a floor of 3%. Repayment of the loan in the amount of $1 million is due upon receipt of grant funding by Habitat. The remainder of the note is to be repaid with 100% of loan proceeds from sale of each home with any remaining amounts due at maturity, August 2023.

Undisbursed commitments to borrow: In the ordinary course of business, the Organization has entered into various lending arrangements, which include undisbursed commitments to borrow. Undisbursed commitments to borrow and the available borrowing amount at June 30, 2021, are as follows:

		Total Commitment		Available as of June 30, 2021
$192,250 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of February 2023, collateralized by the property. No payments are due until the earlier of the maturity date or the date the property is sold.	$	192,250	$	161,000
	$	192,250	$	161,000

Additionally, the Organization maintains a line of credit through a financial institution that allows the Organization to borrow up to $350,000 for the purpose of short-term working capital. The outstanding amount of the line of credit plus accrued interest is due on December 31, 2021. Interest is payable monthly at 30-day LIBOR Rate plus 2.5% (with a floor of 3.5% and a ceiling of 5.5%). There were no draws on the line of credit during the years ended June 30, 2021 and 2020.

During the year ended June 30, 2021, the Organization incurred no debt issuance costs in connection with the issuance of notes payable above. During the year ended June 30, 2020, the Organization incurred debt issuance costs of approximately $220,000 in connection with the issuance of notes payable. Debt issuance costs are presented as a reduction of notes payable to be amortized over the term of the loan. The components of debt issuance costs are as follows at June 30:

		2021		2020
Loan costs	$	184,509	$	191,088
Less accumulated amortization		(13,839)		(5,216)
Total direct debt costs, net	$	170,670	$	185,872

Note 10. Notes Payable (Continued)

Interest expense related to the direct debt costs for the years ended June 30, 2021 and 2020, was approximately $15,000 and $51,000, respectively.

Note 11. Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows at June 30:

	2021	2020
Subject to expenditure for specified purpose or time restriction:		
Unconditional promises to give, net of unamortized discount	$ 403,485	$ 227,281
Estate receivable	1,570,860	-
Use restriction	6,400	13,750
Donated labor and materials	26,000	94,500
Donated land	162,682	113,389
Subject to spending policy:	2,169,427	448,920
Beneficial interest in assets held by community foundations	20,000	20,000
	$ 2,189,427	$ 468,920

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time were as follows for the years ended June 30:

	2021	2020
Unconditional promises to give, net of unamortized discount	$ 144,096	$ 168,625
Use restriction	13,750	97,500
Donated labor and materials	94,500	56,000
Donated land	53,410	152,064
	$ 305,756	$ 474,189

Note 12. Leases

The Organization leases its office and two ReStore locations under non-cancelable operating lease agreements with expiration dates through September 2026. In addition to monthly base rent, the Organization is required to pay 5% of ReStore sales to the landlord. Total rent expense was approximately $484,000 and $428,000 for the years ended June 30, 2021 and 2020, respectively.

Based on the terms of the agreements, the minimum payments, excluding the percentage of Habitat ReStore's gross sales, due on all leases are as follows at June 30, 2021:

Years ending June 30:	
2022	$ 593,683
2023	470,175
2024	486,411
2025	503,173
2026	509,526
Thereafter	77,939
	$ 2,640,907

Note 13. Commitments and Contingencies

Litigation: The Organization is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Organization's consolidated financial position or the results of its operations.

Grantors: Certain expenditures incurred by the Organization are subject to audit and possible disallowance by federal and state agencies. Management believes that, if audited, an adjustment for disallowed expenses would be immaterial. Additionally, certain properties sold maintain land use restrictions over a period of time which require the properties to be owned by families of low-income. Noncompliance with the land use restriction could result in repayment of all or a portion of previous amounts forgiven. Management believes the Organization is in compliance with land use restrictions through June 30, 2021.

COVID-19: On January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a "Public Health Emergency of International Concern" and on March 11, 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 for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. It is unknown how long these conditions will last and what the complete financial effect will be on the Organization. The extent of the impact of COVID-19 on the Organization's operations and financial performance are uncertain and cannot be predicted. Management is continually monitoring the impact of COVID-19.

During 2020, the Organization received proceeds from the Paycheck Protection Program (see Note 10). During 2021, under the terms of the loan, the entire outstanding principal balance and accrued interest was forgiven. The Small Business Administration has the ability to review the original application and forgiveness application for six years to assess compliance with the CARES Act. Management believes the Organization is in compliance with the CARES Act and does not anticipate repayment of any amounts forgiven.

Note 14. Transactions With Habitat International

The Organization remits a portion of its contributions without donor restrictions to Habitat International as tithe to support its operations. The Organization contributed $210,000 and $150,000 to Habitat International during the years ended June 30, 2021 and 2020, respectively. These amounts are included in program services expense in the consolidated statements of activities and changes in net assets.

Note 15. Community Development Block Grant

On June 15, 2006, the Organization was awarded a Community Development Block Grant (Grant) from Pinellas County, Florida in the amount of $350,000. Under the Grant, the Organization acquired 2.5 acres of land in Dunedin, Florida and constructed 18 affordable home ownership housing units. If the homebuyer sells the property between years six and 20, the Organization is required to return a prorated portion of the funds back to Pinellas County. The Organization has recorded a second mortgage on the properties to secure its interest in the properties. Both an asset for the second mortgage and a corresponding liability of $350,000 due to Pinellas County, are recorded as a deferred affordable housing note, and are reflected in the June 30, 2021 and 2020, consolidated statements of financial position. The amounts will be forgiven in 2026 if the homebuyers do not sell the properties.

Note 16. Sale of Mortgages With PNC Bank

In August 2013, Pinellas Funding was formed as a single member LLC with Habitat as the member. During 2014, Pinellas Funding acquired seven mortgages from Habitat with a carrying value of $666,422. Pinellas Funding then entered into a note purchase agreement with PNC Bank. Pinellas Funding authorized the issuance and sale of the mortgages with a face value of $1,004,236 to PNC Bank for $666,422 on August 29, 2013. This transaction did not meet the requirements under ASC 860 to be treated as a sale due to the Organization maintaining effective control and involvement with the mortgage receivables. Accordingly, the mortgages receivable were not derecognized and are recorded in other mortgages receivable in the accompanying consolidated statements of financial position in the amount of approximately $661,000 and $771,000 at June 30, 2021 and 2020, respectively. Additionally, the Organization recorded a note payable due to PNC Bank. See Note 10 for the terms and outstanding balance of the offsetting PNC note payable at June 30, 2021 and 2020.

Note 17. Retirement Plan

The Organization has a 401(k) profit sharing plan that provides for a discretionary matching contribution. For the years ended June 30, 2021 and 2020, the Organization made contributions of approximately $56,000 and $31,000, respectively.

Note 18. Conditional Promises to Give from Grantors

The Organization has conditional federal grants of approximately $221,000 as of June 30, 2021. Future payments are contingent upon the Organization carrying out certain activities (meeting grant imposed barriers) stipulated by the grant.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2021

Federal Agency Pass-Through Entity Federal Program Pass-Through Entity Program or Cluster Title	Assistance Listing Number	Agency or Pass-Through Identifying Number	Federal Expenditures		Passed Through to Subrecipients
U.S. Department of the Treasury:					
Direct Award					
COVID-19 - Coronavirus Relief Fund	21.019	Not Applicable	$ 378,971		$ -
Total Assistance Listing Number 21.019			378,971		-
Subtotal – (U.S. Department of the Treasury)			378,971		-
U.S. Department of Housing and Urban Development (HUD):					
Passed through Pinellas County, Florida					
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	350,000	*	-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	205,000	*	-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	5,000		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	90,000		-
Passed through City of Clearwater, Florida					
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	35,000		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	15,000		-
Passed through City of St. Petersburg, Florida					
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	750		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	7,714		-
Total Assistance Listing Number 14.218			708,464		-
Passed through City of St. Petersburg, Florida					
HOME Investment Partnerships Program	14.239	Not Applicable	15,000	*	-
HOME Investment Partnerships Program	14.239	Not Applicable	15,000	*	-
HOME Investment Partnerships Program	14.239	Not Applicable	15,000	*	-
HOME Investment Partnerships Program	14.239	Not Applicable	14,000		-
HOME Investment Partnerships Program	14.239	Not Applicable	14,000		-
HOME Investment Partnerships Program	14.239	Not Applicable	10,000		-
HOME Investment Partnerships Program	14.239	Not Applicable	14,000		-
Total Assistance Listing Number 14.239			97,000		-
Passed through Habitat for Humanity International, Inc.					
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	200,931	*	-
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	126,500		-
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	379,500		-
Total Assistance Listing Number 14.247			706,931		-
Passed through City of Clearwater, Florida					
Neighborhood Stabilization Programs (Recovery Act Funded)	14.256	Not Applicable	50,000		-
Total Assistance Listing Number 14.256			50,000		-
Passed through Habitat for Humanity International, Inc.					
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	Not Applicable	45,154		-
Total Assistance Listing Number 14.252			45,154		-
Subtotal—(HUD)			1,607,549		-
Total federal awards			$ 1,986,520		$ -

(Continued)

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2021

State Agency Pass-Through Entity State Award Pass-Through Entity State Project	State CSFA Number	Agency or Pass-Through Identifying Number	State Expenditures		Passed Through to Subrecipients
Florida Housing Finance Corporation					
Passed through Pinellas County, Florida					
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	$ 240,000	*	$ -
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	31,250	*	-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	31,250	*	-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	130,572		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	19,586		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	126,168		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	18,925		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	145,975		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	21,896		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	123,835		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	18,575		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	106,931		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	16,040		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	92,239		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	13,885		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	126,228		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	18,934		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	140,385		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	21,058		-
Passed through City of Clearwater, Florida					
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	128,190		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	15,383		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	130,000		-
Passed through Pasco County, Florida					
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	50,000		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	50,000		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	50,000		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	50,000		-
State Housing Initiatives Partnership Program (SHIP)	40.901	Not Applicable	50,000		-
Total CSFA # 40.901			1,967,305		-
Subtotal—(Florida Housing Finance Corporation)			1,967,305		-
Total state financial assistance			$ 1,967,305		$ -

* This represents the balance of a loan from a previous year which the federal government imposes the continuing compliance requirements.

See accompanying notes to schedule of expenditures of federal awards and state assistance and independent auditor's report.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Habitat for Humanity of Pinellas County, Inc. (Habitat). The information in this schedule is presented in accordance with the requirements of Subpart F of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of Florida Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Habitat, it is not intended to and does not present the financial position, changes in net assets or cash flows of Habitat.

Some amounts presented in the schedule may differ from amounts presented or used in the preparation of the consolidated financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and established by the State of Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Costs

Habitat has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Self-Help Homeownership Opportunity Program

HUD's Self-Help Homeownership Opportunity Program (SHOP) grants and loans were passed through to Habitat by Habitat for Humanity International, Inc. (Habitat International). The SHOP Agreement stipulates that 75% of each sub-grant from Habitat International to the affiliate is in the form of a grant and 25% is in the form of a loan. The awards provided under CFDA 14.247 for SHOP were as follows for the year ended June 30, 2021:

Pass-Through Grantor	Identifying Number	Federal Expenditures	
Habitat International	SHOP 2010 – Existing Loans	$ 3,692	*
Habitat International	SHOP 2011 – Existing Loans	4,680	*
Habitat International	SHOP 2012 – Existing Loans	1,476	*
Habitat International	SHOP 2013 – Existing Loans	24,091	*
Habitat International	SHOP 2014 – Existing Loans	10,960	*
Habitat International	SHOP 2015 – Existing Loans	26,407	*
Habitat International	SHOP 2016 – Existing Loans	89,000	*
Habitat International	SHOP 2017 – Existing Loans	40,625	*
Habitat International	SHOP 2017 – New Loans (25%)	65,625	
Habitat International	SHOP 2018 – New Loans (25%)	35,500	
Habitat International	SHOP 2019 – New Loans (25%)	25,375	
		327,431	
Habitat International	SHOP 2017 – New Grant (75%)	196,875	
Habitat International	SHOP 2018 – New Grant (75%)	106,500	
Habitat International	SHOP 2019 – New Grant (75%)	76,125	
		379,500	
		$ 706,931	

*Represents the balance of a loan from a previous year that the federal government imposes the continuing compliance requirements equaling $200,931.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Note 5. Loans

Habitat has the following loan balances at June 30, 2021:

Assistance Listing Number	Description	Original Loan Amount	Balance at July 1, 2020	New Loans	Payments	Balance at June 30, 2021
14.218	Shady Grove	$ 350,000	$ 350,000	$ -	$ -	$ 350,000
14.218	Ridgecrest/Largo	205,000	205,000	5,000	-	210,000
14.218	1204 Gooden Crossing	90,000	-	90,000	-	90,000
14.218	1404 Taft Street	35,000	-	35,000	-	35,000
14.239	3818 14th Ave S.	15,000	15,000	-	-	15,000
14.239	3743 31st Ave S.	15,000	15,000	-	-	15,000
14.239	1220 22nd Ave S.	15,000	15,000	-	-	15,000
14.239	1127 Fargo Street	10,000	-	10,000	-	10,000
14.239	2119 Union Street	14,000	-	14,000	-	14,000
14.247	SHOP 2010 – Loans	45,778	3,692	-	(3,692)	-
14.247	SHOP 2011 – Loans	46,665	4,680	-	(4,680)	-
14.247	SHOP 2012 – Loans	20,881	1,476	-	(681)	795
14.247	SHOP 2013 – Loans	57,416	24,091	-	(11,424)	12,667
14.247	SHOP 2014 – Loans	25,000	10,960	-	(5,200)	5,760
14.247	SHOP 2015 – Loans	32,500	26,407	-	(6,770)	19,637
14.247	SHOP 2016 – Loans	23,750	89,000	-	(4,366)	84,634
14.247	SHOP 2017 – Loans	40,625	40,625	65,625	-	106,250
14.247	SHOP 2018 – Loans	65,625	-	35,500	-	35,500
14.247	SHOP 2019 – Loans	35,500	-	25,375	-	25,375
14.256	1304 Pennsylvania	50,000	-	50,000	-	50,000

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Habitat for Humanity of Pinellas County, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated November 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

St. Petersburg, Florida
November 3, 2021

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RSM US LLP

Independent Auditor's Report on Compliance for Each Major Federal Program And on Internal Control Over Compliance Required by the Uniform Guidance; and State of Florida Chapter 10.650, *Rules of the Auditor General*

Board of Directors
Habitat for Humanity of Pinellas County, Inc.

Report on Compliance for Each Major Federal Program

We have audited Humanity of Pinellas County, Inc. and Subsidiaries' (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement,* that could have a direct and material effect on the Organization's major federal program and major state financial assistance project for the year ended June 30, 2021. The Organization's major federal program and major state financial assistance project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program and state financial assistance project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of Florida Chapter 10.650, *Rules of the Auditor General*. Those standards, the Uniform Guidance and State of Florida Chapter 10.650, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and major state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state financial assistance project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on the Major Federal Program and Major State Financial Assistance Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and major state financial assistance project for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state financial assistance project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

St. Petersburg, Florida
November 3, 2021

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I – Summary of Auditor's Report

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported
Type of auditor's report issued on compliance for major federal program:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?		Yes	X	No

Identification of major federal programs

Assistance Listing Number	Name of Federal Program or Cluster
14.218	Community Development Block Grant/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B federal programs:	$750,000			
Auditee qualified as low-risk auditee?	X	Yes		No

State Financial Assistance

Internal control over major state financial assistance project:

Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported

Type of auditor's report issued on compliance for major state financial assistance project: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General of the State of Florida* ______ Yes __X__ No

Identification of major state financial assistance projects

CSFA Number	Name of State Financial Assistance Project
40.901	State Housing Initiatives Partnership Program (SHIP)

Dollar threshold used to distinguish between Type A and Type B state financial assistance projects: $750,000

Section II – Financial Statement Findings

None Reported.

Section III – Findings and Questions Costs for Federal Awards and State Financial Assistance

None Reported.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary Schedule of Prior Audit Findings*.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Financial Report and Compliance Report
June 30, 2020

Contents

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Independent Auditor's Report

Board of Directors
Habitat for Humanity of Pinellas County, Inc.

We have audited the accompanying consolidated financial statements of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of June 30, 2020, the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 above present fairly, in all material respects, the financial position of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries as of June 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Recently Adopted Accounting Pronouncements
As discussed in Note 1 to the accompanying financial statements, the Organization adopted new accounting guidance, Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* and Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Other Matters – Prior Year Financial Statements
The financial statements of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries as of and for the year ended June 30, 2019, were audited by other auditors, whose report dated October 14, 2019, expressed an unmodified opinion on those statements.

Other Matters – Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020, on our consideration of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Habitat for Humanity of Pinellas County, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Habitat for Humanity of Pinellas County, Inc. and Subsidiaries' internal control over financial reporting and compliance.

RSM US LLP

St. Petersburg, Florida
November 16, 2020

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statements of Financial Position
Years Ended June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 8,439,609	$ 5,127,943
Assets held in escrow	796,822	737,511
Accounts receivable	57,641	53,898
Unconditional promises to give, net	199,281	110,329
Habitat ReStore inventory	262,737	155,711
Homes under construction	1,767,797	1,268,090
Land held for development	2,729,696	2,620,711
Property and equipment, net	995,511	1,241,251
Mortgages receivable, net	778,112	838,945
Other mortgages receivable	771,110	805,226
Other receivables	358,720	143,573
Beneficial interest in assets held by foundations	22,135	20,000
Investment in joint venture	4,022,108	1,580,128
Deferred affordable housing notes receivable	350,000	350,000
Other assets	162,611	111,496
Total assets	$ 21,713,890	$ 15,164,812
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 462,491	$ 462,703
Deferred revenue – joint venture	-	12,323
Escrow deposits	826,742	664,096
Down payments and advance payments	44,100	55,053
Capital lease payable	55,519	66,594
Notes payable, net	9,264,810	4,703,203
Deferred affordable housing note payable	350,000	350,000
Total liabilities	11,003,662	6,313,972
Commitments and contingencies (Notes 13 and 14)		
Net assets:		
Net assets without donor restrictions	10,241,308	8,412,482
Net assets with donor restrictions	468,920	438,358
Total net assets	10,710,228	8,850,840
Total liabilities and net assets	$ 21,713,890	$ 15,164,812

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2020
(With Summarized Comparative Totals for 2019)

	2020			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	2019 Total
Support and revenue:				
Contributions:				
Building materials and services	$ 840,631	$ 94,500	$ 935,131	$ 1,116,639
Donated land	74,968	130,924	205,892	16,912
Cash	2,092,194	273,577	2,365,771	2,011,283
Habitat ReStore merchandise	1,425,299	-	1,425,299	841,231
In-kind other	-	-	-	1,563
Transfers to homeowners	10,936,438	-	10,936,438	11,614,388
Gain on sale of mortgages	98,456	-	98,456	-
Mortgage discount amortization	48,743	-	48,743	35,096
Sales – Habitat ReStore	1,312,804	-	1,312,804	1,134,545
Fundraising events, net of direct costs of $94,606	259,736	-	259,736	379,253
Foundations and grants	989,626	5,750	995,376	548,715
Other	208,799	-	208,799	207,956
Investment income from joint venture	2,111	-	2,111	39,811
Net assets released from restrictions	474,189	(474,189)	-	-
Total support and revenue	18,763,994	30,562	18,794,556	17,947,392
Expenses:				
Program:				
Construction	13,687,019	-	13,687,019	14,817,687
Mortgage discounts	102,906	-	102,906	98,566
Habitat ReStore	2,240,743	-	2,240,743	1,892,262
Supporting services:				
General and administrative	445,972	-	445,972	294,380
Fundraising	587,514	-	587,514	524,762
Total expenses	17,064,154	-	17,064,154	17,627,657
Changes in net assets before other changes	1,699,840	30,562	1,730,402	319,735
Other changes:				
Interest expense	(76,883)	-	(76,883)	(17,841)
Loss on sale of land and property and equipment	(152,946)	-	(152,946)	(20,207)
Forgiveness of debt	346,492	-	346,492	338,647
Contribution from West Pasco Habitat for Humanity, Inc.	-	-	-	1,281,642
Amortization of joint venture deferred revenue	12,323	-	12,323	28,701
Total other changes	128,986	-	128,986	1,610,942
Changes in net assets	1,828,826	30,562	1,859,388	1,930,677
Net assets:				
Beginning	8,412,482	438,358	8,850,840	6,920,163
Ending	$ 10,241,308	$ 468,920	$ 10,710,228	$ 8,850,840

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statement of Activities and Change in Net Assets
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions:			
Building materials and services	$ 1,060,639	$ 56,000	$ 1,116,639
Donated land	-	16,912	16,912
Cash	1,851,933	159,350	2,011,283
Habitat ReStore merchandise	841,231	-	841,231
In-kind other	1,563	-	1,563
Transfers to homeowners	11,614,388	-	11,614,388
Mortgage discount amortization	35,096	-	35,096
Sales – Habitat ReStore	1,134,545	-	1,134,545
Fundraising events, net of direct costs of $270,219	379,253	-	379,253
Foundations and grants	538,715	10,000	548,715
Other	207,956	-	207,956
Investment income from joint venture	39,811	-	39,811
Net assets released from restrictions	406,322	(406,322)	-
Total support and revenue	18,111,452	(164,060)	17,947,392
Expenses:			
Program:			
Construction	14,817,687	-	14,817,687
Mortgage discounts	98,566	-	98,566
Habitat ReStore	1,892,262	-	1,892,262
Supporting services:			
General and administrative	294,380	-	294,380
Fundraising	524,762	-	524,762
Total expenses	17,627,657	-	17,627,657
Changes in net assets before other changes	483,795	(164,060)	319,735
Other changes:			
Interest expense	(17,841)	-	(17,841)
Loss on sale of land and property and equipment	(20,207)	-	(20,207)
Forgiveness of debt	338,647	-	338,647
Contribution from West Pasco Habitat for Humanity, Inc.	1,281,642	-	1,281,642
Amortization of joint venture deferred revenue	28,701	-	28,701
Total other changes	1,610,942	-	1,610,942
Changes in net assets	2,094,737	(164,060)	1,930,677
Net assets:			
Beginning	6,317,745	602,418	6,920,163
Ending	$ 8,412,482	$ 438,358	$ 8,850,840

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2020
(With Summarized Comparative Totals for 2019)

	2020								
	Program Services				Supporting Services				
	Construction	Mortgage Discounts	Habitat ReStore	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total	2019 Total
Salaries	$ 1,904,145	$ -	$ 491,771	$ 2,395,916	$ 256,445	$ 467,823	$ 724,268	$ 3,120,184	$ 2,679,115
Employee benefits	237,194	-	98,575	335,769	29,056	41,013	70,069	405,838	320,175
Retirement plan	19,091	-	4,146	23,237	5,554	1,920	7,474	30,711	33,919
	2,160,430	-	594,492	2,754,922	291,055	510,756	801,811	3,556,733	3,033,209
Building materials and supplies	10,247,453	-	-	10,247,453	-	-	-	10,247,453	11,611,820
Insurance and taxes	150,896	-	28,577	179,473	-	-	-	179,473	138,410
Repairs and maintenance	15,209	-	-	15,209	-	-	-	15,209	15,810
Depreciation and amortization	120,867	-	10,344	131,211	38,437	-	38,437	169,648	188,281
Mortgage discounts	-	102,906	-	102,906	-	-	-	102,906	98,566
Office supplies, equipment and utilities	203,550	-	19,940	223,490	9,144	9,124	18,268	241,758	262,923
Printing and advertising	58,643	-	300	58,943	-	12,853	12,853	71,796	90,130
Travel	55,906	-	13,613	69,519	3,230	5,456	8,686	78,205	148,700
Professional services	139,122	-	975	140,097	73,851	3,795	77,646	217,743	244,446
Other	83,912	-	33,552	117,464	16,805	32,080	48,885	166,349	172,584
Donated merchandise sold	-	-	1,312,804	1,312,804	-	-	-	1,312,804	904,670
Purchased merchandise sold	-	-	100,539	100,539	-	-	-	100,539	64,381
Rent	275,464	-	125,607	401,071	13,450	13,450	26,900	427,971	406,327
Bad debt expense	25,567	-	-	25,567	-	-	-	25,567	15,900
Support of Habitat for Humanity International	150,000	-	-	150,000	-	-	-	150,000	231,500
	$ 13,687,019	$ 102,906	$ 2,240,743	$ 16,030,668	$ 445,972	$ 587,514	$ 1,033,486	$ 17,064,154	$ 17,627,657

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services				Supporting Services			
	Construction	Mortgage Discounts	Habitat ReStore	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries	$ 1,742,808	$ -	$ 414,923	$ 2,157,731	$ 124,725	$ 396,659	$ 521,384	$ 2,679,115
Employee benefits	182,412	-	71,522	253,934	28,828	37,413	66,241	320,175
Retirement plan	24,208	-	4,613	28,821	3,852	1,246	5,098	33,919
	1,949,428	-	491,058	2,440,486	157,405	435,318	592,723	3,033,209
Building materials and supplies	11,611,820	-	-	11,611,820	-	-	-	11,611,820
Insurance and taxes	114,870	-	19,594	134,464	3,946	-	3,946	138,410
Repairs and maintenance	14,725	-	-	14,725	1,050	35	1,085	15,810
Depreciation and amortization	149,928	-	8,127	158,055	30,226	-	30,226	188,281
Mortgage discounts	-	98,566	-	98,566	-	-	-	98,566
Office supplies, equipment and utilities	199,180	-	45,902	245,082	6,342	11,499	17,841	262,923
Printing and advertising	67,893	-	7,637	75,530	-	14,600	14,600	90,130
Travel	102,758	-	35,931	138,689	241	9,770	10,011	148,700
Professional services	168,614	-	940	169,554	72,057	2,835	74,892	244,446
Other	87,681	-	37,125	124,806	10,093	37,685	47,778	172,584
Donated merchandise sold	-	-	904,670	904,670	-	-	-	904,670
Purchased merchandise sold	-	-	64,381	64,381	-	-	-	64,381
Rent	103,390	-	276,897	380,287	13,020	13,020	26,040	406,327
Bad debt expense	15,900	-	-	15,900	-	-	-	15,900
Support of Habitat for Humanity International	231,500	-	-	231,500	-	-	-	231,500
	$ 14,817,687	$ 98,566	$ 1,892,262	$ 16,808,515	$ 294,380	$ 524,762	$ 819,142	$ 17,627,657

See notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Changes in net assets	**$ 1,859,388**	$ 1,930,677
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	**146,841**	127,628
Amortization of intangibles	**22,807**	60,653
Amortization of loan costs	**50,536**	24,373
Bad debt expense	**25,567**	15,900
Investment income from joint venture	**(2,111)**	(39,811)
Mortgage discount amortization	**(48,743)**	(35,096)
Net donated materials and labor	**(17,500)**	(77,000)
Gain on sale of mortgages	**(98,456)**	-
Mortgage discounts	**102,906**	98,566
Loss (gain) on sale of land held for investment or sale	**157,068**	(43,335)
(Gain) loss on sale of property and equipment	**(4,122)**	20,207
Donated land for development	**(205,892)**	(16,912)
Forgiveness of debt	**(346,492)**	(338,647)
Contribution from West Pasco Habitat for Humanity, Inc.	**-**	(1,281,642)
(Increase) decrease in:		
Accounts receivable	**(3,743)**	(6,702)
Other receivables	**(215,147)**	(33,236)
Unconditional promises to give	**(114,519)**	4,033
Land held for development	**(1,388,626)**	(2,090,282)
Habitat ReStore inventory	**(107,026)**	52,319
Homes under construction	**667,189**	1,568,210
Other assets	**(76,057)**	(82,729)
(Decrease) increase in:		
Accounts payable and accrued expenses	**(212)**	33,157
Deferred revenue in joint venture	**(12,323)**	(28,701)
Escrow deposits	**162,646**	11,178
Down payments and advance payments	**(10,953)**	25,453
Net cash provided by (used in) operating activities	**543,026**	(101,739)
Cash flows from investing activities:		
Cash received from acquisition of West Pasco Habitat for Humanity, Inc.	**-**	254,618
Proceeds from sale of land held for development	**179,069**	79,326
Proceeds from sale of property and equipment	**117,238**	-
Purchases of property and equipment	**(14,217)**	(28,003)
Contributions to investment in joint venture	**(4,022,108)**	-
Distributions from investment in joint venture	**-**	23,276
Proceeds from sale and payments received on mortgages	**139,242**	130,367
Net cash (used in) provided by investing activities	**(3,600,776)**	459,584

(Continued)

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from financing activities:		
Payments on notes payable	**$ (5,020,443)**	$ (1,231,375)
Proceeds from notes payable	**11,680,107**	1,826,459
Payments of deferred financing costs	**(219,862)**	-
Payments on capital lease obligations	**(11,075)**	(30,699)
Net cash provided by financing activities	**6,428,727**	564,385
Net increase in cash	**3,370,977**	922,230
Cash and cash equivalents (including assets held in escrow):		
Beginning	**5,865,454**	4,943,224
Ending	**$ 9,236,431**	$ 5,865,454
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	**$ 94,289**	$ 16,144
Supplemental schedule of noncash investing transactions:		
Acquisition of property and equipment through capital leases	**$ -**	$ 77,259
Transfers of property to homeowners through issuance of mortgages receivable	**$ 9,916,062**	$ 11,614,388

See notes to consolidated financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

Habitat for Humanity of Pinellas County, Inc. (Habitat) was incorporated in January 1985. Habitat is an affiliate of Habitat for Humanity International, Inc. (Habitat International), a nondenominational Christian, not-for-profit organization, whose mission is to build and repair simple, decent, affordable houses for those who lack adequate shelter. Although Habitat International assists with information resources, training, publications, prayer support and in other ways, Habitat is primarily and directly responsible for its own operations.

Pinellas Funding Company I, LLC (Pinellas Funding) was incorporated in July 2013 and is solely-owned by Habitat. Pinellas Funding was formed to complete the sale of mortgages with PNC Bank (see Note 17). Pinellas Funding purchased mortgages from Habitat and subsequently sold these mortgages to PNC Bank.

On August 31, 2010, Pinellas County Habitat for Humanity Community Development Organization (Pinellas CHDO) was incorporated as a not-for-profit organization in accordance with the laws of the State of Florida. Pinellas CHDO is wholly-owned by Habitat and has met the requirements specified by the U.S. Department of Housing and Urban Development (HUD) to act in the capacity of a Community Housing Development Organization (CHDO) and has been certified by Pinellas County, Florida. As a result, Pinellas CHDO is eligible to participate in government programs that provide special set-aside funds that can be used to provide affordable housing to low income families within Pinellas County.

The following are the significant policies used in the preparation of the accompanying consolidated financial statements:

Principles of consolidation: The accompanying consolidated financial statements include the accounts of Habitat, Pinellas Funding and Pinellas CHDO (collectively, the Organization), which are not-for-profit corporations. The entities comprising the Organization are related through a controlling financial interest and Habitat’s direct and indirect ability to determine the direction of management. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Basis of accounting: The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Contributions and other inflows of assets that are not subject to donor imposed stipulations, but may be designated for specific purposed by actions of the Board of Directors (Board). This designation may be removed at the Board’s discretion. Net assets without donor restrictions include expendable funds available to support operations as well as net assets invested in property and equipment.

Net assets with donor restrictions: Contributions and other inflows of assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by actions of the Organization or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor-restricted contributions for which restrictions are met within the same year as received are reported as contributions without donor restrictions.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Fair value measurements: The Organization measures beneficial interest in assets held by foundations at fair value on a recurring basis (at least annually). The Organization defines fair value in accordance with U.S. GAAP, which specifies a hierarchy of valuation techniques used to measure fair value. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs.

The following in a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Organization.

Level 2: Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs based on the Organization’s own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

The Organization evaluates the various types of financial assets to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. The Organization employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain

financial instruments could result in a different estimate of fair value at the report date.

During the years ended June 20, 2020 and 2019, there were no changes to the Organization’s valuation techniques that had, or are expected to have, a material impact on its consolidated statements of financial position or activities and changes in net assets.

Cash and cash equivalents: Cash and cash equivalents consist of cash on deposit with financial institutions. The Organization considers all highly liquid assets with an initial maturity of three months or less as cash. Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally insured limits. From time to time the Organization’s cash balances may have exceeded the federally insured limit. However, the Organization has not experienced, and does not expect, to incur any losses in such accounts.

Assets held in escrow: The Organization currently services the mortgages on the homes it sells. Included in assets held in escrow are cash amounts received for insurance and property taxes on such homes. These cash amounts are recorded as an asset and offset by escrow deposits, a related liability.

Accounts receivable and other receivables: Accounts receivable consist of various amounts due from homeowners and homeowner candidates. Other receivables consists of second mortgages, a note receivable in connection with a new markets tax credit program (see Note 9), and amounts due from various financial institutions. Management estimates the allowance for uncollectible accounts receivable and other receivables based on a review of the individual receivable outstanding as of the end of the year. The Organization has determined that all amounts are collectible; accordingly, no allowance for potentially uncollectible accounts has been recorded at June 30, 2020 and 2019.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Unconditional promises to give: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, or when a pledge becomes due, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Conditional promises to give are not included as support until the performance and/or control barriers are substantially met.

The Organization uses the allowance method to determine uncollectible unconditional promises. The allowance is based on prior years' experience and management's analysis of specific promises made.

At June 30, 2020 and 2019, the Organization recorded allowances in the amount of $28,000 and $20,000, respectively.

Habitat ReStore inventory: Habitat ReStore inventory includes donated and purchased household building materials, appliances and furniture that are sold at the Habitat ReStores. Donated merchandise is stated at its estimated fair market value, which is determined based on its future economic benefit. During the years ended June 30, 2020 and 2019, the Organization estimated the fair market value of donated merchandise to be approximately $1,425,000 and $841,000, respectively. Purchased merchandise is stated at lower of cost or net realizable value, with cost being determined by the first-in, first-out method.

Homes under construction: Homes under construction consist of labor, material and lot costs using the specific identification method, and include indirect construction costs incurred during the construction period. When the home is ultimately sold, construction costs are expensed and reported as building materials and supplies in the consolidated statements of functional expenses. As the purpose and mission of the Organization is to build affordable housing for low-income families, the Organization does not generally write down the value of homes under construction to estimated sales value, because any excess cost over sales value is a component of program services. Habitat transferred 54 and 62 homes to homeowners during the years ended June 30, 2020 and 2019, respectively.

Land held for development: Land held for development includes the cost of land and land improvements or, if donated, the approximate fair value of the land at the date of the donation, held for future construction of homes. Land held for development is carried as the lower of costs or net realizable value.

Property and equipment: Property and equipment are recorded at acquisition cost, including costs necessary to prepare the asset for its intended use, less accumulated depreciation. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 10 years.

Maintenance and repairs are charged to expense as incurred, while renewals and betterments in excess of $1,000 are capitalized. Upon retirement, sale or other disposition of property and equipment, the costs an accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the consolidated statements of activities and changes in net assets.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Impairment of long-lived assets: The Organization's long-lived assets, such as land, building and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount exceeds the fair value of the asset. The Organization determined there was no impairment on long-lived assets as of June 30, 2020 and 2019.

Mortgages receivable, net and other mortgages: Mortgages receivable consist predominantly of non-interest bearing residential first mortgages secured by real estate and payable in monthly installments over the life of the mortgage, generally ranging from 5 to 35 years. Non-interest-bearing mortgages have been discounted based upon prevailing market rates for low income housing at the inception of the mortgages, as provided by Habitat International. This discount will be recognized as mortgage discount amortization income over the term of the mortgage.

In addition to the mortgages receivable included in the consolidated statements of financial position, the Organization also enters into equity creation agreements with certain homebuyers. These equity creation agreements known as a silent second mortgage originate at the same time of the first mortgage and reflect the difference between the purchase price and the fair market value of the house. This equity creation agreement is part of the mortgage document and is executed for protection against homeowners who may sell their house for a profit before the mortgage is repaid, and to protect the homeowner by preventing predatory lenders from paying off the first mortgage and saddling the homeowners with an onerous new mortgage. This amount is considered forgiven by the mortgagee over the life of the mortgage and the mortgagor agrees that the remaining balance is secured by the mortgage until forgiven in full. The Organization does not record a value for the equity creation agreements as it is unlikely that the amount will ever be collected.

The Organization uses established underwriting criteria to ensure that only families who meet the Organization's financial and credit criteria are approved to be partner families and receive a non-interest-bearing mortgage loan from the Organization. This includes, but is not limited to, a thorough review of each prospective homeowner's credit report, sources of income and financial history.

The Organization regularly reviews its mortgages receivable and monitors the accounts for delinquencies. The Organization has documented delinquency procedures that are followed starting with 10 to 15 days after the payment due date. Once a payment is 120 days or more late, the Organization will turn the file over to its attorney who will send a letter or other notice as required by law. If the homeowner does not cure the default, foreclosure proceedings are initiated.

Non-interest-bearing mortgages originated are discounted based on prevailing market rates at the time of the sale, which results in the net mortgage receivable balances being generally less than 50% of the home's fair market value. Therefore, the Organization believes that losses resulting from nonpayment of mortgage notes receivable, given its collateral value, are not likely. Accordingly, the Organization has not recorded an allowance for mortgages receivable.

Debt issuance costs: Debt issuance costs are amortized using the straight-line method over the expected life of the related debt, which approximates the effective interest method, and are presented as a direct deduction from the face amount of the financings (see Note 11). The related expense is included in interest expense in the consolidated statements of activities and changes in net assets.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Investment in joint venture: The Organization makes investments in various companies to facilitate New Markets Tax Credit transactions (see Note 9). The Organization accounts for their investment under the equity method of accounting as they maintain significant influence over the investment, however, do not have control.

Beneficial interest in assets held by foundations: The beneficial interest in assets held by foundations is recorded at fair value in the consolidated statements of financial position.

Other assets: Other assets consist mainly of prepaid expenses, refundable deposits and intangible assets. In accordance with U.S. GAAP, if an intangible asset is determined to have an indefinite useful life, it shall not be amortized until its useful life is determined to be no longer indefinite.

Revenue recognition: Effective July 1, 2019, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* using the modified retrospective method of transition and ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* using the modified prospective method of transition. No cumulative effect adjustment to net assets upon adoption of these standards was recorded as of July 1, 2019. The identified impacts resulted in additional disclosures, however, did not have a material effect on the Organization's overall consolidated financial statements as of and for the year ended June 30, 2020 from amounts that would have been reported under legacy U.S. GAAP. In addition, the adoption of Topic 606 had no impact to cash provided by or used for operating, financing or investing on the Organization's consolidated statements of cash flows.

These ASUs replaced existing revenue recognition guidance, including industry-specific guidance that require revenue to be recognized consistent with the consideration the Organization expected to be entitled for services provided. The Organization first determines if a transaction represents an exchange transaction and if so, accounts for the transaction under Topic 606, 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.

The Organization's revenue from contracts with customers consists of transfers to homeowners and Habitat ReStore sales. The Organization's contracts have a single performance obligation. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring goods to the customer. Revenue is recorded based on transaction price, which is a fixed consideration. The Organization recognizes Habitat ReStore sales at a point in time when control of the goods is passed to the customer, which typically occurs at point of sale and is also when customer payment is collected. Sales from the Habitat ReStore are reported net of sales tax collected.

The Organization recognizes revenue from home sales at a point in time, when a closing occurs. A closing is considered to occur when title, possession and other attributes of ownership have been transferred to the buyer; and the Organization is not obligated to perform significant activities and changes in net assets after the sale. Revenue from the sale of homes is recorded in the consolidated statements of activities and changes in net assets as transfers to homeowners. Transfers to homeowners are recorded at the gross mortgage amount plus down payment received.

Federal, state and local government and other grant transactions within the scope of Topic 606, if any, are recognized as support when performance occurs pursuant to the contract agreement.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The Organization performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. Performance obligations meeting certain specific criteria, is recognized over time as the customer consumes and receives the benefit of the Organization's services as they are performed. If certain criteria is not met, the revenue is recognized at a point in time.

All revenue recognized under Topic 606 is recognized at a point in time.

The Organization has elected to apply Topic 606 only to those contracts that were not completed as of July 1, 2019. The reported results for 2020 reflect the application of Topic 606 guidance while reported results for prior years were prepared under the guidance of Accounting Standards Codification (ASC) 605, *Revenue Recognition (ASC 605).* In adopting ASC 606, the Organization utilized the following practical expedients, which did not have as significant effect on the consolidated financial statements:

- The Organization has not restated contracts that begin and are completed in the same annual reporting period.
- For contracts that were modified before the beginning of the earliest reporting period presented in accordance with Topic 606, the Organization has not retrospectively restated the contract for those modifications and instead reflected the aggregate effect of those modifications when identifying the satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price to the satisfied and unsatisfied performance obligations.

Revenue recognition on contracts and grants deemed to be non-exchange transactions follow Topic 958. Unconditional contributions received, including promises to give, cash, other assets and grants and contracts deemed to be non-exchange transactions, are recorded as support to net assets with or without donor restrictions, at estimated fair value, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Conditional contributions are those contributions that certain donor imposed rights of refund/return and barriers (performance obligations and/or controlling stipulations). Conditional contributions are recognized into revenue when conditions are satisfied and then follow the above polices for unconditional contributions. Conditional contributions received in advance of satisfying conditions are recorded as deferred revenue.

The Organization accounts for sales of mortgages receivable under FASB ASC 860-20, Sales of Financial Assets. Gain on sale of loans sold are recognized when the loans are sold and include cash from any sale and the write off of any discounts on the mortgage loans.

Donated services, materials, and land: Donated services, materials, and land are recorded as increases in net assets without donor restrictions unless the use of the related assets is limited by donor imposed restrictions. Donated services, materials and land are reflected in the accompanying consolidated statements of activities, at their estimated fair market values at the date of receipt. Habitat reports revenues for the fair value of donated services received when the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated.

During the years ended June 30, 2020 and 2019, Habitat recorded donation revenue of approximately \$935,000 and \$1,117,000, respectively, related to donations of building materials and services. During the years ended June 30, 2020 and 2019, Habitat received approximately \$206,000 and \$17,000, respectively, in donated lots from various financial institutions and donors recorded at their tax assessed just market value which approximates fair value.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Advertising costs: Advertising costs are expensed as incurred and were approximately $72,000 and $90,000 for the years ended June 30, 2020 and 2019, respectively.

Income tax status: Habitat and Pinellas CHDO are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. Pinellas Funding is a disregarded entity and, therefore, revenues and expenses flow through to Habitat for federal tax purposes. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements.

The Organization has adopted the accounting standard on accounting for uncertain income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this policy, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax positon would be sustained on examination by taxing authorities, based on the technical merits of the position. Management has evaluated the Organization's tax position and had concluded the Organization has taken no uncertain tax positions that require disclosure.

The Organization would be liable for income taxes in the U.S. federal jurisdiction. Generally, the Organization is no longer subject to U.S. federal tax examinations by tax authorities before 2017.

Functional expense allocation: The costs of providing the programs and supporting services have been reported on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Expenses allocated using management's estimate of time spent include payroll, employee benefits, and retirement plan expenses. Expenses allocated using management's estimate of usage include professional services, certain insurance, and depreciation and amortization. Lastly, expenses allocated using square footage include rent and utilities.

Reclassification: Certain amounts in the 2019 consolidated financial statements have been reclassified to conform to the 2020 presentation. Net assets and changes in net assets were unchanged due to these reclassifications.

Newly adopted accounting pronouncements: In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to clarify the principles used to recognize revenue for all entities. Subsequently, in August 2015, FASB issued ASU 2015-14, which delayed the effective date for nonpublic companies to annual periods beginning after December 15, 2018. The ASU was further delayed until annual periods beginning after December 15, 2019, early adoption is permitted. The adoption of this ASU, using the modified prospective method of transition, resulted in additional disclosures but did not materially impact the consolidated financial statements.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. It is intended to reduce diversity in the presentation of restricted cash (assets held in escrow) and restricted cash equivalents in the statement. The statement requires that restricted cash (assets held in escrow) and restricted cash equivalents be included as components of total cash and cash equivalents as presented on the consolidated statements of cash flows. The adoption of this ASU did not materially impact the consolidated financial statements.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to clarify the definition of an exchange transaction and contribution and to clarify accounting for the same. The standard is effective for nonpublic entities for fiscal years beginning after December 15, 2019. The adoption of this ASU, using the modified prospective method of transition, did not materially impact the consolidated financial statements.

Recent accounting pronouncements: In February 2016, FASB issued ASU 2016-02, *Leases, (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principal of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substile equivalent to existing guidance capital leases. The standard is effective for annual periods beginning after December 15, 2021 (the Organization’s June 30, 2023 consolidated financial statements), with early adoption permitted. The Organization is in the process of evaluating the impact of this new guidance.

Subsequent events: Management has evaluated all events subsequent to the consolidated statements of financial position date of June 30, 2020 through November 16, 2020, which is the date the consolidated financial statements were available to be issued. There were no subsequent events that would require adjustment to or disclosure in the accompanying consolidated financial statements.

Note 2. Business Combination

Effective March 1, 2019, West Pasco Habitat for Humanity (West Pasco), a not-for-profit organization whose mission was to build and repair affordable houses in Pasco County, Florida, merged with Habitat. Habitat was the surviving corporation and upon completion of the transaction, West Pasco was dissolved. As a result, Habitat will better utilize staffing, increase opportunities to engage more people in the community, and serve more families locally and abroad.

Note 2. Business Combination (Continued)

Habitat has accounted for this acquisition of West Pasco as a business combination, in accordance with ASC 958, by recording the assets acquired and liabilities assumed of West Pasco as of March 1, 2019, at estimated fair value. No consideration was transferred. The net value of assets and liabilities received is recorded as an inherent contribution in the consolidated statement of activities and changes in net assets. Acquired equipment was recorded at net book value. Land and buildings were valued using appraised values and other observable inputs. Mortgages and notes receivable, net of discount were recorded using the face value of the loan, net of discount. All other assets acquired were recorded at their net realizable value at the date of acquisition, which approximates fair value. Assumed liabilities were recorded at amounts due at the acquisition date. The following table summarizes the estimated fair values of assets and liabilities at March 1, 2019 (acquisition date):

Cash and cash equivalents	$ 254,618
Property and equipment	681,281
Mortgage and notes receivable, net of discount	496,798
Land held for development and homes under construction	830,866
Other assets	30,828
Total assets	2,294,391
Accounts payable and accrued expenses	31,279
Other liabilities	11,007
Notes payable, net	970,463
Total liabilities	1,012,749
Total net assets transferred to Habitat	$ 1,281,642

The following is a summarized consolidated statement of activities for West Pasco for the eight months ended February 28, 2019:

Revenues	$ 606,571
Expenses	(702,926)
Change in net assets	$ (96,355)

Note 3. Availability and Liquidity

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Generally, the Organization strives to maintain a minimum amount of cash on hand equal to 90 days of operating expense. Additionally, the Organization may draw upon its line of credit (Note 11) to manage cash flows should the liquidity need arise. The following represents the Organization's financial assets available to meet general expenditures over the next 12 months at June 30:

	2020	2019
Cash and cash equivalents, less use restrictions of $13,750 and $97,500 at June 30, 2020 and 2019, respectively	$ 8,425,859	$ 5,030,443
Accounts receivable	57,641	53,898
Unconditional promises to give (due in less than one year)	123,952	92,967
Mortgages receivable (due in less than one year)	114,471	121,089
	$ 8,721,923	$ 5,298,397

Note 4. Unconditional Promises to Give

Unconditional promises to give consist of the following at June 30:

	2020	2019
Gross unconditional promises to give	$ 237,884	$ 136,094
Less allowance for uncollectible promises	(28,000)	(20,000)
Less unamortized discount	(10,603)	(5,765)
Unconditional promises to give, net	$ 199,281	$ 110,329

	2020	2019
Amounts due in:		
Less than one year	$ 123,952	$ 92,967
One to four years	113,932	43,127
	$ 237,884	$ 136,094

Promises to give with due dates extending beyond one year are discounted to present value using treasury bill rates with similar term investments with an added amount for economic uncertainty. The applicable discount rate for amounts due in more than one year was approximately 3%.

At June 30, 2020 and 2019, approximately $26,000 and $16,000 respectively, of unconditional promises to give were deemed uncollectible and written off.

Note 5. Property and Equipment

Property and equipment consists of the following at June 30:

	2020	2019
Vehicles	$ 215,061	$ 215,061
Furniture and fixtures	96,423	96,423
Land	232,787	255,787
Buildings	516,311	595,845
Leasehold improvements	373,030	373,030
Signage	41,908	54,880
Construction equipment	52,690	52,690
Office equipment	257,290	256,647
	1,785,500	1,900,363
Less accumulated depreciation	(789,989)	(659,112)
	$ 995,511	$ 1,241,251

Depreciation expense was approximately $147,000 and $128,000 for the years ended June 30, 2020 and 2019, respectively.

Note 6. Mortgages Receivable, Net

Mortgages receivable, net consist of the following at June 30:

	2020	2019
Non-interest bearing loans at par value	$ 1,487,555	$ 1,592,681
Less unamortized discount based on imputed interest	(709,443)	(753,736)
	$ 778,112	$ 838,945

All loans were deemed performing as of June 30, 2020 and 2019. Loans are deemed performing if they are less than 90 days delinquent, or if on an approved payment plan and current with the terms of the plan. No amounts were past due as of June 30, 2020 and 2019.

As of June 30, 2020, the balances due on the mortgages that are scheduled to be received for the next five years and thereafter are as follows:

Years ending June 30,	
2021	$ 114,471
2022	107,359
2023	102,903
2024	98,941
2025	90,941
Thereafter	972,940
	$ 1,487,555

The initial amount of each mortgage loan approximates the Organization's cost to build the house, plus mortgage discount expense. The residential mortgage loans have been discounted to reflect their economic value. The interest rates used to determine the discount range from 3.0% to 10.0% and are based on prevailing market rates, as provided by either Habitat International or applicable federal rates, in the year the mortgage originated. The discount rate used for the years ended June 30, 2020 and 2019, was 7.66%. The discount is calculated by computing the present value of each of the non-interest-bearing notes using the applicable discount rate.

The Organization typically sells mortgages receivable to various financial institutions at face value. During the years ended June 30, 2020 and 2019, the Organization sold mortgages receivable with a face value of $9.9 million and $11.4 million, respectively. The Organization recognized a gain on sale of mortgages of approximately $98,000 during the year ended June 30, 2020. No gains or losses on the sale of mortgages were recognized during the year ended June 30, 2019.

The Organization services loans which it had sold to various banks. Under the agreements with the banks, the Organization agrees to service all loans in accordance with all applicable federal and state laws and regulations, and customary practices, policies and procedures for servicing residential mortgage loans. Additionally, in the event a loan becomes in default, the loan is subject to certain recourse by the bank.

Note 7. Beneficial Interest in Assets Held By Foundations

The Organization established funds within the Pinellas Community Foundation (PCF) in the amount of $10,000 and Community Foundation of Tampa Bay (CFTB) in the amount of $10,000. The Fund agreements grant variance power to the respective Community Foundations and has named the Organization the beneficiary. Earnings on the funds, net of any service fees, will be periodically distributed to the Organization in accordance with the agreement. The Organization has received approximately $1,000 in earnings on these accounts for each of the years ended June 30, 2020 and 2019. The trust assets are composed of cash and cash equivalents, fixed income, equity securities, and real and tangible asset funds. The portfolio is managed by an investment company with oversight by PCF and CFTB. As of June 30, 2020 and 2019, the Organization's investment in beneficial interest in assets held by foundations totaled approximately $22,000 and $20,000, respectively, and is reflected as an asset and net assets with donor restrictions in perpetuity.

Note 8. Fair Value Measurement

The Organization's investments are reported at fair value in the accompanying consolidated statements of financial position. Following is a description of the valuation methodologies used for investments that are measured at fair value.

Beneficial interest in assets held by foundations: the investments are managed by a third-party unrelated to the Organization. The trust assets are valued based upon the third-party information without adjustment. The Organization does not develop, nor are they provided with, the quantitative inputs used to develop the fair market values. The change in value during the year ended June 30, 2020 was solely the result of investment income.

Fair value of assets measured on a recurring basis at June 30, 2020 and 2019, is as follows:

		Fair Value Measurements Using		
2020	Estimated Fair Value	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Beneficial interest in assets held by foundations	$ 22,135	$ -	$ -	$ 22,135

		Fair Value Measurements Using		
2019	Estimated Fair Value	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Beneficial interest in assets held by foundations	$ 20,000	$ -	$ -	$ 20,000

Note 9. Investment in Joint Venture

The Organization participates in New Markets Tax Credit (NMTC) programs. NMTC financing allows an entity to receive a loan or investment capital from outside investors, who will receive new markets tax credits to be applied against their federal tax liability. The programs provide funds to eligible organizations for investment in “qualified low-income community investment”. Program compliance requirements included creation of a promissory note and investment in a qualified community development entity (CDE). Tax credit recapture is required if compliance requirements are not met over a seven-year period.

The Organization invested, along with four other Habitat affiliates, in a joint venture (HFHI-SA Leverage IX, LLC) to take advantage of NMTC financing. As a result, the Organization invested approximately $1,530,000 and was able to secure a 15-year loan in the amount of $2,023,656 payable to a community development entity. The loan accrued interest only for years one through seven at a reduced rate of .755%. During the year ended June 30, 2019, the loan was forgiven and HFHI-SA Leverage IX, LLC was dissolved. All remaining income was distributed to the Organization. The Organization recognized approximately $338,600 of forgiveness of debt income during the year ended June 30, 2019.

In August 2012, the Organization invested, along with other Habitat affiliates, in a joint venture (CCML Leverage II LLC) to take advantage of NMTC financing. As a result, the Organization invested $100,000 of cash plus a leverage amount of construction in process value of $1,330,132. With this initial investment, the Organization was able to secure a 16-year loan in the amount of $1,880,000 payable to CCM Community Development XXVII (CCM), an affiliate of the joint venture. The loan accrued interest only for years one through seven at a reduced rate of .7608%. Beginning in years 8 through 15, the principal balance of the loan was reduced by an 8-year amortization at the same rate of .7608% (see Note 12). During the year ended June 30, 2020, the loan was forgiven and CCML Leverage II LLC was dissolved. All remaining income was distributed to the Organization. The Organization recognized approximately $300,000 of forgiveness of debt income during the year ended June 30, 2020.

In December 2019, the Organization invested in a partnership (Habitat Pinellas Leverage III, LLC), with 95.0% ownership to take advantage of NMTC financing. As a result, the Organization has invested $4,032,750 and was able to secure two 20-year loans in the amount of $4,245,000 and $1,755,000 payable to a community development entity. The loan proceeds are to be used solely for the purpose of acquiring, rehabbing and/or constructing single-family homes in qualified census tracts and selling all homes to low income persons. The loans are interest only for years 1 through 7 at a reduced rate of 0.7076% per year. Beginning in year 8 through year 20 the principal balance of the loan is reduced by a twelve-year amortization at the same rate of 0.7076%. In December 2026, Hancock Whitney New Markets Investor 37, LLC (the Fund), and the upstream effective owner of Hancock Whitney New Markets CDE 37, LLC (holder of the promissory note due from the Organization) is expected to exercise its put option. Under the terms of the put option agreement, Habitat Pinellas Leverage III, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow the Organization to extinguish its outstanding debt owed to the Fund.

Investments in joint ventures are accounted for under the equity method, with the Organization’s share of the operating results of the joint venture reflected in investment income from joint venture. During each of the years ended June 30, 2020 and 2019, investment income from joint ventures was approximately $2,000 and $40,000, respectively.

Note 10. Capital Lease Payable

The Organization acquired equipment through capital lease arrangements. Equipment under the capital leases totaled $77,259 at June 30, 2020 and 2019. Depreciation expense reported in the consolidated statements of activities and changes in net assets for the year ended June 30, 2020, was approximately $15,000. No depreciation expense was recorded on the equipment as of June 30, 2019.

Minimum payments required under the capital lease during the following fiscal years ending June 30, are as follows:

Years ending June 30:		
2021	$	13,399
2022		14,064
2023		14,068
2024		14,073
2025		3,592
Total minimum lease payments		59,196
Less interest portions included in payments		(3,677)
Present value of lease obligations	$	55,519

Note 11. Notes Payable

		2020		2019
Loans payable to Habitat International as part of the SHOP 2010 grant, with total monthly payments ranging from $545 to $951 at 0% interest; maturing between January 2018 and January 2021.	$	3,692	$	7,346
Loans payable to Habitat International as part of the SHOP 2011 grant with total monthly payments ranging from $456 to $971 at 0% interest; maturing between January 2019 and January 2021.		4,680		9,315
Loans payable to Habitat International as part of the SHOP 2012 grant with total monthly payments ranging from $290 to $362 at at 0% interest; maturing between July 2019 and January 2022.		1,476		3,474
Loans payable to Habitat International as part of the SHOP 2013 grant with total monthly payments ranging from $74 to $444 at 0% interest; maturing between July 2020 and January 2023.		24,091		34,828
Loans payable to Habitat International as part of the SHOP 2014 grant with monthly payments of $520 beginning January 2018, at 0% interest; maturing January 2022.		10,960		15,640
Loans payable to Habitat International as part of the SHOP 2015 grant with monthly payments of $677 beginning July 2019, at 0% interest; maturing July 2023.		26,407		32,500

(Continued)

Note 11. Notes Payable (Continued)

	2020	2019
Loans payable to Habitat International as part of the SHOP 2016 grant with total monthly payments ranging from \$70 to \$768 beginning January 2020, at 0% interest; maturing through January 2026.	\$ 89,000	\$ 23,750
Loans payable to Habitat International as part of the SHOP 2017 grant with total monthly payments ranging from \$145 to \$510 beginning January 2022, at 0% interest; maturing through July 2026.	40,625	-
Note payable from Pinellas Funding to PNC Community Development Company, LLC for \$1,004,236 with monthly payments of \$2,843 at 0% interest until maturity at June 2043; collateralized by assignment of notes (see Note 17).	771,110	805,226
Note payable to CCM (see Note 9), debt requires interest only payments until November 2019 at .7608%. Beginning November 2019, semiannual payments to fully amortize the remaining balance through maturity in July 2028.	-	1,880,000
Note payable to Hancock Whitney New Markets CDE 37, LLC (see Note 9), debt requires interest only. Loan A \$4,245,000 and Loan B \$1,755,000. Debt requires interest only payments through December 2026 and matures in December 2039. The loan is secured by substantially all the assets acquired by the Organization from the loan proceeds. Debt has a put option feature that is exercisable on December 25, 2026.	6,000,000	-
Note payable of \$56,000 to the City of Clearwater for the purchase of N. Garden Avenue property with 0% interest, and collateralized by real property. No principal payments required until home is sold and then \$8,000 of unpaid principal shall be repaid. The remaining amount was forgiven by the City of Clearwater during the year ended June 30, 2020.	-	28,000
Note Payable to the City of Clearwater for the construction of N. Garden Avenue with 0% interest and a maturity date on April 2021, collateralized by the property. Principal, less a 12% developer fee, was repaid during 2020.	-	98,334
Three (3) \$15,000 notes payable to the City of St. Petersburg for three parcels of land with 0% interest, and collateralized by real property. The loans are forgiven if the home is owned by an eligible homeowner through January 2030 and March 2030.	45,000	-

(Continued)

Note 11. Notes Payable (Continued)

	2020	2019
Note payable to Pinellas County for the purchase of Habitat Pinellas Park Sub property with 0% interest. Principal is due at the earlier of the borrowers' sale of the property or September 2021.	$ 840,000	$ 840,000
$192,250 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of February 2023, collateralized by the property. No payments are due until the earlier of the maturity date or the date the property is sold.	31,250	-
$192,250 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of February 2023, collateralized by the property. No payments are due until the earlier of the maturity date or the date the property is sold.	31,250	-
$212,500 note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of December 2021, collateralized by the property. Repayment of the balance will be forgiven upon the sale of the property as approved by Pinellas County. The Organization is required to remain in compliance with a land use restriction for 14 years.	205,000	-
Paycheck Protection Program note payable with 1% interest and matures April 2022. Monthly principal and interest payments due beginning December 2020, unless forgiven in accordance with the CARES Act.	536,607	-
Note payable of $500,363 to a bank for the purchase of Madison Street building. Monthly payments of $3,309 with 4.95% interest until maturity at June 2023, collateralized by the building. The note was refinanced during the year ended June 30, 2020.	-	395,895
Note payable of $410,000 to a bank to refinance outstanding note payable. The note bears interest at 4.75% and requires monthly principal and interest payments of $4,312 through August 2029. The loan is collateralized by Madison St. building.	357,550	-

(Continued)

Note 11. Notes Payable (Continued)

	2020	2019
Note payable of $166,884 to Pasco County for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021.	$ 125,163	$ 146,024
Note payable of $244,000 to Pasco County for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	244,000	244,000
Note payable of $26,295 to Pasco County for the purchase of Leisure Lane and Van Doren properties with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property. The note payable was paid off during 2020.	-	26,295
Note payable of $12,900 to Pasco County for the purchase of Leisure Lane property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	12,900	12,900
Note payable of $18,861 to Pasco County for the purchase of Leisure Lane property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	18,861	18,861
Note payable of $10,460 to Pasco County for the purchase of Van Doren Avenue property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	10,460	10,460
Note payable of $20,600 to Pasco County for the purchase of Van Doren Avenue property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	20,600	20,600

(Continued)

Note 11. Notes Payable (Continued)

	2020	2019
Note payable of $50,000 to Pasco County for the purchase of Lake Drive property with 0% interest and matures upon sale of the property. The loan was forgiven during 2020.	$ -	$ 50,000
Note payable of $16,301 to Pasco County for the purchase of Terra Ceia Avenue property with 0% interest and matures upon sale of the property. The loan was forgiven during 2020.	-	16,301
	9,450,682	4,719,749
Debt issuance costs, net of accumulated amortization	(185,872)	(16,546)
	$ 9,264,810	$ 4,703,203

The following is a summary of future contractual debt maturities during each of the following years ending June 30:

2021	$ 591,226
2022	1,534,901
2023	227,939
2024	163,462
2025	125,874
Thereafter	6,807,280
	$ 9,450,682

Note 11. Notes Payable (Continued)

Undisbursed commitments to borrow: In the ordinary course of business, the Organization has entered into various lending arrangements, which include undisbursed commitments to borrow. Undisbursed commitments to borrow and the available borrowing amount at June 30, 2020 are as follows:

	Total Commitment	Available as of June 30, 2020
$192,250 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of February 2023, collateralized by the property. No payments are due until the earlier of the maturity date or the date the property is sold.	$ 192,250	$ 161,000
$192,250 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of February 2023, collateralized by the property. No payments are due until the earlier of the maturity date or the date the property is sold.	192,250	161,000
$157,550 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of January 2023, collateralized by the property. No payments are due until the earlier of the maturity date or the date the property is sold.	157,550	157,550
$157,550 available note payable to Pinellas County for the purchase and development of property with 0% interest and a maturity date of January 2023, collateralized by the property. No payments are due until the earlier of the maturity date or the date the property is sold.	157,550	157,550
$130,000 available non-revolving loan payable to City of Clearwater for the purchase and development of property with 0% interest and a maturity of December 2021, collateralized by the property. Principal payments, less a 12% developer fee, are due the earlier of the maturity date or the date that the property is sold.	130,000	130,000
	$ 829,600	$ 767,100

Additionally, the Organization maintains a line of credit through a financial institution that allows the Organization to borrow up to $350,000 for the purpose of short-term working capital. The outstanding amount of the line of credit plus accrued interest is due on December 31, 2020. Interest is payable monthly at 30-day Libor Rate plus 2.5% (with a floor of 3.5% and a ceiling of 5.5%. There were no draws on the line of credit during the years ended June 30, 2020 and 2019.

Note 11. Notes Payable (Continued)

During the year ended June 30, 2020, the Organization incurred debt issuance costs of approximately $220,000 in connection with the issuance of notes payable above. During the year ended June 30, 2019, the Organization incurred no additional debt issuances costs. Debt issuance costs are presented as a reduction of notes payable to be amortized over the term of the loan. The components of debt issuance costs are as follows:

	2020	2019
Loan costs	$ 191,088	$ 28,227
Less accumulated amortization	(5,216)	(11,681)
Total direct debt costs, net	$ 185,872	$ 16,546

Interest expense related to the direct debt costs for the years ended June 30, 2020 and 2019, was $50,536 and $6,316, respectively.

Note 12. Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows at June 30:

	2020	2019
Subject to expenditure for specified purpose or time restriction:		
Unconditional promises to give, net of unamortized discount	$ 227,281	$ 130,329
Use restriction	13,750	97,500
Donated labor and materials	94,500	56,000
Donated land	113,389	134,529
Subject to spending policy:	448,920	418,358
Beneficial interest in assets held by foundations	20,000	20,000
	$ 468,920	$ 438,358

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time as follows for the years ended June 30:

	2020	2019
Unconditional promises to give, net of unamortized discount	$ 168,625	$ 94,783
Use restriction	97,500	54,786
Donated labor and materials	56,000	77,000
Donated land	152,064	179,753
	$ 474,189	$ 406,322

Note 13. Leases

The Organization leases its office and two ReStore locations under non-cancelable operating lease agreements with expiration dates through June 2022. In addition to monthly base rent, the Organization is required to pay 5% of ReStore sales to the landlord. Total rent expense was approximately $428,000 and $406,000 for the years ended June 30, 2020 and 2019, respectively.

Based on the terms of the agreements, the minimum payments, excluding the percentage of Habitat ReStore's gross sales, due on all leases are as follows:

Years ending June 30:	
2021	$ 363,421
2022	204,619
	$ 568,040

Note 14. Commitments and Contingencies

Litigation: The Organization is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Organization's consolidated financial position or the results of its operations.

Grantors: Certain expenditures incurred by the Organization are subject to audit and possible disallowance by federal and state agencies. Management believes that, if audited, an adjustment for disallowed expenses would be immaterial. Additionally, certain properties sold maintain land use restrictions over a period of time which require the properties to be owned by families of low-income. Noncompliance with the land use restriction could result in repayment of all or a portion of previous amounts forgiven. Management believes the Organization is in compliance with land use restrictions through June 30, 2020.

COVID-19: On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certainty pies of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Organization. Additionally, it is reasonably possible that estimates made in the consolidated financial statements have been, or will be, impacted in the near term as a result of these conditions.

The Organization received proceeds from the Paycheck Protection Program (see Note 11). Under the terms of the loan, certain amounts may be forgiven if they are used for qualifying expenses, as described in the CARES Act. Qualifying expenses including payroll costs, continuation of health care benefits, mortgage payments, rent, utilities and interest on other debt obligations. The Organization intends to use the entire loan amount for qualifying expenses, however, no assurance can be given that expenditures will qualify or be forgiven.

Note 15. Transactions With Habitat International

The Organization remits a portion of its contributions without donor restrictions to Habitat International as tithe to support its operations. The Organization contributed approximately $150,000 and $232,000 to Habitat International during the years ended June 30, 2020 and 2019, respectively. These amounts are included in program services expense in the consolidated statement of activities and changes in net assets.

Note 16. Community Development Block Grant

On June 15, 2006, the Organization was awarded a Community Development Block Grant (Grant) from Pinellas County, Florida in the amount of $350,000. Under the Grant, the Organization acquired 2.5 acres of land in Dunedin, Florida and constructed 18 affordable home ownership housing units. If the homebuyer sells the property between years 6 and 20, the Organization is required to return a prorated portion of the funds back to Pinellas County. The Organization has recorded a second mortgage on the properties to secure its interest in the properties. Both an asset for the second mortgage and a corresponding liability of $350,000 due to Pinellas County, are recorded as a deferred affordable housing note, and are reflected in the June 30, 2020 and 2019 consolidated statements of financial position. The amounts will be forgiven in 2026 if the homebuyers do not sell the properties.

Note 17. Sale of Mortgages With PNC Bank

In August 2013, Pinellas Funding was formed as a single member LLC with Habitat as the member. During 2014, Pinellas Funding acquired seven mortgages from Habitat with a carrying value of $666,422. Pinellas Funding then entered into a note purchase agreement with PNC Bank. Pinellas Funding authorized the issuance and sale of the mortgages with a face value of $1,004,236 to PNC Bank for $666,422 on August 29, 2013. This transaction did not meet the requirements under ASC 860 to be treated as a sale due to the Organization maintaining effective control and involvement with the mortgage receivables. Accordingly, the mortgages receivable were not derecognized and are recorded in other mortgages receivable in the accompanying consolidated statements of financial position in the amount of $771,110 and $805,226 at June 30, 2020 and 2019, respectively. Additionally, the Organization recorded a note payable due to PNC Bank. See Note 11 for the terms and outstanding balance of the offsetting PNC note payable at June 30, 2020 and 2019.

Note 18. Retirement Plan

The Organization has a 401(k) profit sharing plan that provides for a discretionary matching contribution. For the years ended June 30, 2020 and 2019, the Organization made contributions of approximately $31,000 and $34,000 respectively.

Note 19. Conditional Promises to Give from Grantors

The Organization has conditional grants to give from Habitat International of $161,500 as of June 30, 2020. Future payments are contingent upon the Organization carrying out certain activities (meeting grant imposed barriers) stipulated by the grant.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Agency Pass-Through Entity Federal Program Pass-Through Entity Pgram or Cluster Title	CFDA Number	Agency or Pass-Through Identifying Number	Federal Expenditures		Passed Through to Subrecipients
U.S. Department of Housing and Urban Development (HUD):					
Passed through Pinellas County, Florida					
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	$ 350,000	*	$ -
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	205,000		-
Passed through City of Clearwater, Florida					
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	15,000		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	28,000	*	-
Passed through City of St. Petersburg, Florida					
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	6,860		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	750		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	4,010		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	750		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	14,150		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	750		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	15,349		-
Community Development Block Grant/Entitlement Grants	14.218	Not Applicable	750		-
Total CFDA 14.218			641,369		-
Passed through City of St. Petersburg, Florida					
HOME Investment Partnerships Program	14.239	Not Applicable	15,000		-
HOME Investment Partnerships Program	14.239	Not Applicable	15,000		-
HOME Investment Partnerships Program	14.239	Not Applicable	15,000		-
HOME Investment Partnerships Program	14.239	Not Applicable	15,000		-
Passed through City of Clearwater, Florida					
HOME Investment Partnerships Program	14.239	Not Applicable	98,334	*	-
HOME Investment Partnerships Program	14.239	Not Applicable	11,137		-
HOME Investment Partnerships Program	14.239	Not Applicable	99,718		-
HOME Investment Partnerships Program	14.239	Not Applicable	11,762		-
Total CFDA 14.239			280,951		-
Passed through Habitat for Humanity International, Inc.					
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	126,853	*	-
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	105,875		-
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	317,625		-
			550,353		-
Subtotal – (HUD)			1,472,673		-
Total federal awards			$ 1,472,673		$ -

* This represents the balance of a loan from a previous year which the federal government imposes the continuing compliance requirements.

See accompanying notes to schedule of expenditures of federal awards and independent auditor’s report.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Habitat for Humanity of Pinellas County, Inc. (Habitat). The information in this schedule is presented in accordance with the requirements of Subpart F of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Habitat, it is not intended to and does not present the financial position, changes in net assets or cash flows of Habitat.

Some amounts presented in the schedule may differ from amounts presented or used in the preparation of the consolidated financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Costs

Habitat has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Self-Help Homeownership Opportunity Program

HUD's Self-Help Homeownership Opportunity Program (SHOP) grants and loans were passed through to Habitat by Habitat for Humanity International, Inc. (Habitat International). The SHOP Agreement stipulates that 75% of each sub-grant from Habitat International to the affiliate is in the form of a grant and 25% is in the form of a loan. The awards provided under CFDA 14.247 for SHOP were as follows for the year ended June 30, 2020:

Pass-Through Grantor	Identifying Number	Federal Expenditures	
Habitat International	SHOP 2010 – Existing Loans	$ 7,346	*
Habitat International	SHOP 2011 – Existing Loans	9,315	*
Habitat International	SHOP 2012 – Existing Loans	3,474	*
Habitat International	SHOP 2013 – Existing Loans	34,828	*
Habitat International	SHOP 2014 – Existing Loans	15,640	*
Habitat International	SHOP 2015 – Existing Loans	32,500	*
Habitat International	SHOP 2016 – Existing Loans	23,750	*
Habitat International	SHOP 2016 – New Loans (25%)	65,250	
Habitat International	SHOP 2017 – New Loans (25%)	40,625	
		232,728	
Habitat International	SHOP 2016 – New Grant (75%)	195,750	
Habitat International	SHOP 2017 – New Grant (75%)	121,875	
		317,625	
		$ 550,353	

*Represents the balance of a loan from a previous year that the federal government imposes the continuing compliance requirements equaling $126,853.

Note 5. Loans

Habitat has the following loan balances at June 30, 2020:

CFDA Number	Description	Original Loan Amount	Balance at July 1, 2019	New Loans	Payments	Balance at June 30, 2020
14.218	Shady Grove	$ 350,000	$ 350,000	$ -	$ -	$ 350,000
14.218	Ridgecrest/Largo	205,000	-	205,000	-	205,000
14.239	1211 N Garden	28,000	28,000	-	(28,000)	-
14.239	1209 Garden Construction	98,334	98,334	-	(98,334)	-
14.239	1205 Blanche B Littlejohn Construction	99,718	-	99,718	-	99,718
14.247	SHOP 2010 – Loans	45,778	7,346	-	(3,654)	3,692
14.247	SHOP 2011 – Loans	46,665	9,315	-	(4,635)	4,680
14.247	SHOP 2012 – Loans	20,881	3,474	-	(1,998)	1,476
14.247	SHOP 2013 – Loans	57,416	34,828	-	(10,737)	24,091
14.247	SHOP 2014 – Loans	25,000	15,640	-	(4,680)	10,960
14.247	SHOP 2015 – Loans	32,500	32,500	-	(6,093)	26,407
14.247	SHOP 2016 – Loans	23,750	23,750	65,250	-	89,000
14.247	SHOP 2017 – Loans	40,625	-	40,625	-	40,625

RSM

RSM US LLP

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated statements of financial position of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries (the Organization) as of June 30, 2020, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated November 16, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable probability that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

St. Petersburg, Florida
November 16, 2020

Report on Compliance for Each Major Program
and Report on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board of Directors
Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Report on Compliance for Each Major Federal Program
We have audited Humanity of Pinellas County, Inc. and Subsidiaries' (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program
In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

St. Petersburg, Florida
November 16, 2020

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section I – Summary of Auditor's Report

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes __X__ No
Significant deficiency(ies) identified?	_____ Yes __X__ None reported
Noncompliance material to financial statements noted?	_____ Yes __X__ No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	_____ Yes __X__ No
Significant deficiency(ies) identified?	_____ Yes __X__ None reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	_____ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.247	Self-Help Homeownership Opportunity Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	__X__ Yes _____ No

Section II – Financial Statement Findings

None Reported

Section III – Findings and Questions Costs for Federal Awards

None Reported

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

There were no findings reported for the year ended June 30, 2019.

Habitat for Humanity of Pinellas County, Inc.
And Subsidiaries

Consolidated Financial Statements

June 30, 2019 and 2018

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Independent Auditor's Report

Board of Directors
Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
Clearwater, Florida

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Habitat for Humanity of Pinellas County, Inc. and subsidiaries (the Organization), which comprise the consolidated statement of financial position as of June 30, 2019; the related consolidated statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Habitat for Humanity of Pinellas County, Inc. and subsidiaries as of June 30, 2019, and the consolidated changes in their net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The consolidated financial statements of the Organization, as of and for the year ended June 30, 2018, were audited by other auditors, whose report, dated October 8, 2018, expressed an unmodified opinion on those statements.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance and related notes, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Section 215.97, Florida Statutes; and Chapter 10.650, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2019 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Gregory, Sharer & Stuart, P.A.

Gregory, Sharer & Stuart, P.A.

St. Petersburg, Florida
October 14, 2019

	June 30, 2019	June 30, 2018
Assets		
Cash and cash equivalents	$ 5,127,943	$ 4,279,945
Assets held in escrow	737,511	652,272
Accounts receivable	53,898	36,444
Unconditional promises to give, net	110,329	130,262
Habitat ReStore inventory	155,711	208,030
Homes under construction	1,268,090	1,244,545
Land held for development	2,620,711	1,253,743
Land held for investment or resale	-	156,665
Property and equipment, net	1,241,251	586,457
Mortgages receivable, net	835,119	336,042
Other mortgages receivable	805,226	839,342
Other receivables	147,399	114,163
Beneficial interest in assets held by foundations	20,000	20,000
Investment in joint venture	1,580,128	3,248,602
Deferred affordable housing note receivable	350,000	350,000
Other assets	111,496	81,427
Total assets	$ 15,164,812	$ 13,537,939
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	$ 462,703	$ 398,267
Deferred revenue - joint venture	12,323	41,024
Escrow deposits	664,096	641,911
Down payments and advance payments	55,053	29,600
Capital lease payable	66,594	20,034
Notes payable, net	4,703,203	5,136,940
Deferred affordable housing note payable	350,000	350,000
Total liabilities	6,313,972	6,617,776
Net assets		
Net assets without donor restrictions	8,412,482	6,317,745
Net assets with donor restrictions	438,358	602,418
Total net assets	8,850,840	6,920,163
Total liabilities and net assets	$ 15,164,812	$ 13,537,939

	Year ended June 30, 2019			Summarized Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	Total	Year Ended June 30, 2018
Support and revenue				
Contributions				
Building materials and services	$ 1,060,639	$ 56,000	$ 1,116,639	$ 988,755
Donated land	-	16,912	16,912	554,182
Cash	1,851,933	159,350	2,011,283	3,018,115
Habitat ReStore merchandise	841,231	-	841,231	1,036,709
In-kind other	1,563	-	1,563	-
Transfers to homeowners	11,614,388	-	11,614,388	9,675,960
Gain on sale of mortgages	-	-	-	398,477
Mortgage discount amortization	35,096	-	35,096	50,517
Sales - Habitat ReStore	1,134,545	-	1,134,545	1,069,769
Fundraising events, net of direct costs of $270,219	379,253	-	379,253	411,972
Foundations and grants	538,715	10,000	548,715	835,848
Other	207,956	-	207,956	64,310
Investment income from joint venture	39,811	-	39,811	81,073
Net assets released from restrictions	406,322	(406,322)	-	-
Total support and revenue	18,111,452	(164,060)	17,947,392	18,185,687
Expenses				
Program				
Construction	14,817,687	-	14,817,687	13,114,638
Mortgage discounts	98,566	-	98,566	86,612
Habitat ReStore	1,892,262	-	1,892,262	2,062,379
Supporting services				
General and administrative	294,380	-	294,380	278,144
Fundraising	524,762	-	524,762	322,391
Total expenses	17,627,657	-	17,627,657	15,864,164
Change in net assets before other changes	483,795	(164,060)	319,735	2,321,523
Other changes				
Interest expense	(17,841)	-	(17,841)	(34,081)
Loss on sale of land and property and equipment	(20,207)	-	(20,207)	(4,363)
Forgiveness of debt	338,647		338,647	-
Impairment on land and property	-	-	-	(149,861)
Contribution from West Pasco Habitat for Humanity, Inc.	1,281,642		1,281,642	-
Amortization of joint venture deferred revenue	28,701	-	28,701	36,758
Total other changes	1,610,942	-	1,610,942	(151,547)
Change in net assets	2,094,737	(164,060)	1,930,677	2,169,976
Net assets at beginning of year	6,317,745	602,418	6,920,163	4,750,187
Net assets at end of year	$ 8,412,482	$ 438,358	$ 8,850,840	$ 6,920,163

See accompanying notes to consolidated financial statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
Consolidated Statement of Activities and Change in Net Assets
For the Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions			
Building materials and services	$ 911,755	$ 77,000	$ 988,755
Donated land	-	554,182	554,182
Cash	1,199,567	1,818,548	3,018,115
Habitat ReStore merchandise	1,036,709	-	1,036,709
In-kind other	-	-	-
Transfers to homeowners	9,675,960	-	9,675,960
Gain on sale of mortgages	398,477	-	398,477
Mortgage discount amortization	50,517	-	50,517
Sales - Habitat ReStore	1,069,769	-	1,069,769
Fundraising events, net of direct costs of $213,222	411,972	-	411,972
Foundations and grants	274,048	561,800	835,848
Other	64,310	-	64,310
Investment income from joint venture	81,073	-	81,073
Net assets released from restrictions	2,764,412	(2,764,412)	-
Total support and revenue	17,938,569	247,118	18,185,687
Expenses			
Program			
Construction	13,114,638	-	13,114,638
Mortgage discounts	86,612	-	86,612
Habitat ReStore	2,062,379	-	2,062,379
Supporting services			
General and administrative	278,144	-	278,144
Fundraising	322,391	-	322,391
Total expenses	15,864,164	-	15,864,164
Change in net assets before other changes	2,074,405	247,118	2,321,523
Other changes			
Interest expense	(34,081)	-	(34,081)
Loss on sale of land	(4,363)	-	(4,363)
Impairment on land and property	(149,861)	-	(149,861)
Amortization of joint venture deferred revenue	36,758	-	36,758
Total other changes	(151,547)	-	(151,547)
Change in net assets	1,922,858	247,118	2,169,976
Net assets at beginning of year	4,394,887	355,300	4,750,187
Net assets at end of year	$ 6,317,745	$ 602,418	$ 6,920,163

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
Consolidated Statement of Functional Expenses for the Year Ended June 30, 2019
With Summarized Comparative Totals for the Year Ended June 30, 2018

	Year Ended June 30, 2019								Summarized Comparative Totals
	Program Services				Supporting Services				
	Construction	Mortgage Discounts	Habitat ReStore	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total	Year Ended June 30, 2018
Salaries	$ 1,742,808	$ -	$ 414,923	$ 2,157,731	$ 124,725	$ 396,659	$ 521,384	$ 2,679,115	$ 2,348,521
Employee benefits	182,412	-	71,522	253,934	28,828	37,413	66,241	320,175	258,177
Retirement plan	24,208	-	4,613	28,821	3,852	1,246	5,098	33,919	24,719
Building materials and supplies	11,611,820	-	-	11,611,820	-	-	-	11,611,820	10,274,575
Insurance and taxes	114,870	-	19,594	134,464	3,946	-	3,946	138,410	103,673
Repairs and maintenance	14,725	-	-	14,725	1,050	35	1,085	15,810	22,554
Depreciation and amortization	149,928	-	8,127	158,055	30,226	-	30,226	188,281	171,997
Mortgage discounts	-	98,566	-	98,566	-	-	-	98,566	86,612
Office supplies, equipment, and utilities	199,180	-	45,902	245,082	6,342	11,499	17,841	262,923	248,335
Printing and advertising	67,893	-	7,637	75,530	-	14,600	14,600	90,130	74,153
Travel	102,758	-	35,931	138,689	241	9,770	10,011	148,700	124,876
Professional services	168,614	-	940	169,554	72,057	2,835	74,892	244,446	261,849
Other	87,681	-	37,125	124,806	10,093	37,685	47,778	172,584	149,886
Donated merchandise sold	-	-	904,670	904,670	-	-	-	904,670	1,039,218
Purchased merchandise sold	-	-	64,381	64,381	-	-	-	64,381	30,551
Rent	103,390	-	276,897	380,287	13,020	13,020	26,040	406,327	386,028
Bad debt expense	15,900	-	-	15,900	-	-	-	15,900	44,440
Support of Habitat for Humanity International	231,500	-	-	231,500	-	-	-	231,500	214,000
	$ 14,817,687	$ 98,566	$ 1,892,262	$ 16,808,515	$ 294,380	$ 524,762	$ 819,142	$ 17,627,657	$ 15,864,164

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2018

	Construction	Mortgage Discounts	Habitat ReStore	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries	$ 1,551,183	$ -	$ 472,845	$ 2,024,028	$ 98,159	$ 226,334	$ 324,493	$ 2,348,521
Employee benefits	150,531	-	73,067	223,598	18,468	16,111	34,579	258,177
Retirement plan	14,229	-	3,759	17,988	4,752	1,979	6,731	24,719
Building materials and supplies	10,274,575	-	-	10,274,575	-	-	-	10,274,575
Insurance and taxes	74,153	-	29,520	103,673	-	-	-	103,673
Repairs and maintenance	22,554	-	-	22,554	-	-	-	22,554
Depreciation and amortization	146,977	-	5,340	152,317	19,680	-	19,680	171,997
Mortgage discounts	-	86,612	-	86,612	-	-	-	86,612
Office supplies, equipment, and utilities	175,714	-	57,997	233,711	5,184	9,440	14,624	248,335
Printing and advertising	61,610	-	8,880	70,490	-	3,663	3,663	74,153
Travel	88,941	-	31,319	120,260	-	4,616	4,616	124,876
Professional services	120,276	-	14,255	134,531	93,954	33,364	127,318	261,849
Other	76,524	-	33,701	110,225	25,362	14,299	39,661	149,886
Donated merchandise sold	-	-	1,039,218	1,039,218	-	-	-	1,039,218
Purchased merchandise sold	-	-	30,551	30,551	-	-	-	30,551
Rent	98,931	-	261,927	360,858	12,585	12,585	25,170	386,028
Bad debt expense	44,440	-	-	44,440	-	-	-	44,440
Support of Habitat for Humanity International	214,000	-	-	214,000	-	-	-	214,000
	$ 13,114,638	$ 86,612	$ 2,062,379	$ 15,263,629	$ 278,144	$ 322,391	$ 600,535	$ 15,864,164

	Year ended June 30, 2019	2018
Cash flows from operating activities		
Change in net assets	$ 1,930,677	$ 2,169,976
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	127,628	111,367
Amortization of intangibles	60,653	60,628
Amortization of loan costs	24,373	4,314
Bad debt expense	15,900	44,440
Investment income from joint venture	(39,811)	(81,073)
Mortgage discount amortization	(35,096)	(50,517)
Net donated materials and labor	(77,000)	(77,000)
Gain on sale of mortgages	-	(398,477)
Mortgage discounts	98,566	86,612
Gain on sale of land held for investment or sale	(43,335)	-
Loss on sale of property and equipment	20,207	4,363
Donated land for development	-	(554,182)
Impairment on land and property	-	149,861
Forgiveness of debt	(338,647)	-
Contribution from West Pasco Habitat for Humanity, Inc.	(1,281,642)	-
Decrease (increase) in:		
Assets held in escrow	(74,232)	653,786
Accounts receivable	(6,702)	(18,033)
Other receivables	(33,236)	59,480
Unconditional promises to give	4,033	(21,208)
Land held for development	(2,107,194)	(826,467)
Habitat ReStore inventory	52,319	2,509
Homes under construction	1,568,210	1,394,723
Other assets	(82,729)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	33,157	43,751
Deferred revenue in joint venture	(28,701)	(36,758)
Escrow deposits	11,178	82,839
Down payments and advance payments	25,453	500
Net cash (used) provided by operating activities	(175,971)	2,805,434
Cash flows from investing activities		
Cash received from acquisition of West Pasco Habitat for Humanity, Inc.	254,618	-
Purchases on property held for investment	-	(300,324)
Proceeds from sale of land held for development	79,326	-
Purchases of equipment	(105,262)	(258,533)
Distributions from investment in joint venture	23,276	29,587
Purchases of mortgages	-	(146,819)
Proceeds from sale and payments received on mortgages	130,367	818,099
Net cash provided by investing activities	382,325	142,010

	Year ended June 30, 2019	2018
Cash flows from financing activities		
Payments on notes payable	(1,231,375)	(1,648,674)
Proceeds from notes payable	1,826,459	16,250
Payments on capital lease obligations	46,560	(9,373)
Payments on line-of-credit	-	(32,170)
Net cash provided (used) by financing activities	641,644	(1,673,967)
Net increase in cash	847,998	1,273,477
Cash and cash equivalents at beginning of year	4,279,945	3,006,468
Cash and cash equivalents at end of year	$ 5,127,943	$ 4,279,945
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 16,144	$ 29,767
Noncash investing transactions		
Transfers of property to homeowners through issuance of mortgage receivable	$ 11,614,388	$ 9,675,960
Repayment of debt through distributions from joint venture	$ -	$ -

Note A - Nature Of Organization

Habitat for Humanity of Pinellas County, Inc. (Habitat) was incorporated in January 1985. Habitat is an affiliate of Habitat for Humanity International, Inc. (Habitat International), a nondenominational Christian, not-for-profit organization, whose mission is to build and repair simple, decent, affordable houses for those who lack adequate shelter. Although Habitat International assists with information resources, training, publications, prayer support, and in other ways, Habitat is primarily and directly responsible for its own operations.

Pinellas Funding Company I, LLC (Pinellas Funding) was incorporated in July 2013 and is solely-owned by Habitat. Pinellas Funding was formed to complete the sale of mortgages with PNC Bank (see Note T). Pinellas Funding purchased mortgages from Habitat and subsequently sold these mortgages to PNC Bank.

On August 31, 2010, Pinellas County Habitat for Humanity Community Development Organization (Pinellas CHDO) was incorporated as a not-for-profit organization in accordance with the laws of the State of Florida. Pinellas CHDO is wholly-owned by Habitat and has been certified by Pinellas County, Florida as a Community Housing Development Organization (CHDO).

Note B - Summary Of Significant Accounting Policies

Basis of Consolidation and Presentation

The consolidated financial statements include the accounts of Habitat, Pinellas Funding, and Pinellas CHDO (collectively, the Organization). The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). All material intercompany transactions and balances have been eliminated in consolidation.

The Organization presents information regarding its consolidated financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions include all resources over which the governing board has discretionary control. The governing board of the Organization may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.
- Net assets with donor restrictions include resources subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by actions of the Organization or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported revenues and expenses. Accordingly, actual results could differ from those estimates. Significant estimates included in the consolidated financial statements include allocation of expenses by function, useful lives of depreciable assets, the allowance on unconditional promises to give, and impairment of land held for development.

Fair Value Measurement

The Organization measures beneficial interest in assets held by foundation at fair value on a recurring basis (at least annually). The Organization follows accounting guidance, which defines fair value and specifies a hierarchy of valuation techniques used to measure fair value. The disclosure of fair value estimates is based on whether th significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs.

The following in a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Organization.

Level 2 - Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3 - Unobservable inputs based on the Organization's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions. The Organization considers all highly liquid assets with an initial maturity of three months or less as cash.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally insured limits. From time to time the Organization's cash balances may have exceeded the federally insured limit. However, the Organization has not experienced, and does not expect, to incur any losses in such accounts.

Assets Held in Escrow

The Organization currently services the mortgages on the homes it sells. Included in assets held in escrow are cash amounts received for insurance and property taxes on such homes. These cash amounts are recorded as an asset and offset by escrow deposits, a related liability.

Also included in assets held in escrow are cash amounts received for the construction of new properties. These cash amounts are recorded as an asset and offset by notes payable.

Accounts Receivable

Accounts receivable consist of various amounts due from homeowners and homeowner candidates. The Organization has determined that all amounts are collectible; accordingly, no allowance for potentially uncollectible accounts has been recorded at June 30, 2019 and 2018.

Other Receivables

Other receivables consist primarily of mortgage receivables from transactions with PNC Bank (see Note T).

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, or when a pledge becomes due, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization uses the allowance method to determine uncollectible unconditional promises. The allowance is based on prior years' experience and management's analysis of specific promises made.

Habitat Restore Inventory

Habitat Restore inventory includes donated and purchased household building materials, appliances, and furniture that are sold at the Habitat Restores. Donated merchandise is stated at its estimated fair market value, which is determined based on its future economic benefit. During the years ended June 30, 2019 and 2018, the Organization estimated the fair market value of donated merchandise to be approximately $840,000 and $1 million, respectively. Purchased merchandise is stated at lower of cost or net realizable value, with cost being determined by the first-in, first-out method.

Homes Under Construction

Homes under construction consist of labor, material, and lot costs using the specific identification method, and include indirect construction costs incurred during the construction period. Habitat transferred 62 and 55 homes to homeowners during the years ended June 30, 2019 and 2018, respectively.

Land Held for Development

Land held for development includes the cost of land and land improvements or, if donated, the approximate fair value of the land at the date of the donation, held for future construction of homes.

Property and Equipment

Property and equipment are recorded at acquisition cost, including costs necessary to prepare the asset for its intended use, less accumulated depreciation. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the assets ranging from three to 10 years.

Maintenance and repairs are charged to expense as incurred, while renewals and betterments in excess of $1,000 are capitalized.

Impairment of Long-Lived Assets

The Organization's long-lived assets, such as land, building, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount exceeds the fair value of the asset. The Organization determined there was no impairment on long-lived assets as of June 30, 2019. The Organization recognized an impairment loss on land held for development and land held for investment or resale during the year ended June 30, 2018 (see Note O).

Mortgages Receivable

Mortgages receivable consist predominantly of non-interest bearing residential first mortgages secured by real estate and payable in monthly installments over the life of the mortgage, generally ranging from five to 35 years. These mortgages receivable are shown on the consolidated statements of financial position discounted by the prevailing interest rates for low income housing at the inception of each mortgage as calculated by Habitat International.

In addition to the mortgages receivable included in the consolidated statements of financial position, the Organization also enters into equity creation agreements with certain homebuyers. These equity creation agreements known as a "silent second mortgage" originate at the same time of the first mortgage and reflect the difference between the purchase price and the fair market value of the house. This equity creation agreement is part of the mortgage document and is executed for protection against homeowners who may sell their house for a profit before the mortgage is repaid, and to protect the homeowner by preventing predatory lenders from paying off the first mortgage and saddling the homeowners with an onerous new mortgage. This amount is considered forgiven by the mortgagee over the life of the mortgage and the mortgagor agrees that the remaining balance is secured by the mortgage until forgiven in full. The Organization does not record a value for the equity creation agreements as it is unlikely that the amount will ever be collected.

The Organization uses established underwriting criteria to ensure that only families who meet the Organization's financial and credit criteria are approved to be partner families and receive a non interest-bearing mortgage loan from the Organization. This includes, but is not limited to, a thorough review of each prospective homeowner's credit report, sources of income, and financial history. The Organization regularly reviews its mortgages receivable and monitors the accounts for delinquencies. The Organization has documented delinquency procedures that are followed starting with 10 to 15 days after the payment due date. Once a payment is 120 days or more late, the Organization will turn the file over to its attorney who will send a letter or other notice as required by law. If the homeowner does not cure the default, foreclosure proceedings are initiated.

Non interest-bearing mortgages originated are discounted based on prevailing market rates at the time of the sale, which results in the net mortgage receivable balances being generally less than 50% of the home's fair market value. Therefore, the Organization believes that losses resulting from nonpayment of mortgage notes receivable, given its collateral value, are not likely. Accordingly, the Organization has not recorded an allowance for mortgages receivable.

Beneficial Interest in Assets Held by Foundations

The beneficial interest in assets held by foundations is recorded at fair value in the consolidated statements of financial position.

Other Assets

Other assets consist mainly of prepaid expenses, refundable deposits, and intangible assets. In accordance with U.S. GAAP, if an intangible asset is determined to have an indefinite useful life, it shall not be amortized until its useful life is determined to be no longer indefinite.

Revenue Recognition

Contributions received are recorded as increases in net assets with donor restrictions unless use of related asset is limited by donor imposed restrictions.

The Organization recognizes revenue from home sales when a closing occurs. A closing is considered to occur when title, possession, and other attributes of ownership have been transferred to the buyer; and the Organization is not obligated to perform significant activities after the sale. Revenue from the sale of homes is recorded on the consolidated statements of activities as transfers to homeowners. Transfers to homeowners are recorded at the gross mortgage amount plus down payment received.

Non-interest-bearing mortgages have been discounted based upon prevailing market rates for low income housing at the inception of the mortgages, as provided by Habitat International. This discount will be recognized as mortgage discount amortization income over the term of the mortgage.

Sales form the Habitat ReStore are reported net of sales tax collected.

Federal, state, and local government and other grants are recognized as support when performance occurs pursuant to the contract agreement.

Donated Services, Materials, and Land

Donated services, materials, and land are recorded as increases in net assets without donor restrictions unless the use of the related assets is limited by donor imposed restrictions. Donated services, materials, and land are reflected in the accompanying consolidated statements of activities, at their estimated fair market values at the date of receipt. Habitat reports revenues for the fair value of donated services received when the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated.

During the years ended June 30, 2019 and 2018, Habitat recorded donation revenue of approximately $1,117,000 and $989,000, respectively, related to donations of building materials and services. During the years ended June 30, 2019 and 2018, Habitat received approximately $17,000 and $554,000, respectively, in donated lots from various financial institutions and donors recorded at their tax assessed just market value which approximates fair value.

Advertising Costs

Advertising costs are expensed as incurred and were approximately $90,000 and $74,000 for the years ended June 30, 2019 and 2018, respectively.

Income Tax Status

Habitat and Pinellas CHDO are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. Pinellas Funding is a disregarded entity and, therefore, revenues and expenses flow through to Habitat for federal tax purposes. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements.

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization's federal returns are generally open for examination for three years following the date filed.

Functional Expense Allocation

The costs of providing the programs and supporting services have been reported on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Expenses allocated using management’s estimate of time spent include payroll, employee benefits, and retirement plan expenses. Expenses allocated using management’s estimate of usage include professional services, certain insurance, and depreciation. Lastly, expenses allocated using square footage include rent and utilities.

Reclassification

Certain amounts in the 2018 consolidated financial statements have been reclassified to conform to the 2019 presentation. Net assets and changes in net assets were unchanged due to these reclassifications.

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The update address the complexity and understandability of net assets classification, deficiencies in information about liquidity and available of resources, and lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Recent Accounting Pronouncements

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to clarify the principles used to recognize revenue for all entities. Subsequently, in August 2015, FASB issued ASU 2015-14, which delayed the effective date for nonpublic companies to annual periods beginning after December 15, 2018 (the Organization's June 30, 2020 consolidated financial statements). The Organization is currently evaluating the impact adopting this guidance will have on its consolidated financial statements.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to clarify the definition of an exchange transaction and contribution and to clarify accounting for the same. The standard is effective for nonpublic entities for fiscal years beginning after December 15, 2018 (the Organization's June 30, 2020 consolidated financial statements); early adoption is permitted. The Organization is currently evaluating the impact of this accounting standard on its consolidated financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about the leasing arrangements. The amendments are effective for nonpublic companies for fiscal years beginning after December 15, 2019 (the Organization's June 30, 2021 consolidated financial statements). The Organization is currently evaluating the impact adopting this guidance will have on its consolidated financial statements.

Note C - Business Combination

Effective March 1, 2019, West Pasco Habitat for Humanity (West Pasco), a not-for-profit organization whose mission was to build and repair affordable houses in Pasco County, Florida, merged with Habitat. Habitat was the surviving corporation and upon completion of the transaction, West Pasco was dissolved. As a result, Habitat will better utilize staffing, increase opportunities to engage more people in the community, and serve more families locally and abroad.

Habitat has accounted for this acquisition of West Pasco as a business combination, in accordance with Account Standards Codification (ASC) 958, by recording the assets acquired and liabilities assumed of West Pasco as of March 1, 2019 at estimated fair value. No consideration was transferred. The net value of assets and liabilities received is recorded as an inherent contribution in the consolidated statements of activities. Acquired equipment was recorded at net book value. Land and buildings were valued using appraised values and other observable inputs. Mortgages and notes receivable, net of discount were recorded using the face value of the loan, net of discount. All other assets acquired were recorded at their net realizable value at the date of acquisition, which approximates fair value. Assumed liabilities were recorded at amounts due at the acquisition date.

The following table summarizes the estimated fair values of assets and liabilities at March 1, 2019 (acquisition date):

Cash and cash equivalents	$ 254,618
Property and equipment	681,281
Mortgage and notes receivable, net of discount	496,798
Land held for development and homes under construction	830,866
Other assets	30,828
Total assets	2,294,391
Accounts payable and accrued expenses	31,279
Other liabilities	11,007
Notes payable, net	970,463
Total liabilities	1,012,749
Total net assets transferred to Habitat	$ 1,281,642

The following is a summarized statement of activities for West Pasco for the eight months ended February 28, 2019 and the year ended June 30, 2018:

	Eight months ended February 28, 2019	Year ended June 30, 2018
Revenues	$ 606,571	$ 998,742
Expenses	(702,926)	(1,154,295)
Change in net assets	$ (96,355)	$ (155,553)

Note D - Availability and Liquidity

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Generally, the Organization strives to maintain a minimum amount of cash on hand equal to 90 days of operating expense. The following represents the Organization's financial assets available to meet general expenditures over the next 12 months at June 30:

	2019	2018
Cash and cash equivalents, less use restrictions of $97,500 and $54,786 at June 30, 2019 and 2018, respectively	$ 5,030,443	$ 4,225,159
Accounts receivable, net	53,898	36,444
Unconditional promises to give (due in less than one year)	92,967	69,750
Mortgages receivable (due in less than one year)	121,089	54,642
	$ 5,298,397	$ 4,385,995

Note E - Unconditional Promises To Give

Unconditional promises to give consist of the following at June 30:

	2019	2018
Gross unconditional promises to give	$ 136,094	$ 164,160
Less: Allowance for uncollectible promises	(20,000)	(23,000)
Less: Unamortized discount	(5,765)	(10,898)
Unconditional promises to give, net	$ 110,329	$ 130,262
Amounts due in:		
Less than one year	$ 92,967	69,750
One to four years	43,127	94,410
	$ 136,094	$ 164,160

Promises to give with due dates extending beyond one year are discounted to present value using Treasury bill rates with similar term investments with an added amount for economic uncertainty. The applicable discount rate for amounts due in more than one year was approximately 3%.

At June 30, 2019 and 2018, approximately $16,000 and $45,000 respectively, of unconditional promises to give was deemed uncollectible and written off.

Note F - Property And Equipment

Property and equipment consists of the following at June 30:

	2019	2018
Vehicles	$ 215,061	$ 178,058
Furniture and fixtures	96,423	96,423
Land	255,787	-
Buildings	595,845	185,473
Leasehold improvements	373,030	361,855
Signage	54,880	54,880
Construction equipment	52,690	81,837
Office equipment	256,647	211,983
	1,900,363	1,170,509
Less accumulated depreciation	(659,112)	(584,052)
	$ 1,241,251	$ 586,457

Depreciation expense was approximately $128,000 and $111,000 for the years ended June 30, 2019 and 2018, respectively.

Note G - Mortgages Receivable

Mortgages receivable consist of the following at June 30:

	2019	2018
Non-interest bearing loans at par value	$ 1,588,855	$ 770,173
Less: unamortized discount based on imputed interest	(753,736)	(434,131)
	$ 835,119	$ 336,042

All loans were deemed performing as of June 30, 2019 and 2018. Loans are deemed performing if they are less than 90 days delinquent, or if on an approved payment plan and current with the terms of the plan. No amounts were past due as of June 30, 2019 and 2018.

As of June 30, 2019, the balances due on the mortgages that are scheduled to be received for the next five years and thereafter are as follows:

Year ending June 30,	
2020	$ 121,089
2021	110,210
2022	105,453
2023	103,944
2024	101,327
Thereafter	1,046,832
	$ 1,588,855

The initial amount of each mortgage loan approximates the Organization's cost to build the house, plus mortgage discount expense. The residential mortgage loans have been discounted to reflect their economic value. The interest rates used to determine the discount range from 3.0% to 10.0% and are based on prevailing market rates, as provided by either Habitat International or applicable federal rates, in the year the mortgage originated. The discount rate used for the years ended June 30, 2019 and 2018 was 7.66% and 7.57%, respectively. The discount is calculated by computing the present value of each of the non-interest-bearing notes using the applicable discount rate.

The Organization typically sells mortgages receivable to various financial institutions at face value. During the years ended June 30, 2019 and 2018, the Organization sold mortgages receivable with a face value of $11.4 million and $10.5 million, respectively. No gains or losses on the sale of mortgages were recognized during the year ended June 30, 2019. During the year ended June 30, 2018, gains totaling $398,477 were recognized on the sale of mortgages.

The Organization services loans which it had sold to various banks. Under the agreements with the banks, the Organization agrees to service all loans in accordance with all applicable federal and state laws and regulations, and customary practices, policies and procedures for servicing residential mortgage loans. Additionally, in the event a loan becomes in default, the loan is subject to certain recourse by the bank.

Note H - Beneficial Interest in Assets Held By Foundations

The Organization established funds within the Pinellas Community Foundation (PCF) in the amount of $10,000 and Community Foundation of Tampa Bay (CFTB) in the amount of $10,000. The Fund agreements grant variance power to the respective Community Foundations and has named the Organization the beneficiary. Earnings on the funds, net of any service fees, will be periodically distributed to the Organization in accordance with the agreement. The Organization has received approximately $1,000 in earnings on these accounts for each of the years ended June 30, 2019 and 2018. The trust assets are composed of cash and cash equivalents, fixed income, equity securities, and real and tangible asset funds. The portfolio is managed by an investment company with oversight by PCF and CFTB. As of June 30, 2019 and 2018, the Organization's investment in beneficial interest in assets held by foundations totaled $20,000 and is reflected as an asset and net assets with donor restrictions in perpetuity.

Note I - Fair Value Measurement

The Organization's investments are reported at fair value in the accompanying consolidated statements of financial position. Following is a description of the valuation methodologies used for investments that are measured at fair value.

Beneficial interest in assets held by foundations - the investments are managed by a third party unrelated to the Organization. The trust assets are valued based upon the third-party information without adjustment. The Organization does not develop, nor are they provided with, the quantitative inputs used to develop the fair market values.

Fair value of assets measured on a recurring basis at June 30, 2019 and 2018 is as follows:

		Fair Value Measurements Using		
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2019				
Beneficial interest in assets held by foundations	$ 20,000	$ -	$ -	$ 20,000
2018				
Beneficial interest in assets held by foundations	$ 20,000	$ -	$ -	$ 20,000

Note J - Investment in Joint Venture

The Organization invested, along with four other Habitat affiliates, in a joint venture (HFHI-SA Leverage IX, LLC) to take advantage of New Market Tax Credit (NMTC) financing. NMTC financing allows an entity to receive a loan or investment capital from outside investors, who will receive new markets tax credits to be applied against their federal tax liability. As a result, the Organization has invested approximately $1,530,000 and was able to secure a 15-year loan in the amount of $2,023,656 payable to a community development entity. The loan accrued interest only for years one through seven at a reduced rate of .755%. During the year ended June 30, 2019, the loan was forgiven and HFHI-SA Leverage IX, LLC was dissolved. All remaining income was distributed to the Organization. The Organization recognized $338,600 of forgiveness of debt income during the year ended June 30, 2019.

In August 2012, the Organization invested, along with other Habitat affiliates, in a joint venture to take advantage of NMTC financing. As a result, the Organization has invested $100,000 of cash plus a leverage amount of construction in process value of $1,330,132. With this initial investment, the Organization was able to secure a 16-year loan in the amount of $1,880,000 payable to CCM Community Development XXVII (CCM), an affiliate of the joint venture. The loan accrues interest only for years one through seven at a reduced rate of .7608%. Beginning in years eight through 15, the principal balance of the loan is reduced by an eight-year amortization at the same rate of .7608% (see Note M). Subsequent to year-end, the loan was forgiven and CCM was dissolved.

Investments in joint ventures are accounted for under the equity method, with the Organization's share of the operating results of the joint venture reflected in investment income from joint venture. During each of the years ended June 30, 2019 and 2018, investment income from joint ventures was approximately $40,000 and $81,000, respectively.

Deferred revenue was recorded as a result of the investment in joint ventures. Deferred revenue recorded on the consolidated statements of financial position totaled $12,323 and $41,024 for the years ended June 30, 2019 and 2018, respectively. These amount are being amortized over the life of the underlying agreement and are reflected in the consolidated statements of activities as amortization of joint venture deferred revenue. Revenue of $28,701 and $36,758 was recognized for the years ended June 30, 2019 and 2018, respectively, and is recorded in other changes on the consolidated statements of activities.

Note K - Capital Lease Payable

Equipment under capital leases consist of certain office equipment with a combined capitalized cost of $31,659 at June 30, 2018 with corresponding accumulated depreciation of $12,363. In June 2019, the Organization modified its lease agreements which effectively terminated the previous lease and created a new lease. Equipment under the new capital lease totaled $77,259 at June 30, 2019. No depreciation expense was recorded on the new capital lease as of June 30, 2019. Depreciation expense reported in the consolidated statements of activities for each of the years ended June 30, 2019 and 2018 was $6,243.

Minimum payments required under the capital lease during the following fiscal years ending June 30, are as follows:

2020	$ 13,930
2021	13,930
2022	13,930
2022	13,930
2023	13,930
Thereafter	2,490
Total minimum lease payments	72,140
Less interest portions included in payments	(5,546)
Present value of lease obligations	$ 66,594

Note L - Notes Payable

	2019	2018
Mortgage payable of $273,000 to a bank with monthly payments of $4,045 at 5.54% interest until maturity of March 2019; collateralized by unimproved real estate for the Lake Butler property. This note was satisfied during the year ended June 30, 2019.	$ -	$ 31,340
Loans payable to Habitat International as part of the SHOP 2010 grant, with total monthly payments ranging from $545 to $951 at 0% interest; maturing between January 2018 and January 2021.	7,346	14,669
Loans payable to Habitat International as part of the SHOP 2011 grant with total monthly payments ranging from $456 to $971 at 0% interest; maturing between January 2019 and January 2021.	9,315	20,523
Loans payable to Habitat International as part of the SHOP 2012 grant with total monthly payments ranging from $290 to $362 at 0% interest; maturing between July 2019 and January 2022.	3,474	8,674
Loans payable to Habitat International as part of the SHOP 2013 grant with total monthly payments ranging from $74 to $444 at 0% interest; maturing between July 2020 and January 2023.	34,828	47,926
Loans payable to Habitat International as part of the SHOP 2014 grant with monthly payments of $520 beginning January 2018 at 0% interest; maturing January 2022.	15,640	22,400
Loans payable to Habitat International as part of the SHOP 2015 grant with monthly payments of $677 beginning July 2019 at 0% interest; maturing July 2023.	32,500	32,500
Loans payable to Habitat International as part of the SHOP 2016 grant with total monthly payments ranging from $70 to $282 beginning January 2020 at 0% interest; maturing January 2024.	23,750	16,250
Note payable from Pinellas Funding to PNC Community Development Company, LLC for $1,004,236 with monthly payments of $2,843 at 0% interest until maturity at June 2043; collateralized by assignment of notes (see Note T).	805,226	839,342
Note payable of $38,000 to Pinellas County for the purchase of Palm Avenue property with 0% interest. Principle is due at the earlier of the borrowers' sale of the property or February 2021, collateralized by Palm Avenue property.	-	38,000
Note payable of $23,000 to Pinellas County for the purchase of 119th Street property with 0% interest. Principle is due at the earlier of the borrowers' sale of the property or February 2021, collateralized by 119th Street property	-	23,000
Note payable of $90,000 to Pinellas County for the purchase of Oak Street property with 0% interest. Principle is due at the earlier of the borrowers' sale of the property or October 2020, collateralized by Oak Street property	-	32,500

	2019	2018
Note payable of $61,400 to Pinellas County for the purchase of Roosevelt Groves property with 0% interest. Principle is due at the earlier of the borrowers' sale of the property or June 2020, collateralized by Roosevelt Groves property	-	61,400
Note payable of $763,679 to City of Clearwater for the purchase of Garden Avenue property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or March 2019, collateralized by Garden Avenue property. Approximately $508,000 forgiven at June 30, 2017 with the remaining forgiven during the year ended June 30, 2019.	-	35,679
Note payable to the City of Clearwater for the improvements of the property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or June 2019, collateralized by Garden Avenue property	-	50,000
Note payable to CCM (see Note J), debt requires interest only payments until November 2019 at .7608%. Beginning November 2019, semiannual payments to fully amortize the remaining balance through maturity in July 2028	1,880,000	1,880,000
Note payable to HFHI-SA Leverage IX, LLC (see Note J), debt required semiannual interest only payments through November 2018 at .755%. The note was forgiven in November 2018.	-	2,023,656
Note payable of $56,000 to the City of Clearwater for the purchase of N. Garden Avenue property with 0% interest, and collateralized by real property. No principle payments required until home is sold and then $8,000 of unpaid principle shall be repaid. The remaining amount will be forgiven by the city when the home is sold.	28,000	-
Note Payable to the City of Clearwater for the construction of N. Garden Avenue with 0% interest and a maturity date on April 2021, collateralized by the property. Principle is due at maturity date less a 12% developer fee.	98,334	-
Note payable to Pinellas County for the purchase of Habitat Pinellas Park Sub property with 0% interest. Principle is due at the earlier of the borrowers' sale of the property or September 2021.	840,000	-
Note payable of $500,363 to a bank for the purchase of Madison Street building. Monthly payments of $3,309 with 4.95% interest until maturity at June 2023, collateralized by the building. Subsequent to year end, this note was refinanced with a bank bearing interest at a fixed rate of 4.75%, requiring monthly payments of principal and interest of $4,312, and matures in 2030.	395,895	-
Note payable of $166,884 to Pasco County for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021.	146,024	-
Note payable of $244,000 to Pasco County for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	244,000	-
Note payable of $26,295 to Pasco County for the purchase of Leisure Lane and Van Doren properties with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	26,295	-

	2019	2018
Note payable of $12,900 to Pasco County for the purchase of Leisure Lane property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	12,900	-
Note payable of $10,460 to Pasco County for the purchase of Van Doren Avenue property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	10,460	-
Note payable of $20,600 to Pasco County for the purchase of property with 0% interest and a maturity date at the earlier of the borrowers' sale of the property or September 2021, collateralized by the property.	20,600	-
Note payable of $50,000 to Pasco County for the purchase of Lake Drive property with 0% interest and matures upon sale of the property.	50,000	-
Note payable of $16,301 to Pasco County for the purchase of Terra Ceia Avenue property with 0% interest and matures upon sale of the property.	16,301	-
	4,719,749	5,177,859
Debt issuance costs, net of accumulated amortization	(16,546)	(40,919)
	$ 4,703,203	$ 5,136,940

The following is a summary of future contractual debt maturities and future amortization of loan costs during each of the following years ending June 30:

2020	$ 225,497
2021	324,702
2022	1,697,002
2023	303,142
2024	580,485
Thereafter	1,588,921
	$ 4,719,749

During the years ended June 30, 2019 and 2018, the Organization incurred no additional debt issuance costs in connection with the issuance of notes payable above. Debt issuance costs are presented as a reduction of notes payable to be amortized over the term of the loan. The components of debt issuance costs are as follows:

	2019	2018
Loan costs	$ 28,227	$ 69,031
Less accumulated amortization	(11,681)	(28,112)
Total direct debt costs, net	$ 16,546	$ 40,919

Interest expense related to the direct debt costs for each of the years ended June 30, 2019 and 2018 was $6,316.

Note M - Net Assets with Donor Restrictions

Net assets with donor restrictions were as follows at June 30:

	2019	2018
Subject to expenditure for specified purpose or time restriction:		
Unconditional promises to give, net of unamortized discount	$ 130,329	$ 153,262
Use restriction	97,500	54,786
Donated labor and materials	56,000	77,000
Donated land	134,529	297,370
	418,358	582,418
Subject to spending policy:		
Beneficial interest in assets held by foundations	20,000	20,000
	$ 438,358	$ 602,418

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time as follows for the years ended June 30:

	2019	2018
Unconditional promises to give, net of unamortized discount	$ 94,783	$ 168,240
Use restriction	54,786	2,202,755
Donated labor and materials	77,000	73,125
Donated land	179,753	320,292
	$ 406,322	$2,764,412

Note N - Leases

The Organization leases its office and two ReStore locations under non-cancelable operating lease agreements with expiration dates through June 2022. In addition to monthly base rent, the Organization is required to pay 5% of ReStore sales to the landlord. Total rent expense was approximately $406,000 and $386,000 for the years ended June 30, 2019 and 2018, respectively.

Based on the terms of the agreements, the minimum payments, excluding the percentage of Habitat ReStore's gross sales, due on all leases are as follows:

2020	$ 388,497
2021	378,240
2022	63,002
	$ 829,739

Note O - Impairment on land

During the year ended June 30, 2018, the Organization recognized an impairment loss in the amount of $149,861 on land held for development. The impairment loss is recorded as a separate line item in the accompanying consolidated statement of activities, and was determined based on appraisal and comparable sales values for the land held for development. During 2019, the property was sold for $25,000 and the loan balance of $31,340 at June 30, 2018 was satisfied upon time of sale. There was no impairment loss recognized during the year ended June 30, 2019.

Note P - Commitments And Contingencies

The Organization is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Organization's consolidated financial position or the results of its operations.

Note Q - Transactions with Habitat International

The Organization remits a portion of its contributions without donor restrictions to Habitat International as tithe to support its operations. The Organization contributed approximately $232,000 and $214,000 to Habitat International during the years ended June 30, 2019 and 2018, respectively. These amounts are included in program services expense in the consolidated statements of activities.

Note R - Transactions with CHDO

Pinellas CHDO is a wholly-owned subsidiary and has met the requirements specified by the U.S. Department of Housing and Urban Development (HUD) to act in the capacity of a CHDO. As a result, Pinellas CHDO is eligible to participate in government programs that provide special set-aside funds that can be used to provide affordable housing to low income families within Pinellas County.

Note S - Community Development Block Grant

On June 15, 2006, the Organization was awarded a Community Development Block Grant (Grant) from Pinellas County, Florida in the amount of $350,000. Under the Grant, the Organization acquired 2.5 acres of land in Dunedin, Florida and constructed 18 affordable home ownership housing units. If the homebuyer sells the property between years six and 20, the Organization is required to return a prorated portion of the funds back to Pinellas County. The Organization has recorded a second mortgage on the properties to secure its interest in the properties. Both an asset for the second mortgage and a corresponding liability of $350,000 due to Pinellas County, are recorded as a deferred affordable housing note, and are reflected in the June 30, 2019 and 2018 consolidated statements of financial position. The amounts will be forgiven in 2026 if the homebuyers do not sell the property.

Note T - Sale of Mortgages with PNC Bank

In August 2013, Pinellas Funding Company I, LLC (Pinellas Funding) was formed as a single member LLC with Habitat as the member. During 2014, Pinellas Funding acquired seven mortgages from Habitat with a carrying value of $666,422. Pinellas Funding then entered into a note purchase agreement with PNC Bank. Pinellas Funding authorized the issuance and sale of the mortgages with a face value of $1,004,236 to PNC Bank for $666,422 on August 29, 2013. This transaction did not meet the requirements under Accounting Standard Codification 860 to be treated as a sale due to the Organization maintaining effective control and involvement with the mortgage receivables. Accordingly, the mortgages receivable were not derecognized and are recorded in other mortgages receivable in the accompanying consolidated statements of financial position in the amount of $ 805,226 and $839,342 at June 30, 2019 and 2018, respectively. Additionally, the Organization recorded a note payable due to PNC Bank. See Note L for the terms and outstanding balance of the offsetting PNC note payable at June 30, 2019 and 2018.

Note U - Retirement Plan

The Organization has a 401(k) profit sharing plan that provides for a discretionary matching contribution. For the years ended June 30, 2019 and 2018, the Organization made contributions of approximately $34,000 and $25,000 respectively.

Note V - Subsequent Events

The Organization evaluated subsequent events through October 14, 2019, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events, other than as disclosed in Notes J and L, which would require recognition or disclosure in the accompanying consolidated financial statements.

Supplementary Information

Federal Agency *Pass-Through Entity* Federal Program	CFDA Number	Contract #	Federal Expenditures	
U.S. Department of Housing and Urban Development (HUD)				
Passed through Pinellas County, Florida				
Community Development Block Grant/Entitlement Grants - Shady Grove	14.218	Not Applicable	$ 350,000	*
Community Development Block Grant/Entitlement Grants - 119th Avenue	14.218	Not Applicable	23,000	*
Community Development Block Grant/Entitlement Grants - Palm Avenue	14.218	Not Applicable	38,000	*
Community Development Block Grant/Entitlement Grants - Roosevelt Groves/Largo	14.218	Not Applicable	61,400	*
Community Development Block Grant/Entitlement Grants - Oak Street	14.218	Not Applicable	32,500	*
Passed through City of Clearwater, Florida				
Community Development Block Grant - 1121 South St	14.218	Not Applicable	15,000	
Passed through City of St. Petersburg, Florida				
Community Development Block Grant - NPP Repair Program Riggins	14.218	Not Applicable	3,900	
Community Development Block Grant - NPP Repair Program Riggins	14.218	Not Applicable	750	
Total CFDA 14.218			524,550	
Passed through Pinellas County, Florida				
HOME Investment Partnerships Program - Garden Ave Lots	14.239	Not Applicable	8,920	*
HOME Investment Partnerships Program - Garden Ave Construction	14.239	Not Applicable	37,500	*
HOME Investment Partnerships Program Loan - 1209 N Garden	14.239	Not Applicable	28,000	
HOME Investment Partnerships Program Loan - 1211 N Garden	14.239	Not Applicable	28,000	
Passed through City of St. Petersburg, Florida				
HOME Investment Partnerships Program - 755 19thSt S	14.239	Not Applicable	15,000	
HOME Investment Partnerships Program - 4113 9th Ave S	14.239	Not Applicable	10,000	
HOME Investment Partnerships Program - 1330 29th St S	14.239	Not Applicable	15,000	
Passed through City of Clearwater, Florida				
HOME Investment Partnerships Program - 1209 Garden Construction	14.239	Not Applicable	98,334	
HOME Investment Partnerships Program - 1211 Garden Construction	14.239	Not Applicable	126,506	
Total CFDA 14.239			367,260	
Passed through Habitat for Humanity International, Inc.				
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	162,942	*
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	7,500	
Self-Help Homeownership Opportunity Program	14.247	Not Applicable	22,500	
			192,942	
Subtotal - U.S. Department of Housing and Urban Development (HUD)			1,084,752	
Total Federal Awards			$ 1,084,752	

* *This represents the balance of a loan from a previous year which the federal government imposes the continuing compliance requirements*

State Agency *Pass-Through Entity* State Project	CSFA Number	Contract #	State Expenditures	
State of Florida Funding				
Direct Funding				
State Housing Initiatives Partnership Program (SHIP)-Garden Ave Lots	40.901	Not Applicable	$ 26,759	*
State Housing Initiatives Partnership Program (SHIP)-Garden Ave Construction	40.901	Not Applicable	12,500	*
Passed through Pinellas County, Florida				
State Housing Initiatives Partnership Program (SHIP)-533 Cypress	40.901	Not Applicable	37,222	
State Housing Initiatives Partnership Program (SHIP)-67th Way N	40.901	Not Applicable	240,000	
State Housing Initiatives Partnership Program (SHIP)-5 Property Mortgage	40.901	Not Applicable	459,044	
Passed through St. Petersburg, Florida				
State Housing Initiatives Partnership Program (SHIP)-1921 Fairfield Ave S	40.901	Not Applicable	10,000	
State Housing Initiatives Partnership Program (SHIP)-1819 48th St S	40.901	Not Applicable	2,510	
State Housing Initiatives Partnership Program (SHIP)-2217 26th St S	40.901	Not Applicable	5,740	
State Housing Initiatives Partnership Program (SHIP)-959 22nd Ave S	40.901	Not Applicable	10,000	
State Housing Initiatives Partnership Program (SHIP)-975 22nd Ave S	40.901	Not Applicable	650	
Passed through Clearwater, Florida				
State Housing Initiatives Partnership Program (SHIP)-903 Beckett	40.901	Not Applicable	150,620	
State Housing Initiatives Partnership Program (SHIP)-404 BBL	40.901	Not Applicable	150,435	
Passed through Largo, Florida				
State Housing Initiatives Partnership Program (SHIP)-1122 Auburn St.	40.901	Not Applicable	4,058	
Subtotal - State of Florida Funding			1,109,538	
Total State Financial Assistance			$ 1,109,538	

* *This represents the balance of a loan from a previous year which the state government imposes the continuing compliance requirements*

Note A- Basis Of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) includes the federal and state contract and grant activity of Habitat for Humanity of Pinellas County, Inc. (Habitat) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Subpart F of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 215.97, Florida Statutes (Florida Single Audit Act), and Chapter 10.650, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of Habitat, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Habitat.

Note B - Summary Of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Habitat for Humanity of Pinellas County, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note C - Contingencies

Expenditures incurred by Habitat are subject to audit and possible disallowance by the grantor agency. Management believes that if audited, any adjustments for disallowed expenses would be immaterial in amount.

Note D - Self-Help Homeownership Opportunity Program

HUD's Self-Help Homeownership Opportunity Program (SHOP) grants and loans were passed through to Habitat by Habitat for Humanity International, Inc. (Habitat International). The SHOP Agreement stipulates that 75% of each sub-grant from Habitat International to the affiliate is in the form of a grant and 25% is in the form of a loan. The awards provided under CFDA 14.247 for SHOP were as follows for the year ended June 30, 2019:

Pass-Through Grantor	Identifying Number	Federal Expenditures
Habitat International	SHOP 2010 - Existing Loans	$ 14,669*
Habitat International	SHOP 2011 - Existing Loans	20,523*
Habitat International	SHOP 2012 - Existing Loans	8,674*
Habitat International	SHOP 2013 - Existing Loans	47,926*
Habitat International	SHOP 2014 - Existing Loans	22,400*
Habitat International	SHOP 2015 - Existing Loans	32,500*
Habitat International	SHOP 2016 - Existing Loans	16,250*
Habitat International	SHOP 2016 - New Loans (25%)	7,500
		170,442
Habitat International	SHOP 2016 - New Grant (75%)	22,500
		$ 192,942

**Represents the balance of a loan from a previous year that the federal government imposes the continuing compliance requirements equaling $162,942.*

Note E - Loans

Habitat has the following loan balances at June 30, 2019:

CFDA Number	Description	Original Loan Amount	Balance at July 1, 2018	New Loans	Payments	Balance at June 30, 2019
14.218	Shady Grove	$ 350,000	$ 350,000	$ -	$ -	$ 350,000
14.218	119th Avenue	23,000	23,000	-	23,000	-
14.218	Palm Avenue	38,000	38,000	-	38,000	-
14.218	Roosevelt Groves/Largo	61,400	61,400	-	61,400	-
14.218	Oak Street	32,500	32,500	-	32,500	-
14.239	Garden Ave Lots	572,759	35,679	-	35,679	-
14.239	Garden Ave Construction	450,000	50,000	-	50,000	-
14.239	1209 N. Garden	28,000	-	28,000	28,000	-
14.239	1211 N Garden	28,000	-	28,000	-	28,000
14.239	1209 Garden Construction	98,334	-	98,334	-	98,334
14.239	1211 Garden Construction	126,506	-	126,506	126,506	-
14.247	SHOP 2010 - Loans	45,778	14,669	-	7,323	7,346
14.247	SHOP 2011 - Loans	46,665	20,523	-	11,208	9,315
14.247	SHOP 2012 - Loans	20,881	8,674	-	5,200	3,474
14.247	SHOP 2013 - Loans	57,416	47,926	-	13,098	34,828
14.247	SHOP 2014 - Loans	25,000	22,400	-	6,760	15,640
14.247	SHOP 2015 - Loans	32,500	32,500	-	-	32,500
14.247	SHOP 2016 - Loans	23,750	16,250	7,500	-	23,750

Independent Auditor's Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
St. Petersburg, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Habitat for Humanity of Pinellas County, Inc. and subsidiaries (the Organization) as of and for the year ended June 30, 2019, and the related notes to the consolidated financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated October 14, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable probability that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gregory, Sharer & Stuart, P.A.

Gregory, Sharer + Stuart, P.A.

St. Petersburg, Florida
October 14, 2019

Independent Auditor's Report on Compliance for Each Major Program and Major State Project And Report on Internal Control over Compliance Required by the Uniform Guidance; Section 215.97, Florida Statutes; and Chapter 10.650, Rules of the Auditor General

Board of Trustees
Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
St. Petersburg, Florida

Report on Compliance for Each Major Federal Program and Major State Project

We have audited Humanity of Pinellas County, Inc. and subsidiaries (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs and major state projects for the year ended June 30, 2019. The Organization's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and major state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)*;* Section 215.97, Florida Statutes; and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance, Section 215.97, and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and Major State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project, and to test and report on internal control over compliance in accordance with the Uniform Guidance, Section 215.97, and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, Section 215.97, and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

Gregory, Sharer & Stuart, P.A.

Gregory, Sharer + Stuart, P.A.

St. Petersburg, Florida
October 14, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for major federal awards:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	____ Yes __X__ No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grant/Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low-risk auditee?	__X__ Yes ____ No

State Financial Assistance Projects

Internal control over major projects:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for state financial assistance projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General?	____ Yes __X__ No

Identification of major state projects:

CFSA Number	Name of Project
40.901	State Housing Initiatives Partnership Program (SHIP)

Dollar threshold used to distinguish between type A and type B programs	$300,000

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Financial Assistance Findings and Questioned Costs

None reported.

Section V - Other Matters

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs.

No Corrective Action Plan is required because there were no findings required to be reported related to federal programs.

There were no items related to state financial assistance that were required to be reported in the management letter as mandated by the Auditor General of the State of Florida.

8) REFERENCES FROM PREVIOUS SIMILAR PROJECTS

Doug Lewis
City Manager
City of Pinellas Park
5141 78th Avenue N
Pinellas Park, FL 33781
727-369-0697
dlewis@pinellas-park.com

Project: Tellor Estates Development (51 SFHO)

Chuck Lane
Assistant Director
Economic Development & Housing Department
City of Clearwater
One Clearwater Tower
600 Cleveland St, Suite 600
Clearwater, FL 33755
727-562-4023
Charles.Lane@MyClearwater.com

Project: Stevens Creek (51 SFHO)

Rob Gerdes
Neighborhood Affairs Administrator
City of St. Petersburg
P.O. Box 2842
St. Petersburg, Florida 33731-2842
727-893-7876
robert.gerdes@stpete.org

Projects: Numerous residential infill, especially within CRA

9) Conflict of Interest Statement

The Proposer represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder. The Proposer further represents that no person having any such interest shall be employed by him/her during the agreement term and any extensions. In addition, the Proposer shall not offer gifts or gratuities to County Employees as County Employees are not permitted to accept gifts or gratuities. By signing this proposal document, the Proposer acknowledges that no gifts or gratuities have been offered to County Employees or anyone else involved in this competitive proposal process. The Proposer shall promptly notify the County's representative, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest, or other circumstance, which may influence or appear to influence the Contractor's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Proposer may undertake and request an opinion of the County as to whether the association, interest or circumstance would, in the opinion of the County, constitute a conflict of interest if entered into by the Proposer. The County agrees to notify the Proposer of its opinion, by certified mail, within thirty days of receipt of notification by the Proposer. It is essential to government procurement that the process be open, equitable and ethical. To this end, if potential unethical practices including but not limited to collusion, receipt or solicitation of gifts and conflicts of interest (direct/indirect) etc. are observed or perceived, please report such activity to Pinellas County Clerk of Circuit Court – Division of Inspector General.

____

Mike Sutton
President & CEO
Habitat for Humanity of Pinellas Inc

12/10/2021

Date