

**HABITAT FOR HUMANITY OF
NEW CASTLE COUNTY, INC.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2021 AND 2020

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
TABLE OF CONTENTS
JUNE 30, 2021 AND 2020

	<u>Page No.</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9



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Independent Auditors' Report

To the Board of Directors
Habitat for Humanity of New Castle County, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Habitat for Humanity of New Castle County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' 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. 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 auditors' 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 organization'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 organization's internal control. Accordingly, we express no such

To the Board of Directors
Habitat for Humanity of New Castle County, Inc.

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 New Castle County, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Belfint, Lyons & Shuman, P.A.

January 24, 2022

Wilmington, Delaware

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,113,011	\$ 2,528,212
Accounts Receivable	8,426	6,078
Prepaid Expenses	38,102	-
Inventory	111,850	159,814
Non-Interest-Bearing Mortgages Receivable (Current Portion)	317,774	293,159
TOTAL CURRENT ASSETS	3,589,163	2,987,263
MORTGAGES RECEIVABLE (NET OF CURRENT PORTION)		
Non-Interest-Bearing Mortgages Receivable (Net of Current Portion)	5,964,072	5,513,144
Discount on Non-Interest-Bearing Mortgages Receivable	(2,957,266)	(2,758,358)
TOTAL MORTGAGES RECEIVABLE (NET OF CURRENT PORTION)	3,006,806	2,754,786
OTHER ASSETS		
Investments in Endowment Fund	645,708	504,244
Construction in Progress (Net of Accrued Subsidies)	2,649,613	1,524,037
Property and Equipment Used in Operations (Net)	802,501	850,040
Security Deposits	22,874	22,874
TOTAL OTHER ASSETS	4,120,696	2,901,195
TOTAL ASSETS	\$ 10,716,665	\$ 8,643,244
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes Payable (Current Maturities)	\$ -	\$ 83,000
Accounts Payable	215,813	187,010
Accrued Expenses	87,278	68,577
Conditional Grant - Paycheck Protection Program	237,377	286,572
TOTAL LIABILITIES	540,468	625,159
NET ASSETS		
Without Donor Restrictions	9,601,579	6,673,404
With Donor Restrictions	574,618	1,344,681
TOTAL NET ASSETS	10,176,197	8,018,085
TOTAL LIABILITIES AND NET ASSETS	\$ 10,716,665	\$ 8,643,244

The accompanying notes are an integral part of these financial statements.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and Grants	\$ 1,405,111	\$ 1,033,455	\$ 2,438,566
Revenue from Home Sales	971,424	-	971,424
Noncash Donations for Resale at ReStore	1,305,900	-	1,305,900
Merchandise and ReStore Revenues	1,681,453	-	1,681,453
Less: Merchandise and Cost of Goods Sold	(1,536,361)	-	(1,536,361)
Event Income	88,674	-	88,674
Less: Event Expenses	(32,297)	-	(32,297)
Paycheck Protection Program Loan Forgiveness	286,572	-	286,572
Other Revenue	20,120	-	20,120
Mortgage Loan Discount Amortization	213,696	-	213,696
Interest Income	4,214	-	4,214
Investment Gain (Net of Fees)	141,464	-	141,464
	<u>4,549,970</u>	<u>1,033,455</u>	<u>5,583,425</u>
Net Assets Released from Restrictions	<u>1,803,518</u>	<u>(1,803,518)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>6,353,488</u>	<u>(770,063)</u>	<u>5,583,425</u>
EXPENSES			
Program Services (82%)	2,792,142	-	2,792,142
Supporting Services			
Management and General (9%)	323,653	-	323,653
Fundraising (9%)	309,518	-	309,518
TOTAL EXPENSES	<u>3,425,313</u>	<u>-</u>	<u>3,425,313</u>
CHANGE IN NET ASSETS	2,928,175	(770,063)	2,158,112
NET ASSETS - Beginning of Year	<u>6,673,404</u>	<u>1,344,681</u>	<u>8,018,085</u>
NET ASSETS - End of Year	<u>\$ 9,601,579</u>	<u>\$ 574,618</u>	<u>\$ 10,176,197</u>

The accompanying notes are an integral part of these financial statements.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and Grants	\$ 1,643,738	\$ 1,081,329	\$ 2,725,067
Revenue from Home Sales	1,294,960	-	1,294,960
Noncash Donations for Resale at ReStore	1,176,463	-	1,176,463
Merchandise and ReStore Revenues	1,175,488	-	1,175,488
Less: Merchandise and Cost of Goods Sold	(1,440,613)	-	(1,440,613)
Event Income	147,208	-	147,208
Less: Event Expenses	(32,035)	-	(32,035)
Other Revenue	23,674	-	23,674
Mortgage Loan Discount Amortization	182,135	-	182,135
Gain on Sale of Mortgages	281,860	-	281,860
Interest Income	1,683	-	1,683
Investment Loss (Net of Fees)	(33,514)	-	(33,514)
	<u>4,421,047</u>	<u>1,081,329</u>	<u>5,502,376</u>
Net Assets Released from Restrictions	<u>759,533</u>	<u>(759,533)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>5,180,580</u>	<u>321,796</u>	<u>5,502,376</u>
EXPENSES			
Program Services (90%)	4,537,417	-	4,537,417
Supporting Services			
Management and General (3%)	161,831	-	161,831
Fundraising (7%)	369,787	-	369,787
TOTAL EXPENSES	<u>5,069,035</u>	<u>-</u>	<u>5,069,035</u>
CHANGE IN NET ASSETS	111,545	321,796	433,341
NET ASSETS - Beginning of Year	<u>6,561,859</u>	<u>1,022,885</u>	<u>7,584,744</u>
NET ASSETS - End of Year	<u>\$ 6,673,404</u>	<u>\$ 1,344,681</u>	<u>\$ 8,018,085</u>

The accompanying notes are an integral part of these financial statements.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services				Supporting Services				Total Expenses
	Construction	Discounts on Mortgage Originations	Home Repair Program	ReStore	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salary and Related Costs	\$ 469,031	\$ -	\$ 75,541	\$ 499,783	\$ 1,044,355	\$ 268,659	\$ 144,807	\$ 413,466	\$ 1,457,821
Construction Administration	43,184	-	-	-	43,184	-	28,787	28,787	71,971
Advertising	-	-	-	16,345	16,345	-	-	-	16,345
Bad Debt Expense	-	-	-	-	-	-	6,078	6,078	6,078
Building Materials and Supplies, Net (Note 15)	27,892	-	-	-	27,892	-	-	-	27,892
Depreciation	19,011	-	-	32,401	51,412	-	21,481	21,481	72,893
Fundraising Supplies	-	-	-	-	-	30,559	-	30,559	30,559
HFHI Franchise Fee	-	-	-	-	-	-	15,000	15,000	15,000
Loan Servicing Fees	-	-	-	-	-	-	43,393	43,393	43,393
Merchandise and Cost of Goods Sold	-	-	-	1,536,361	1,536,361	-	-	-	1,536,361
Home Repair Program Assistance Provided	-	-	460,951	-	460,951	-	-	-	460,951
Mortgage Discounts	-	412,604	-	-	412,604	-	-	-	412,604
Occupancy	-	-	-	330,845	330,845	-	7,938	7,938	338,783
Professional Services	-	-	-	-	-	10,300	56,169	66,469	66,469
ReStore Supplies	-	-	-	261,194	261,194	-	-	-	261,194
Special Events Expense	-	-	-	-	-	32,297	-	32,297	32,297
Telephone	15,227	-	-	-	15,227	-	-	-	15,227
Tithe to Habitat International	98,877	-	-	24,664	123,541	-	-	-	123,541
Training	4,592	-	-	-	4,592	-	-	-	4,592
	677,814	412,604	536,492	2,701,593	4,328,503	341,815	323,653	665,468	4,993,971
Less: Merchandise and Cost of Goods Sold	-	-	-	(1,536,361)	(1,536,361)	-	-	-	(1,536,361)
Less: Event Expenses Offsetting Revenue	-	-	-	-	-	(32,297)	-	(32,297)	(32,297)
TOTAL FUNCTIONAL EXPENSES	\$ 677,814	\$ 412,604	\$ 536,492	\$ 1,165,232	\$ 2,792,142	\$ 309,518	\$ 323,653	\$ 633,171	\$ 3,425,313

The accompanying notes are an integral part of these financial statements.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services				Supporting Services				Total Expenses
	Construction	Discounts on Mortgage Originations	Home Repair Program	ReStore	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salary and Related Costs	\$ 522,079	\$ -	\$ 80,036	\$ 523,479	\$ 1,125,594	\$ 316,303	\$ 41,644	\$ 357,947	\$ 1,483,541
Construction Administration	58,986	-	-	-	58,986	-	26,266	26,266	85,252
Advertising	-	-	-	62,616	62,616	-	-	-	62,616
Building Materials and Supplies, Net (Note 15)	1,795,720	-	-	-	1,795,720	-	-	-	1,795,720
Depreciation	18,039	-	-	34,262	52,301	-	17,443	17,443	69,744
Fundraising Supplies	-	-	-	-	-	52,089	-	52,089	52,089
HFHI Franchise Fee	-	-	-	-	-	-	15,000	15,000	15,000
Loan Servicing Fees	-	-	-	-	-	-	2,512	2,512	2,512
Merchandise and Cost of Goods Sold	-	-	-	1,440,613	1,440,613	-	-	-	1,440,613
Home Repair Program Assistance Provided	-	-	214,756	-	214,756	-	-	-	214,756
Mortgage Discounts	-	632,586	-	-	632,586	-	-	-	632,586
Occupancy	-	-	-	428,336	428,336	-	4,263	4,263	432,599
Professional Services	-	-	-	-	-	3	54,703	54,706	54,706
ReStore Supplies	-	-	-	104,296	104,296	-	-	-	104,296
Special Events Expense	-	-	-	-	-	32,035	-	32,035	32,035
Telephone	10,948	-	-	-	10,948	1,392	-	1,392	12,340
Tithe to Habitat International	33,256	-	-	6,123	39,379	-	-	-	39,379
Training	11,899	-	-	-	11,899	-	-	-	11,899
	2,450,927	632,586	294,792	2,599,725	5,978,030	401,822	161,831	563,653	6,541,683
Less: Merchandise and Cost of Goods Sold	-	-	-	(1,440,613)	(1,440,613)	-	-	-	(1,440,613)
Less: Event Expenses Offsetting Revenue	-	-	-	-	-	(32,035)	-	(32,035)	(32,035)
TOTAL FUNCTIONAL EXPENSES	\$ 2,450,927	\$ 632,586	\$ 294,792	\$ 1,159,112	\$ 4,537,417	\$ 369,787	\$ 161,831	\$ 531,618	\$ 5,069,035

The accompanying notes are an integral part of these financial statements.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,158,112	\$ 433,341
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Bad Debt Expense	6,078	-
Depreciation Expense	72,893	69,744
Investment (Gain) Loss	(141,464)	33,514
Net Mortgage Discounts Issued	412,604	632,586
Mortgage Loan Discount Amortization	(213,696)	(182,135)
Mortgages Received from Home Sales	(720,341)	(1,230,516)
Gain on Sale of Mortgages	-	(281,860)
Contributed Properties Received	-	(510,000)
Paycheck Protection Program Loan Forgiveness	(286,572)	-
Notes Payable Converted to Grant Revenue	(83,000)	-
Changes in Assets and Liabilities		
Mortgages Receivable	244,798	311,624
Accounts Receivable	(8,426)	1,577
Prepaid Expenses	(38,102)	35,429
Inventories	47,964	126,056
Construction in Progress, Net of Accrued Subsidies	(1,125,576)	905,998
Accounts Payable	28,803	68,584
Accrued Expenses	18,701	25,810
Deferred Revenue	-	(11,500)
	372,776	428,252
NET CASH FROM OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(25,354)	(66,558)
Payments Received from Sales of Mortgages	-	844,053
Withdrawals from Endowment Fund	-	380,459
	(25,354)	1,157,954
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Conditional Grant - Paycheck Protection Program	237,377	286,572
NET CHANGE IN CASH AND CASH EQUIVALENTS	584,799	1,872,778
CASH AND CASH EQUIVALENTS - Beginning of Year	2,528,212	655,434
CASH AND CASH EQUIVALENTS - End of Year	\$ 3,113,011	\$ 2,528,212

The accompanying notes are an integral part of these financial statements.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: NATURE OF ACTIVITIES

Habitat for Humanity of New Castle County, Inc., a nonprofit organization (Organization), was incorporated in 1986. The Organization is an affiliate of Habitat for Humanity International, Inc. (Habitat International), a nondenominational, Christian, nonprofit organization whose purpose is to build homes, community, and hope through creating and sustaining decent, affordable housing for those in need and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, publications, prayer support, and in other ways, the Organization is primarily and directly responsible for its own operations.

The Organization also provides its home repair program known as “A Brush with Kindness” (ABWK). ABWK is a nationwide effort to serve low-income homeowners who struggle to maintain their homes. The focus is on helping homes stay safe, warm, and dry. Given the nature of the repairs, most of the work is performed by subcontractors.

The Organization operates two ReStores, with locations in Wilmington and Middletown, Delaware. These ReStores are retail outlets where quality used and surplus building materials, furniture, and appliances are sold at a fraction of normal prices. The materials sold by the ReStores are usually donated from building supply stores, contractors, demolition crews or from individuals who wish to show their support for the Organization. In addition to raising funds, the ReStores help the environment by rechanneling good, usable materials into use. The proceeds from the ReStores help the Organization fund the construction of houses within the community. The ReStores are a department of the Organization and not a separate legal entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Reporting - The financial statement presentation follows the recommendations of the Financial Accounting Standards Board’s Accounting Standards Codification (FASB ASC) No. 958, *Not-for-Profit Entities*. Under ASC 958, net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, although their use may be limited by other factors, such as by contract or board designation. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial Statement Reporting - Continued

Net Assets With Donor Restrictions - Net assets subject to donor- or certain grantor- imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

Revenue Recognition - Contributions and Government Appropriations - The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Promises to give that are scheduled to be received after the end of the reporting period are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restriction is met. Promises to give subject to donor- or grantor-imposed stipulations that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as net assets with donor restrictions, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

As disclosed in Note 8, the Organization received funding under the U.S. Small Business Administration's Paycheck Protection Program (PPP) during the years ended June 30, 2021 and 2020. These amounts were initially recorded as a conditional grant liability upon receipt and totaled \$237,377 and \$286,572 as of June 30, 2021 and 2020, respectively. During the year ended June 30, 2021, the Organization satisfied the conditions for the amounts received in the previous year and recognized \$286,572 as revenue.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition - Contracts with Customers - Effective July 1, 2020, the Organization adopted the Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) which requires entities to evaluate the accounting for transactions in which both parties directly receive commensurate value. The Organization's revenue subject to Topic 606 includes revenue from home sales, ReStore merchandise revenues, and a portion of event income attributable to event attendance fees. The adoption of this standard did not have a material impact on the accompanying financial statements. The Organization's revenue subject to topic 606 is recognized at a point of time. Revenue from home sales and Restore merchandise revenues are presented separately in the statements of activities. The exchange portion of event income represents an immaterial portion of the account balance.

Ending and beginning balances of contract receivables for the year ended June 30, 2021 were \$6,281,846 and \$5,806,303, respectively. Ending and beginning balances of contract receivables for the year ended June 30, 2020 were \$5,806,303 and \$6,028,023, respectively. There were no other contract assets or contract liabilities under Topic 606 as of the end or beginning of the years ended June 30, 2021 and 2020.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. Deposit balances in excess of federally insured limits, as of June 30, 2021 and 2020, were \$2,690,398 and \$2,121,995, respectively.

Accounts Receivable - Accounts receivable are carried at cost. The Organization does not accrue finance or interest charges. On a periodic basis, management evaluates its accounts receivable based on the history of past write-offs and collections. An account is written off when it is determined that all collection efforts have been exhausted.

The Organization has not recognized an allowance for doubtful accounts receivable since experience and management's estimation indicate an allowance for such amounts is immaterial.

Pledges and Grants Receivable - Unconditional pledges receivable are recognized as revenues or gains in the period received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. Based on management's assessment, the Organization provides for estimated uncollectible amounts through a charge to expense and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges and grants receivable.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value of Financial Instruments - FASB ASC 820, *Fair Value Measurement*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The carrying amounts for cash and cash equivalents, receivables, prepaid expenses, payables, accrued expenses, and deferred revenue approximate their fair value because of their short-term maturity. The carrying value amount of long-term debt approximates its fair value since the Organization's interest rates approximate current interest rates.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Pursuant to the accounting guidance for fair value measurements and its subsequent updates, fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurement for assets and liabilities required or permitted to be recorded at fair value, the Organization considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value of Financial Instruments - Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2021 and 2020.

Endowment Fund, Pooled Separate Accounts - Valued at the net asset value (NAV) of units held by the Organization at year end based on the market value of its underlying investments. Although the pooled separate accounts are not available in an active market, the NAV of the units are approximated based on the quoted prices of the underlying investments that are traded in an active market.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30:

	2021			
	Level 1	Level 2	Level 3	Total
Investment in Pooled Separate Accounts	<u>\$ -</u>	<u>\$ 645,708</u>	<u>\$ -</u>	<u>\$ 645,708</u>
	2020			
	Level 1	Level 2	Level 3	Total
Investment in Pooled Separate Accounts	<u>\$ -</u>	<u>\$ 504,244</u>	<u>\$ -</u>	<u>\$ 504,244</u>

Inventories - Inventories are valued at the lower of cost or net realizable value, with cost determined by the first-in, first-out method.

Mortgages Receivable - Mortgages receivable consist of non-interest-bearing mortgages which are secured by real estate and payable in monthly installments over the life of the mortgage. Non-interest-bearing mortgages have been discounted based upon prevailing market rates for low-income housing at the inception of the mortgages. Utilizing a straight-line basis, this discount will be recognized as mortgage loan discount amortization income over the term of the mortgage.

Allowance for Mortgage Receivable Losses - 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.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Allowance for Mortgage Receivable Losses - Continued

The Organization regularly reviews its portfolio of mortgage notes receivable and monitors the accounts for delinquencies. Homeowners whose mortgages are more than 30 days past due are considered in an early stage of default. During the period of delinquency, the Organization contacts the homeowner using collection efforts and establishes a payment plan with the homeowner, if necessary. Homeowners whose mortgages are more than 90 days past due, who have not made satisfactory payment arrangements or reached a deed in lieu of foreclosure agreement, are subject to foreclosure proceedings.

Non-interest-bearing mortgages originated are discounted at the time of sale based on historical experience from the Organization's portfolio mortgages and upon prevailing market rates. This results in the net mortgage receivable balances being less than 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 mortgage notes receivable losses.

Property and Equipment - Property and equipment acquired by the Organization are considered owned by the Organization and are valued at cost. Donated property and equipment acquired by the Organization are considered owned by the Organization and are valued at fair value at the time of the donation. Depreciation is provided on the straight-line method. Maintenance and minor repairs are charged to operations when incurred. When assets are retired or sold, the related costs and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in current operations.

The estimated useful lives for depreciation are:

Automobiles	5 Years
Buildings and Improvements	7 - 39 Years
Equipment, Furniture, and Software	3 - 7 Years

Long-Lived Assets - As required by FASB ASC 360, *Property, Plant, and Equipment*, long-lived assets are required to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value less the cost to sell. There was no impairment loss as of June 30, 2021 and 2020.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Construction in Progress - Construction in progress is carried at cost less accrued subsidies. Cost includes initial acquisition and all subsequent costs to develop the property. It is not the Organization's intent to earn a profit selling developed property. Generally, sales are at a loss. The Organization considers losses incurred to be a subsidy to the respective buyer. However, in accordance with accounting principles generally accepted in the United States of America, the Organization records a provision of estimated losses on construction in progress in the period such losses are determined. These estimated losses are recorded on the statements of financial position as accrued subsidies included in the cost of construction incurred. As of June 30, 2021 and 2020, accrued subsidies on construction in progress were \$719,444 and \$1,577,042, respectively.

Donated Services - The Organization receives a significant amount of donated services from unpaid volunteers who assist in program and support services. No amounts have been recognized in the statements of activities because the criteria for recognition under accounting principles generally accepted in the United States of America have not been satisfied.

Donated Inventory - The Organization received noncash contributions from donors in the amount of \$1,305,900 and \$1,176,463 for the years ended June 30, 2021 and 2020, respectively. These noncash items were provided to the ReStore for resale to support the Organization's mission.

Home Sales - Transfers to homeowners are generally financed by the Organization. Home sales are recorded when title is transferred at the gross mortgage amount plus down payment received, if any. Non-interest-bearing mortgages have been discounted based upon prevailing market rates for low-income housing at the inception of the mortgages. Utilizing a straight-line basis, this discount will be recognized as mortgage loan discount amortization income over the term of the mortgage.

Home Construction Costs - Costs incurred in conjunction with home construction are capitalized as construction in progress. Capitalized construction costs are expensed when ownership transfers to the homeowners. Post-settlement costs are expensed as incurred.

Functional Allocation of Expenses - The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Certain costs have been allocated among the programs and supporting services benefited.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses - Continued

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses which are not directly identifiable by program or support service, are allocated based on the best estimates of management. Expenses that are not directly identifiable by program or support services that are allocated based on personnel time spent on the activity include certain professional fees, supplies, and occupancy costs including maintenance and utilities. Depreciation expenses are allocated based on personnel costs specifically related to the utilization of property and equipment assets.

Income Taxes - The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). However, a Form 990, Return of Organization Exempt from Income Taxes, is required to be filed each year. The Organization complies with other Internal Revenue Service reporting requirements regarding contributions received and payments to independent contractors.

The Organization recognizes tax benefits only to the extent that the Organization believes it is “more likely than not” that its tax positions will be sustained upon taxing authorities' examination.

The federal informational returns of the Organization for the years ended June 30, 2018, 2019, and 2020, are subject to examination by the tax authorities, generally for three years after they were filed.

Subsequent Events - The Organization’s policy is to evaluate events and transactions subsequent to year end for potential recognition in the financial statements or disclosure in the notes to the financial statements. Management has evaluated events and transactions through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

Accounting Policies for Future Pronouncements - In September 2020, the FASB issued ASU 2020-07, Not for Profit Entities (Topic 958) - *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this update improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for not-for-profits, including additional disclosure requirements for recognized contributed services. The amendments will not change the recognition and measurement requirements in Subtopic 958-605 for those assets. This standard will be effective for the fiscal year ending June 30, 2022. The Organization has not yet implemented this ASU and is currently evaluating the impact of the adoption of this standard on the financial statements and related disclosures.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting Policies for Future Pronouncements - Continued

In February 2016, FASB issued ASU 2016-02, *Leases*. The standard requires all leases with terms over 12 months to be capitalized as a right of use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending June 30, 2023. The Organization has not yet implemented this ASU and is currently evaluating the impact of the adoption of this standard on the financial statements and related disclosures.

NOTE 3: AVAILABILITY AND LIQUIDITY

The following reflects the Organization's financial assets as of the date of the statement of financial position, reduced by amounts not available for general use because of contractual, board designation, or donor-imposed restrictions within one year of the statement of financial position date.

	2021	2020
Financial Assets as of June 30		
Cash and Cash Equivalents	\$ 3,113,011	\$ 2,528,212
Accounts Receivable, Net	8,426	6,078
Non-Interest-Bearing Mortgages Receivable, Net	3,324,580	3,047,945
Investments in Endowment Fund	645,708	504,244
Financial Assets as of June 30	7,091,725	6,086,479
Less: Amounts Not Available to be Used Within a Year		
Net Assets with Donor Restrictions to be Used for Specific Purposes	574,618	1,344,681
Endowment Assets in Excess of Amount Available per Spending Policy	645,708	504,244
Non-Interest-Bearing Mortgages Receivable (Net of Current Portion)	3,006,806	2,754,786
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 2,864,593	\$ 1,482,768

The Organization strives to maintain liquid financial assets sufficient to cover 30 days of general expenses. The Organization regularly monitors the liquidity required to meet its operating needs and other contractual commitments. The Organization has a few sources of liquidity at its disposal, including cash and cash equivalents and a line of credit (Note 9).

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 3: AVAILABILITY AND LIQUIDITY - CONTINUED

For purposes of analyzing resources available to meet general expenses over a 12-month period, the Organization considers all expenses related to its ongoing program and support activities to be general expenses. If assets are not available to meet current operating needs, then they are not included in the preceding chart. Inventory and properties available for resale are not included in our analysis because they require the Organization to sell the assets.

In addition to financial assets available to meet general expenses over the next 12 months, the Organization operates within its budget and anticipates collecting sufficient funding to cover general expenses not covered by donor-restricted resources.

Funds held in the Organization's endowment are subject to contractual spending policies of the Delaware Community Foundation. There were no amounts expected to be distributed as of June 30, 2021 and 2020.

NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose		
Construction of Homes	\$ 474,164	\$ 974,534
Rock the Block	20,000	20,000
COVID Related Expenses	25,000	-
Home Repair Program	<u>55,454</u>	<u>350,147</u>
Total Net Assets with Donor Restrictions	<u>\$ 574,618</u>	<u>\$ 1,344,681</u>

Net assets released from donor restrictions by incurred expenses satisfying the restricted purposes or by occurrence of other events specified by donors were as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Purpose Restrictions Accomplished		
Construction of Homes	\$ 1,172,658	\$ 164,741
Health Equity Funding	336,168	-
A Brush With Kindness	<u>294,692</u>	<u>294,792</u>
Total Purpose Restriction Releases	1,803,518	459,533
Endowment Withdrawal	<u>-</u>	<u>300,000</u>
Total Releases from Restrictions	<u>\$ 1,803,518</u>	<u>\$ 759,533</u>

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 5: MORTGAGES RECEIVABLE

Mortgages from home sales represent the sale of houses built by the Organization in exchange for mortgage notes with no interest. These mortgages are payable over 20 to 30 years and discounted for the present time value of money. The held mortgages receivable are discounted in order to reflect their economic value. The interest rates used to determine the discount range from 7.39% to 9.00%. As of June 30, 2021 and 2020, the Organization had 68 loans outstanding.

The following are annual maturities to be received for the years ending June 30:

	2021	2020
Past Due	\$ 170,056	\$ 117,303
Due in Year 1	317,774	293,159
Due in Year 2	315,371	293,159
Due in Year 3	312,496	293,159
Due in Year 4	310,783	290,284
Due in Year 5	302,550	285,291
Thereafter	4,552,816	4,233,948
	6,281,846	5,806,303
Less: Unamortized Discount	(2,957,266)	(2,758,358)
Non-Interest-Bearing Mortgages Receivable (Net of Discount)	\$ 3,324,580	\$ 3,047,945

To account for uncertainty in the timing of cash collections, management has excluded from current assets in the statements of financial position amounts reflected as past due mortgages.

The following table shows an aging analysis of mortgages receivable by past due status:

2021			
Current	30-89 Days Past Due	90 Days or More Past Due	Total
\$ 6,123,709	\$ 20,024	\$ 138,113	\$ 6,281,846
2020			
Current	30-89 Days Past Due	90 Days or More Past Due	Total
\$ 5,698,493	\$ 16,332	\$ 91,478	\$ 5,806,303

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 6: ENDOWMENT FUND

The endowment fund consists of pooled investments managed by the Delaware Community Foundation (DCF). The Organization is the primary income beneficiary. DCF reserves the right to make the final decision regarding distributions to the Organization.

Endowment fund activity consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Beginning Balance - July 1	\$ 504,244	\$ 918,217
Withdrawals	-	(380,459)
Investment Income (Loss)	<u>141,464</u>	<u>(33,514)</u>
Ending Balance - June 30	<u>\$ 645,708</u>	<u>\$ 504,244</u>

The Organization does not believe that investments within the DCF endowment fund are within the scope of the FASB ASC, *Not-for-Profit Organizations*, in regard to required disclosures for endowments, because in contrast to donor-restricted endowment funds, no ongoing decisions about the investment or distributions from the fund are within the authority of the Organization.

The endowment does not include net assets with donor restrictions as of June 30, 2021 and 2020. During the year ended June 30, 2020, with approval from the respective donors, endowment funds with donor restrictions were appropriated for expenditure and distributed from the endowment assets.

Investment income is reported as increases in net assets without donor restrictions in the statements of activities.

Endowment fund income (loss) consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Realized and Unrealized Gain (Loss)	\$ 141,096	\$ (39,725)
Income Earned	8,427	17,821
Administrative and Investment Fees	<u>(8,059)</u>	<u>(11,610)</u>
Investment Income (Loss), Net of Fees	<u>\$ 141,464</u>	<u>\$ (33,514)</u>

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment as of June 30 were as follows:

	2021	2020
Land	\$ 152,523	\$ 152,523
Automobiles	131,500	131,500
Building and Improvements	1,197,708	1,176,915
Equipment, Furniture, and Software	177,103	172,542
	1,658,834	1,633,480
Less: Accumulated Depreciation	856,333	783,440
Net Property and Equipment	\$ 802,501	\$ 850,040

NOTE 8: CONDITIONAL CONTRIBUTION - PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In response to the uncertainty created by the COVID-19 pandemic, the federal government signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. A provision of the CARES Act allowed for loans to eligible small businesses, including nonprofit organizations, under its Paycheck Protection Program (PPP) administered by the U.S. Small Business Administration. PPP loans have a maturity term of two or five years and incur interest at a rate of 1%. PPP loans contain provisions to forgive all or a portion of the funds borrowed based on a calculation that considers the borrower's incurrence of eligible costs and maintaining employee and salary levels for a period of time after receipt of the loan funds.

PPP loans are initially recorded as a conditional grant liability in the statement of financial position. Upon satisfaction of the measurable performance barriers contained in the PPP loan agreement, which includes the submission of an application for loan forgiveness, the Organization will recognize the conditional contribution as revenue.

In April 2020, the Organization received a PPP loan in the amount of \$286,572. This amount was recorded as a conditional grant liability as of June 30, 2020, and recognized as revenue during the year ended June 30, 2021.

In February 2021, the Organization received a Round 2 PPP loan in the amount of \$237,377. This amount was recorded as a conditional grant liability as of June 30, 2021.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 9: NOTE PAYABLE - DEMAND

The Organization has a revolving line of credit with a local financial institution in the amount of \$300,000. Principal is payable on demand with interest paid monthly at the bank's prime rate (3.25% as of June 30, 2021) less 1% annually on all outstanding balances. The line of credit is considered due on demand; therefore, renewal documentation is not required each year unless changes are made to the original agreement. The line of credit is collateralized by a security interest in the assets of the Organization. No amounts were outstanding on the line of credit as of June 30, 2021 and 2020.

NOTE 10: NOTES PAYABLE

Notes payable as of June 30 were as follows:

	2021	2020
<i>City of Wilmington, Delaware</i> - Forgivable loan with interest payable at 5.0%. Note requires payments of interest only. Upon sale of a home to a qualified buyer, the obligation reverts to grant revenue. The note payable is collateralized by the real estate. The loan was forgiven in January 2021.	\$ -	\$ 21,000
<i>City of Wilmington, Delaware</i> - Forgivable loan with interest payable at 5.0%. Note requires payments of interest only. Upon sale of a home to a qualified buyer, the obligation reverts to grant revenue. The note payable is collateralized by the real estate. The loan was forgiven in January 2021.	-	56,000
<i>City of Wilmington, Delaware</i> - Forgivable loan with interest payable at 5.0%. Note requires payments of interest only. Upon sale of a home to a qualified buyer, the obligation reverts to grant revenue. The note payable is collateralized by the real estate. The loan was forgiven in January 2021.	-	6,000
Total Notes Payable	-	83,000
Less: Current Portion	-	83,000
Total Notes Payable, Net of Current Portion	\$ -	\$ -

As indicated in the preceding chart, in June 2013, the City of Wilmington provided properties in exchange for three loans payable by the Organization totaling \$83,000. The loans were to be used to acquire and renovate specific properties to provide affordable housing. The terms of the agreements converted the notes to grants if the Organization sold the properties for affordable housing during the contract period. As of June 30, 2020, the Organization had not transferred the properties via affordable housing home sales. In January 2021, the notes were forgiven in total and converted to grants even though the Organization had not transferred the properties.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 11: LEASE COMMITMENTS

The Organization leases various facilities and a copier under noncancelable operating leases which expire in various years through November 30, 2025. Rent expense on the facilities and copier was \$230,749 and \$4,487, respectively, for the year ended June 30, 2021 and \$331,180 and \$3,270, respectively, for the year ended June 30, 2020.

The following are the future minimum lease payments required by these leases for the years ending June 30:

	Facilities	Copiers	Total
2022	\$ 274,096	\$ 3,504	\$ 277,600
2023	250,339	584	250,923
2024	231,432	-	231,432
2025	182,862	-	182,862
2026	76,193	-	76,193
Total Minimum Lease Payments	\$ 1,014,922	\$ 4,088	\$ 1,019,010

NOTE 12: COMMITMENTS AND CONTINGENCIES

Mortgage Loan Repurchase Commitment - The Organization is required to repurchase any mortgage loan that it had previously sold that becomes 120 days past due. The Organization is notified regularly of delinquent mortgages that are at risk of repurchase. During the years ended June 30, 2021 and 2020, the Organization was not required to repurchase delinquent mortgages receivable.

NOTE 13: RELATED-PARTY TRANSACTIONS

The Organization is an affiliate of Habitat for Humanity International, Inc. (HFHI). Affiliate fees paid to HFHI were \$15,000 for the years ended June 30, 2021 and 2020.

HFHI has a suggested 10% tithing based on internal calculations for unrestricted funds; however, there is no penalty for tithing less than this amount. This amount is used for HFHI's worldwide housing programs. For the years ended June 30, 2021 and 2020, contributions to HFHI amounted to \$123,541 and \$39,379, respectively.

NOTE 14: RETIREMENT PLAN

The Organization sponsors a 401(k) plan. Full-time employees with 30 days of service are eligible to participate in the plan. Matching contributions are made on a discretionary basis as approved by the Organization's board of directors. For the years ended June 30, 2021 and 2020, matching contributions of \$13,891 and \$12,378, respectively, were determined based on 2% eligible compensation.

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 15: HOME CONSTRUCTION COSTS

Following is a summary of home building activity:

	Years Ended June 30	
	2021	2020
Construction in Progress (Net of Accrued Subsidies) - Beginning	\$ 1,524,037	\$ 1,920,035
Cost of Homes Transferred	(964,857)	(1,917,793)
Capitalized Home Development Costs	1,232,835	1,010,757
Contributed Properties Received	-	510,000
Homes Reacquired Through Foreclosure	-	-
Decrease in Accrued Subsidies on Homes Under Construction	857,598	1,038
Construction in Progress (Net of Accrued Subsidies) - Ending	\$ 2,649,613	\$ 1,524,037
Homes Under Construction - Beginning	16	11
Homes Transferred to Homeowners	(7)	(10)
Homes Rented	0	2
New Homes Entering Development Stage	6	13
Homes Under Construction - Ending	15	16

Net building materials and supplies expense as reported in the statements of functional expenses consisted of the following:

	Years Ended June 30	
	2021	2020
Cost of Homes Transferred	\$ 964,857	\$ 1,917,793
Decrease in Accrued Subsidies on Homes Under Construction	(857,598)	(1,038)
Property Maintenance and Construction Administration	144,633	198,965
Allocation of Construction Overhead to Construction in Progress	(224,000)	(320,000)
Total Building Materials and Supplies (Net)	\$ 27,892	\$ 1,795,720

HABITAT FOR HUMANITY OF NEW CASTLE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2021

NOTE 16: RESTORE

Selected operating information for the Organization's ReStore program is as follows:

	Years Ended June 30	
	2021	2020
Noncash Donations for Resale at ReStore	\$ 1,305,900	\$ 1,176,463
Merchandise and ReStore Revenues	1,681,453	1,175,488
Less: Merchandise and Cost of Goods Sold	<u>(1,536,361)</u>	<u>(1,440,613)</u>
	1,450,992	911,338
Other ReStore Expenses	<u>(1,165,232)</u>	<u>(1,159,112)</u>
Net ReStore Activity	<u>\$ 285,760</u>	<u>\$ (247,774)</u>