



**PIEDMONT HABITAT FOR HUMANITY, INC.**

**Financial Statements  
For the years ended  
June 30, 2022 and 2021**

Not-for-Profit Corporation  
501(c)3





PIEDMONT HABITAT FOR HUMANITY, INC.

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
Piedmont Habitat For Humanity, Inc.  
Farmville, VA

### Report on the Financial Statements

We have audited the accompanying financial statements of Piedmont Habitat For Humanity, Inc. (the "Organization") which comprise the statements of financial position as of June 30, 2022 and 2021, 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.

### 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. 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 the 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 Piedmont Habitat For Humanity, Inc. as of June 30, 2022 and 2021, and the change in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Davidson Doyle & Hilton, Inc.*

Lynchburg, Virginia  
March 30, 2023





**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Statements of Financial Position**  
**June 30, 2022 and 2021**

	2022	2021
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 225,116	\$ 396,495
Accounts receivable	9,765	2,151
Grants receivable	24,300	33,950
Mortgages receivable, current portion	79,059	81,230
Pledges receivable, current portion	11,411	8,684
Prepaid expenses	7,802	5,170
<b>Total current assets</b>	<u>357,453</u>	<u>527,680</u>
<b>Property and equipment</b>		
Furniture and equipment	14,918	13,296
Vehicle	26,530	17,704
Leasehold improvements	24,099	24,099
	<u>65,547</u>	<u>55,099</u>
Less accumulated depreciation	<u>33,255</u>	<u>28,479</u>
<b>Total property and equipment</b>	<u>32,292</u>	<u>26,620</u>
<b>Other assets</b>		
Land and property held for construction	551,466	522,542
Homes under construction	163,305	154,602
Mortgages receivable, less current maturities net of unamortized discounts of \$517,090 and \$520,134, respectively	589,031	590,793
Pledges receivable, less current maturities net of unamortized discounts of \$-0- and \$-0-, respectively	18,104	10,481
<b>Total other assets</b>	<u>1,321,906</u>	<u>1,278,418</u>
<b>Total assets</b>	\$ <u>1,711,651</u>	\$ <u>1,832,718</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 14,164	\$ 20,140
Credit card liabilities	682	293
Payroll liabilities	3,707	4,174
Deferred revenue	500	-
Notes payable, current	21,514	26,677
Line of credit	20,008	-
<b>Total current liabilities</b>	60,575	51,284
<b>Non-current liabilities</b>		
Notes payable, non-current	57,322	154,396
Related party notes, non-current	-	15,000
<b>Total non-current liabilities</b>	<u>57,322</u>	<u>169,396</u>
<b>Net assets</b>		
Without donor restrictions	947,401	1,017,610
With donor restrictions	646,353	594,428
<b>Total net assets</b>	<u>1,593,754</u>	<u>1,612,038</u>
<b>Total liabilities and net assets</b>	\$ <u>1,711,651</u>	\$ <u>1,832,718</u>



See notes to financial statements.



**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Statement of Activities**  
**Year ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Contributions	\$ 85,376	\$ 9,100	\$ 94,476
Capital campaign contributions	-	26,322	26,322
In-kind contributions	36,248	-	36,248
Grants	97,885	66,000	163,885
Discount income (loss)	2,850	-	2,850
Home sales	90,000	-	90,000
USDA income	-	13,350	13,350
Brush with kindness	12,017	-	12,017
Restore sales	221,194	-	221,194
Special events, net of expenses \$889	5,657	-	5,657
<b>Total public support</b>	<u>551,227</u>	<u>114,772</u>	<u>665,999</u>
<b>Other revenue (loss)</b>			
SBA Payroll Protection Program grant	75,005	-	75,005
Interest income	237	-	237
Realized gains and losses	( 105 )	-	( 105 )
Other income	6,263	-	6,263
	<u>81,400</u>	<u>-</u>	<u>81,400</u>
Net assets released from restriction	<u>62,847</u>	( <u>62,847</u> )	<u>-</u>
<b>Total other revenue (loss)</b>	<u>144,247</u>	( <u>62,847</u> )	<u>81,400</u>
<b>Total public support and revenue</b>	<u>695,474</u>	<u>51,925</u>	<u>747,399</u>
<b>Expenses</b>			
Program services	658,283	-	658,283
Management and general	73,978	-	73,978
Fund raising	33,422	-	33,422
<b>Total expenses</b>	<u>765,683</u>	<u>-</u>	<u>765,683</u>
<b>Increase (decrease) in net assets</b>	( 70,209 )	51,925	( 18,284 )
<b>Net assets at beginning of year</b>	\$ <u>1,017,610</u>	\$ <u>594,428</u>	\$ <u>1,612,038</u>
<b>Net assets at end of year</b>	\$ <u><u>947,401</u></u>	\$ <u><u>646,353</u></u>	\$ <u><u>1,593,754</u></u>





**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Statement of Activities**  
**Year ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Contributions	\$ 36,287	\$ 113,052	\$ 149,338
Capital campaign contributions	-	30,263	30,263
In-kind contributions	4,599	-	4,599
Grants	97,457	112,750	210,207
Discount income (loss)	46,569	-	46,569
Home sales	118,000	-	118,000
Brush with kindness	1,661	-	1,661
Restore sales	225,496	-	225,496
Special events, net of expenses \$6,427	( 2,014 )	-	( 2,014 )
<b>Total public support</b>	<u>528,055</u>	<u>256,065</u>	<u>790,683</u>
<b>Other revenue</b>			
Acquisition of not-for-profit contribution	549,932	-	549,932
SBA Payroll Protection Program grant	72,700	-	72,700
Interest income	282	-	282
Other income	9,309	-	9,309
	<u>632,222</u>	<u>-</u>	<u>632,222</u>
Net assets released from restriction	<u>168,693</u>	( <u>168,693</u> )	<u>-</u>
<b>Total other revenue</b>	<u>800,915</u>	( <u>168,693</u> )	<u>632,222</u>
<b>Total public support and revenue</b>	<u>1,328,970</u>	<u>87,372</u>	<u>1,422,769</u>
<b>Expenses</b>			
Program services	649,516	-	649,519
Management and general	80,175	-	80,175
Fund raising	21,976	-	21,976
<b>Total expenses</b>	<u>751,667</u>	<u>-</u>	<u>751,667</u>
<b>Increase (decrease) in net assets</b>	577,303	87,372	664,675
<b>Net assets at beginning of year</b>	\$ <u>440,307</u>	\$ <u>507,056</u>	\$ <u>947,363</u>
<b>Net assets at end of year</b>	\$ <u><u>1,017,610</u></u>	\$ <u><u>594,428</u></u>	\$ <u><u>1,612,038</u></u>







**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Statement of Functional Expenses**  
**Year ended June 30, 2022**

	Program Service Expenses	Management And General Expenses	Fund Raising Expenses	Total
Salaries	\$ 359,967	\$ 17,612	\$ 6,345	\$ 383,924
Cost of home sales	96,912	-	-	96,912
ReStore expense	63,711	-	-	63,711
Rent expense	30,808	11,006	9,537	51,351
Taxes and licenses	27,627	6,907	-	34,534
Brush with Kindness program	15,960	-	-	15,960
Insurance	7,101	7,101	-	14,202
Tithes to Habitat for Humanity International, Inc.	12,320	-	-	12,320
Employee benefits	9,469	489	280	10,238
Miscellaneous	4,892	3,913	978	9,783
Telephone	4,708	4,707	-	9,415
Computer expense	2,565	3,420	2,565	8,550
Advertising	2,346	-	5,475	7,821
Professional fees	-	7,214	-	7,214
Utilities	3,184	3,185	-	6,369
Dues & Subscriptions	5,955	-	-	5,955
Fundraising expenses	-	-	5,327	5,327
Depreciation	-	4,776	-	4,776
Office expense	1,271	1,694	1,271	4,236
Interest expense	3,544	-	-	3,544
Travel	1,146	1,146	1,145	3,437
Other program expense	2,213	-	-	2,213
Postage & shipping	679	680	340	1,699
Volunteer expense	1,640	-	-	1,640
Conferences & Meetings	182	46	76	304
Printing and publication	83	82	83	248
<b>Total functional expenses</b>	<b>\$ 658,283</b>	<b>\$ 73,978</b>	<b>\$ 33,422</b>	<b>\$ 765,683</b>





**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Statement of Functional Expenses**  
**Year ended June 30, 2021**

	Program Service Expenses	Management And General Expenses	Fund Raising Expenses	Total
Salaries	\$ 341,071	\$ 17,143	\$ 6,396	\$ 364,610
Cost of home sales	128,089	-	-	128,089
Rent expense	34,095	11,255	10,246	55,596
ReStore expense	53,489	-	-	53,489
Taxes and licenses	26,466	6,616	-	33,082
Professional fees	-	18,617	-	18,617
Insurance	6,240	6,240	-	12,480
Tithes to Habitat for Humanity International, Inc.	9,680	-	-	9,680
Employee benefits	8,650	408	194	9,252
Dues & Subscriptions	9,025	-	-	9,025
Telephone	4,212	4,212	-	8,424
Miscellaneous	4,105	3,284	821	8,210
Volunteer expense	7,454	-	-	7,454
Utilities	2,929	2,929	-	5,858
Interest expense	5,653	-	-	5,653
Advertising	1,388	1,850	1,387	4,625
Office expense	1,237	1,649	1,236	4,122
Depreciation	-	3,728	-	3,728
Brush with Kindness program	3,260	-	-	3,260
Computer expense	655	874	655	2,184
Postage & shipping	794	795	397	1,986
Travel	472	471	472	1,415
Conferences & Meetings	414	104	172	690
Other program expense	138	-	-	138
<b>Total functional expenses</b>	<b>\$ 649,516</b>	<b>\$ 80,175</b>	<b>\$ 21,976</b>	<b>\$ 751,667</b>







**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Statements of Cash Flows**  
**Years ended June 30, 2022 and 2021**

	2022	2021
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ ( 18,284 )	\$ 664,675
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	4,776	3,728
PPP Loan forgiveness	( 75,005 )	( 72,700 )
Realized loss on investments	105	-
Mortgage discount	( 3,044 )	( 46,705 )
Pledge discount	194	136
Notes payable from acquisition	-	-
Mortgages receivable from acquisition	-	( 389,432 )
Land held for construction from acquisition	-	( 160,500 )
(Increase) decrease in:		
Accounts receivable	( 7,614 )	544
Grants receivable	9,650	( 33,950 )
Mortgage receivable	6,977	107,050
Pledge receivable	( 10,544 )	( 19,301 )
NSP receivable	-	2,030
Prepaid expenses	( 2,632 )	( 739 )
Land and property held for construction	( 28,924 )	43,530
Homes under construction	( 8,703 )	( 31,109 )
Increase (decrease) in:		
Accounts payable	( 5,976 )	( 3,685 )
Credit card payables	389	293
Payroll liabilities	( 467 )	63
Deferred revenue	500	-
<b>Net cash provided by (used in) operating activities</b>	( 138,602 )	65,406
<b>Cash flows from investing activities</b>		
Additions to investments	( 1,329 )	-
Sale of investments	1,224	-
Additions to property and equipment	( 10,448 )	-
<b>Net cash used in investing activities</b>	( 10,553 )	-
<b>Cash flows from financing activities</b>		
Proceeds (payments) on notes payable	( 27,232 )	( 34,709 )
Proceeds (payments) on lines of credit	20,008	-
Payments on related party notes	( 15,000 )	-
Proceeds from PPP loan	-	75,045
<b>Net cash provided by (used in) financing activities</b>	( 22,224 )	40,336
<b>Net increase (decrease) in cash and cash equivalents</b>	( 171,379 )	105,742
<b>Cash and cash equivalents at beginning of year</b>	396,495	290,753
<b>Cash and cash equivalents at end of year</b>	\$ 225,116	\$ 396,495
<b>Cash consists of:</b>		
Cash, unrestricted	57,747	244,701
Cash, restricted	167,369	151,794
<b>Total</b>	225,116	396,495
<b>Cash flow supplemental information:</b>		
Interest paid	\$ 3,544	\$ 5,653
<b>Assumption of Receivables and Debt:</b>		
Assumption of notes receivable in acquisition of not-for-profit	\$ -	\$ 389,432





**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**Note 1 – Nature of activities and significant accounting policies**

**Nature of activities**

Piedmont Habitat For Humanity, Inc., (the “Organization”), was incorporated on December 20, 1990, as a non-stock not-for-profit Virginia corporation. Although the organization is an affiliate of Habitat for Humanity International, Inc., (“Habitat International”), Piedmont Habitat For Humanity is primarily and directly responsible for its own operations. As a Christian housing ministry, the organization’s primary purpose is to provide decent and affordable housing to low-income individuals in the town and surrounding areas of Farmville, Virginia through the sale of homes, at cost, and the provision of interest-free financing. A store to sell items for building or furnishing a home at reduced costs is also a part of the mission.

During 2021, the organization acquired the assets and liabilities of Nelson County Habitat for Humanity in order to run the same programs in and around Nelson County, VA.

A summary of the Organization’s significant accounting policies follows:

**Basis of Accounting**

The financial statements of the Organization are prepared under the accrual method of accounting in accordance with generally accepted accounting principles in the United States.

**Basis of financial statement presentation**

The Organization’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions-* Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve.

*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 are perpetual in nature where the donor stipulates that the 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.

**Contributions**

Support that is restricted by the donor is reported as an increase in without donor restriction net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in without donor restriction net assets, depending on the nature of the restriction. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

**Revenue recognition**

The Organization derives revenues from the sale and renovation of homes as well as the sale of home materials from the store. Revenues are recognized when control of the homes or home materials are transferred to the buyers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the product and services. Incidental items that are immaterial in the context of the contract are recognized as expense. The Organization has significant financing components as payment is received through mortgages. Costs incurred to obtain a contract will be expenses as incurred when the amortization period is less than a year.







# PIEDMONT HABITAT FOR HUMANITY, INC.

## Notes to Financial Statements

June 30, 2022 and 2021

### Note 1 – Nature of activities and significant accounting policies (continued)

#### Cash and cash equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid debt investments purchased with maturity of three months or less to be cash equivalents. The Organization maintains substantially all of its cash with one financial institution and, at times, may maintain balances, which are in excess of the federally insured limits (FDIC). Management of the Organization believes the risk of loss resulting from uninsured balances is immaterial.

#### Pledges Receivable

Pledges receivable are reviewed by management periodically and any that are considered to be uncollectible are expensed at that time. Recoveries of accounts previously charged off are credited to income in the year received. During the year ended June 30, 2022, no pledges were written-off.

#### Property and equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated furniture and equipment at the date of gift is similarly capitalized. Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is recognized primarily on the straight-line method over the estimated useful lives as follows:

<u>Classification</u>	<u>Estimated Useful Life</u>
Leasehold improvements	15 years
Furniture and equipment	5-7 years
Vehicle	3-5 years

#### Advertising

The Organization expenses advertising costs as such costs are incurred.

#### Income Taxes

No provision for income taxes has been made in the financial statements because the Organization is a not-for-profit corporation as described in Section 501 (c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC.

The Financial Accounting Standards Board ASC 740-10 prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2022 and 2021. Fiscal years ending on or after June 30, 2019 remain subject to examination by federal and state tax authorities.

#### Functional allocation of expenses

Costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services using estimated percentages established by management.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.





**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**Note 1 – Nature of activities and significant accounting policies (continued)**

**Donated Property, Equipment, Services, and Facilities**

Donations of property and equipment are recorded as support at their estimated fair value at the time of donation. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions. Material donations of services requiring specific expertise are recorded as support at their estimated fair value at the date of donation. No amounts have been reflected in the accompanying financial statements for other donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time on behalf of the organization.

**Homes Under Construction**

Costs incurred in connection with home construction are capitalized until the completion and subsequent sale of each home.

**Mortgages**

Mortgages receivable consist of non-interest bearing mortgage notes issued in order to finance the sale of fully constructed homes to eligible individuals. The mortgages are collateralized by real estate and are payable in monthly installments over the life of the mortgage. Because the mortgages bear no interest, they are discounted to their present value at the time of issuance. The discount rate currently utilized is 5% for 2022 and 2021. The resulting discount is amortized, using the interest method, over the life of the mortgage and is reflected in the accompanying statement of activities as mortgage discount income. If the mortgage is satisfied prior to maturity, any remaining unamortized discount is also reflected as mortgage discount income in the year of satisfaction. Mortgages receivable are presented net of any discount in the accompanying financial statements.

Mortgages receivable are considered past due in accordance with the terms of the mortgage agreements and efforts are made to assist homeowners who have become delinquent in their mortgage payments. However, foreclosure proceedings may be initiated and/or the organization may accept back the deed in lieu of foreclosure where homeowner mortgage payments are deemed seriously delinquent. Properties acquired through foreclosure or accepting a deed in lieu of foreclosure may be sold directly on the open market or refurbished in partnership with and sold to other families in need of decent and affordable housing. The organization did not acquire any homes through foreclosure during the years ended June 30, 2022 and 2021.

All homes sold after 1999 have been encumbered by a second, third, or fourth deed of trust note which is payable only upon the sale or default by the homeowner. The note balance is to be forgiven ratably over a period of 15 to 25 years. Because of the contingent nature of the collectability of the second, third, and fourth deed of trust notes, they will be recorded on the organization's books only if they become enforceable.

**New accounting pronouncements**

In September 2020, FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The amendments are effective for annual periods beginning after June 15, 2021. The amendments are to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The Organization has implemented the standard.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2019. Early application of the amendments in the ASU is permitted. The update is intended to increase transparency and comparability among Companies by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The Company has not adopted the new ASU to date.

**Note 2 – Cash Balances**

The Organization maintains its cash balances at one financial institution. The accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times the cash balances may exceed the federally insured limits (FDIC). Management does not believe that there is a risk of loss based on the history of the accounts.







**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**Note 3 – Financing Receivables**

The Organization has financed receivables with a total outstanding balance of \$1,185,180 and \$1,192,157 at June 30, 2022 and June 30, 2021, respectively. The following is an analysis of the recorded investment in financing receivables at June 30, 2022:

	2022	2021
Mortgage to individual, 30 yr term, due 2047	\$ 109,267	\$ 113,654
Mortgage to individual, 30 yr term, due 2045	109,208	111,943
Mortgage to individual, 30 yr term, due 2049	102,211	105,973
Mortgage to individual, 30 yr term, due 2045	89,458	94,480
Mortgage to individual, 20 yr term, due 2041	87,000	-
Mortgage to individual, 30 yr term, due 2042	58,330	61,172
Mortgage to individual, 30 yr term, due 2043	57,549	60,279
Mortgage to individual, 30 yr term, due 2041	50,124	53,811
Mortgage to individual, 29 yr term, due 2042	47,445	49,648
Mortgage to individual, 30 yr term, due 2041	45,106	47,530
Mortgage to individual, 30 yr term, due 2041	39,667	41,849
Mortgage to individual, 30 yr term, due 2039	37,432	39,621
Mortgage to individual, 30 yr term, due 2039	36,066	38,252
Mortgage to individual, 30 yr term, due 2039	36,013	38,200
Mortgage to individual, 20 yr term, due 2033	35,124	38,136
Mortgage to individual, 30 yr term, due 2047	32,277	32,277
Mortgage to individual, 30 yr term, due 2039	29,688	34,132
Mortgage to individual, 30 yr term, due 2037	29,653	32,642
Mortgage to individual, 25 yr term, due 2031	20,718	23,153
Mortgage to individual, 15 yr term, due 2033	19,255	21,061
Mortgage to individual, 25 yr term, due 2031	17,093	19,104
Mortgage to individual, 25 yr term, due 2031	15,532	17,324
Mortgage to individual, 20 yr term, due 2029	14,250	18,214
Mortgage to individual, 20 yr term, due 2023	14,043	15,340
Mortgage to individual, 20 yr term, due 2025	12,972	10,246
Mortgage to individual, 20 yr term, due 2025	10,040	13,650
Mortgage to individual, 20 yr term, due 2025	10,001	12,247
Mortgage to individual, 20 yr term, due 2027	8,466	9,266
Mortgage to individual, 20 yr term, due 2027	5,379	7,279
Mortgage to individual, 20 yr term, due 2024	2,231	4,063
Mortgage to individual, 24 yr term, due 2023	1,497	3,668
Mortgage to individual, 22 yr term, due 2023	1,257	3,143
Mortgage to individual, 20 yr term, due 2022	828	2,899
Mortgage to individual, 30 yr term, due 2037	-	16,858
Mortgage to individual, 20 yr term, due 2021	-	1,043
Gross receivables	1,185,180	1,192,157
Unamortized discounts	517,090	520,134
Total, net	\$ 668,090	\$ 672,023





**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**Note 3 – Financing Receivables (continued)**

Financed receivable maturities at June 30, 2022 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 79,059
2024	73,382
2025	72,242
2026	67,541
2027	64,873
Thereafter	<u>828,083</u>
	<u>\$ 1,185,180</u>

**Note 4 – Pledges receivable**

The Organization has pledges receivable due in future years. The pledges have been discounted using a rate of 1% as of June 30, 2022 and 2021.

<u>Year</u>	<u>Face Value</u>	<u>Present Value Discount</u>	<u>2022 Discounted Pledges</u>	<u>2021 Discounted Pledges</u>
2021	\$ -	\$ -	\$ -	\$ 8,684
2022	11,411	-	11,411	7,349
2023	8,275	82	8,193	3,132
2024	5,160	102	5,058	-
2025	5,000	147	4,853	-
2026	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>29,846</u>	\$ <u>331</u>	\$ <u>29,515</u>	\$ <u>19,165</u>
Allowance for losses			<u>-</u>	<u>-</u>
Net pledges receivable			\$ <u>29,515</u>	\$ <u>19,165</u>

**Note 5 – Non-financial contributed assets and services**

The Organization received the following non-financial contributions for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Building:		
Supplies	\$ -	\$ 3,295
Services	500	800
Land	33,700	-
Restore Supplies	1,078	89
Office Expenses	670	60
Fundraising Expense	300	325
Training Services	<u>-</u>	<u>30</u>
	\$ <u>36,248</u>	\$ <u>4,599</u>







**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**Note 5 – Non-financial contributed assets and services (continued)**

The contribution of land is valued at the assessed tax value. The contributed supplies and goods are valued at the cost if they had to be purchased if not donated. Donated services are recognized in the financial statement only if they create or enhance nonfinancial assets or if they require specialized skills and would typically need to be purchased is not provided by donation. Donated services are valued at the cost if they had to be purchased in not donated.

**Note 6 – Notes Payable**

The Organization's notes payables as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
VHDA loan, 3% interest rate, payable in monthly installments of \$187.16 including interest due December 2021	\$ -	\$ 1,087
VHDA loan, 3% interest rate, payable in monthly installments of \$725.55 including interest due December 2023	9,931	21,237
VHDA loan, 3% interest rate, payable in monthly installments of \$513.45 including interest due December 2024	9,475	14,341
VHDA loan, 3% interest rate, payable in monthly installments of \$221.12 including interest due December 2026	9,175	11,355
VHDA loan, 3% interest rate, payable in monthly installments of \$841.11 including interest due December 2027	50,255	58,008
Related party, 3.00% interest rate, payable in monthly installments of \$37.50 interest only with principal due April 2029	-	15,000
PPP loan, 1% interest rate, payable in monthly installments of \$1,611 including interest due March 2026	-	75,045
	<u>78,836</u>	<u>196,073</u>
Less Current Portion	\$ 21,514	\$ 26,677
Long-term Portion	<u>\$ 57,322</u>	<u>\$ 169,396</u>

Future maturities of long-term notes payable are as follows:

2023	\$ 21,514
2024	19,421
2025	12,843
2026	11,243
2027	9,813
Thereafter	4,002
	<u>\$ 78,836</u>

**Note 7 – Retirement plan**

The Organization adopted a SIMPLE IRA plan effective May 1, 2020. The SIMPLE IRA plan covers all employees. A matching contribution will be made up to a limit of 3% of compensation for the calendar year. As of June 30, 2022 and 2021 employer retirement contributions were \$8,260 and \$9,014, respectively.





**PIEDMONT HABITAT FOR HUMANITY, INC.**

**Notes to Financial Statements**

**June 30, 2022 and 2021**

**Note 8 – PPP Loan**

The Organization received a loan on March 27, 2020 under the Paycheck Protection Program of the CARES Act. The note was \$72,700 with an interest rate of 1%. The loan matures March 27, 2022 with all loan proceeds and accrued interest due. The loan was forgiven under the terms of the Paycheck Protection Program on June 14, 2021.

The Organization received a loan on March 15, 2021 under the Paycheck Protection Program of the CARES Act. The note was \$75,045 with an interest rate of 1%. The loan matures March 15, 2026 with all proceeds and accrued interest due. The loan was forgiven under the terms of the Paycheck Protection Program on September 28, 2021.

**Note 9 – Line of Credit**

The Organization has a \$50,000 line of credit with a local community bank that matures September 1, 2023. The interest rate is prime plus 1.50% and is payable monthly. The balance was \$20,008 and \$-0- at June 30, 2022 and 2021, respectively.

**Note 10 – Additional Deeds of trust Notes**

As discussed in Note 1, homes sold after 1999 have been encumbered by either a second, third, or fourth deed of trust notes which are payable only upon the sale or default by the homeowner. The outstanding balance of these deeds of trust notes was \$1,254,938 and \$1,207,938 as of June 30, 2022 and 2021, respectively. As discussed in Note 1, these notes have not been recorded due to the contingent nature of the collectability.

**Note 11 – Transactions with Habitat International**

The Organization remits a portion of its contributions, excluding in-kind contributions, to Habitat International on an annual basis. These funds are used to construct homes in economically depressed areas around the world. The organization contributed \$12,320 and \$9,680 to Habitat International for 2022 and 2021, respectively.

**Note 12 – Operating Lease Expense**

The Organization leases office and store space on a month by month basis. The rent expense for the years ending December 31, 2022 and 2021 was \$51,351 and \$55,596, respectively.

**Note 13 – Related Party**

During the year ended June 30, 2019, the Organization received a note from a related individual. The funds from the note were used for acquisition of real estate. The note was in the amount of \$15,000 with a 120-month term and 3% interest and was from a former board member. The balance of the note was \$-0- and \$15,000 as of June 30, 2022 and 2021, respectively.

**Note 14 – Acquisition of Not-for-profit**

Effective July 10, 2019, the Organization acquired Nelson County Habitat for Humanity and its related assets and liabilities. In accordance with FASB ASC 958-508 "Acquisition by a Not-for-Profit Entity", the assets and liabilities of the former not-for-profit were valued at fair market value and recorded on the Organization's books. The assets and liabilities acquired as of June 30, 2021 and 2020 included:

	<u>2021</u>	<u>2020</u>
Gross Mortgages Receivable	\$ 690,845	\$ -
Discount on Mortgages	( 301,413 )	
Land held for construction	160,500	-
Cash	-	381,625
Notes payable	-	( 69,580 )
	<u>\$ 549,932</u>	<u>\$ 312,045</u>





**PIEDMONT HABITAT FOR HUMANITY, INC.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**Note 15 – Net assets with donor restrictions**

Net assets with donor restrictions as of June 30, 2022 and 2021 consisted of the following:

	2022	2021
<b>Donor Restricted</b>		
Land held for construction	\$ 425,169	\$ 389,519
Cash	167,369	151,794
Grants Receivable	24,300	33,950
Pledges Receivable	29,515	19,165
<b>Total donor restricted</b>	<b>\$ 646,353</b>	<b>\$ 594,428</b>

**Note 16 – Liquidity and Availability**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of teaching and student development as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization aims to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash and shows positive cash generated by operations for fiscal year 2020.

As of June 30, 2022, the following financial assets could readily be made available to meet general expenditures:

Cash and cash equivalents, unrestricted	\$ 57,747
Accounts receivable	9,765
Mortgages receivable	79,059
Pledges receivable	11,411
Grants receivable	24,300
	<u>\$ 182,282</u>

**Note 17 – Subsequent Events**

The Organization has evaluated subsequent events through March 30, 2023, the date the audit report was made available. No events requiring disclosure have been noted.

