

McKINNEY COMMUNITY DEVELOPMENT CORPORATION
Project Grant Application
Fiscal Year 2021

Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive. Contact us to discuss your plans and schedule a meeting with the Projects Subcommittee prior to completing the application.

Please submit application, including all supporting documentation, via email or on a thumb drive for consideration by the MCDC to:

McKinney Community Development Corporation
5900 S. Lake Forest Blvd., Suite 110
McKinney, TX 75070

Attn: Cindy Schneible (cschneible@mckinneycdc.org)

2021 Project Grant Application Schedule

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: December 30, 2020	January 28, 2021	February 25, 2021
Cycle II: March 31, 2021	April 22, 2021	May 27, 2021
Cycle III: June 30, 2021	July 22, 2021	August 26, 2021

APPLICATION

Project Grants support for projects eligible for consideration under Sections 501 and 505 of the Texas Local Government Code. These include:

- Projects Related to the Creation or Retention of Primary Jobs
- Infrastructure Improvement Projects Necessary to Develop New or Expanded Business Enterprises
- Public Parks and Open Space Improvements
- Projects Related to Recreational or Community (city/public access) Facilities
- Professional and Amateur Sports and Athletic Facilities, including Children’s Sports
- Entertainment, Tourist and Convention Facilities
- Projects Related to Low Income Housing
- Mass Transit-Related Facilities (facilities and/or equipment)
- Airport Facilities

McKinney Community Development Corporation – Overview

In 1996 McKinney voters approved the creation of a 4B (now Type B) sales tax corporation to support community and economic development projects and initiatives to enhance quality of life improvements and economic growth for McKinney residents. MCDC receives revenue from a half-cent sales tax and awards grant funds for projects, promotional activities and community events that showcase the City of McKinney and support business development and tourism.

Guided by a City Council-appointed board of seven McKinney residents, the impact of investments made by MCDC can be seen throughout the community.

Projects eligible for funding are authorized under The Development Corporation Act and Chapters 501 to 505 of the Texas Local Government Code.

McKinney Community Development Corporation – Mission

To proactively work, in partnership with others, to promote and fund community, cultural and economic development projects that maintain and enhance the quality of life in McKinney and contribute to business development.

Guiding Principles:

- Serve ethically and with integrity
- Provide responsible stewardship
- Embrace our role and responsibility
- Honor the past – provide innovative leadership for the future
- Make strategic and transparent decisions that best serve the community

McKinney Community Development Corporation – Goals

- Ensure application/project eligibility for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (see information below)
- Meet citizen needs for quality of life improvements, business development and sustainable economic growth for residents in the City of McKinney
- Provide support for cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and increased McKinney sales tax revenue
- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact that local dining and shopping has on investment in quality of life improvements in McKinney

General Guidelines

- Applications must be completed in full, **and provide all information requested**, to be considered by the MCDC board.
- Applicant must have been in business (preferably within the City of McKinney) for a minimum of two (2) years. The MCDC board may waive this requirement for economic development projects.

General Guidelines - continued

- The land, building or facility where the proposed project will be located should be owned by the Applicant. However, if the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed use of the property or facility; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- **Preference may be given** to Applicants who have **not** received funding from MCDC within the previous 12-month period.
- Performance agreements are required for all approved grants.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding for ten (10) years.
- Grant recipients must maintain financial books and records of the funded project and of their operations as a whole for at least two years, should MCDC or the City of McKinney require an audit. The books and records must be available upon request, and create a clear audit trail documenting revenues and expenses of the funded project.
- Within 30 days of completion of the funded project, the grant recipient is required to submit a final report that includes detailed information on the activity; visual documentation of pre and post-project completion; and any outstanding receipts for expenditures included under the scope of the grant.
- Grant recipient must recognize McKinney Community Development Corporation as a sponsor/funder of the project improvements. MCDC will provide a logo for grant recipient use.

Process

The McKinney Community Development Corporation Board of Directors are responsible for reviewing and voting on applications for grant funding, in accordance with requirements of the Texas Local Government Code.

- A completed application form must be submitted to MCDC in accordance with the schedule outlined above.
- The application will be evaluated to determine eligibility for MCDC funding under State law.
- Once eligibility for consideration is confirmed, a public hearing will be conducted, during a regularly scheduled MCDC board meeting, on the grant application submitted.
- Prior to the public hearing, notice will be published and posted in accordance with the requirements of the Open Meetings Act and the Texas Local Government Code. **The application, along with all documents/attachments will become public information once submitted to MCDC.**
- Following the public hearing, grant requests will be referred to a subcommittee of the MCDC board for evaluation and recommendation of approval or denial to the full board.
- Board action on the grant application will be scheduled for the board meeting the month following the public hearing.

- If a grant is approved, a performance agreement will be drafted for execution between MCDC and applicant.
- Funds awarded for approved applications are provided on a reimbursement basis, following submission of receipts and documentation of payment for qualified expenditures.
- The final 20% of the award may be withheld until a final project report is submitted to MCDC and compliance with all requirements of the executed performance agreement are confirmed.

APPLICANT INFORMATION

Name: Dick Corcoran

Company: Habitat for Humanity of Collin County

Federal Tax I.D.: 75-2443511

Incorporation Date: 1992

Mailing Address: 2060 Couch Drive

City: McKinney

ST: TX

Zip: 75069

Phone: 972/542-5300

Email: invest@habitatcollincounty.org

Website: habitatcollincounty.org

Check One:

Corporation

Partnership

Sole Proprietorship

Governmental entity

Nonprofit – 501(c) Attach a copy of IRS Determination Letter

Other

PROJECT INFORMATION:

Project/Business Name: Cotton Groves Amenity Center/Habitat for Humanity of Collin County

Location of Project: Cotton Groves Neighborhood

Physical Address: 603 Bumpas

City: McKinney

ST: TX

Zip: 75069

Property Size: 2.78 acres

Collin CAD Property ID:

Please provide the information requested below:

- An expansion/improvement Yes No
- A replacement/repair Yes No
- A multi-phase project Yes No
- A new project Yes No

PROPERTY OWNER INFORMATION *(if different from Applicant info above):*

Name:

Company:

Mailing Address:

City:

ST:

Zip:

Phone

Fax:

Email:

Cell:

DETAILED PROJECT INFORMATION:

Project Details and Proposed Use: The Cotton Groves Amenity Center will serve the residents of the Cotton Groves Neighborhood as a place to participate in classes, events, meetings and make technology available to all.

Estimated Date of Project Completion: 10/21

Days/Hours of Business Operation: TBD

Estimated Annual Taxable Sales: 0

Current Appraised Value of Property: NA Estimated Appraised Value (*Post-Improvement*): NA

Estimated Construction Cost for Total Project: \$676,174.00

Total Estimated Cost for Project Improvements included in grant request: \$176,174.00

Total Grant Amount Requested: \$176,174.00

Will funding be requested from any other City of McKinney entity (e.g. TIRZ Grant, City of McKinney 380, CDBG Grant)?

Yes

No

If yes, please provide details and funding requested:

Has a request for grant funding been submitted to MCDC in the past?

X Yes

No

Date(s): Annually

Will the project be competitively bid?

X Yes

No

If yes, please attach bids for the project

Has a feasibility study or market analysis been completed for this proposed project? *If so, please attach a copy of the Executive Summary.*

Additional Information – please attach the following

- Business plan
- Current financial report
- Audited financials for previous two years (if not available, please indicate why)
- Plat/map of property extending 200' beyond property in all directions (if applicable to your project)
- Detailed budget for the project
- Describe planned support activities; use; admission fees if applicable
- Timeline and schedule – from design to completion
- Plans for future expansion/growth

Acknowledgements

If funding is approved by the MCDC board of directors, Applicant acknowledges the following:

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying individual/company.
- All funds awarded will be used exclusively for the purpose described in this application.
- Applicant owns the land, building or facility where the proposed infrastructure improvements will be made. If the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed improvements and use of the property or building; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- MCDC will be recognized as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Individual/company representative who has signed the application is authorized to submit the application.
- Applicant will comply with the Grant Guidelines in executing the Project for which funds were awarded.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor’s Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding from Grant for ten (10) years.

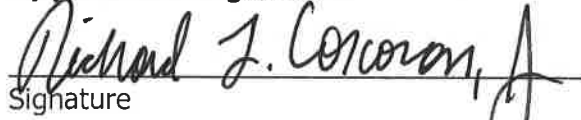
Acknowledgements - *continued*

- A final report detailing the successful completion of the Project will be provided to MCDC no later than 30 days following completion of the Project.
- Grant funding is provided on a reimbursement basis subsequent to submission of a reimbursement request, with copies of invoices and paid receipts for qualified expenses.
- Up to 20% of the grant funds awarded may be withheld until a final report on completion of the Project is provided to MCDC.
- A performance agreement will be required and will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120th day after the date the MCDC notifies the applicant of the violation.

[The Remainder of this Page Intentionally Left Blank]

BY SIGNING THIS APPLICATION, I CERTIFY THAT I AM THE LEGAL OWNER OF THE ABOVE REFERENCED PROPERTY OR THAT I AM AUTHORIZED TO REPRESENT AND ACT ON THE BEHALF OF THE OWNER OF THE ABOVE REFERENCED PROPERTY. I ALSO CERTIFY THAT ALL OF THE INFORMATION PROVIDED HEREON IS ACCURATE AND TRUE SO FAR AS I AM AWARE AND UNDERSTAND THAT I AM LEGALLY RESPONSIBLE FOR THE ACCURACY OF THIS APPLICATION. I FURTHER UNDERSTAND THAT I AM NOT GUARANTEED A GRANT.

Applicant's Signature

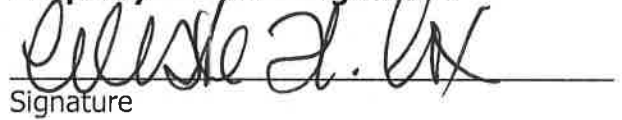

Signature

RICHARD L. CONCORAN, JR.
Printed Name (Dick)

Date

6/29/21

Property Owner's Signature


Signature

CELESTE H. COX
Printed Name

Date

6/29/21

INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.

A FINAL REPORT IS TO BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE COMPLETION OF THE PROJECT. FINAL PAYMENT OF FUNDING AWARDED WILL BE MADE UPON RECEIPT OF FINAL REPORT.

HABITAT FOR HUMANITY OF COLLIN COUNTY
MCDC PROJECT GRANT APPLICATION FISCAL YEAR 2021
ADDITIONAL INFORMATION

INTRODUCTION

The mission of Habitat for Humanity of Collin County (HFHCC) is centered on *“Seeking to put God’s love into action, Habitat for Humanity brings people together to build homes, communities, and hope”*. HFHCC is located in North Texas and has been serving hundreds of families with safe homes since 1992. We serve the 24-city area in providing new homes and repairing existing homes for qualifying families earning below-median incomes for our service area.

Historically, HFHCC has been able to build 8-10 well-made homes each year. We build homes in targeted communities to increase our impact. Our homeowners have the opportunity to secure affordable housing that has a lasting impact on their lives.

We carefully evaluate each family’s ability to afford and maintain their home and accept the responsibility that comes with homeownership. To qualify, a family must earn 30-60% of the Area Median household income. Habitat’s work is a time-tested methodology to end the cycle of families shuffling back and forth from temporary residences and living in multiple shelters.

THE COTTON GROVES COMMUNITY: FIRST OF ITS KIND

In 2017, HFHCC purchased a 2.78-acre lot in East McKinney, TX where we plan to build a 35-unit community of townhomes for low-to-moderate-income (LMI) Habitat families called “The Cotton Groves”. This community will provide homes for approximately 160 individuals in a cost-effective, sustainable, and eco-friendly community. The homes will be made from shipping containers. Cotton Groves is the first community of its kind in the United States.

Shipping container homes are a sought-after, high-end design concept. Containers are made of Corten Steel which is incredibly strong and structurally sound, making them attractive in an area that often faces severe weather in the spring and fall seasons. These containers are designed to withstand weathering from the open ocean and require little maintenance. Shipping containers provide very practical solutions to building eco-friendly homes as construction costs to complete them are very affordable.

Container homes are highly conducive to energy-efficient and green building practices. Each home in The Cotton Groves will be constructed from at least four shipping containers and will feature energy-efficient, “green home” standards to further contribute to affordability. Indoor environmental quality considerations have been addressed through the planned use of energy-efficient appliances.

COTTON GROVES SPECIAL FEATURES

The families that will call Cotton Groves home, will enjoy spending time at the *Playground*. Most of the Playground will be covered with several triangular Shade Cloth sails that will keep the play areas cool in the summer. The playground will have many interactive play panels and a variety of climbers to test different skill sets. A Fast Groove slide and curved Chameleon slides will offer thrills to different ages of children. The Pour-in-Place rubber floor is a soft surface to fall on and is smooth enough for wheelchair accessibility. Benches and custom polyfibercrete Hay Bale Seating will provide comfort for all who visit the playground.

In addition to the Playground, we plan to construct an *Amenity Center* that will provide all of the families a place to participate in classes, events, meetings and make technology available at a time when off-campus learning is becoming more common due to COVID. The *Amenity Center* will also provide the perfect location for larger family gatherings. The very nature of the Cotton Groves community has been designed to bring people together. We hope that Cotton Groves will allow residents to build lasting relationships and through the organization of a Home Owners Association, the community will stay connected and informed on current events and opportunities in the City of McKinney.

BUSINESS PLAN/AMENITY CENTER

Work has already been started to make the *Amenity Center* available to the first group of Cotton Groves residents who will move into their new townhomes in 2021. Architects have completed the design phase of the project. Phase 1 has been planned; electrical requirements have been defined, foundation work has been outlined, framing and plumbing work have been put out to bid and the total cost of Phase 1 will be \$404,299.00.

Phase 2 of the project has also been planned and includes; completion of the exterior of the facility. That work will cover landscape installation, masonry work, and the installation of a roofing system. In addition, interior requirements for the Computer Lab, flooring, furniture, painting, and plumbing installation will be addressed in Phase 2. The cost of Phase 2 will be \$271,875.00.

MCDC has invested through prior grant requests a total of \$500,000.00 for the *Amenity Center* project and for that HFHCC is very grateful. Through the process of receiving bids from our vendors, we have learned that the cost of construction materials and related services has increased significantly in 2021. The cost increases on the average new single-family home in the US has increased \$15,000 to \$30,000 due to the escalating rates for Timber/Plywood products.

Plywood, strand board, formwork materials have increased by 18%-31% in the last three months. Steel studs, rebar, and steel mill products prices have increased 22%-37% this year. Insulation for both piping and equipment has risen between 5%-11%. Softwood prices have risen by 33%-66% in the last three months. Plumbing components have also increased by 12%-22% this year. As a result of this situation, HFHCC would like to request that MCDC make an additional grant of \$176,174.00 and that would cover the revised total construction budget of the Amenity Center of \$676,174.00.

TIMELINE & SCHEDULE

HFHCC has hired the Richardson-based firm, Novel Builders to serve as the General Contractor for the *Amenity Center*. Construction work on site is scheduled to begin in early July and we plan to have a Certificate of Occupancy in hand during the first week of November 2021. A detailed Construction Schedule has been included as an Attached Document.

ATTACHED DOCUMENTS

1. IRS Determination Letter
2. HFHCC Financial Report
3. 2019-2020 Audited Financial Statements
4. Cotton Groves Revised Budget
5. Cotton Groves Marketing Brochure
6. Cotton Groves Green Sheet
7. Cotton Groves Plat/Maps
8. Amenity Center Elevations
9. Amenity Center Renderings
10. Amenity Center Construction Bid/Novel Builders
11. Novel Builders Construction Schedule

SUMMARY

HFHCC is committed to making the Cotton Groves Project an iconic development project in McKinney, despite recent financial challenges. When Cotton Groves is completed, a recognition event will be conducted to thank all of our financial partners for their role in making the project a success. HFHCC has reserved a naming opportunity for the *Amenity Center*, should MCDC desire that level of recognition. A custom-made plaque will be prominently positioned on the facility featuring the MCDC logo. A sample of how the plaque might look appears on the first *Amenity Center* Rendering.



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

May 22, 2018

Habitat for Humanity of Collin County
2060 Couch Drive
McKinney, TX 75070-0153

**RE: Verification of Tax Exempt Status Habitat for Humanity of Collin County;
EIN: 75-2443511**

Dear Affiliate:

This letter confirms that the Affiliate listed above is a subordinate under the group tax exemption of Habitat for Humanity International, Inc. ("HFHI"), and therefore the Affiliate is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

The IRS has assigned group exempt number ("GEN") 8545 to HFHI for all its designated affiliates. Please provide this GEN to prospective donors, foundations and other grant organizations when requested, and note that it is also required on certain IRS forms.

Please be aware that when donors search the IRS database, they will see only HFHI's name associated with the number.

This letter shall serve as proof of your affiliate's inclusion under HFHI's group exemption bearing GEN 8545. Thus, please provide a copy of this letter, as well as the enclosed copy of HFHI's tax exempt determination letter, demonstrating HFHI's tax exempt status and group exemption, to any donor requesting proof of your affiliate's tax exempt status.

Thank you for your continued great work supporting Habitat's mission. If you need additional copies of this letter or have additional questions, please contact the Affiliate Support Center.

In partnership,

A handwritten signature in black ink, appearing to read "Aaron Lewis".

Aaron Lewis
Assistant Secretary and Deputy General Counsel

Enclosure

Internal Revenue Service
P. O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: February 23, 2018

Person to Contact: #0196814

Ms. Benjamin

Employer Identification Number:

91-1914868

Group Exemption Number:

8545

HABITAT FOR HUMANITY INTERNATIONAL INC
HABITAT FOR HUMANITY INTRNL PARENT
% MICHAEL E CARSCADDON
270 PEACHTREE ST NW STE 1300
ATLANTA, GA 30303

Dear Sir or Madam:

This is in response to your request dated January 10, 2018 for information about your tax-exempt status.

Our records indicate we issued a determination letter to you in January 1987, and that you're currently exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also recognized the subordinates on the list you submitted as exempt from federal income tax under IRC Section 501(c)(3).

For federal income tax purposes, donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106 and 2522.

Because IRC Section 170(c) describes your subordinate organizations, donors can deduct contributions they make to them.

Please refer to www.irs.gov/charities for information about filing requirements. Specifically, IRC Section 6033(j) provides that, if you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

In addition, each subordinate organization is subject to automatic revocation if it doesn't file a required return or notice for three consecutive years. Subordinate organizations can file required returns or notices individually or as part of a group return.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676)

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

Sincerely yours,



Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Habitat for Humanity of Collin County

Balance Sheet

As of May 31, 2021

ASSETS

General Funds	55,075
Escrow (HO) Account	81,144
PPP Loan Funds	0
Restricted Funds	<u>208,297</u>
Total Cash	344,516
Security Deposits	8,044
Prepaid Expense	14,678
Grant/Pledge Receivable-Current	48,339
NR Notes Receivable	43,401
Other Accounts Receivable	1,102
Homeowner/Title Co Pmt Clearing	(88,695)
Inventory-McKinney ReStore	293,602
Inventory-Plano ReStore	140,100
Due to/from ReStore	32,373
Inventory-Land and Lots	787,128
Construction in Progress (CIP)	<u>1,682,325</u>
Total Current Assets	3,306,913

Fixed Assets

Leasehold Improvements-Plano ReStore	36,382
Building-2060 Couch	1,168,110
Computers	1,425
Vehicles/Trailers	22,674
Equipment	5,132
Equipment-ReStore	11,653
Furniture & Fixtures-ReStore	<u>9,952</u>
Total Fixed Assets	1,255,334

Other Assets

Grant/Pledge Receivable-LongTrm	145,250
Mortgages Receivable	8,953,244
Due to TDHCA	(2,278,390)
Unamortized Mortgage Discount	<u>(3,739,150)</u>
Total Other Assets	3,080,954

TOTAL ASSETS

7,643,201

LIABILITIES & NET ASSETS

Liabilities

Accounts Payable	132,354
Gift Cards-ReStore	2,809
Capital One Line of Credit (9463)	5,965
Capital One Line of Credit (7091)	4,713
Independent Bank LOC	66,639
Prosperity/LegacyTexas LOC	66,872
North DallasRevolving LOC	138,345
North Dallas Straight LOC	31,567
Payroll Liabilities/Sales Tax	56,727
American Bank-PPP Loan	284,700
HO Escrow Deposits	<u>113,860</u>
Total Current Liabilities	904,551

Long Term Liabilities

Flexcap-HFHI	8,080
Flexcap-HMS	337,903
Benchmark Mortgage Assignments	131,046
Happy State Bank	813,632
Prosperity(Legacy) -Mortgage Assignments	411,710
Inwood Bank - Mortgage Assignments	<u>265,130</u>
Total Long Term Liabilities	1,967,501

Total Liabilities

2,872,052

Net Assets

Beginning Net Assets	4,616,977
Net Income	154,172
Total Net Assets	<u>4,771,149</u>

TOTAL LIABILITIES & NET ASSETS

7,643,201

Habitat for Humanity of Collin County
Actual vs. Budget
May 2021

	May '21			July '20 - May '21		
	Actual	Budget	Fav/(Unfav)	Actual	Budget	Fav/(Unfav)
Ordinary Income/Expense						
Income						
\$Contributions	21,959	47,800	(25,841)	538,271	621,750	(83,479)
Grants	200,874	10,000	190,874	467,327	842,420	(375,093)
Special Events Net Income	0	2,000	(2,000)	0	95,000	(95,000)
ReStore Sales	156,615	158,758	(2,143)	1,607,617	1,638,806	(31,189)
Gain on Asset Sale	0	0	0	0	0	0
Other Income	4,952	3,615	1,337	57,312	62,265	(4,953)
Total Income	384,400	222,173	162,227	2,670,527	3,260,241	(589,714)
Cost of Goods Sold (ReStore)	22,337	27,444	5,107	266,417	265,246	(1,171)
Gross Profit	362,063	194,729	167,334	2,404,110	2,994,995	(590,885)
Expense						
Administrative	13,813	13,415	(398)	193,251	180,995	(12,256)
Fleet Expense	5,490	4,250	(1,240)	57,922	62,545	4,623
Program Svcs-Mission Specific	23,239	14,800	(8,439)	223,355	199,800	(23,555)
Marketing & Advertising	9,341	10,660	1,319	92,263	122,510	30,247
Employee Related Expenses	129,824	149,111	19,287	1,471,245	1,723,833	252,588
Occupancy Expense	30,689	28,650	(2,039)	318,200	315,150	(3,050)
Meetings & Travel	1,192	2,540	1,348	1,911	35,800	33,889
Total Expense	213,588	223,426	9,838	2,358,147	2,640,633	282,486
Net Ordinary Income	148,475	(28,697)	177,172	45,963	354,362	(308,399)
Other Income/Expense						
Other Income						
Early Note Termination	6,000	0	6,000	6,000	0	6,000
Sale to Homeowners	171,210	175,000	(3,790)	866,384	1,311,000	(444,616)
Mortgage Discount Amortization	18,713	0	18,713	130,222	0	130,222
GIK-Material Donations	0	25,100	(25,100)	75,552	176,100	(100,548)
Donated Materials-ReStore	102,270	95,000	7,270	1,097,821	1,045,000	52,821
Total Other Income	298,193	295,100	3,093	2,175,979	2,532,100	(356,121)
Other Expense						
Construction Cost (CIP)	198,395	157,200	(41,195)	838,430	1,048,410	209,980
Mortgage Discount Expense	0	0	0	0	0	0
ReStore GIK (COGS)	102,270	95,000	(7,270)	1,097,821	1,045,000	(52,821)
Other GIK Expense	0	100	100	1,270	6,100	4,830
Depreciation Expense	8,569	8,800	231	93,749	96,800	3,051
Loss on Asset Disposition	0	0	0	0	0	0
HFH International Tithe	0	2,000	2,000	36,500	47,000	10,500
Total Other Expense	309,234	263,100	(46,134)	2,067,770	2,243,310	175,540
Net Other Income	(11,041)	32,000	(43,041)	108,209	288,790	(180,581)
Net Income	137,434	3,303	134,131	154,172	643,152	(488,980)

**HABITAT FOR HUMANITY
OF COLLIN COUNTY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2019**

WITH INDEPENDENT AUDITOR'S REPORT

HABITAT FOR HUMANITY OF COLLIN COUNTY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Habitat for Humanity of Collin County

We have audited the accompanying statement of financial position of Habitat for Humanity of Collin County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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Opinion

In our opinion, the financial statements referred to above presented fairly in all material respects, the financial position of Habitat for Humanity of Collin County as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
January 20, 2020

FINANCIAL STATEMENTS

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

	<u>2019</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 38,494
Restricted cash	176,348
Contributions receivable	81,614
Inventory - ReStore	477,708
Inventories - land held for development	730,356
Non-interest bearing mortgages receivable, current portion	366,201
TDHCA Boot Strap agency receivables, current portion	126,534
Due from ReStore	15,372
Prepaid expenses	26,442
Other receivables	<u>23,715</u>
Total current assets	<u>2,062,784</u>
LONG-TERM ASSETS	
Property and equipment (net)	1,426,266
Contributions receivable	159,330
Non-interest bearing mortgages receivable, long-term portion	5,903,273
TDHCA Boot Strap agency receivables, long-term portion	2,127,509
HBA agency receivable	16,569
Discount on non-interest bearing mortgage	(3,686,641)
Construction in progress	<u>555,980</u>
Total long-term assets	<u>6,502,286</u>
Total assets	<u>\$ 8,565,070</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable and accrued expenses	\$ 251,678
Escrow-mortgage holders	118,198
Due to TDHCA Boot Strap, current portion	126,534
Line of credit	173,881
Notes payable, current portion (net of discount)	<u>133,744</u>
Total current liabilities	<u>804,035</u>
LONG-TERM LIABILITIES	
Due to TDHCA Bootstrap, long-term portion	2,156,341
Due to HBA	12,979
Notes payable, long-term portion (net of discount)	<u>1,496,497</u>
Total long-term liabilities	<u>3,665,817</u>
Total liabilities	<u>4,469,852</u>
NET ASSETS	
Without donor restriction	3,935,888
With donor restriction	<u>159,330</u>
Total net assets	<u>4,095,218</u>
Total liabilities and net assets	<u>\$ 8,565,070</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>2019 Total</u>
REVENUE AND OTHER SUPPORT			
Grants	\$ 149,318	\$ 91,964	\$ 241,282
Contributions	158,425	604,608	763,033
Contributions - non cash	206,440	-	206,440
Donated materials	1,267,370	-	1,267,370
Discount amortization	322,510	-	322,510
Transfers to homeowners	1,344,629	-	1,344,629
ReStore sales	1,604,844	-	1,604,844
Special events, net of expenses	95,574	-	95,574
Miscellaneous	65,510	-	65,510
Interest income	1,371	-	1,371
Net assets released from restrictions	<u>685,382</u>	<u>(685,382)</u>	<u>-</u>
Total revenue and other support	<u>5,901,373</u>	<u>11,190</u>	<u>5,912,563</u>
EXPENSES			
Home ownership program	2,865,047	-	2,865,047
ReStore program	2,880,298	-	2,880,298
Management and administrative	<u>423,855</u>	<u>-</u>	<u>423,855</u>
Total expenses	<u>6,169,200</u>	<u>-</u>	<u>6,169,200</u>
CHANGE IN NET ASSETS	(267,827)	11,190	(256,637)
NET ASSETS, BEGINNING OF YEAR	2,361,378	1,011,441	3,372,819
SOUTH COLLIN COUNTY NET ASSETS	1,751,903	14,220	1,766,123
PRIOR PERIOD ADJUSTMENT	<u>90,434</u>	<u>(877,521)</u>	<u>(787,087)</u>
NET ASSETS, END OF YEAR	<u>\$ 3,935,888</u>	<u>\$ 159,330</u>	<u>\$ 4,095,218</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Services		Support Services	Total
	Home Ownership	ReStore	Management and Administrative	2019
Bad debt expense	\$ 4,493	\$ -	\$ -	\$ 4,493
Bank charges	1,887	2,124	708	4,719
Conference, convention, meetings	4,171	950	3,974	9,095
Consulting	178,200	1,037	9,134	188,371
Contract labor	24,456	4,768	17,461	46,685
Credit card fees	529	30,661	7,178	38,368
Depreciation expense	14,718	83,093	4,724	102,535
Dues and subscriptions	6,229	1,340	13,170	20,739
Equipment lease	2,692	337	1,420	4,449
Fleet Expense	24,461	22,402	1,037	47,900
Insurance	15,716	32,382	4,071	52,169
Interest expense	20,573	12,627	1,748	34,948
Materials and supplies	1,178,760	1,471,605	-	2,650,365
Miscellaneous	-	-	999	999
Mortgage discount	689,281	-	-	689,281
Office expenses	7,418	12,504	9,884	29,806
Postage	3,098	603	1,343	5,044
Printing, promotions, and advertising	17,175	75,521	7,320	100,016
Professional fees	9,031	10,160	3,387	22,578
Program expenses	155,221	105	-	155,326
Rent - warehouse/Plano ReStore/storage	3,025	229,106	-	232,131
Repairs & Maintenance	4,906	26,448	1,290	32,644
Salaries and benefits	436,454	763,404	322,447	1,522,305
Telephone	6,866	10,669	4,090	21,625
HfH International tithe/SOSI fee	35,000	5,550	-	40,550
Travel	11,988	1,778	4,831	18,597
Utilities	8,699	81,124	3,639	93,462
Total expenses	\$ 2,865,047	\$ 2,880,298	\$ 423,855	\$ 6,169,200

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$(256,637)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	102,535
Discount amortization-mortgages	(286,069)
Transfer to homeowners	(1,333,149)
Effect of changes in assets and liabilities:	
(Increase) decrease in inventories - (lots)	(36,808)
(Increase) decrease in inventories - (resale)	(49,598)
(Increase) decrease in contributions receivable	(101,041)
(Increase) decrease in agency receivable	30,830
(Increase) decrease in other receivables	(6,721)
(Increase) decrease in homes under construction	83,772
Increase (decrease) in accounts payable and accrued expenses	157,030
Net cash used by operating activities	<u>(1,695,856)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net purchases of land, building and equipment	(28,032)
Net loan proceeds	(431,032)
Mortgage payments received	<u>1,867,124</u>
Net cash provided by investing activities	<u>1,408,060</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(287,796)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	47,366
SOUTH COLLIN COUNTY CASH	<u>455,272</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 214,842</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Issuance of non-interest bearing mortgage loans	\$ 1,333,149
Discount on non-interest bearing mortgages loans	<u>(689,281)</u>
Transfers to homeowners subject to non-interest bearing mortgage loans	<u>\$ 643,868</u>
Cash paid for interest	<u>\$ 34,948</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. ORGANIZATION

Habitat for Humanity of Collin County, Inc., (the "Habitat") is a not-for-profit interdenominational organization whose purpose is to encourage, promote and assist in the building and rehabilitation of housing for ownership by low-income persons in the North and South Collin County area. Habitat is an affiliate of Habitat for Humanity International, Inc., located in Americus, Georgia.

Effective July 1, 2018, North Collin County Habitat for Humanity and South Collin County Habitat for Humanity merged to form Habitat for Humanity of Collin County.

Habitat is a privately operated and financed program that transfers such housing to low income persons at cost after completion of construction, utilizing non-interest bearing notes. Habitat expects to continue to finance its operations through continuing contributions and mortgage receipts.

Habitat's Program Services includes the home construction program and the ReStore Program (a retail operation) that sells usable materials donated by retail businesses, construction companies, contractors, and the general public at below cost prices. The proceeds from the ReStore fund Habitat's community programs.

Habitat is a nonprofit organization, as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes and has been classified as a publicly supported organization as described in Sections 509(a)(1) and 170(b)(A)(VI).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Habitat have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities, in accordance with generally accepted accounting principles.

Change in Accounting Principle

On August 18, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Habitat has implemented ASU 2016-14 and has adjusted the presentation of the financial statements accordingly.

Basis of Presentation

Net assets, revenues, gains and losses are classified on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and the 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. Such net assets are available for any purpose consistent with the Habitat's mission. Designations of net assets by the governing board do not have the same legal requirements as do restrictions of funds and are included in this category.

Net Assets With Donor Restrictions – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Habitat and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that 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.

Cash and Cash Equivalents

The Habitat considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2019.

Restricted Cash

The Board of Directors has designated \$176,348 of cash for purposes of renovations, youth projects and reserves for the year ended June 30, 2019.

Contributions Receivable

Contributions, including unconditional promises to give, are recognized when made or received. All contributions are reported as increases in net assets with donor restriction unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restriction, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as with donor restriction until the payment is due.

Mortgages Receivable

Mortgages receivables consist of non-interest-bearing mortgages, which are secured by real estate and payable in monthly installments. The mortgages have an original maturity of 20 - 30 years. These mortgages have been discounted at various rates ranging from 7.39% to 8.48% based on the prevailing market rates at the inception of the mortgages. Interest income (amortization of the discount) is recorded using the straight-line method over the lives of the mortgages.

Property and Equipment

Fixed asset acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets and is computed using the straight-line method. Leasehold improvements are amortized over the life of the lease or asset, whichever is shorter. This amortization expense is reported as a part of occupancy cost.

Construction in Progress

Construction in progress is recorded at cost and includes all direct material, labor and equipment costs and those indirect costs related to home construction such as indirect labor, supplies and tool costs. Land costs included in construction-in-progress are stated at the lower of cost or the fair value at the date of the contribution. Included in land costs are any costs incurred in development. When revenue from the sale of a home is recognized, the corresponding costs are then expensed in the statement of activities as program services.

Support

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Grants, gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activity as net assets released from restrictions.

Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. In the absence of explicit donor stipulations about how long-lived assets must be maintained, Habitat reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

ReStore revenue is recognized when the donated goods are sold. ReStore expenses are recognized when incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The Habitat's significant estimates include the useful lives of property and equipment, the market value of donated inventory, and the amortization of discounts on mortgage loans based on the estimated life of the notes as a method that approximates the effective interest rates.

Income Taxes

The Habitat has been granted exemptions from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2019, the Habitat collected unrelated business taxable income ("UBTI") and has prepared a Form 990-T to pay the related tax. However, no provision for income taxes is reflected in the financial statements.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Habitat may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Habitat and various positions related to the potential sources of UBTI. There were no unrecognized tax benefits identified or recorded as assets or liabilities for fiscal year 2019.

The Habitat files its forms 990 and 990-T in the U.S. federal jurisdiction required and is generally no longer subject to examination by the Internal Revenue Service three years after filing.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Habitat.

Donated Services

A substantial number of volunteers have made significant contributions of their time to the Habitat's program and supporting services. The value of this contributed time is not reflected in these financial statements since it is susceptible to objective measurement or valuation.

Transfer or Sale to Homeowners

Transfers to homeowners are recorded at the gross mortgage. The mortgages do not bear interest, but have been discounted based upon applicable rates of interest published by Habitat for Humanity International, Inc. Using the interest method of amortization, these discounts will be recognized as mortgage loan amortization over the term of the mortgages.

Home Construction Costs

Costs incurred in conjunction with home construction are capitalized. Construction costs are expensed during the year a home is sold and included in program services.

Compensated Absences

Employees of the Habitat are entitled to paid vacations, sick days, and personal days off, depending on job classification, length of service, and other factors. The accrued paid time off is included in salaries and wages expense. Employees earn paid time off according to a set schedule based on length of service, and a maximum of 40 hours can be carried over to the next anniversary year. However, the employee handbook states that whether the employee can receive the cash value of unused hours earned is up to the Habitat's discretion determined upon a variety of factors such as employee's departure, how much time is given of the departure and any other considerations the Habitat deems significant. Given these facts, the Habitat is not required to accrue paid time off in the financial statements but has elected to accrue \$22,221 for the year ended June 30, 2019.

3. PROPERTY AND EQUIPMENT

Property and equipment are recorded at acquisition cost, including costs necessary to get the asset ready for its intended use. Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the respective assets, ranging from five to fifteen years.

	<u>2019</u>
Land	\$ 253,847
Buildings	1,365,321
Equipment	32,707
ReStore equipment	300,025
Leasehold improvements	83,196
Vehicles	<u>184,491</u>
	2,219,587
Less accumulated depreciation	<u>(793,321)</u>
Total property and equipment, net depreciation	<u>\$ 1,426,266</u>

Depreciation expense for the year ended June 30, 2019 was \$102,535.

4. CONSTRUCTION IN PROGRESS

Real estate costs, building materials and contract labor are recorded at cost when incurred. The administrative costs of developing projects are allocated to the respective projects. Construction in progress consists of the following:

	<u>June 30, 2019</u>	
	<u>Homes</u>	<u>Cost</u>
Homes under construction at beginning of year	7	\$ 478,932
Additional cost incurred during the year	-	782,907
New homes started during the year	10	508,017
Homes transferred during the year	<u>(10)</u>	<u>(1,213,876)</u>
Homes under construction at year-end	<u>7</u>	<u>\$ 555,980</u>

5. INVENTORIES

Land held for development consists of home lots to be developed and costs incurred in conjunction with home construction. They are capitalized until the completion of each home. Home lot inventory was \$730,356 as of June 30, 2019.

Inventory for the ReStore consists of items for resale which have been either purchased by Habitat or donated to the Habitat. All purchased inventory is valued at the lower of cost or market. All donated inventory is recognized as contribution revenue on the date of donation, with the fair market value being recorded as the asset, and the remainder is immediately recognized as contribution expense. The balance of inventory totaled \$477,708 as of June 30, 2019.

6. SALES TO HOMEOWNERS

During the year ended June 30, 2019, ten homes were sold to qualifying applicants, respectively. The resulting mortgages are non-interest bearing and the presentation of their book value has been discounted based upon the prevailing market rates for low-income housing at the inception of the mortgages. The discount rate for the year ended June 30, 2019 was 7.66%, and the discounts totaled \$689,281.

7. MORTGAGES RECEIVABLE

The Habitat finances all the homes that are sold. Each mortgage is issued as a zero-interest mortgage to the buyer. The Habitat discounts the mortgages using the current interest rates at the time the home is sold. The discount is amortized using the effective interest method. Mortgages receivable as of June 30, 2019 is as follows:

	<u>2019</u>
Mortgages receivable (at face value)	\$ 6,269,474
Unamortized discount on mortgages	<u>(3,686,641)</u>
Mortgages receivable, net of discount	<u>\$ 2,582,833</u>

Future collections, net of discount, on these mortgages will be received over the next five years as follows:

2020	\$ 366,201
2021	366,000
2022	365,811
2023	365,598
2024	365,400
Thereafter	<u>753,823</u>
Total	<u>\$ 2,582,833</u>

Mortgages are considered delinquent when the monthly mortgage payment is at least 31 days past due. As of June 30, 2019, thirty-one mortgages totaling \$43,301 were past due. The Habitat is in the process of making arrangements with the individual homeowners to bring their balance to current. All balances are believed to be collectible and no allowance has been recognized.

Some of the homeowners who have mortgages with the Habitat have entered into a secondary loan agreement with the Texas Department of Housing and Community Affairs ("TDHCA") Texas Boot Strap Loan Program. The Habitat continues to collect and manage these mortgages, and then remits the amount collected to the agency. These amounts are reported as agency receivables and agency payables on the statement of financial position and normally do not have any effect on the change in net assets. As of June 30, 2019, the balance in the agency receivables is \$2,254,043 and agency payables account is \$2,282,875. Typically, the balance of the agency receivable equals the balance of the agency payable. However, during the current fiscal year, one homeowner sold their home. While the Organization wrote off the outstanding receivable from the homeowner, Habitat is still liable to TDHCA for the balance due to them from the homeowner.

During fiscal year 2012, three homeowners, and fiscal year 2013, one homeowner, also entered into secondary agreements with the Texas Department of Housing and Community Affairs Homebuyer Assistance Program. Similar as to their agreement with the TDHCA Texas Boot Strap Loan Program, Habitat continues to collect and manage these mortgages and then remits the amount collected to the agency. These amounts are reported as agency receivables and agency payables on the statement of financial position and do not have any effect on the change in net assets. As of June 30, 2019, the balances of the agency receivable and payable were \$16,569 and \$12,979, respectively.

8. LONG-TERM DEBT

Long-term debt, net of discounts, consists of the following notes as of June 30, 2019:

	<u>2019</u>
Notes payable to banks through the Texas Department of Housing and Community Affairs (TDHCA) in the original amounts of \$2,836,110 as of June 30, 2019 bearing interest ranging from 0% to 4.00%, discount calculated based on an imputed interest rate ranging between 7.39% and 8.48%, the rate provided annually by Habitat for Humanity International, resulting in a discount of \$635,830, as of June 30, 2019. The Habitat remits monthly payments of \$10,092, and the loans mature January 2023 through December 2045.	\$ 1,597,456
Line of credit to Legacy Texas Bank in the amount of \$100,000 due January 18, 2021; interest rate of 6.75%	94,872
Line of credit to North Dallas Bank & Trust in the amount of \$501,000 due April 16, 2022; interest rate of 3.5%	776
Line of credit with Independent Bank in the amount of \$100,000 due January 23, 2020; interest rate of 3.5%.	78,233
Flexcap note payable with Habitat for Humanity International due December 31, 2021; interest rate of 5.5%	<u>32,785</u>
Total outstanding balance	1,804,122
Less current installments	(307,625)
Total long-term debt	<u>\$ 1,496,497</u>

The maturities of long-term debt by fiscal year are as follows:

2020	\$ 307,625
2021	134,941
2022	128,889
2023	121,491
2024	118,296
Thereafter	<u>992,880</u>
Total	<u>\$ 1,804,122</u>

9. IN-KIND CONTRIBUTIONS

The Habitat receives in-kind contributions of land, materials and services used in the construction of its homes. The contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Habitat’s capitalization policy. The total amount for in-kind contributions for the year ending June 30, 2019 was \$206,440.

The Habitat also received furniture, household items and constructional materials used in home construction and repair for sale in the ReStore. All donations are valued at the estimated fair market value on the date the donation is made.

10. RESTRICTED NET ASSETS

Net assets with donor restriction consisted of the following:

	<u>2019</u>
Temporarily restricted Net assets with donor restriction	\$ <u>159,330</u>

11. COMMITMENTS AND CONTINGENCIES

In addition to the non-interest bearing mortgages received from the sale of each home, the Habitat receives a shared appreciation agreement. The shared appreciation agreement allows the Habitat to collect the lowest independent appraised value as an additional amount upon the sale or refinance within 20 years of the original sale contract. The shared appreciation agreement payoff is considered less than probable or remote and therefore no receivable has been recorded in the financial statements.

12. CONCENTRATION OF CREDIT RISK

The Habitat maintains its cash and cash equivalents balances in local financial institutions. All accounts for a single depositor are insured by the Federal Deposits Insurance Corporation up to \$250,000. The Habitat had no uninsured cash balances as of June 30, 2019.

The Habitat’s programs are concentrated in Collin County. The Habitat receives donations, home sales and collection of mortgage receivables in this area. Changes in economic conditions may impact the Habitat.

The Habitat’s purpose is to provide housing for low-income homeowners. As such, it is likely that the mortgage holders would be unable to qualify for a mortgage from a traditional financial institution. This poses an inherent risk to the Habitat that the mortgages receivable will be partially uncollectible. To mitigate the risk of overstating the ability of the Habitat to fully collect the mortgages, the notes receivable have been discounted using the prevailing market rate for low-income housing at the inception of the note. Additionally, all notes receivable are collateralized by the real estate associated with the mortgage.

13. ADVERTISING

The Habitat uses advertising to promote its program. Advertising expenses are expensed as incurred. For the year ended June 30, 2019, advertising expenses were \$100,016.

14. TRANSACTIONS WITH HABITAT INTERNATIONAL

The Habitat annually remits 10% of its unrestricted contributions (excluding in-kind contributions) to Habitat International. These funds are used to construct homes in economically depressed areas around the world. For the year ended June 30, 2019, Habitat contributed \$10,000 to Habitat International. In addition to these unrestricted contributions to Habitat International, Habitat also paid a support fee in the amount of \$30,550 for the year ended June 30, 2019.

15. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Habitat's financial assets as of June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash & cash equivalents	\$	38,494
Restricted cash		176,348
Due from ReStore		15,372
Contributions receivable		240,944
Other Receivables		<u>23,715</u>
Financial assets, at year-end		<u>494,873</u>
Less:		
Assets with donor restrictions		159,330
Assets with board designations		<u>176,348</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>159,195</u>

16. RELATED PARTIES

In the normal course of business, the Habitat has business dealings with individuals who are associated with the Habitat. In the opinion of management, all business dealings are conducted in an arm's length manner.

17. PRIOR PERIOD ADJUSTMENT

During the current year, the Habitat posted a prior period adjustment in order to remove previously recognized revenue of \$877,521, as well as to remove the beginning balance in the Due from Restore balance from the statement of financial position in the amount of \$90,434. The cumulative effect on net assets without donor restrictions was an increase of \$90,434, and the cumulative effect on net assets with donor restrictions was a decrease of \$877,521.

18. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 20, 2020 the issuance date of the report. No subsequent events requiring disclosure were noted.

**HABITAT FOR HUMANITY
OF COLLIN COUNTY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2020**

WITH INDEPENDENT AUDITOR'S REPORT

HABITAT FOR HUMANITY OF COLLIN COUNTY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Habitat for Humanity of Collin County

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 presented fairly in all material respects, the financial position of Habitat for Humanity of Collin County as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Report on Summarized Comparative Information

We have previously audited the Habitat for Humanity of Collin County's June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated January 20, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 20, 2020

FINANCIAL STATEMENTS

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 247,354	\$ 38,494
Restricted cash	115,993	176,348
Contributions receivable	99,114	81,614
Grants receivable	47,103	-
Inventory - ReStore	409,440	477,708
Inventories - land held for development	777,191	730,356
Non-interest bearing mortgages receivable, current portion	389,679	366,201
TDHCA Boot Strap agency receivables, current portion	132,534	126,534
Due from ReStore	12,197	15,372
Prepaid expenses	30,449	26,442
Other receivables	<u>49,254</u>	<u>23,715</u>
Total current assets	<u>2,310,308</u>	<u>2,062,784</u>
LONG-TERM ASSETS		
Property and equipment (net)	1,332,201	1,426,266
Contributions receivable	144,250	159,330
Non-interest bearing mortgages receivable, long-term portion	6,162,675	5,903,273
TDHCA Boot Strap agency receivables, long-term portion	2,172,118	2,127,509
HBA agency receivable	16,584	16,569
Discount on non-interest bearing mortgage	(3,869,377)	(3,686,641)
Construction in progress	<u>1,426,160</u>	<u>555,980</u>
Total long-term assets	<u>7,384,611</u>	<u>6,502,286</u>
Total assets	\$ <u>9,694,919</u>	\$ <u>8,565,070</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 254,211	\$ 251,678
Escrow-mortgage holders	122,951	118,198
Due to TDHCA Boot Strap, current portion	132,534	126,534
PPP loan	284,700	-
Line of credit	342,394	173,881
Notes payable, current portion (net of discount)	<u>145,068</u>	<u>133,744</u>
Total current liabilities	<u>1,281,858</u>	<u>804,035</u>
LONG-TERM LIABILITIES		
Due to TDHCA Bootstrap, long-term portion	2,172,589	2,156,341
Due to HBA	7,979	12,979
Notes payable, long-term portion (net of discount)	<u>1,615,518</u>	<u>1,496,497</u>
Total long-term liabilities	<u>3,796,086</u>	<u>3,665,817</u>
Total liabilities	<u>5,077,944</u>	<u>4,469,852</u>
NET ASSETS		
Without donor restriction	4,357,164	3,935,888
With donor restriction	<u>259,811</u>	<u>159,330</u>
Total net assets	<u>4,616,975</u>	<u>4,095,218</u>
Total liabilities and net assets	\$ <u>9,694,919</u>	\$ <u>8,565,070</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Without donor restriction	With donor restriction	2020 Total	2019 Total
REVENUE AND OTHER SUPPORT				
Grants	\$ 888,809	\$ 154,325	\$ 1,043,134	\$ 241,282
Contributions	294,462	366,552	661,014	763,033
Contributions - non cash	148,339	-	148,339	206,440
Donated materials	1,028,914	-	1,028,914	1,267,370
Discount amortization	205,921	-	205,921	322,510
Transfers to homeowners	892,856	-	892,856	1,344,629
ReStore sales	1,562,417	-	1,562,417	1,604,844
Special events, net of expenses	-	-	-	95,574
Miscellaneous	79,151	-	79,151	65,510
Interest income	734	-	734	1,371
Net assets released from restrictions	<u>420,396</u>	<u>(420,396)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>5,521,999</u>	<u>100,481</u>	<u>5,622,480</u>	<u>5,912,563</u>
EXPENSES				
Home ownership program	1,941,623	-	1,941,623	2,865,047
ReStore program	2,660,997	-	2,660,997	2,880,298
Fundraising	222,891	-	222,891	-
Management and administrative	278,712	-	278,712	423,855
Total expenses	<u>5,104,223</u>	<u>-</u>	<u>5,104,223</u>	<u>6,169,200</u>
OTHER INCOME/(EXPENSES)				
Gain on disposition of assets	<u>3,500</u>	<u>-</u>	<u>3,500</u>	<u>-</u>
CHANGE IN NET ASSETS	421,276	100,481	521,757	(256,637)
NET ASSETS, BEGINNING OF YEAR	3,935,888	159,330	4,095,218	3,372,819
SOUTH COLLIN COUNTY NET ASSETS	-	-	-	1,766,123
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>(787,087)</u>
NET ASSETS, END OF YEAR	<u>\$ 4,357,164</u>	<u>\$ 259,811</u>	<u>\$ 4,616,975</u>	<u>\$ 4,095,218</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	Program Services		Support Services		Total
	Home Ownership	ReStore	Fundraising	Management and Administrative	2020
Bank charges	\$ 50	\$ 140	\$ -	\$ 3,373	\$ 3,563
Conference, convention, meetings	931	70	28	1,288	2,317
Consulting	12,824	-	-	458	13,282
Contract labor	23,751	50	-	1,911	25,712
Credit card fees	-	29,666	6,546	813	37,025
Depreciation expense	16,387	80,148	-	4,137	100,672
Dues and subscriptions	1,515	1,142	4,574	9,732	17,063
Equipment lease	1,354	278	799	1,156	3,587
Fleet Expense	28,697	29,988	-	821	59,506
Insurance	17,703	30,942	150	4,033	52,828
Interest expense	11	-	-	44,469	44,480
Materials and supplies	619,955	1,393,269	-	24	2,013,248
Miscellaneous	-	-	-	439	439
Mortgage discount	422,162	-	-	-	422,162
Office expenses	9,593	12,836	1,549	4,587	28,665
Postage	582	609	1,231	3,165	5,587
Printing, promotions, and advertising	2,983	53,052	30,718	836	87,589
Professional fees	4,480	5,040	-	1,680	11,200
Program expenses	221,997	365	450	307	223,119
Rent - warehouse/Plano ReStore/storage	-	205,149	-	-	205,149
Repairs & Maintenance	3,117	46,967	-	4,641	54,725
Salaries and benefits	488,594	662,668	174,423	181,212	1,506,897
Telephone	6,053	11,626	717	3,956	22,352
HfH International tithe/SOSI fee	47,500	-	-	-	47,500
Travel	567	953	1,506	1,022	4,048
Utilities	10,817	96,039	-	4,652	111,508
	<u>\$ 1,941,623</u>	<u>\$ 2,660,997</u>	<u>\$ 222,391</u>	<u>\$ 278,712</u>	<u>\$ 5,104,223</u>
Total expenses					

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Services		Support Services	Total
	Home Ownership	ReStore	Management and Administrative	2019
Bad debt expense	\$ 4,493	\$ -	\$ -	\$ 4,493
Bank charges	1,887	2,124	708	4,719
Conference, convention, meetings	4,171	950	3,974	9,095
Consulting	178,200	1,037	9,134	188,371
Contract labor	24,456	4,768	17,461	46,685
Credit card fees	529	30,661	7,178	38,368
Depreciation expense	14,718	83,093	4,724	102,535
Dues and subscriptions	6,229	1,340	13,170	20,739
Equipment lease	2,692	337	1,420	4,449
Fleet Expense	24,461	22,402	1,037	47,900
Insurance	15,716	32,382	4,071	52,169
Interest expense	20,573	12,627	1,748	34,948
Materials and supplies	1,178,760	1,471,605	-	2,650,365
Miscellaneous	-	-	999	999
Mortgage discount	689,281	-	-	689,281
Office expenses	7,418	12,504	9,884	29,806
Postage	3,098	603	1,343	5,044
Printing, promotions, and advertising	17,175	75,521	7,320	100,016
Professional fees	9,031	10,160	3,387	22,578
Program expenses	155,221	105	-	155,326
Rent - warehouse/Plano ReStore/storage	3,025	229,106	-	232,131
Repairs & Maintenance	4,906	26,448	1,290	32,644
Salaries and benefits	436,454	763,404	322,447	1,522,305
Telephone	6,866	10,669	4,090	21,625
HfH International tithe/SOSI fee	35,000	5,550	-	40,550
Travel	11,988	1,778	4,831	18,597
Utilities	8,699	81,124	3,639	93,462
Total expenses	\$ 2,865,047	\$ 2,880,298	\$ 423,855	\$ 6,169,200

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 521,757	\$(256,637)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation expense	100,672	102,535
Discount amortization-mortgages	(205,921)	(286,069)
Transfer to homeowners	(892,856)	(1,333,149)
Gain on the disposal of assets	(3,500)	-
Effect of changes in assets and liabilities:		
(Increase) decrease in inventories - (lots)	(46,835)	(36,808)
(Increase) decrease in inventories - (resale)	68,268	(49,598)
(Increase) decrease in contributions receivable	(2,420)	(101,041)
(Increase) decrease in grants receivable	(47,103)	-
(Increase) decrease in agency receivable	251,324	30,830
(Increase) decrease in other receivables	(26,371)	(6,721)
(Increase) decrease in homes under construction	(870,180)	83,772
Increase (decrease) in accounts payable and accrued expenses	7,286	157,030
Net cash used by operating activities	<u>(1,145,879)</u>	<u>(1,695,856)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of land, building and equipment	(6,607)	(28,032)
Proceeds on the sale of assets	3,500	-
Net loan proceeds	298,858	(431,032)
Mortgage payments received	<u>998,633</u>	<u>1,867,124</u>
Net cash provided by investing activities	<u>1,294,384</u>	<u>1,408,060</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	148,505	(287,796)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	214,842	47,366
SOUTH COLLIN COUNTY CASH	<u>-</u>	<u>455,272</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 363,347</u>	<u>\$ 214,842</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Issuance of non-interest bearing mortgage loans	\$ 892,856	\$ 1,333,149
Discount on non-interest bearing mortgages loans	<u>(422,162)</u>	<u>(689,281)</u>
Transfers to homeowners subject to non-interest bearing mortgage loans	<u>\$ 470,694</u>	<u>\$ 643,868</u>
Cash paid for interest	<u>\$ 44,480</u>	<u>\$ 34,948</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

1. ORGANIZATION

Habitat for Humanity of Collin County, Inc., (the "Habitat") is a not-for-profit interdenominational organization whose purpose is to encourage, promote and assist in the building and rehabilitation of housing for ownership by low-income persons in the Collin County area of north Texas. Habitat is an affiliate of Habitat for Humanity International, Inc., located in Americus, Georgia.

Effective July 1, 2018, North Collin County Habitat for Humanity and South Collin County Habitat for Humanity merged to form Habitat for Humanity of Collin County.

Habitat is a privately operated and financed program that transfers such housing to low income persons at cost after completion of construction, utilizing non-interest bearing notes. Habitat expects to continue to finance its operations through continuing contributions and mortgage receipts.

Habitat's Program Services includes the home construction program and the ReStore Program (a retail operation) that sells usable materials donated by retail businesses, construction companies, contractors, and the general public at below cost prices. The proceeds from the ReStore fund Habitat's community programs.

Habitat is a nonprofit organization, as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes and has been classified as a publicly supported organization as described in Sections 509(a)(1) and 170(b)(A)(VI).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

Net assets, revenues, gains and losses are classified on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and the 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. Such net assets are available for any purpose consistent with the Habitat's mission. Designations of net assets by the governing board do not have the same legal requirements as do restrictions of funds and are included in this category.

Net Assets With Donor Restrictions – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Habitat and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that 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.

Cash and Cash Equivalents

The Habitat considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2020 and 2019.

Restricted Cash

The Board of Directors has designated \$115,993 and \$176,348 of cash for purposes of renovations, youth projects and reserves for the years ended June 30, 2020 and 2019, respectively.

Contributions Receivable

Contributions, including unconditional promises to give, are recognized when made or received. All contributions are reported as increases in net assets without donor restriction unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restriction, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as with donor restriction until the payment is due.

Mortgages Receivable

Mortgages receivables consist of non-interest-bearing mortgages, which are secured by real estate and payable in monthly installments. The mortgages have an original maturity of 20 - 30 years. These mortgages have been discounted at various rates ranging from 7.38% to 8.48% based on the prevailing market rates at the inception of the mortgages. Interest income (amortization of the discount) is recorded using the straight-line method over the lives of the mortgages.

Property and Equipment

Fixed asset acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets and is computed using the straight-line method. Leasehold improvements are amortized over the life of the lease or asset, whichever is shorter. This amortization expense is reported as a part of occupancy cost.

Construction in Progress

Construction in progress is recorded at cost and includes all direct material, labor and equipment costs and those indirect costs related to home construction such as indirect labor, supplies and tool costs. Land costs included in construction-in-progress are stated at the lower of cost or the fair value at the date of the contribution. Included in land costs are any costs incurred in development. When revenue from the sale of a home is recognized, the corresponding costs are then expensed in the statement of activities as program services.

Support

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Grants, gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activity as net assets released from restrictions.

Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. In the absence of explicit donor stipulations about how long-lived assets must be maintained, Habitat reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

ReStore revenue is recognized when the donated goods are sold. ReStore expenses are recognized when incurred.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The Habitat's significant estimates include the useful lives of property and equipment, the market value of donated inventory, and the amortization of discounts on mortgage loans based on the estimated life of the notes as a method that approximates the effective interest rates.

Income Taxes

The Habitat has been granted exemptions from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2020 and 2019, the Habitat collected unrelated business taxable income ("UBTI") and has prepared a Form 990-T to pay the related tax. However, no provision for income taxes is reflected in the financial statements.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Habitat may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Habitat and various positions related to the potential sources of UBTI. There were no unrecognized tax benefits identified or recorded as assets or liabilities for fiscal year 2020.

The Habitat files its forms 990 and 990-T in the U.S. federal jurisdiction required and is generally no longer subject to examination by the Internal Revenue Service three years after filing.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Habitat.

Donated Services

A substantial number of volunteers have made significant contributions of their time to the Habitat's program and supporting services. The value of this contributed time is not reflected in these financial statements since it is susceptible to objective measurement or valuation.

Transfer or Sale to Homeowners

Transfers to homeowners are recorded at the gross mortgage. The mortgages do not bear interest, but have been discounted based upon applicable rates of interest published by Habitat for Humanity International, Inc. Using the interest method of amortization, these discounts will be recognized as mortgage loan amortization over the term of the mortgages.

Home Construction Costs

Costs incurred in conjunction with home construction are capitalized. Construction costs are expensed during the year a home is sold and included in program services.

Compensated Absences

Employees of the Habitat are entitled to paid vacations, sick days, and personal days off, depending on job classification, length of service, and other factors. The accrued paid time off is included in salaries and wages expense. Employees earn paid time off according to a set schedule based on length of service, and a maximum of 40 hours can be carried over to the next anniversary year. However, the employee handbook states that whether the employee can receive the cash value of unused hours earned is up to the Habitat's discretion determined upon a variety of factors such as employee's departure, how much time is given of the departure and any other considerations the Habitat deems significant. Given these facts, the Habitat is not required to accrue paid time off in the financial statements but has elected to accrue \$26,947 and \$22,221 for the years ended June 30, 2020 and 2019, respectively.

3. PROPERTY AND EQUIPMENT

Property and equipment are recorded at acquisition cost, including costs necessary to get the asset ready for its intended use. Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the respective assets, ranging from five to fifteen years.

	<u>2020</u>	<u>2019</u>
Land	\$ 253,847	\$ 253,847
Buildings	1,365,321	1,365,321
Equipment	35,657	32,707
ReStore equipment	302,025	300,025
Leasehold improvements	83,196	83,196
Vehicles	<u>177,648</u>	<u>184,491</u>
	2,217,694	2,219,587
Less accumulated depreciation	<u>(885,493)</u>	<u>(793,321)</u>
Total property and equipment, net depreciation	<u>\$ 1,332,201</u>	<u>\$ 1,426,266</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$100,672 and \$102,535, respectively.

4. CONSTRUCTION IN PROGRESS

Real estate costs, building materials and contract labor are recorded at cost when incurred. The administrative costs of developing projects are allocated to the respective projects. Construction in progress consists of the following:

	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	<u>Homes</u>	<u>Cost</u>	<u>Homes</u>	<u>Cost</u>
Homes under construction at beginning of year	7	\$ 555,980	7	\$ 478,932
Additional cost incurred during the year	-	1,246,535	-	782,907
New homes started during the year	6	262,588	10	508,017
Homes transferred during the year	<u>(5)</u>	<u>(638,943)</u>	<u>(10)</u>	<u>(1,213,876)</u>
Homes under construction at year-end	<u>8</u>	<u>\$ 1,426,160</u>	<u>7</u>	<u>\$ 555,980</u>

5. INVENTORIES

Land held for development consists of home lots to be developed and costs incurred in conjunction with home construction. They are capitalized until the completion of each home. Home lot inventory was \$777,191 and \$730,356 as of June 30, 2020 and 2019, respectively.

Inventory for the ReStore consists of items for resale which have been either purchased by Habitat or donated to the Habitat. All purchased inventory is valued at the lower of cost or market. All donated inventory is recognized as contribution revenue on the date of donation, with the fair market value being recorded as the asset, and the remainder is immediately recognized as contribution expense. The balance of inventory totaled \$409,440 and \$477,708 as of June 30, 2020 and 2019, respectively.

6. SALES TO HOMEOWNERS

During the year ended June 30, 2020, five homes were sold to qualifying applicants. The resulting mortgages are non-interest bearing and the presentation of their book value has been discounted based upon the prevailing market rates for low-income housing at the inception of the mortgages. The discount rate for the year ended June 30, 2020 was 7.38%, and the discounts totaled \$422,162.

During the year ended June 30, 2019, ten homes were sold to qualifying applicants. The resulting mortgages are non-interest bearing and the presentation of their book value has been discounted based upon the prevailing market rates for low-income housing at the inception of the mortgages. The discount rate for the year ended June 30, 2019 was 7.66%, and the discounts totaled \$689,281.

7. MORTGAGES RECEIVABLE

The Habitat finances all the homes that are sold. Each mortgage is issued as a zero-interest mortgage to the buyer. The Habitat discounts the mortgages using the current interest rates at the time the home is sold. The discount is amortized using the effective interest method. Mortgages receivable as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Mortgages receivable (at face value)	\$ 6,552,354	\$ 6,269,474
Unamortized discount on mortgages	<u>(3,869,377)</u>	<u>(3,686,641)</u>
Mortgages receivable, net of discount	<u>\$ 2,682,977</u>	<u>\$ 2,582,833</u>

Future collections, net of discount, on these mortgages will be received over the next five years as follows:

2021	\$ 389,679
2022	387,413
2023	384,857
2024	382,482
2025	379,682
Thereafter	<u>758,864</u>
Total	<u>\$ 2,682,977</u>

Mortgages are considered delinquent when the monthly mortgage payment is at least 31 days past due. As of June 30, 2020, thirty-six mortgages totaling \$66,993 were past due. The Habitat is in the process of making arrangements with the individual homeowners to bring their balance to current. All balances are believed to be collectible and no allowance has been recognized.

Some of the homeowners who have mortgages with the Habitat have entered into a secondary loan agreement with the Texas Department of Housing and Community Affairs ("TDHCA") Texas Boot Strap Loan Program. The Habitat continues to collect and manage these mortgages, and then remits the amount collected to the agency. These amounts are reported as agency receivables and agency payables on the statement of financial position and normally do not have any effect on the change in net assets. As of June 30, 2020, and 2019, the balance in the agency receivables are \$2,304,652 and \$2,254,043 and agency payables account are \$2,305,125 and \$2,282,875, respectively. Typically, the balance of the agency receivable equals the balance of the agency payable. However, during the 2019 fiscal year, one homeowner sold their home. While the Organization wrote off the outstanding receivable from the homeowner, Habitat is still liable to TDHCA for the balance due to them from the homeowner.

During fiscal year 2012, three homeowners, and fiscal year 2013, one homeowner, also entered into secondary agreements with the Texas Department of Housing and Community Affairs Homebuyer Assistance Program. Similar as to their agreement with the TDHCA Texas Boot Strap Loan Program, Habitat continues to collect and manage these mortgages and then remits the amount collected to the agency. These amounts are reported as agency receivables and agency payables on the statement of financial position and do not have any effect on the change in net assets. As of June 30, 2020 and 2019, the balances of the agency receivable were \$16,584 and \$16,559 and payable were \$7,979 and \$12,979, respectively.

8. LONG-TERM DEBT

Long-term debt, net of discounts, consists of the following notes as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Notes payable to banks through the Texas Department of Housing and Community Affairs (TDHCA) in the original amounts of \$3,109,938 as of June 30, 2020 bearing interest ranging from 0% to 4.00%, discount calculated based on an imputed interest rate ranging between 7.38% and 8.48%, the rate provided annually by Habitat for Humanity International, resulting in a discount of \$646,293, as of June 30, 2020. The Habitat remits monthly payments of \$10,976, and the loans mature January 2023 through December 2045.	\$ 1,740,366	\$ 1,597,456
Line of credit to Legacy Texas Bank in the amount of \$100,000 due January 18, 2021; interest rate of 6.75%	94,872	94,872
Line of credit to North Dallas Bank & Trust in the amount of \$501,000 due April 16, 2022; interest rate of 3.5%	185,789	776
Line of credit with Independent Bank in the amount of \$100,000 due January 23, 2022; interest rate of 4.0%.	61,733	78,233
U.S. Small Business Administration PPP Loan in the amount of \$284,700 with an interest rate of 1.0% due over two years if not forgiven.	284,700	-
Flexcap note payable with Habitat for Humanity International due December 31, 2021; interest rate of 5.5%	<u>20,220</u>	<u>32,785</u>
Total outstanding balance	2,387,680	1,804,122
Less current installments	<u>(772,162)</u>	<u>(307,625)</u>
Total long-term debt	<u>\$ 1,615,518</u>	<u>\$ 1,496,497</u>

The maturities of long-term debt by fiscal year are as follows:

2021	\$	772,162
2022		139,089
2023		131,619
2024		128,424
2025		127,119
Thereafter		<u>1,089,267</u>
Total	\$	<u>2,387,680</u>

9. IN-KIND CONTRIBUTIONS

The Habitat receives in-kind contributions of land, materials and services used in the construction of its homes. The contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Habitat’s capitalization policy. The total amount for in-kind contributions for the years ending June 30, 2020 and 2019 were \$148,339 and \$206,440, respectively.

The Habitat also received furniture, household items and constructional materials used in home construction and repair for sale in the ReStore. All donations are valued at the estimated fair market value on the date the donation is made.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consisted of the following:

	<u>2020</u>	<u>2019</u>
Temporarily restricted		
Net assets with donor restriction	\$ <u>259,811</u>	\$ <u>159,330</u>

11. COMMITMENTS AND CONTINGENCIES

In addition to the non-interest bearing mortgages received from the sale of each home, the Habitat receives a shared appreciation agreement. The shared appreciation agreement allows the Habitat to collect the lowest independent appraised value as an additional amount upon the sale or refinance within 20 years of the original sale contract. The shared appreciation agreement payoff is considered less than probable or remote and therefore no receivable has been recorded in the financial statements.

12. CONCENTRATION OF CREDIT RISK

The Habitat maintains its cash and cash equivalents balances in local financial institutions. All accounts for a single depositor are insured by the Federal Deposits Insurance Corporation up to \$250,000. As of June 30, 2020 and at various times during the year, the Habitat maintained cash balances at financial institutions in excess of the federally insured limits. Given the economic environment and risks in the banking industry, there is the risk that these deposits may not be readily available or covered by insurance. As of June 30, 2019, the Habitat’s cash balances at financial institutions were fully federally insured.

The Habitat’s programs are concentrated in Collin County. The Habitat receives donations, home sales and collection of mortgage receivables in this area. Changes in economic conditions may impact the Habitat.

The Habitat's purpose is to provide housing for low-income homeowners. As such, it is likely that the mortgage holders would be unable to qualify for a mortgage from a traditional financial institution. This poses an inherent risk to the Habitat that the mortgages receivable will be partially uncollectible. To mitigate the risk of overstating the ability of the Habitat to fully collect the mortgages, the notes receivable have been discounted using the prevailing market rate for low-income housing at the inception of the note. Additionally, all notes receivable are collateralized by the real estate associated with the mortgage.

13. ADVERTISING

The Habitat uses advertising to promote its program. Advertising expenses are expensed as incurred. For the years ended June 30, 2020 and 2019, advertising expenses were \$87,589 and \$100,016, respectively.

14. TRANSACTIONS WITH HABITAT INTERNATIONAL

The Habitat annually remits 10% of its unrestricted contributions (excluding in-kind contributions) to Habitat International. These funds are used to construct homes in economically depressed areas around the world. For the years ended June 30, 2020 and 2019, Habitat contributed \$30,000 and \$10,000, respectively, to Habitat International. In addition to these un-restricted contributions to Habitat International, Habitat also paid a support fee in the amount of \$17,500 and \$30,550 for the years ended June 30, 2020 and 2019, respectively.

15. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Habitat's financial assets as of June 30, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash & cash equivalents	\$ 247,354
Restricted cash	115,993
Due from ReStore	12,197
Mortgages receivable, current portion	389,679
Contributions receivable	243,364
Grants receivable	47,103
Other Receivables	<u>49,254</u>
Financial assets, at year-end	<u>1,104,944</u>
Less:	
Assets with donor restrictions	259,811
Assets with board designations	<u>99,546</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 745,587</u>

16. RELATED PARTIES

In the normal course of business, the Habitat has business dealings with individuals who are associated with the Habitat. In the opinion of management, all business dealings are conducted in an arm's length manner.

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 20, 2020 the issuance date of the report. No subsequent events requiring disclosure were noted.

Habitat for Humanity of Collin County

PROJECT: Cotton Groves

35 Townhomes, Amenity Center and Playground

CATEGORY	TOTAL BUDGET
HARD COST	
LAND	219,971.00
INFRASTRUCTURE / LOT PREP	590,844.32
DEMO and ABATEMENT	20,076.00
AMENITY CENTER	676,000.00
TRAINING CENTER	140,000.00
CONTAINERS	798,000.00
STEEL	89,985.00
FABRICATION	227,500.00
FOUNDATION - PIERS	395,675.00
PLUMBING-TOWNHOMES	299,320.00
INTERIOR FINISH OUT	1,110,830.00
EXTERIOR SIDING	731,255.00
DECKING AND ROOFING	921,340.00
GIK MATERIALS AND LABOR	1,084,528.15
PLAYGROUND	143,719.00
<hr/>	
<i>GIK Per House</i>	
TOTAL	7,449,043.47
SOFT COSTS	
ENVIRONMENTAL PHASE 1	0.00
GEOTECH	3,300.00
PERMITS, MUNIC FEES & ENTITLEMENT	90,747.20
SURVEY	4,900.00
MATERIAL TESTING	2,412.47
ARCHITECTURAL/ENGINEERING	314,142.50
APPRAISAL	900.00
TAXES	0.00
TITLE POLICY & CLOSING COSTS	0.00
LENDER LEGAL FEES	0.00
LEGAL FEES	21,352.00
CAPITAL CAMPAIGN CONSULTING AND LEGAL	220,900.00
CHIEF INVESTMENT FEE	0.00
CHIEF INTERST	0.00
BANK INSPECTIONS	0.00
DEVELOPMENT FEE	0.00
CLOSING COST	11,576.00
LOAN FEES	0.00
VOLUNTEER SUPPORT	17,500.00
INSURANCE	0.00
<hr/>	
TOTAL	687,730.17
TOTAL PROJECT	8,136,773.64



Cotton Groves is an affordable housing community located in McKinney Texas, built entirely with re-purposed shipping containers. The development is a collaborative effort, lead by Habitat for Humanity of Collin County, the City of McKinney, it's Community Development Corporation (MCDC) and a host of other public and private organizations, and individuals.



COTTON GROVES

Building Strength, Stability, and Self-Reliance through Shelter



www.habitatcollincounty.org
www.thecottongroves.com



35 Families

Habitat for Humanity of Collin County wants families in need of decent, affordable housing to become home owners. Families can apply via a pre-approval process and our Family Selection Committee will select homeowners based on three criteria: 1) The applicant's level of need, 2) Their willingness to partner with us (Habitat) and 3) Their ability to repay a mortgage through an affordable payment plan.

35 Townhomes

Habitat for Humanity of Collin County is transforming a 2.75-acre strip of land into a 35-unit, affordable housing, town-home community. Cotton Groves will be an eco-friendly, sustainable development and will be the first to utilize re-purposed shipping containers for an entire neighborhood. We have partnered with a team of professionals to bring this project into fruition.

1 Playground

Cotton Groves will feature a playground that will be maintained by the community HOA. The playground aligns with and supports the overall priorities of the Cotton Groves to be a safe, prosperous, livable, environmentally conscious, and collaborative community. The playground will measure about 1/2 acre in size and serve the Cotton Groves community as well as nearby residents and neighborhood visitors.

1 Amenity Center

Cotton Groves will feature a 2,600 sq. ft. amenity center which will bring the community together for social opportunities, health clinics, hydroponics gardening, fitness, fun and more. The Cotton Groves HOA will maintain the facilities and schedule special events to promote a healthy, well-balanced lifestyle for residents of Cotton Groves and the surrounding neighborhoods.

3 Bedroom Floor Plan

3 Bedroom Floor Plan

The 3-bedroom floor plan includes a family room, dining room, kitchen, laundry room, utility room, and two bathrooms. It also features a balcony, a loft, and three bedrooms, each with a closet.



FLOOR PLAN

3 BEDROOM FLOOR PLAN



SITE PLAN





Model Townhome



Cotton Groves
Townhome Development



thecottongroves.com

Land: Our 35 family townhome development utilizes the most of land to help more families.

Water: We manage storm water through an integrated sewer system.

Energy: Energy efficient solar panels will utilize the energy of the sun.

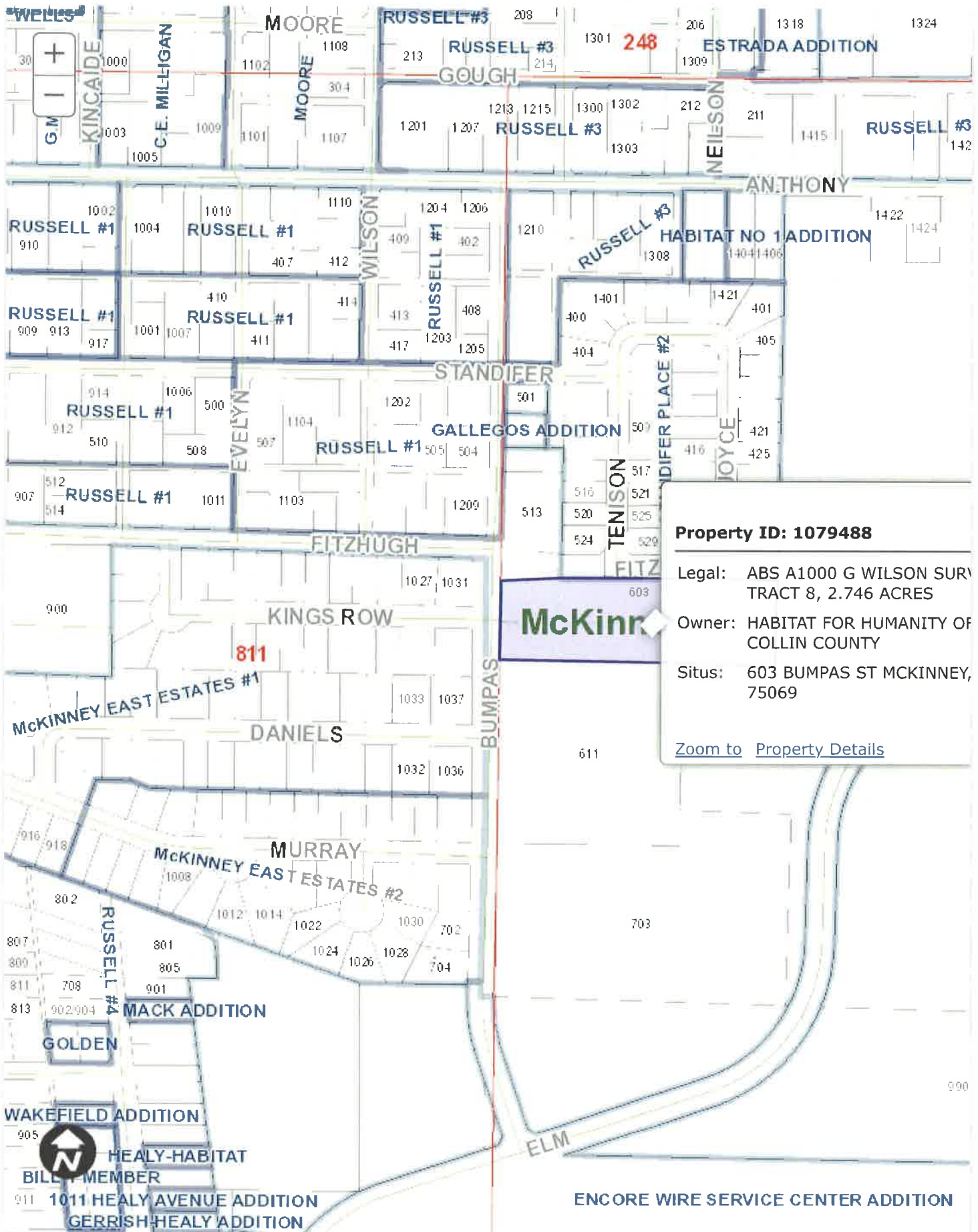
Materials: Our development is built with shipping containers that are repurposed for an energy efficient living space.

Indoor Environmental Quality: Energy efficient appliances will be supplied with plans for cost affordable living.

Interior examples of the Cotton Groves Development Townhomes



Habitat for Humanity of Collin County's goal is to provide green and efficient solutions to affordable housing. With our new 35 family townhome made of shipping containers, we bring innovative design and renewable energy together. Cotton Groves will be the first Habitat for Humanity homes in the country to be built out of shipping containers. The prototype model home is located in the Habitat ReStore parking lot at 2060 Couch Dr. McKinney, Texas 75069. Habitat for Humanity of Collin County prepared this Shipping Container townhome as an inside preview of what will be used in the 35 family townhome development. With support from sponsors, we hope this innovative project will be a prime example of how renewable energy and innovative use of resources can provide a great source for affordable housing.



Property ID: 1079488

Legal: ABS A1000 G WILSON SURV TRACT 8, 2.746 ACRES

Owner: HABITAT FOR HUMANITY OF COLLIN COUNTY

Situs: 603 BUMPAS ST MCKINNEY, 75069

[Zoom to](#) [Property Details](#)

If you'd prefer to use a standalone version of this map, please [click here](#).

ADIRACI U IUVU



ADIRACI U IUVU

City of McKinney

6/28/2013

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7/31/2013

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McKinney ISD

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4/16/2010
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6/14/2012
5.997

14

BUMPAS

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7/6/2010
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A0811

DUNGAN

RAILROAD FITZHUGH

ROCKWALL

JEFFERSON

COLORADO

GRAHAM

ANDREWS

ANDREWS

GREEN

MOORE

WILSON

G. ANDREWS

WILSON

G.M. WILSON

KINCAIDE

EVELYN

WILSON

MILLER

NEILSON

STANDIFER

WOLFE

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CHRISTIAN

HAMILTON

TENISON
PALOMA
STANDIFER
#2
SS8575
SS11533

McKINNEY EAST
ESTATES DANIELS
#1

MURRAY

HEALY

RUSSELL

GERRISH

FITZHUGH
#2

RUSSELL
#2

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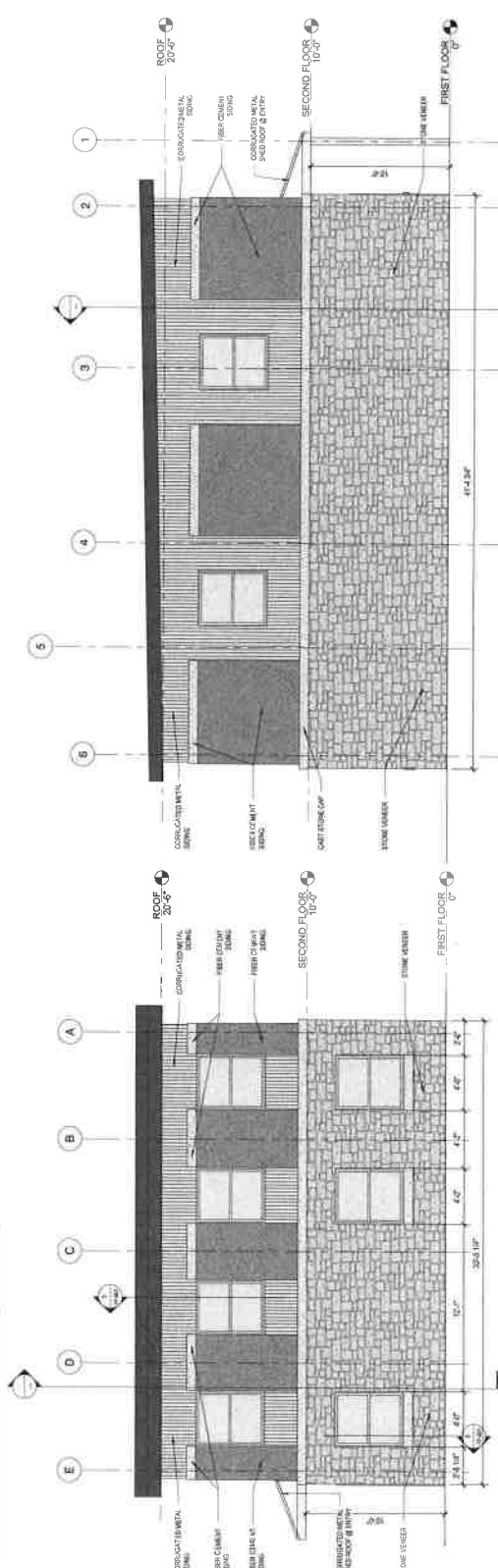
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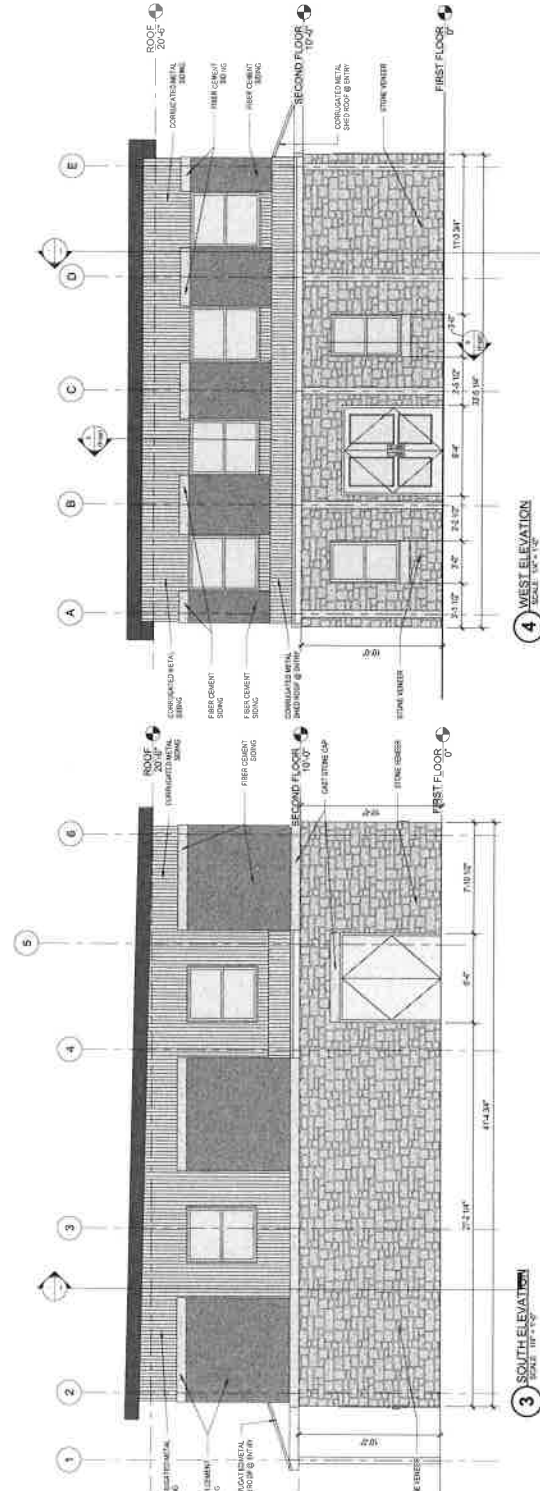
EXTERIOR ELEVATION MATERIAL PERCENTAGES

	SOUTH ELEVATION	NORTH ELEVATION	EAST ELEVATION	WEST ELEVATION
STONE VENEER	51%	54%	55%	52%
CORRUGATED METAL	25%	23%	20%	24%
FIBER CEMENT	24%	23%	25%	24%
TOTAL	100%	100%	100%	100%

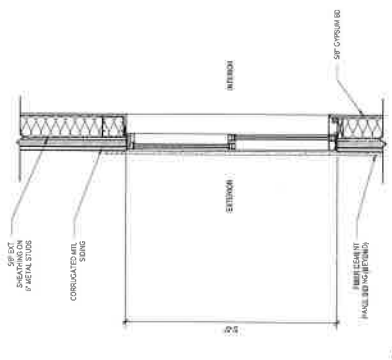
*NOTE - PERCENTAGES DO NOT INCLUDE WINDOWS, DOORS, & TRIMS



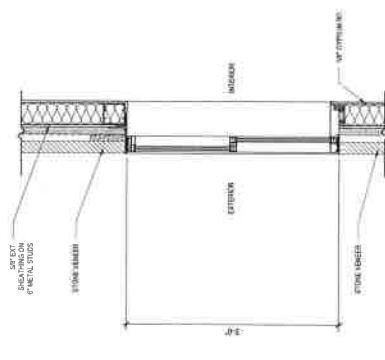
2 NORTH ELEVATION
SCALE: 1/8" = 1'-0"



3 SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



5 Window Detail - Metal Sliding
SCALE: 3/8" = 1'-0"



6 Window Detail - Sliding
SCALE: 3/8" = 1'-0"

CASE NO.: SITE2019-0085

A NEW PROJECT FOR
HABITAT FOR HUMANITY
 2060 COUCH DRIVE
 MCKINNEY, TX 75069

Cotton Groves Amenity Center
 603 BLUMFAS ST, MCKINNEY, TEXAS 75069

callaway
 architecture
 1027 HAMPSHIRE BLN, STE 005, RICHARDSON, TX 75080
 PHONE 214.369.2525
 01222021

FP-001
 JOB NO: 20022

EXTERIOR
 ELEVATIONS



MCDC
MCKINNEY COMMUNITY
DEVELOPMENT CORPORATION

Amenity Center











Amnenity Center

Schedule Of Values

Phase 1 Phase 2

Prepared For: Celeste Cox
 Location: McKinney, TX
 Project #: 20201202
 Building Area: 0
 Site Area: 0

DESCRIPTION / TRADE **SOV AMOUNT**

01-71	SURVEYING & STAKING	2,500
01-74	FINAL CLEAN	1,275
01-76	FENCING	15,174
03-30	CONCRETE	40,020
04-22	MASONRY	29,000
05-12	STRUCTURAL STEEL	6,250
07-11	WATERPROOFING	1,506
07-42	METAL SCREENS & CANOPIES	8,998
07-53	ROOFING SYSTEM	21,920
08-14	DOORS/FRAMES/HARDWARE	7,400
08-32	GLASS & GLAZING	21,345
08 65	COILING COUNTER DOORS	0
09-22	FRAMING & DRYWALL	135,200
09-30	FLOORING	16,144
09-91	PAINT	9,220
10-28	SPECIALTIES & TOILET COMPARTMENTS	1,054
12-32	MILLWORK & CASEWORK	6,800
22-05	PLUMBING	37,274
23-05	HVAC	40,550
26-05	ELECTRICAL	63,879
26-25	FIRE ALARM	EXC_UDED
31-22	EARTHWORK & EROSION CONTROL	28,742
32-91	LANDSCAPING	16,553
33-01	SITE UTILITIES	0
SUBTOTAL DIRECT COST		510,803
On-site Supervision		79,344

2,500	
	1,275
	15,174
40,020	
	29,000
6,250	
	1,506
	8,998
	21,920
	7,400
	21,345
85,820	49,380
Material	Labor
	16,144
	9,220
	1,054
	6,800
37,274	
	40,550
63,879	
28,742	
	16,553
264,485	246,318
79,344	

Field Office , Equipment, Other	17,790
Contractor's Liability Insurance	4,153
All-risk (Course of Construction Ins.)	1,278
Pmnt and Performance Bond	0
Preconstruction Services Fee	0
Permit Allowance	0
Owner Contingency (as stated in specs)	0
Fee (Overhead & Profit)	25,557
Sales Tax	0
SUBTOTAL INDIRECT COST	128,122
TOTAL	638,925

17,790	
4,153	
1,278	
	25,557
102,565	25,557
367,049	271,875

**novel
builders**

600 S Sherman St Suite 124
Richardson, TX 75081

1111 | CG Amenity Center
810 | 1-20-21

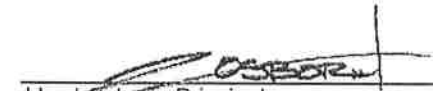
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Cohen
1/20/21

INVOICE # 1
PROJECT # 20201202

Bill To:
Celeste H Cox
Habitat For Humanity of Collin County
2060 Couch Drive
McKinney, TX 75069

Project: Cotton Grove Amenity Center
Design Build

	Description	Amount
PROJECT BILLING:		
<u>Callaway Architecture</u>		
Cotton Grove Amenity Center	Pre-Construction Phase	
	Schematic Design	\$4,500.00
	Design Development	\$3,175.00
		\$7,675.00


Lloyd Osborn, Principal

1/15/2021
Date

Make all checks payable to **Novel Builders, LLC**.
If you have any questions concerning this invoice, please contact us at 214.884.8810

Thank you for your business

**novel
builders**

600 S Sherman St Suite 124
Richardson, TX 75081

INVOICE #
PROJECT #

2
20201202

1111 | Cotton Groves Amenity Center
JJD | 3-6-21

QB
Coxen
3/8/21

Bill To:
Celeste H Cox
Habitat For Humanity of Collin County
2060 Couch Drive
McKinney, TX 75069

Project: Cotton Grove Amenity Center
Design Build

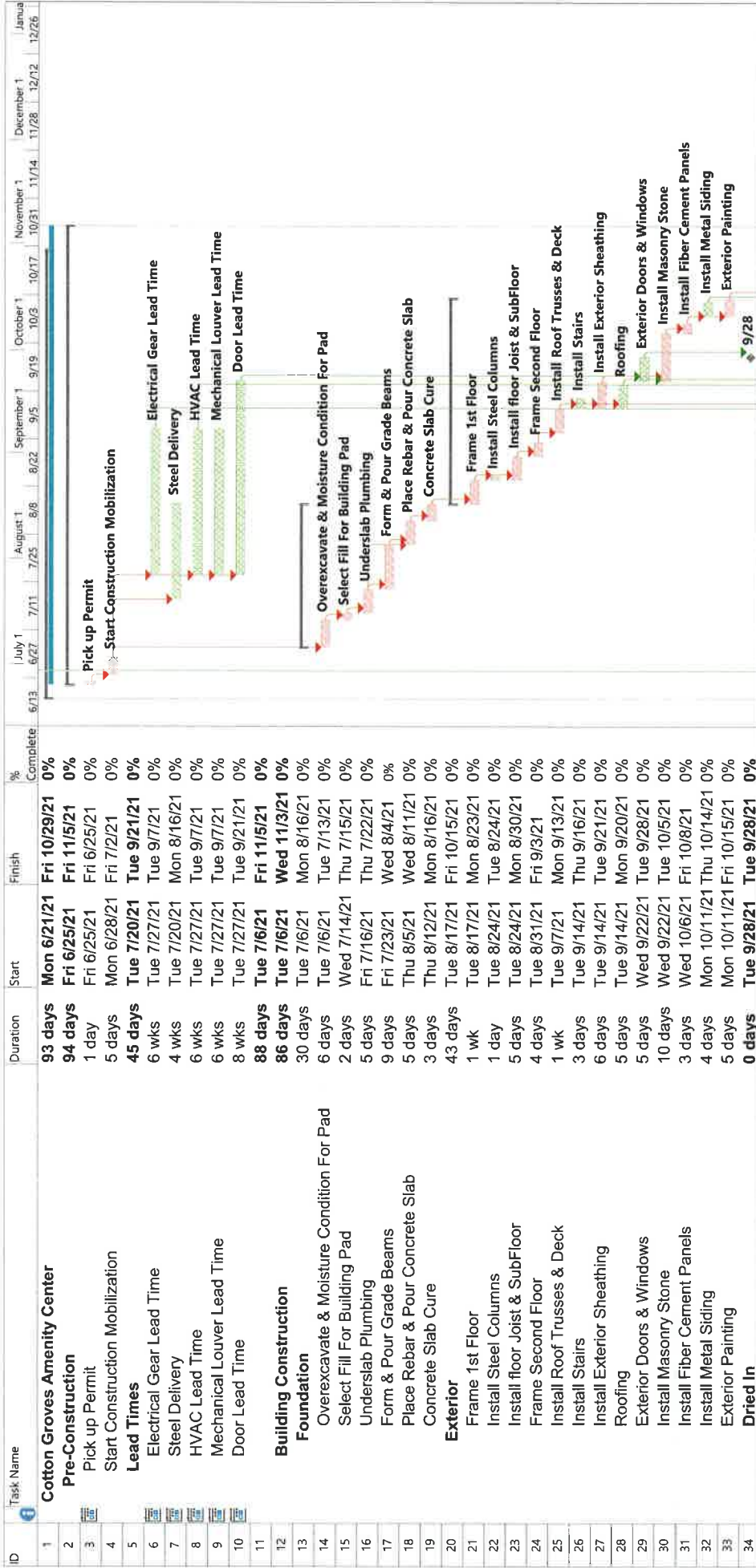
	Description	Amount
PROJECT BILLING:		
<u>Callaway Architecture</u>		
Cotton Grove Amenity Center	<u>Pre-Construction - Phase 1</u>	
	Schematic Design	\$7,575.00
	Design Development	\$20,500.00
	Construction Documents	\$1,500.00
	Pre-Construction Fee	
	Total for Pre-Construction Phase 1	\$29,575.00
		\$29,575.00


Lloyd Osborn, Principal

3/4/2021
Date

Make all checks payable to **Novel Builders, LLC**.
If you have any questions concerning this invoice, please contact us at 214.884.8810

Thank you for your business

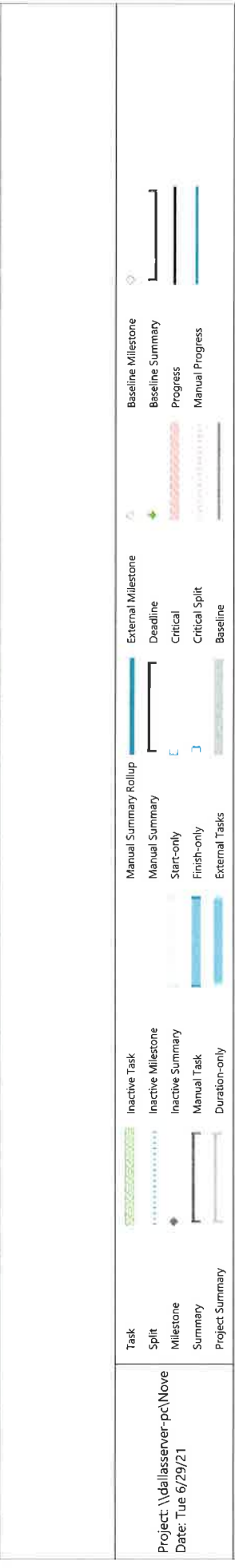


ID	Task Name	Start	Finish	Duration	% Complete
1	Cotton Groves Amenity Center	Mon 6/21/21	Fri 10/29/21	93 days	0%
2	Pre-Construction	Fri 6/25/21	Fri 11/5/21	94 days	0%
3	Pick up Permit	Fri 6/25/21	Fri 6/25/21	1 day	0%
4	Start Construction Mobilization	Mon 6/28/21	Fri 7/2/21	5 days	0%
5	Lead Times	Tue 7/20/21	Tue 9/21/21	45 days	0%
6	Electrical Gear Lead Time	Tue 7/27/21	Tue 9/7/21	6 wks	0%
7	Steel Delivery	Tue 7/20/21	Mon 8/16/21	4 wks	0%
8	HVAC Lead Time	Tue 7/27/21	Tue 9/7/21	6 wks	0%
9	Mechanical Louver Lead Time	Tue 7/27/21	Tue 9/7/21	6 wks	0%
10	Door Lead Time	Tue 7/27/21	Tue 9/21/21	8 wks	0%
11		Tue 7/6/21	Fri 11/5/21	88 days	0%
12	Building Construction	Tue 7/6/21	Wed 11/3/21	86 days	0%
13	Foundation	Tue 7/6/21	Mon 8/16/21	30 days	0%
14	Overexcavate & Moisture Condition For Pad	Tue 7/6/21	Tue 7/13/21	6 days	0%
15	Select Fill For Building Pad	Wed 7/14/21	Thu 7/15/21	2 days	0%
16	Underslab Plumbing	Fri 7/16/21	Thu 7/22/21	5 days	0%
17	Form & Pour Grade Beams	Fri 7/23/21	Wed 8/4/21	9 days	0%
18	Place Rebar & Pour Concrete Slab	Thu 8/5/21	Wed 8/11/21	5 days	0%
19	Concrete Slab Cure	Thu 8/12/21	Mon 8/16/21	3 days	0%
20	Exterior	Fri 8/17/21	Fri 10/15/21	43 days	0%
21	Frame 1st Floor	Tue 8/17/21	Fri 8/23/21	1 wk	0%
22	Install Steel Columns	Tue 8/24/21	Tue 8/24/21	1 day	0%
23	Install floor Joist & SubFloor	Tue 8/24/21	Mon 8/30/21	5 days	0%
24	Frame Second Floor	Tue 8/31/21	Fri 9/3/21	4 days	0%
25	Install Roof Trusses & Deck	Tue 9/7/21	Mon 9/13/21	1 wk	0%
26	Install Stairs	Tue 9/14/21	Thu 9/16/21	3 days	0%
27	Install Exterior Sheathing	Tue 9/14/21	Tue 9/21/21	6 days	0%
28	Roofing	Tue 9/14/21	Mon 9/20/21	5 days	0%
29	Exterior Doors & Windows	Wed 9/22/21	Tue 9/28/21	5 days	0%
30	Install Masonry Stone	Wed 9/22/21	Tue 10/5/21	10 days	0%
31	Install Fiber Cement Panels	Wed 10/6/21	Fri 10/8/21	3 days	0%
32	Install Metal Siding	Mon 10/11/21	Thu 10/14/21	4 days	0%
33	Exterior Painting	Mon 10/11/21	Fri 10/15/21	5 days	0%
34	Dried In	Tue 9/28/21	Tue 9/28/21	0 days	0%

Task Legend:

- Task
- Split
- Milestone
- Summary
- Project Summary
- Inactive Task
- Inactive Milestone
- Inactive Summary
- Manual Task
- Duration-only
- Manual Summary Rollup
- Manual Summary
- Start-only
- Finish-only
- External Tasks
- External Milestone
- Deadline
- Critical
- Critical Split
- Baseline
- Baseline Milestone
- Baseline Summary
- Progress
- Manual Progress

ID	Task Name	Duration	Start	Finish	% Complete	Calendar
35	Interior	29 days	Tue 9/14/21	Fri 10/22/21	0%	Janua 12/26
36	HVAC Rough In	5 days	Tue 9/21/21	Mon 9/27/21	0%	December 1
37	Electrical Rough In	4 days	Tue 9/14/21	Fri 9/17/21	0%	11/28
38	Permanent Power	1 day	Fri 10/22/21	Fri 10/22/21	0%	11/14
39	Fire Alarm Rough In	2 days	Tue 9/21/21	Wed 9/22/21	0%	10/31
40	Plumbing Rough In	5 days	Tue 9/14/21	Mon 9/20/21	0%	10/17
41	One Side Drywall	5 days	Tue 9/23/21	Wed 9/29/21	0%	10/3
42	Insulation	3 days	Tue 9/21/21	Thu 9/23/21	0%	9/19
43	2nd Side Drywall	5 days	Thu 9/30/21	Wed 10/6/21	0%	8/22
44	Tape Bed Paint	10 days	Mon 10/4/21	Fri 10/15/21	0%	8/6
45	Install Doors & HW	2 days	Mon 10/18/21	Tue 10/19/21	0%	7/25
46	HVAC Trim	2 days	Mon 10/18/21	Tue 10/19/21	0%	7/11
47	Set Light Fixtures & Electric Trim	4 days	Mon 10/18/21	Thu 10/21/21	0%	6/27
48	Install Fire Alarm Trim	2 days	Mon 10/18/21	Tue 10/19/21	0%	6/13
49	Install Fire Protection Trim	2 days	Mon 10/18/21	Tue 10/19/21	0%	July 1
50	Plumbing Fixtures	3 days	Mon 10/18/21	Wed 10/20/21	0%	6/27
51	Toilet Accessories	1 day	Thu 10/21/21	Thu 10/21/21	0%	7/11
52	Site	14 days	Fri 10/15/21	Wed 11/3/21	0%	August 1
53	Electrical Service Install	3 days	Fri 10/15/21	Tue 10/19/21	0%	7/25
54	Install New Electrical Service Meter	2 days	Wed 10/20/21	Thu 10/21/21	0%	7/11
55	Sidewalks at Building	3 days	Mon 10/18/21	Wed 10/20/21	0%	6/27
56	Landscaping	10 days	Thu 10/21/21	Wed 11/3/21	0%	7/11
57	Building Final Inspections	13 days	Wed 10/20/21	Fri 11/5/21	0%	August 1
58	Electrical	1 day	Fri 10/22/21	Fri 10/22/21	0%	7/25
59	Plumbing	1 day	Thu 10/21/21	Thu 10/21/21	0%	7/11
60	HVAC	1 day	Wed 10/20/21	Wed 10/20/21	0%	6/27
61	Fire	1 day	Wed 10/20/21	Wed 10/20/21	0%	7/11
62	Building Final	1 day	Thu 11/4/21	Thu 11/4/21	0%	August 1
63	Certificate of Occupancy	1 day	Fri 11/5/21	Fri 11/5/21	0%	7/25



Project: \\dallaserver-pc\Novo
Date: Tue 6/29/21

Baseline Milestone
Baseline Summary
Progress
Manual Progress

External Milestone
Deadline
Critical
Critical Split
Baseline

Manual Summary Rollup
Manual Summary
Start-only
Finish-only
External Tasks

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Cotton Groves Amenity Center
Construction Schedule

Tue 6/29/21