

Amended

**McKINNEY COMMUNITY DEVELOPMENT CORPORATION**  
**Project Grant Application**  
Fiscal Year 2020

**IMPORTANT:**

- Please read the McKinney Community Development Corporation Grant Guidelines prior to completing this application.
- The Grant Guidelines and Application are available at [www.mckinneycdc.org](http://www.mckinneycdc.org); by calling 972.547.7653 or by emailing [cschneible@mckinneycdc.org](mailto:cschneible@mckinneycdc.org)
- **Contact us to discuss your plans for submitting an application prior to completing the form.**
- A completed application and all supporting documents are required to be submitted via email or on a thumb drive for consideration by the MCDC board. Please submit the application to:

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

- *If you are interested in preliminary Board of Directors review of your project proposal or idea, please complete and submit the **Letter of Inquiry** form, available at [www.mckinneycdc.org](http://www.mckinneycdc.org), by calling 972.547.7653 or emailing [cschneible@mckinneycdc.org](mailto:cschneible@mckinneycdc.org).*

***Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive, by 5:00 p.m. on the date indicated in schedule below.***

**2020 Project Grant Application Schedule**

| <b>Application Deadline</b>       | <b>Presentation to MCDC Board</b> | <b>Board Vote and Award Notification</b> |
|-----------------------------------|-----------------------------------|--|
| Cycle I: <b>December 30, 2019</b> | January 23, 2020                  | February 27, 2020                        |
| Cycle II: March 31, 2020          | April 23, 2020                    | May 28, 2020                             |
| Cycle III: June 30, 2020          | July 23, 2020                     | August 27, 2020                          |

**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

**INFORMATION ABOUT YOUR ORGANIZATION**

Name: 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

Fax:

Email: celeste@habitatcollincounty.org

Website: habitatcollincounty.org

**Check One:**

- Nonprofit – 501(c) Attach a copy of IRS Determination Letter
- Governmental entity
- For profit corporation
- Other

Organizations include Chambers of Commerce – McKinney, Plano, Allen, Frisco, Melissa, Prosper, Celina, Anna, Farmersville, Princeton; Volunteer Center of McKinney; Tri County Hispanic Chamber, Volunteer Center, Plano and McKinney Rotary, AFP and Collin County Veterans Coalition, DFW Regional Housing Consortium, and Collin County Non-Profit Leadership Institute Member.

**REPRESENTATIVE COMPLETING APPLICATION:**

Name: Celeste H. Cox

Title: CEO

Mailing Address: 2060 Couch Dr

City: McKinney

ST: TX

Zip: 75069

Phone: 972-542-5300

Fax: 972-542-5159

Email: celeste@habitatcollincounty.org

**CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:**

Name: Celeste H. Cox

Title: CEO

Mailing Address: 2060 Couch Drive

City: McKinney

ST: TX

Zip: 75069

Phone: 972-542-5300

Fax: 972-542-5159

Email: celeste@habitatcollincounty.org

**FUNDING**

Total amount requested: ~~\$739,054~~ # 773,224

Matching Funds Available (Y/N and amount): \$88,000 GIK Plus grants = \$177,500 **Total \$265,500**

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

Yes

No

Please provide details and funding requested: Habitat Collin County has received funds from the CS Grant at the City of McKinney to offset a portion of the salary for a family intake coordinator and a construction coordinator to increase capacity to serve in affordable housing. Habitat will also receive fee waivers as part of the NEZ zone in East McKinney for the Cotton Grove Development.

This request represents **5.5%** of total project cost for Cotton Groves (Amenity Center, foundation engineering and Park Land Dedication fees), **30%** of the ABWK program (Rehab of existing homes) and **50%** of Land acquisition (purchase of lots for affordable housing).

**PROJECT**

Start Date: March 1, 2020

Completion Date: February 28, 2021

**BOARD OF DIRECTORS** Included as attachment\*

**LEADERSHIP STAFF** Included as attachment\*

**Using the outline below, provide a written narrative no longer than 7 pages in length:**

**I. Applying Organization**

Habitat for Humanity of Collin County is part of a global, nonprofit housing organization operated on Christian principles working to build strength, stability and self-reliance for families through shelter. We put God's love into action by bringing people together to build homes and communities.

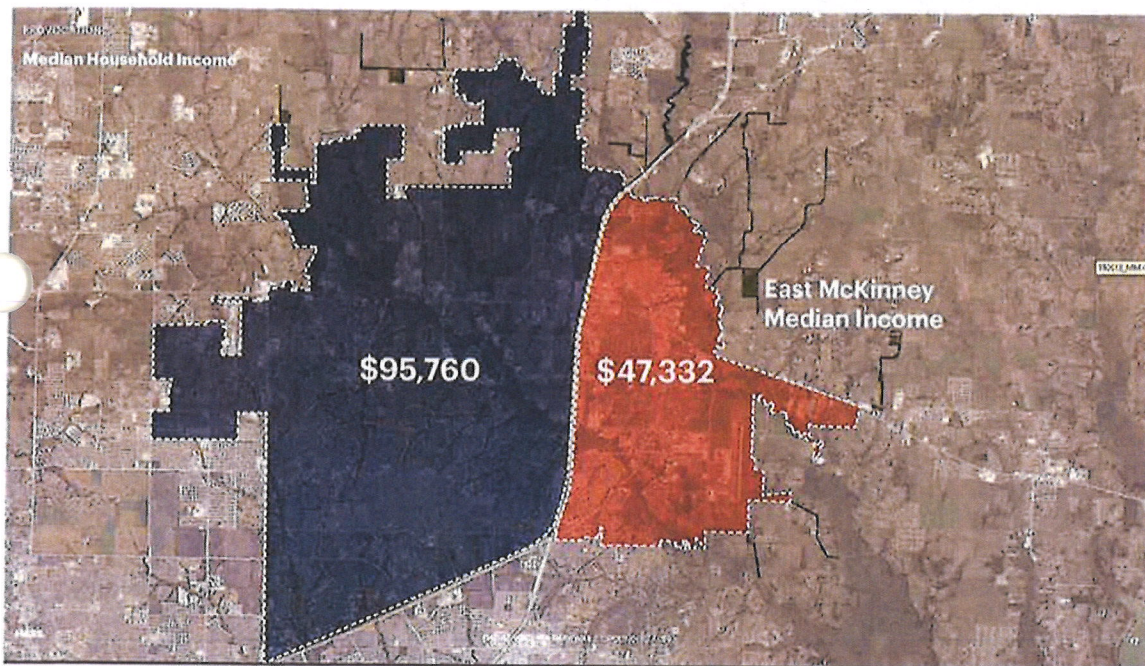
Habitat Collin County has a two pronged housing initiative for low-income families. First, we construct new homes for working families earning 30-60% below the median income levels for our area. Second, we provide exterior home repairs for low-income homeowners earning below 60% of median household income levels. Most of these homeowners are seniors or disabled and have both a financial and housing need. All home construction and repair projects are completed by the hands of over 7,000 volunteers with materials obtained through donations, partners, sponsorships, and grants from organizations such as MCDC.

Habitat Collin County has been building homes for over 27 years helping low-income families since its incorporation in 1992. We build decent, affordable houses in 24 cities and rural areas of Collin County. To date, Habitat Collin County has completed 222 new homes 718 home repairs in Collin County, plus 80 homes internationally.

## II. Project – ABWK (A Brush with Kindness / Neighborhood Revitalization)

In 2019, the median household income was around \$83,257 with median home values over \$300,000. According to USA.gov and Census.gov respectively, 10.56% of all McKinney homes were built prior to 1979, 21.7% of McKinney households earn less than \$40K annually with 6.9% of the entire population living in poverty. These numbers will only increase, as the population of McKinney increases. The need for affordable housing is substantial, and **allowing seniors, veterans and disabled within our community to age in place is critical.** Through this program we are working to restore health and safety to older, poorer neighborhoods, revitalizing whole communities with a sense of pride, security and dignity which can empower life change.

East McKinney also has a significant income disparity in Median Income. The average median income is \$47,332 while the median income west of Hwy75 is \$95,760.



**Habitat Collin County is asking for \$120,000 will cover the cost of materials for 12 critical Home Repair projects in McKinney.** A Home Repair project typically costs about \$10,000 and includes roof and siding repair, exterior repainting, window and door weatherization or replacement, and installing wheelchair ramps in place of front porches. Several of the projects this past year also included foundation repairs and/or levelling. This program has volunteers repaint and perform exterior repairs to existing homes. Funds from MCDC will be used to buy the materials for 12 Home Repairs for McKinney families. Since the initiative last November of the City Council to step up code enforcement on existing homes, we've seen a significant increase in the applicants to this program. The majority of the applicants are low-income seniors on fixed income that don't have the physical ability to

make the repairs on their own. This year we will complete 40+ projects in Collin County. This request is only for the projects in McKinney. Here are a few before and after pics of projects recently completed:

*106 Waddill Before*

*After*

*Michael and Tess Justice, Seniors, insulated Floor, underpinning and paint*



*311 Lincoln Before*

*After*

*Rhonda Griffin family, new back porch, siding and bathroom repair*



*402 Washington Before*

*After*

*Roosevelt Allen, Senior, Disabled, new shower, water heater and flooring*



812 Parker Before

After

*House built in 1938 by his Grandfather. Seniors. Foundation repair, replace siding, return porches to original, preserve wood windows and paint*

### **Project -Land Acquisition and Lot Prep for Affordable Housing Programs**

**Habitat is requesting \$300,000 to purchase and prep up to 6 lots.** The average lot cost in McKinney is \$50,000. Land typically takes 12-18 months to develop to have ready to build including replatting, rezoning, lot prep and infrastructure.

Habitat families, earn between 30% and 60% of the applicable family median income for the Dallas metropolitan statistical area. On average, a Habitat 4-person household will earn between \$24,000 and \$45,000 per year based on historical data. Having a decent, affordable home provides families with increased health, security, higher education likelihood, and they are statistically more likely to be higher wage earners. Currently, we have 8 families waiting for a Habitat home, all of them working, yet facing financial and housing needs. There are also 350 applicants on our pre-applicant list.

Habitat homes serve the working poor who cannot qualify for a conventional mortgage and a market-rate house. The homes are simple, but constructed to fit well in neighborhoods of other Habitat homes. Most are located in Census Tract 309, east of McDonald Street in McKinney, where a major segment of the population earns less than 60% of the area median income. Whenever possible, Habitat purchases lots contiguous to one another and/or in the same neighborhood in an effort to revitalize an entire area. Target neighborhoods include LaLoma, Rockwall and Wilcox. Habitat is asking for funds to be used to purchase 6 lots in these areas, along with the funds needed to survey and prepare each lot for home construction. With the support of our financial donors, GIK partners, and the ReStore, we will obtain the materials for these homes. Volunteers will construct a home on each lot over a 12 week construction cycle. Then our families will purchase the home for an affordable amount at a zero equivalent mortgage.



Unfortunately, land prices and surveys in McKinney continue to rise as do construction costs for these homes. Habitat strives to keep lot prices as low as possible, but cannot acquire lots without assistance. Values for these lots have increased dramatically. Small lots in east McKinney are selling on the open market for close to \$50,000 each.

If we are unable to find help, we will serve fewer families earning as low as 30% of AMI in McKinney. We are able to find lots at much lower costs in surrounding communities including Celina, Princeton and Farmersville, or they are donated by the cities and individual donors, however 81% of our applicants either live or work in McKinney. In order to build new homes each year, we will need to purchase additional lots to replace those used in order to continue to serve families.



Laura Manning is a Veteran of the United States Army where she served our country for five years. She loved being in the Army. Laura found her calling while serving as an MP (Military Police) in Iraq.

Laura has taken this calling and is currently obtaining her bachelor's degree from Purdue University Global where she will receive her Bachelor of Science in Criminal Justice with a concentration in Juvenile Justice in September 2019. As a strong Christian, Laura has a passion for children who get caught up in the juvenile system and need guidance, hope and compassion. Upon the completion of this degree she will be trying to obtain a position with the Collin County Juvenile detention center in McKinney.

While being a full-time student and raising her two children as a single mother, Laura has found it challenging to make ends meet due to the high cost of living. With the help of Samaritan Inn, Laura and her children recently moved into their own transitional apartment.

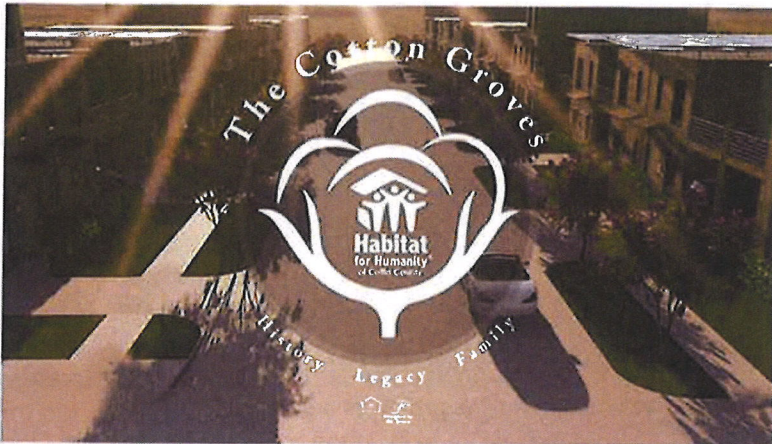
Laura's whole world revolves around her children. Her son, Aidan, is a 4<sup>th</sup> grader and Emily, her daughter is a 3<sup>rd</sup> grader at North Texas Collegiate Academy. Aidan loves math, while Emily's favorite subject is Science. The children enjoy shared family activities with mom: Reading, walking, and Roller Blading. They Laura is a Karate Instructor at SideKicks, so of course they share this activity as well. Aidan is a Black Belt and Emily is a Blue Belt. They are active members of the Spring Creek Church of Christ in Plano, where they just finished Vacation Bible School.

Laura has worked quickly to complete one third of her sweat equity hours. The family chose a lot in Celina and cannot wait until their home is completed. Aidan is most excited to have his own bedroom for the first time. Both children are hoping to have a new puppy to play with in their new yard. They feel very blessed to have this opportunity to put down roots, own their own home, and become part of their new community. Thank you to Habitat and all the sponsors!



## Project – Cotton Groves

### I. Cotton Groves Community – The Project Overview



Habitat for Humanity of Collin County and our Cotton Groves development project is a big idea creating big change in affordable housing nationwide. Through this project we hope to see a lasting, transformative impact on McKinney and then beyond.

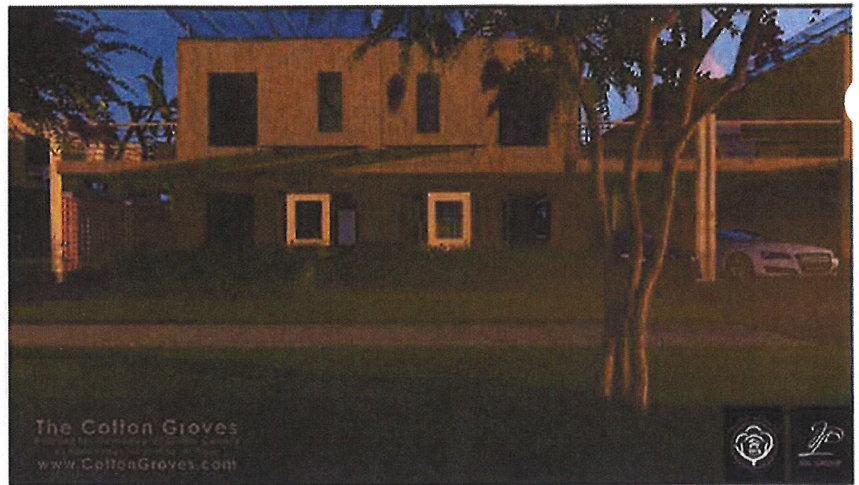
Over 350 families are currently on our waiting list for an affordable home in Collin County, TX. Families like Emily Stoddard, single mother of three young children. Emily has been working her way out of poverty for many years. Life has taken

Emily from homelessness, to shelter living, through GED and job mentoring programs, and finally to independent apartment living. She is now waiting to build a home she can afford and count on through Habitat. Emily has continued to work hard to keep her family together, cared for and sheltered through it all. She is accustomed to struggle, but the opportunity to create a stable, strong, independent home for her and the kids is something that, until now, was out of reach. She's looking to build a home upon which she will build a life.

Habitat of Collin County builds simple, decent homes for 8 to 10 families a year on parcels of land that allow us to keep costs low. But as our area grows economically, land costs have escalated, home appraisals have doubled, available land is scarce, building materials are expensive, and keeping pace with the need in our area for an affordable place to live is difficult. Low to moderate income families have no options for permanent housing they can afford, and are forced to move frequently taking low cost rent or government housing options that are less than ideal for families.

Habitat of Collin County has purchased a 2.78 acre lot in East McKinney, TX where we plan to build a 35 unit town home community of homes for low to moderate income Habitat families. This community of homes will be called Cotton Groves and will be built entirely from recycled shipping containers. Our volunteers will finish out the interior of these containers with traditional home materials to make innovative, unique, highly desirable homes for our qualifying families. In addition to permanently housing 35 families which is estimated to impact 140 people, Habitat will construct an amenity Center as part of the development to foster connection, unity, diversity, inclusion and strength for all who live in that area. A community playground, adequate parking and cutting edge innovation will also be a part of the complete design which will revitalize a community.

With this innovative solution to affordable housing, Habitat has an opportunity to turn environmental problems, economic struggles, volunteer impact, and socioeconomic interaction into a solution to exponentially serve families through permanent shelter and authentic community. This development is the first of its kind in the U.S.



The Cotton Groves community will be built on the land at 603 Bumpass Street in McKinney. Plans have been approved by the McKinney City Council and infrastructure is nearing completion. A timeline for the project is below. A training center has been placed at the Habitat ReStore parking lot to train the construction staff and City staff on the process and techniques being used in this type of construction.

- January 30, 2020      Infrastructure and Paving Complete – Ground Breaking**
  
- April 30, 2020      First set of Containers for Home #1-#6 Dropped and Installed –** Twenty four containers will be dropped on the site and will be installed to erect 6 housing units. Each unit will be comprised of 4 containers. Construction of the first through six Home Units will begin.  
**Amenity Center –** Eight containers will be dropped and installed to complete the amenity center.  
**Playground –** Materials for playground will be installed to be ready for completion of the first six units.
  
- June 30, 2020      First Container Homes (6) Completed and Family Move-in –** The first six townhomes construction will be completed, using volunteer teams to complete the finish out of the home. The Approved Habitat Families will move in.
  
- September 1, 2020    Second Container Homes (6) Completed and Family Move-in -** The second six housing units construction will be completed, using volunteer teams to complete the finish out of the home. The Approved Habitat Families will move in.
  
- Jan 1, 2021          Housing Units #13-18 -** Preparation for the Third set of Container Homes will begin including Containers dropped, installed, Home Construction and then Completion.
  
- July 1, 2021          Housing Units #19-24.** During this time home construction will continue.

October 1, 2021 Housing Units #25-30. Home Construction to continue

February 1, 2022 Housing Units #31-35. Home construction will continue until all 35 units are completed.

Additional housing units will be constructed throughout 2020-2022 following this same construction pattern until the 35 homes are constructed and families move in. Habitat CC hopes to construct a Phase 2 of this project on a future site in McKinney and possibly construct a similar community in another part of our service area as funds and land are available.

Habitat CC is asking for \$319,054 which will cover the costs for the amenity center, Park land dedication fees and foundation engineering. Home sponsorships will help pay for each townhome in the project.

Here is a summary of our request:

|   |                                    |
|---|------------------------------------|
| <b>McKinney ABWK Projects with MDCD Funds</b> | 12 projects x \$10,000 = \$120,000 |
| <b>Land Acquisition</b>                       | 6 lots x \$50,000 = \$300,000      |
| Cotton Groves Project:                        |                                    |
| <b>Amenity Center</b>                         | <b>\$250,000</b>                   |
| <b>Park Land Dedication Fees</b>              | <b>\$61,854</b>                    |
| <b>Foundation Engineering</b>                 | 36 x \$200 = \$7,200               |
| <b>Total Request:</b>                         | <b>\$739,054.</b>                  |

*Tree Trimming  
Concrete surface / playground  
Engineering - shade structure*

*9,800  
23,420  
950*

Please provide the information requested below:

*TOTAL : \$773,224*

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

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

**Provide specific information to illustrate how this Project aligns with one or more of the goals and strategies adopted by McKinney City Council and McKinney Community Development:**

Habitat for Humanity of Collin County provides affordable housing and affordable home repair services. Families receiving our services experience a drastic improvement in their quality of life. Additionally, Habitat draws 1,000s of volunteers annually from all over the DFW area. They come to work and serve. Many are from McKinney essentially citizens helping citizens. Habitat Collin County feels fortunate to be a part of empowering others to care and to serve neighbors, communities and those they would never have known.

**Indicate which goal(s) listed above will be supported by the proposed Project/Promotional/Event:**

This projects aligns with the strategies of McKinney City Council and MCDC as it supports community projects that attract resident and visitor participation and involvement and contributes to enhancing the quality of life for McKinney residents. Also, it meets citizen's needs for quality of life improvements for residents in the City of McKinney by providing a safe and secure community for the residents. By investing in this project, MCDC will be maximizing a partnership between the public and private sector.

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**Has a request for funding, for this Project been submitted to MCDC in the past?**

Yes  No

**Date(s):** Yes, 2007,2009, 2013, 2014, 2015, 2016, 2017, 2018, 2019 (For various projects in affordable housing (NR, Cotton Groves, Land Acquisition) and ReStore purchase and renovation (recycling))

**II. Financial**

- Provide an overview of the organization's financial status including the impact of this grant request on organization mission, goals and business model.

Habitat Collin County has many generous and community minded partners to fund the work of our Home Repair services program and our New Construction. We currently have funds available from the City of Plano for Plano Home Repair projects and TSAHC funds for rural home repair projects as well as continuing funds through Home Depot for Veteran serving projects. We also have a relationship with Valspar who supplies all of our paint as GIK, whirlpool donates appliances, Simpson Strong Tie provides hurricane clips and straps, Encore Wire provides wire and we have many GIK (Gift in Kind) partners that provide materials and labor for our homes. Habitat Collin County can build and repair more homes as we are financially able.

We also have many partnerships with banks, businesses and churches to help offset cost and volunteers to build the homes for our families.

Habitat has been serving the City of McKinney for many years and we are well known in the communities we serve. To date, we have served 356 individuals with new homes. 48% of all our homes built have been in McKinney (71 homes). With the addition of Cotton Groves homes, we will have built **106 homes** in McKinney. We generally receive more applications from McKinney residents than any other area, and therefore complete more projects in McKinney than any other area. However, we currently do not have funding for the rehab projects in the McKinney area and are unable to complete the qualifying requests we receive. We also do not have funding to purchase land for future affordable housing projects. MCDC Funding would financially support these areas of our program allowing us to continue new construction and home repair services for low income families in McKinney.

100% of all funds received from MCDC will go to Home Repair programs for work in McKinney, for land acquisition and for the amenity center and fees in the Cotton Groves development.

We are in sound financial status with regard to our programs and the Federal Government.

- Please attach the following:
  - Organization budget and Profit & Loss Statement for current and previous year
  - Organization audited financial statements for the preceding two years. *If audited financials are not available, please indicate why.*

**What is the total estimated cost for this Project?**

Cotton Groves: \$6,000,000 (35 homes, amenity center and playground)

ABWK: \$400,000 (40 homes at \$10,000 per)

Land Acquisition: \$600,000 (12 lots at \$50,000 per)

**Please attach a detailed Project budget specific to the request for funds.**

What percentage of Project funding will be provided by the Applicant?

**Cotton Groves: 94.5%** of project

**Land Acquisition: 50%** of project

**ABWK: 70%** of project

**Are Matching Funds available?**  Yes  No \*\*See development budget

Cash: \$613,500

Source: Churches, Businesses and Individuals

In-Kind \$224,000

Source: Material Providers

***Please provide details regarding other potential sources for funding. Include name of organization(s) solicited; date of solicitation; amount of solicitation and date that notice of any grant/award/loan is expected.***

Board Gifts: **\$169,000** LOI's

Individual Gifts: **\$843,621** Currently Soliciting

Grants: **\$1,240,871** (Includes: MCDC, Independent Bank, Legacy Tx Bank, Wells Fargo, United Way, Mavs Foundation, Capital One) Received

Grants to be submitted Jan, 2020 **\$570,000** (Meadows, Fidelity, Harold Simmons, Mabee, Carmody Charitable Trust, Perot Foundation)

TDHCA Bootstrap: 15 @ \$45,000 = **\$675,000** – submitted for each home applicant

**IV. Marketing and Outreach**

- **Billboard Advertising** – Habitat Collin County has secured advertising space on a billboard located on Highway 5 encouraging families to apply for our housing programs.
- **Website** – Habitat Collin County has a professionally designed, informative website which received over 5,000 unique visitors per month.

- **Door Hangers** – Habitat Collin County has a door hanger marketing piece with details of the Home Repair program in both English and Spanish. The piece is distributed on doors of homes in the areas we are actively working where our services might be needed.
- **Public Event** – Habitat Collin County appears at many public events each year. We are also a large part of North Texas Giving Day in September where we set up a booth during the event hosted by Volunteer McKinney. Literature and program information is distributed on all affordable housing programs at each event. We actively promote through local Chamber of Commerce meetings including McKinney, Frisco, Princeton, Celina, Prosper, Wylie and Farmersville.
- **Newspaper Articles & Inserts** – Habitat Collin County has received frequent articles highlighting our housing programs for families and the impact our affiliate has had on the service area, much of which has been completed in McKinney. We also advertise this service in the McKinney water bill twice annually.
- **News Coverage** – the uniqueness of the Cotton Groves project has received local news coverage and recently received coverage by Telemundo which will be broadcast internationally.
- **Church Involvement** – We are well connected with several key churches in the area. Often, a church working with us on a home is building the home of one of its church members. Churches have been another good way to inform the public of our programs and help for families.
- **Strategic Board of Directors** – Our Board of Directors have been able to leverage their relationships and backgrounds to provide financing, generate awareness, and promote our housing programs to those in need.

## V. Metrics to Evaluate Success

Home Repair projects are easily evaluated through before and after results. These projects are well photographed and documented and offer a telling story of the impact the completion of these projects have for not only the homeowner but the neighborhood surrounding it. The new home construction is evaluated through the decrease in monthly housing expenses for the family, the stability of the family post purchase and the ability for the families to become a homeowner in McKinney.

## Acknowledgements

***If funding is approved by the MCDC board of directors, Applicant will assure:***

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying organization.
- All funds awarded will be used exclusively for the purpose described in this application.
- Applicant owns the land, building or facility where the proposed project will be located. 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.
- MCDC will be recognized in all marketing, advertising, outreach and public relations as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Organization's officials who have signed the application are authorized by the organization to submit the application.

- Applicant will comply with the MCDC 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.
- Property owner will be responsible for maintaining the improvements made with funding from a Project Grant 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.
- A final report detailing the successful completion of the Project, as measured against identified metrics, will be provided to MCDC no later than 30 days following the 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 awarded may be withheld **until the 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 120<sup>th</sup> day after the date the MCDC notifies the applicant of the violation.

**\*ATTACHED\***

**We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.**

**Chief Executive Officer**

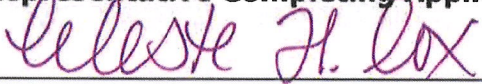


Signature

Celeste H. Cox  
Printed Name

12/20/2019  
Date

**Representative Completing Application**



Signature

Celeste H. Cox  
Printed Name

12/20/2019  
Date

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

## **CHECKLIST:**

### **Completed Application:**

- Use the form/format provided
- Organization Description
- Outline of Project: description, budget, goals and objectives
- Indicate the MCDC goal(s) that will be supported by this Project
- Project timeline and location
- Plans for advertising, marketing and outreach
- Evaluation metrics
- List of board of directors and staff
- Financials provided: organization's budget and P&L for current and previous fiscal year; Project budget; audited financial statements
- Feasibility Study or Market Analysis if completed (Executive Summary)
- IRS Determination Letter (if applicable)

***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.***

***PLEASE USE THE FORM/FORMAT OUTLINED ON THE NEXT PAGE.***





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.

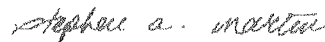
Please refer to [www.irs.gov/charities](http://www.irs.gov/charities) for information about filing requirements. Specifically, IRC Section 6033(j) provides that, if you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due 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](http://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  
SOUTH COLLIN COUNTY, TEXAS  
FINANCIAL STATEMENTS**

For the Years Ended  
June 30, 2018 and 2017  
and  
Independent Auditor's Report

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## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of Habitat for Humanity of South Collin County (a non-profit Texas corporation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets, statements of cash flows and statements of functional expenses for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our 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 present fairly, in all material respects, the statements of financial position of Habitat for Humanity of South Collin County as of June 30, 2018 and 2017, and the results of its operations, its cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

C. R. Parr & Associates, P.C.  
Hurst, Texas

November 2, 2018

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Statements of Financial Position

June 30, 2018 and 2017

|   | <u>June 30, 2018</u> | <u>June 30, 2017</u> |
|---|----------------------|----------------------|
| <b>CURRENT ASSETS</b>   |                      |                      |
| Cash  | \$ 202,451           | \$ 177,829           |
| Cash, restricted  | 252,821              | 41,036               |
| Accounts receivable   | 10,959               | 14,359               |
| ReStore purchased inventory, at cost                            | 13,942               | 18,968               |
| ReStore donated inventory, at fair value                        | 79,765               | 389,224              |
| Land & Construction-in-Progress                                 | 324,690              | 615,549              |
| Current maturities of mortgages receivable, net                 | <u>111,342</u>       | <u>97,350</u>        |
| <b>TOTAL CURRENT ASSETS</b>                                     | <u>995,970</u>       | <u>1,354,315</u>     |
| <b>PROPERTY AND EQUIPMENT, NET</b>                              |                      |                      |
| Property and Equipment  | 122,705              | 204,728              |
| Less: Accumulated Depreciation                                  | <u>(35,003)</u>      | <u>(115,307)</u>     |
| <b>TOTAL PROPERTY AND EQUIPMENT, NET</b>                        | <u>87,702</u>        | <u>89,421</u>        |
| <b>OTHER ASSETS</b>   |                      |                      |
| Mortgages receivable, net of current portion                    | 3,890,452            | 4,565,914            |
| Unamortized discount on mortgage receivables                    | (2,496,940)          | (2,859,607)          |
| Deposits  | <u>26,545</u>        | <u>36,578</u>        |
| <b>TOTAL OTHER ASSETS</b>                                       | <u>1,420,057</u>     | <u>1,742,885</u>     |
| <b>TOTAL ASSETS</b>   | <u>\$ 2,503,729</u>  | <u>\$ 3,186,621</u>  |
| <b>LIABILITIES AND NET ASSETS</b>                               |                      |                      |
| <b>CURRENT LIABILITIES</b>                                      |                      |                      |
| Notes payable-current portion                                   | \$ 106,534           | \$ 104,034           |
| Line of Credit  | -                    | 148,244              |
| Accounts payable & accrued expenses                             | 21,305               | 53,647               |
| Escrow deposits received  | <u>40,758</u>        | <u>42,403</u>        |
| <b>TOTAL CURRENT LIABILITIES</b>                                | <u>168,597</u>       | <u>348,328</u>       |
| <b>NOTES PAYABLE, NET OF CURRENT PORTION</b>                    |                      |                      |
| Notes payable, net of current portion and unamortized discounts | <u>569,009</u>       | <u>644,392</u>       |
| <b>TOTAL LIABILITIES</b>  | <u>737,606</u>       | <u>992,720</u>       |
| <b>NET ASSETS</b>   |                      |                      |
| Unrestricted-undesignated                                       | 1,751,903            | 2,142,118            |
| Temporarily restricted  | <u>14,220</u>        | <u>51,783</u>        |
| <b>TOTAL NET ASSETS</b>   | <u>1,766,123</u>     | <u>2,193,901</u>     |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                         | <u>\$ 2,503,729</u>  | <u>\$ 3,186,621</u>  |

The accompanying notes are an integral part of these statements.

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2018 and 2017

|   | Unrestricted        | Temporarily<br>Restricted | Total<br>June 30,<br>2018 | Total<br>June 30,<br>2017 |
|---|---------------------|---------------------------|---------------------------|---------------------------|
| <b>REVENUES AND OTHER SUPPORT</b>       |                     |                           |                           |                           |
| Sales to homeowners                     | \$ 340,000          | \$ -                      | \$ 340,000                | \$ 270,283                |
| ReStore sales                           | 554,150             | -                         | 554,150                   | 326,083                   |
| Cash contributions                      | 106,152             | 225,020                   | 331,172                   | 543,960                   |
| In-kind contributions                   | 169,418             | 36,305                    | 205,723                   | 572,685                   |
| Grant/Contract revenues                 | -                   | 68,087                    | 68,087                    | 251,662                   |
| Mortgage NR disc amort                  | 107,534             | -                         | 107,534                   | 117,621                   |
| Mortgage NP disc amort                  | 101,843             | -                         | 101,843                   | 44,960                    |
| Interest income                         | 2,828               | -                         | 2,828                     | 15                        |
| Other income                            | 281,076             | -                         | 281,076                   | 4,396                     |
| Net assets released from restrictions   | 366,975             | (366,975)                 | -                         | -                         |
| <b>TOTAL REVENUES AND OTHER SUPPORT</b> | <u>2,029,976</u>    | <u>(37,563)</u>           | <u>1,992,413</u>          | <u>2,131,665</u>          |
| <b>EXPENSES</b>                         |                     |                           |                           |                           |
| Program services - Homes                | 1,085,929           | -                         | 1,085,929                 | 910,590                   |
| Program services - ReStore              | 1,152,574           | -                         | 1,152,574                 | 848,821                   |
| Supporting services:                    |                     |                           |                           |                           |
| Fundraising                             | 28,482              | -                         | 28,482                    | 144,993                   |
| Management and administrative           | 153,206             | -                         | 153,206                   | 145,092                   |
| <b>TOTAL EXPENSES</b>                   | <u>2,420,191</u>    | <u>-</u>                  | <u>2,420,191</u>          | <u>2,049,496</u>          |
| <b>CHANGE IN NET ASSETS</b>             | (390,215)           | (37,563)                  | (427,778)                 | 82,169                    |
| <b>NET ASSETS, June 30, 2017</b>        | <u>\$ 2,142,118</u> | <u>\$ 51,783</u>          | <u>\$ 2,193,901</u>       | <u>\$ 2,111,732</u>       |
| <b>NET ASSETS, June 30, 2018</b>        | <u>\$ 1,751,903</u> | <u>\$ 14,220</u>          | <u>\$ 1,766,123</u>       | <u>\$ 2,193,901</u>       |

The accompanying notes are an integral part of these statements.

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Statements of Cash Flows

For the Years Ended June 30, 2018 and 2017

|  | June 30, 2018     | June 30, 2017     |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                   |                   |
| Change in net assets   | \$ (427,778)      | \$ 82,169         |
| Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities                         |                   |                   |
| Depreciation   | 13,613            | 11,664            |
| Discount on mortgages issued and amortized   | (437,482)         | 78,477            |
| Decrease (Increase) in:  |                   |                   |
| Accounts receivable  | 3,400             | 10,613            |
| ReStore Inventory  | 314,485           | (123,527)         |
| Land & construction in progress  | 290,859           | (151,894)         |
| (Decrease) Increase in:  |                   |                   |
| Accounts payable and accrued liabilities   | (32,342)          | 2,233             |
| Homeowner advance deposits   | (1,645)           | (17,126)          |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>(276,890)</b>  | <b>(107,391)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                   |                   |
| Additions to property and equipment  | (33,707)          | (51,586)          |
| New mortgage notes issued  | (332,250)         | (342,750)         |
| Payment on lease deposit   | -                 | -                 |
| Principal payments received on mortgage notes  | 848,840           | 187,144           |
| <b>NET CASH (USED) BY INVESTING ACTIVITIES</b>   | <b>482,883</b>    | <b>(207,192)</b>  |
| <b>CASH FLOWS (USED IN) FINANCING ACTIVITIES</b>   |                   |                   |
| Proceeds of notes payable borrowing  | 170,000           | 169,910           |
| Payments on notes payable and line of credit   | (168,068)         | (34,127)          |
| <b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>  | <b>1,932</b>      | <b>135,783</b>    |
| <b>NET (DECREASE) INCREASE IN CASH</b>   | <b>207,925</b>    | <b>(178,800)</b>  |
| <b>CASH, Beginning of Year</b>   | <b>218,865</b>    | <b>397,665</b>    |
| <b>CASH, End of Year</b>   | <b>\$ 426,790</b> | <b>\$ 218,865</b> |
| <b>SUPPLEMENTAL DISCLOSURE OF NON CASH ACTIVITIES</b>  |                   |                   |
| Included in operating activities are donated building materials, and supplies of \$205,723 for 2018 and \$572,685 for 2017 |                   |                   |

The accompanying notes are an integral part of these statements.



# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Statements of Functional Expenses

For the Years Ended June 30, 2018 and 2017

|                                 | Program Services              |                     | Support Services |                         | Total<br>June 30,<br>2018 | Total<br>June 30,<br>2017 |
|---------------------------------|-------------------------------|---------------------|------------------|-------------------------|---------------------------|---------------------------|
|                                 | Construction<br>Homeownership | ReStore             | Fundraising      | Management &<br>General |                           |                           |
| Salaries - officers & directors | \$ -                          | \$ -                | \$ -             | \$ -                    | \$ -                      | \$ 71,400                 |
| Salaries                        | 124,180                       | 231,237             | 10,340           | 90,817                  | 456,574                   | 427,325                   |
| Employee benefits               | -                             | 33,799              | -                | 383                     | 34,182                    | 21,137                    |
| Payroll taxes                   | 9,798                         | 19,710              | 783              | 7,112                   | 37,403                    | 39,257                    |
| Professional fees               | 8,407                         | 650                 | -                | 13,835                  | 22,892                    | 15,325                    |
| Supplies                        | -                             | 29,912              | 4,921            | 5,902                   | 40,735                    | 28,373                    |
| Telephone                       | 2,365                         | 3,543               | -                | 3,711                   | 9,619                     | 11,538                    |
| Postage and mailing             | 68                            | 1,744               | -                | 637                     | 2,449                     | 2,775                     |
| Occupancy                       | -                             | 200,404             | -                | 9,259                   | 209,663                   | 130,579                   |
| Equip rent & maintenance        | 14,183                        | 9,536               | -                | -                       | 23,719                    | 18,253                    |
| Printing                        | -                             | -                   | -                | -                       | -                         | 270                       |
| Travel                          | 6,767                         | 13,445              | -                | 573                     | 20,785                    | 17,483                    |
| Conferences & training          | 574                           | -                   | -                | -                       | 574                       | 226                       |
| Interest                        | 13,948                        | 5,344               | -                | -                       | 19,292                    | 21,353                    |
| Depreciation                    | -                             | 198                 | -                | 13,415                  | 13,613                    | 11,664                    |
| Other expenses:                 | -                             | -                   | -                | -                       | -                         | -                         |
| Home construction cost          | 605,688                       | -                   | -                | -                       | 605,688                   | 380,660                   |
| Other construction cost         | 247,593                       | -                   | -                | -                       | 247,593                   | 259,513                   |
| Insurance                       | 28,031                        | 10,941              | -                | -                       | 38,972                    | 33,527                    |
| Public relations: events        | 1,790                         | 47,799              | 11,601           | -                       | 61,190                    | 71,312                    |
| Bank charges                    | 2,318                         | 10,040              | 837              | 1,141                   | 14,336                    | 17,025                    |
| Dues & subscriptions            | -                             | -                   | -                | 1,750                   | 1,750                     | 2,454                     |
| Family selection                | 778                           | -                   | -                | -                       | 778                       | -                         |
| Community relations             | 1,241                         | 710                 | -                | -                       | 1,951                     | 437                       |
| Restore cost                    | -                             | 520,758             | -                | -                       | 520,758                   | 450,265                   |
| Meals & entertainment           | 2,040                         | -                   | -                | -                       | 2,040                     | 345                       |
| Tithe                           | 15,000                        | -                   | -                | -                       | 15,000                    | 17,000                    |
| Loss on Disposal of Property    | 1,160                         | 12,804              | -                | 4,671                   | 18,635                    | -                         |
| <b>Totals</b>                   | <b>\$ 1,085,929</b>           | <b>\$ 1,152,574</b> | <b>\$ 28,482</b> | <b>\$ 153,206</b>       | <b>\$ 2,420,191</b>       | <b>\$ 2,049,496</b>       |

The accompanying notes are an integral part of these statements.

# **HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY**

## **Notes to Financial Statements**

**For the years ended June 30, 2018 and 2017**

### **1. SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization and Nature of Activities**

Habitat for Humanity of South Collin County (“Habitat”) is a non-profit corporation incorporated in the state of Texas in September 2002. Habitat is an affiliate of Habitat for Humanity International, Inc. (“International”), a non-denominational Christian non-profit organization whose purpose is to create decent, affordable housing for low-income families, and to make decent shelter a matter of community conscience and action in South Collin County. Although International assists with information resources, training, publications, prayer support, and in other ways, Habitat is primarily and directly responsible for its own operations.

Habitat’s program services include not only its home construction program and homeowner education services but also a retail operation (ReStore) that sells purchased goods and usable materials donated by retail businesses, contractors, other organizations and the general public. The proceeds from ReStore sales, fund Habitat’s mission of eliminating poverty housing within the community.

#### **Basis of Presentation**

Habitat is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets based on donor specifications. There are no permanently restricted net assets at June 30, 2018.

#### **Basis of Accounting**

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

#### **Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, Habitat considers cash to be all cash on hand, cash in bank demand accounts, as well as cash, restricted. Cash, restricted, is cash deposited specifically for home construction programs and is held in a separate account.

#### **Receivables**

Habitat considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded. If amounts become uncollectible, they will be charged to operations when that determination is made. Receivables are mainly made up of customers who have had repairs done on their homes.

#### **Recognition of Donor Restrictions**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### **Fair Value of Financial Instruments**

The carrying value of Habitat’s financial instruments, not otherwise disclosed herein, is comparable to the fair value due to the short-term nature of these financial instruments.

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Notes to Financial Statements

For the years ended June 30, 2018 and 2017

### 1. SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### Inventory

ReStore inventories represent donated building materials and other merchandise available for sale in Habitat's store. Purchased inventory is valued at cost, determined by first in, first out. At year-end, inventory was marked down by approximately \$300,000 due to the merger with Habitat for Humanity of North Collin County. For the years ended June 30, 2018 and 2017, donated inventory is valued at fair value of \$ 79,765 and \$ 389,224, respectively. Land & Construction-in-Progress consists of land and homes in various stages of construction and is valued at cost.

#### Warranties

Habitat provides a two-year warranty in the deed of trust on the sale of homes. The warranty is generally for defects in materials and workmanship. Warranty costs are expensed when incurred.

#### Income Taxes

Habitat is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable deduction under Section 170(b)(1)(A). It has been classified as an organization other than a private foundation. Income from certain activities not directly related to Habitat's tax-exempt purpose is subject to taxation as unrelated business income. ReStore sales of purchased inventory can become subject to tax on unrelated business income. There was no income tax expense for 2018 or 2017.

The accounting standards on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, 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. Habitat believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

#### Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. Contributions are recorded at fair value. All donor-restricted support is reported as an increase in temporarily restricted net assets. When a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Temporarily restricted contributions that are received and expended within the same fiscal year are reported as unrestricted resources.

Contributions of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

#### Donated Goods and Services

A number of corporations and individuals donate professional services and goods. The value is reflected as a contribution to unrestricted net assets in these financial statements at fair value when readily determinable.

#### Grants and Contracts

Habitat records grant revenues over the period of the award and the provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred.

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Notes to Financial Statements

For the years ended June 30, 2018 and 2017

### 1. SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### Compensated Absences

Employees of Habitat are entitled to paid vacation and paid sick days, depending on the length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statement. Habitat's policy is to recognize the cost of compensated absences when actually paid to the employee.

#### Functional Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based principally on estimates made by management.

#### Use of Estimates

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

#### Concentrations of Risk

Habitat maintains its cash balances in several banks in Plano, Texas. The Federal Deposit Insurance Corporation (FDIC) secures all depositor accounts up to \$250,000 per depositor. The maximum loss that would have resulted for that risk totaled \$2,821.34 as of June 30, 2018 and \$-0- as of June 30, 2017 for the excess of the deposit liabilities reported by the banks over the amounts that would have been covered by federal insurance. Management has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk due to cash.

Habitat's programs are concentrated in south Collin County, Texas, the amount of contributions, home sales and collection of mortgage receivables may be affected by changes in economic or other conditions which affect this locale.

#### Advertising Costs

Advertising is recorded as an expense when incurred. For the years ended June 30, 2018 and 2017, advertising expense was approximately \$ 46,668 and \$ 29,800, respectively.

#### Fundraising Costs

Fundraising is recorded as an expense when incurred. Fundraising activities for the year were curtailed due to merger talks that began in the fall of 2017. For the year ended June 30, 2018 fundraising expense was approximately \$ 28,482. For the year ended June 30, 2017 fundraising was approximately \$ 133,729.

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Notes to Financial Statements For the years ended June 30, 2018 and 2017

### 2. MORTGAGES RECEIVABLE

Mortgages receivable consists of non-interest bearing mortgages which are secured by real estate and payable in monthly installments over the life of the mortgage. The mortgages have an original maturity of 25-30 years with maturity dates beginning in 2031 through 2046.

In 2018, Habitat sold and closed on 4 homes which resulted in approximately \$ 340,000 of mortgage receivables. In 2017, Habitat sold and closed on 4 homes resulting in approximately \$350,000 in mortgage receivables.

### 3. FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (FASB) guidance for fair value measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (1) independent, (2) knowledgeable, (3) able to transact and (4) willing to transact.

The guidance for fair value measurements for financial assets and financial liabilities requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

In that regard, the guidance established a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs -- Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs -- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar

assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs -- Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participant would use in pricing the assets or liabilities.

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Notes to Financial Statements

For the years ended June 30, 2018 and 2017

### 3. FAIR VALUE MEASUREMENTS (cont.)

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of these assets pursuant to the valuation hierarchy, is set forth below

|   | Fair Value   |   |   |                     |
|---|--|---|---|---------------------|
|   | Measurements at Reporting Date Using                           |   |   |                     |
| Assets Measured at Fair Value December 31 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |                     |
| <u>June 30, 2018</u>                      |  |   |   |                     |
| Non-Interest bearing mortgages receivable | \$ 4,001,794   | \$ -  | \$ -                                      | \$ 4,001,794        |
| Less: Mortgage rec - unamortized discount | (2,496,940)  | -   | -   | (2,496,940)         |
| Net                                       | <u>\$ 1,504,854</u>  | <u>\$ -</u>                                   | <u>\$ -</u>                               | <u>\$ 1,504,854</u> |
| Long-Term debt                            | \$ 1,354,178   | \$ -  | \$ -                                      | \$ 1,354,178        |
| Less: Note payable unamortized discount   | (678,635)  | -   | -   | (678,635)           |
| Net                                       | <u>\$ 675,543</u>  | <u>\$ -</u>                                   | <u>\$ -</u>                               | <u>\$ 675,543</u>   |
| <u>June 30, 2017</u>                      |  |   |   |                     |
| Non-Interest bearing mortgages receivable | \$ 4,663,264   | \$ -  | \$ -                                      | \$ 4,663,264        |
| Less: Mortgage rec - unamortized discount | (2,859,607)  | -   | -   | (2,859,607)         |
| Net                                       | <u>\$ 1,803,657</u>  | <u>\$ -</u>                                   | <u>\$ -</u>                               | <u>\$ 1,803,657</u> |
| Long-Term debt                            | \$ 1,352,246   | \$ -  | \$ -                                      | \$ 1,352,246        |
| Less: Note payable unamortized discount   | (603,820)  | -   | -   | (603,820)           |
| Net                                       | <u>\$ 748,426</u>  | <u>\$ -</u>                                   | <u>\$ -</u>                               | <u>\$ 748,426</u>   |

Non-interest bearing mortgages receivable and its related unamortized discount are classified within Level 3 of the valuation hierarchy. Habitat obtains these values by taking into account the following assumptions:

- (1) unamortized discount rate is interest rate provided each year by International (7.47% in 2018 and 7.48% in 2017);
- (2) reliance on International's discount rate to be reflective of the overall market;
- (3) the discount is amortized using a straight-line basis over the life of the mortgage;
- (4) mortgage receivables are valued based on the gross mortgage amount less discount and down payment received.

Non-interest bearing notes payable and its related unamortized discount are classified within Level 3 of the valuation hierarchy. Habitat obtains these values by taking into account the following assumptions:

- (1) unamortized discount rate is interest rate provided each year by International (7.47% in 2018 and 7.48% in 2017);
- (2) reliance on International discount rate to be reflective of the overall market;
- (3) the discount is amortized using a straight-line basis over the life of the note;
- (4) note payables are valued based on the face amount of the note payable less amount of the discount.

### 4. TRANSACTIONS WITH HABITAT FOR HUMANITY INTERNATIONAL

Habitat remits a portion of its contributions (excluding in-kind-contributions) to International. These funds are used to construct homes in economically depressed areas around the world. In 2018 and 2017 Habitat contributed to International \$ -0- and \$ 2,000, respectively.

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Notes to Financial Statements For the years ended June 30, 2018 and 2017

### 5. SALES TO HOMEOWNERS

Sales to homeowners are recorded at the gross mortgage amount less discount and down payment received. The discount on mortgages is based on the difference between stated and market interest rates. Utilizing a straight-line basis, this discount ranging from 6.00% to 9.00% will be recognized as discount amortization income over the term of the performing mortgages.

### 6. PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment are recorded at acquisition cost, including costs necessary to get the asset ready for its intended use. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation if determinable. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets, ranging from 3 to 35 years. Repairs and maintenance expenditures are charged to activities as incurred, while improvements greater than or equal to \$500 are capitalized.

|                                   | <u>June 30, 2018</u> | <u>June 30, 2017</u> |
|-----------------------------------|----------------------|----------------------|
| Building leasehold improvements   | \$ 81,915            | \$ 73,505            |
| Tools and equipment               | 2,961                | 36,400               |
| Vehicles                          | 17,510               | 59,205               |
| Office equipment and furniture    | <u>20,319</u>        | <u>35,618</u>        |
|                                   | 122,705              | 204,728              |
| Accumulated depreciation          | <u>(35,003)</u>      | <u>(115,307)</u>     |
|                                   | <u>\$ 87,702</u>     | <u>\$ 89,421</u>     |
| Depreciation expense for the year | <u>\$ 13,613</u>     | <u>\$ 11,664</u>     |

### 7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose of building homes specified by donors during the years ending June 30, 2018 and 2017.

### 8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for obtaining land and building homes for qualifying families and various outreach programs.

### 9. INVENTORIES-LAND & CONSTRUCTION-IN-PROGRESS

Real estate inventory consists of land and homes in various stages of construction which will be sold as part of Habitat's exempt purpose. The balances are as follows:

|   | <u>June 30, 2018</u> | <u>June 30, 2017</u> |
|---|----------------------|----------------------|
| Real estate inventory, land, site development<br>and houses | \$ 168,870           | \$ 214,107           |
| Construction in progress                                    | <u>155,820</u>       | <u>249,548</u>       |
|   | <u>\$ 324,690</u>    | <u>\$ 463,655</u>    |

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Notes to Financial Statements

For the years ended June 30, 2018 and 2017

### 10. HOME CONSTRUCTION COST

Costs incurred in conjunction with home construction are capitalized as incurred. The following is a summary of home building activity:

|   | June 30, 2018 |                   | June 30, 2017 |                   |
|---|---------------|-------------------|---------------|-------------------|
|   | Number        | Costs             | Number        | Costs             |
| Homes under construction-Beginning      | 5             | \$ 615,549        | 4             | \$ 463,656        |
| Additional cost incurred during period  |               | 49,141            |               | 511,213           |
| New homes started during the period     | 1             |                   | 5             |                   |
| New homes transferred during the period | <u>(4)</u>    | <u>(340,000)</u>  | <u>(4)</u>    | <u>(359,320)</u>  |
| Homes under construction-Ending         | <u>2</u>      | <u>\$ 324,690</u> | <u>5</u>      | <u>\$ 615,549</u> |

### 11. LINE OF CREDIT

Habitat has a \$ 100,000 revolving construction line of credit with annual renewal in February of each year with Capital One Bank secured by a deed of trust. The line of credit balance and accrued interest is due on demand from the bank. Interest is calculated on the outstanding line of credit balance at 4.00% per annum. The outstanding balance as of June 30, 2018 was \$ -0-. The line is revolving and therefore any remaining balance is renewed on an annual basis. The minimum monthly payment is the greater of an amount equal to 1.50% of the outstanding principal balance plus accrued interest, fees, and any past due amount, or \$150.

Habitat has a \$ 150,000 revolving construction line of credit dated January 10, 2017 with American National Bank of Texas secured by a deed of trust. The line of credit balance and accrued interest is due on demand from the bank. Interest is calculated on the outstanding line of credit balance at 2.300% over WSJ Prime, which was 3.750% at inception or 6.050% per annum. The outstanding balance as of June 30, 2018 was \$ -0-. The line is revolving and therefore any remaining balance is renewed on an annual basis. The monthly payment is interest only.

### 12. NOTES PAYABLE

Notes payable on June 30, 2018 consisted of the following:

|  | June 30, 2018 |
|--|---------------|
| 39 Non-interest bearing notes payable whose total installments equal \$4,041 monthly to the Texas Department of Housing and Community Affairs Texas Bootstrap Loan Program. The program is available currently through August 31, 2018, or until all funding is committed. TDHCA purchased mortgage receivables from the Organization secured by a first lien on the real property or a parity lien position if the original principal amount of the leveraged loan is equal to or greater than TDHCA's loan. These loans have various maturities. | 1,122,955     |
| Six notes payable to Inwood National Bank payable in various equal installments of \$1,275 monthly, interest at 5.00% secured by certain mortgage receivables held by the Organization, with various maturities  | 186,526       |



**HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY**

**Notes to Financial Statements**

**For the years ended June 30, 2018 and 2017**

**12. NOTES PAYABLE (cont.)**

|   |                          |
|---|--------------------------|
| 2011 Flex-Cap HFHI note payable in equal monthly installments of \$1,177 interest at 5.50% with maturity of December 2021 | <u>44,696</u>            |
| Total Long-Term Debt  | \$1,354,177              |
| Less: Unamortized note payable discount   | <u>(678,634)</u>         |
| Total Long-Term Debt net of unamortized note payable discount   | \$ 675,543               |
| Less: current portion   | <u>(106,534)</u>         |
| Long Term Debt  | <u><u>\$ 569,009</u></u> |

Principal maturities of the notes payable is as follows:

|                     |        |    |                  |
|---------------------|--------|----|------------------|
| Year ended June 30, | 2019   | \$ | 132,266          |
|                     | 2020   |    | 132,266          |
|                     | 2021   |    | 132,266          |
|                     | 2022   |    | 132,266          |
|                     | Beyond |    | <u>825,113</u>   |
|                     |        | \$ | <u>1,354,177</u> |

**13. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
"BOOTSTRAP" LOAN PROGRAM**

The Texas Department of Housing and Community Affairs (TDHCA) "Bootstrap" Loan Program provides no-interest home mortgage loans up to \$45,000 to low income Texas families who agree to help build their own home and who are working through certified nonprofit organizations such as Habitat. This program uses funds administered through the State of Texas Housing Trust Fund. TDHCA has appointed Habitat as a servicer for "Bootstrap" loans. As a servicer, Habitat collects payments from the borrowers and remits to TDHCA. Three loans were issued by TDHCA during 2018 totaling \$130,000. At the end of 2018, \$-0- was outstanding and due from TDHCA to Habitat. Three loans were issued by TDHCA during 2017 totaling \$120,000. At the end of 2017, \$-0- was outstanding and due from TDHCA to Habitat.

# HABITAT FOR HUMANITY OF SOUTH COLLIN COUNTY

## Notes to Financial Statements

For the years ended June 30, 2018 and 2017

### 14. OPERATING LEASES

Habitat leases facilities for its Offices and ReStore as well as some operating equipment. The leases vary in length from month-to-month for the Office rental and a seven-year lease for the ReStore facility. Estimated future monthly rental amounts are approximately \$ 17,457. Total lease payments for the years ended June 30, 2018 and 2017 was \$ 184,747 and \$ 116,103, respectively. Future estimated minimum operating lease obligations are as follows:

|                  |                     |
|------------------|---------------------|
| 2019             | 209,484             |
| 2020             | 209,484             |
| 2021             | 207,484             |
| 2022             | 207,484             |
| 2023 and beyond  | <u>408,384</u>      |
| Total Commitment | <u>\$ 1,242,320</u> |

### 15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 2, 2018, which is the date the financial statements were available to be issued. On July 1, 2018 Habitat for Humanity of South Collin County merged with Habitat for Humanity of North Collin County to form Habitat for Humanity of Collin County.

**NORTH COLLIN COUNTY  
HABITAT FOR HUMANITY**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2018 AND 2017**

**WITH INDEPENDENT AUDITORS' REPORT**

**NORTH COLLIN COUNTY HABITAT FOR HUMANITY**

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PATTILLO, BROWN & HILL, LLP  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of North Collin County Habitat for Humanity (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statement of activities, cash flows, and functional expenses 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 North Collin County Habitat for Humanity as of June 30, 2018, 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.

***Report on Summarized Comparative Information***

We have previously audited North Collin County Habitat for Humanity's June 30, 2017 financial statements, and our report dated October 19, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented on the statement of activities for the year ended June 30, 2017, is consistent, in all material respects, with the audited statement of activities from which it has been derived.

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

Waco, Texas  
November 15, 2018

# **FINANCIAL STATEMENTS**

**NORTH COLLIN COUNTY HABITAT FOR HUMANITY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

|  | 2018                | 2017                |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| <b>CURRENT ASSETS</b>  |                     |                     |
| Cash and cash equivalents  | \$ 40,468           | \$ 47,022           |
| Temporarily restricted cash  | 6,898               | 22,460              |
| Contributions receivable   | 964,465             | 251,116             |
| Inventory  | 334,403             | 314,419             |
| Inventories - land held for development  | 529,678             | 293,976             |
| Non-interest bearing mortgages receivable, current portion (net of discount)   | 201,270             | 192,156             |
| TDHCA Boot Strap agency receivables, current portion                           | 74,038              | 67,438              |
| Other receivables  | <u>32,263</u>       | <u>28,512</u>       |
| Total current assets   | <u>2,183,483</u>    | <u>1,217,099</u>    |
| <b>LONG-TERM ASSETS</b>  |                     |                     |
| Property, furniture and equipment (net)  | 1,413,067           | 1,495,803           |
| Contributions receivable   | 42,000              | 77,675              |
| Non-interest bearing mortgages receivable, long-term portion (net of discount) | 2,600,385           | 2,509,700           |
| TDHCA Boot Strap agency receivables, long-term portion                         | 1,034,285           | 928,064             |
| HBA agency receivable  | 13,250              | 14,250              |
| Discount on non-interest bearing mortgage                                      | ( 1,475,770)        | ( 1,388,956)        |
| Construction in progress   | <u>478,932</u>      | <u>153,636</u>      |
| Total long-term assets   | <u>4,106,149</u>    | <u>3,790,172</u>    |
| Total assets   | <u>\$ 6,289,632</u> | <u>\$ 5,007,271</u> |
| <b>LIABILITIES AND NET ASSETS</b>  |                     |                     |
| <b>LIABILITIES</b>   |                     |                     |
| Accounts payable and accrued expenses  | \$ 21,153           | \$ 100,139          |
| Escrow-mortgage holders  | 129,630             | 86,421              |
| Due to ReStore   | 90,434              | 95,719              |
| Due to TDHCA Boot Strap, current portion                                       | 74,038              | 67,438              |
| Line of credit   | 40,065              | 16,979              |
| Notes payable, current portion (net of discount)                               | <u>199,175</u>      | <u>85,626</u>       |
| Total current liabilities  | <u>554,495</u>      | <u>452,322</u>      |
| <b>LONG-TERM LIABILITIES</b>   |                     |                     |
| Due to TDHCA Bootstrap, long-term portion                                      | 1,035,280           | 929,090             |
| Due to HBA   | 6,667               | 8,667               |
| Notes payable, long-term portion (net of discount)                             | <u>1,320,371</u>    | <u>1,210,108</u>    |
| Total long-term liabilities  | <u>2,362,318</u>    | <u>2,147,865</u>    |
| Total liabilities  | <u>2,916,813</u>    | <u>2,600,187</u>    |
| <b>NET ASSETS</b>  |                     |                     |
| Unrestricted   | 2,361,378           | 2,055,833           |
| Temporarily restricted   | <u>1,011,441</u>    | <u>351,251</u>      |
| Total net assets   | <u>3,372,819</u>    | <u>2,407,084</u>    |
| Total liabilities and net assets   | <u>\$ 6,289,632</u> | <u>\$ 5,007,271</u> |

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



**NORTH COLLIN COUNTY HABITAT FOR HUMANITY**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2018**

(With Summarized Financial Information for the Year Ended June 30, 2017)

|                                       | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>2018<br/>Total</u> | <u>2017<br/>Total</u> |
|---------------------------------------|---------------------|-----------------------------------|-----------------------|-----------------------|
| <b>REVENUE AND OTHER SUPPORT</b>      |                     |                                   |                       |                       |
| Grants                                | \$ -                | \$ 1,353,203                      | \$ 1,353,203          | \$ 315,267            |
| Contributions                         | 53,827              | 129,266                           | 183,093               | 296,729               |
| Contributions - non cash              | 224,633             | -                                 | 224,633               | 202,885               |
| Donated materials                     | 1,301,669           | -                                 | 1,301,669             | 927,762               |
| Discount amortization                 | 114,090             | -                                 | 114,090               | 114,448               |
| Transfers to homeowners               | 527,051             | -                                 | 527,051               | 943,811               |
| ReStore sales                         | 1,162,776           | -                                 | 1,162,776             | 1,236,830             |
| Special events, net of expenses       | 104,802             | -                                 | 104,802               | 62,187                |
| Miscellaneous                         | 41,369              | -                                 | 41,369                | 45,174                |
| Interest income                       | 166                 | -                                 | 166                   | 283                   |
| Net assets released from restrictions | <u>822,279</u>      | <u>( 822,279)</u>                 | <u>-</u>              | <u>-</u>              |
| Total revenue and other support       | <u>4,352,662</u>    | <u>660,190</u>                    | <u>5,012,852</u>      | <u>4,145,376</u>      |
| <b>EXPENSES</b>                       |                     |                                   |                       |                       |
| Home ownership program                | 1,450,877           | -                                 | 1,450,877             | 2,095,239             |
| ReStore program                       | 2,283,996           | -                                 | 2,283,996             | 1,854,471             |
| Management and administrative         | <u>312,244</u>      | <u>-</u>                          | <u>312,244</u>        | <u>264,455</u>        |
| Total expenses                        | <u>4,047,117</u>    | <u>-</u>                          | <u>4,047,117</u>      | <u>4,214,165</u>      |
| <b>CHANGE IN NET ASSETS</b>           | 305,545             | 660,190                           | 965,735               | ( 68,789)             |
| <b>NET ASSETS, BEGINNING OF YEAR</b>  | <u>2,055,833</u>    | <u>351,251</u>                    | <u>2,407,084</u>      | <u>2,475,873</u>      |
| <b>NET ASSETS, END OF YEAR</b>        | <u>\$ 2,361,378</u> | <u>\$ 1,011,441</u>               | <u>\$ 3,372,819</u>   | <u>\$ 2,407,084</u>   |

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

# NORTH COLLIN COUNTY HABITAT FOR HUMANITY

## STATEMENTS OF CASH FLOWS

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

|  | 2018              | 2017              |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                   |                   |
| Increase (decrease) in net assets  | \$ 965,735        | \$( 68,789)       |
| Adjustments to reconcile change in net assets<br>to net cash used by operating activities: |                   |                   |
| Depreciation expense   | 97,993            | 92,754            |
| Discount amortization-mortgages  | 86,814            | 275,389           |
| Transfer to homeowners   | ( 505,211)        | ( 917,381)        |
| Effect of changes in assets and liabilities:   |                   |                   |
| (Increase) decrease in inventories - (lots)  | ( 235,702)        | 39,225            |
| (Increase) decrease in inventories - (resale)  | ( 19,984)         | ( 45,896)         |
| (Increase) decrease in contributions receivable  | ( 677,674)        | 2,663             |
| (Increase) decrease in agency receivable   | ( 1,031)          | ( 995)            |
| (Increase) decrease in other receivables   | ( 3,751)          | 2,103             |
| (Increase) decrease in homes under construction  | ( 325,296)        | 72,802            |
| Increase (decrease) in accounts payable and accrued expenses                               | ( 41,062)         | 78,624            |
| Net cash used by operating activities  | <u>( 659,169)</u> | <u>( 469,501)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                   |                   |
| Net purchases of land, building and equipment  | ( 15,257)         | ( 117,805)        |
| Net loan proceeds  | 246,898           | ( 5,599)          |
| Mortgage payments received   | 405,412           | 423,582           |
| Net cash provided by investing activities  | <u>637,053</u>    | <u>300,178</u>    |
| <b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | ( 22,116)         | ( 169,323)        |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>  | <u>69,482</u>     | <u>238,805</u>    |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>  | <u>\$ 47,366</u>  | <u>\$ 69,482</u>  |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>                                   |                   |                   |
| Issuance of non-interest bearing mortgage loans  | \$ 505,211        | \$ 917,381        |
| Discount on non-interest bearing mortgages loans   | ( 200,904)        | ( 389,839)        |
| Transfers to homeowners subject to non-interest bearing mortgage loans                     | <u>\$ 304,307</u> | <u>\$ 527,542</u> |
| Cash paid for interest   | <u>\$ 23,384</u>  | <u>\$ 25,747</u>  |

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

**NORTH COLLIN COUNTY HABITAT FOR HUMANITY**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2018**

|                                       | Program Services    |                     | Support Services                 | Total               |
|---------------------------------------|---------------------|---------------------|----------------------------------|---------------------|
|                                       | Home<br>Ownership   | ReStore             | Management<br>and Administrative | 2017                |
| Bank charges                          | \$ 982              | \$ 327              | \$ 873                           | \$ 2,182            |
| Consulting                            | 75,100              | 750                 | 3,125                            | 78,975              |
| Contract labor                        | 30,264              | 12,250              | -                                | 42,514              |
| Credit card fees                      | -                   | 22,819              | 2,833                            | 25,652              |
| Depreciation expense                  | 10,675              | 83,198              | 4,120                            | 97,993              |
| Dues and subscriptions                | 3,109               | 1,006               | 5,068                            | 9,183               |
| Equipment rental                      | 2,925               | 696                 | 1,577                            | 5,198               |
| Fleet Expense                         | 11,526              | 11,647              | 1,199                            | 24,372              |
| Insurance                             | 10,188              | 24,476              | 2,958                            | 37,622              |
| Interest expense                      | 11,956              | 10,259              | 1,169                            | 23,384              |
| Materials and supplies                | 500,922             | 1,458,988           | -                                | 1,959,910           |
| Miscellaneous                         | 275                 | -                   | 1,380                            | 1,655               |
| Mortgage discount                     | 200,904             | -                   | -                                | 200,904             |
| Office expenses                       | 4,437               | 6,472               | 10,910                           | 21,819              |
| Postage                               | 558                 | 512                 | 3,605                            | 4,675               |
| Printing, promotions, and advertising | 15,543              | 47,790              | 4,709                            | 68,042              |
| Professional fees                     | 3,631               | 1,210               | 3,228                            | 8,069               |
| Program expenses                      | 182,168             | -                   | -                                | 182,168             |
| Rent                                  | -                   | 33,637              | -                                | 33,637              |
| Repairs & Maintenance                 | 4,315               | 12,559              | 5,365                            | 22,239              |
| Salaries and benefits                 | 330,158             | 477,776             | 249,825                          | 1,057,759           |
| Telephone                             | 7,007               | 8,225               | 1,709                            | 16,941              |
| Tithe/ SOSI fee                       | 26,000              | 2,100               | -                                | 28,100              |
| Travel                                | 4,227               | 3,723               | 6,630                            | 14,580              |
| Utilities                             | 14,007              | 63,576              | 1,961                            | 79,544              |
| <b>Total expenses</b>                 | <b>\$ 1,450,877</b> | <b>\$ 2,283,996</b> | <b>\$ 312,244</b>                | <b>\$ 4,047,117</b> |

See accompanying independent auditor's report.

**NORTH COLLIN COUNTY HABITAT FOR HUMANITY**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2017**

|                                       | Program Services    |                     | Support Services                 | Total               |
|---------------------------------------|---------------------|---------------------|----------------------------------|---------------------|
|                                       | Home<br>Ownership   | ReStore             | Management<br>and Administrative | 2017                |
| Bad debt expense                      | \$ 7,885            | \$ -                | \$ -                             | \$ 7,885            |
| Bank charges                          | 811                 | 255                 | 659                              | 1,725               |
| Contract labor                        | 17,869              | 19,192              | 2,763                            | 39,824              |
| Credit card fees                      | -                   | -                   | 1,970                            | 1,970               |
| Depreciation expense                  | 14,368              | 71,719              | 6,667                            | 92,754              |
| Dues and subscriptions                | 4,134               | 987                 | 5,213                            | 10,334              |
| Equipment rental                      | 4,984               | 2,295               | 1,518                            | 8,797               |
| Fleet Expense                         | 14,444              | 13,185              | 1,108                            | 28,737              |
| Insurance                             | 12,582              | 22,194              | 3,034                            | 37,810              |
| Interest expense                      | 11,279              | 13,071              | 1,397                            | 25,747              |
| Materials and supplies                | 993,725             | 1,145,164           | 1,178                            | 2,140,067           |
| Miscellaneous                         | 808                 | 856                 | 2,428                            | 4,092               |
| Mortgage discount                     | 389,839             | -                   | -                                | 389,839             |
| Office expenses                       | 3,431               | 7,199               | 5,579                            | 16,209              |
| Postage                               | 614                 | 587                 | 2,712                            | 3,913               |
| Printing, promotions, and advertising | 21,045              | 28,340              | 6,629                            | 56,014              |
| Professional fees                     | 4,026               | 1,342               | 3,578                            | 8,946               |
| Program expenses                      | 167,626             | -                   | -                                | 167,626             |
| Repairs & Maintenance                 | 2,733               | 12,291              | 1,766                            | 16,790              |
| Salaries and benefits                 | 352,639             | 451,312             | 208,670                          | 1,012,621           |
| Telephone                             | 8,025               | 9,821               | 1,711                            | 19,557              |
| Tithe/ SOSI fee                       | 31,000              | 600                 | -                                | 31,600              |
| Travel                                | 13,802              | 560                 | 3,931                            | 18,293              |
| Utilities                             | 17,570              | 53,501              | 1,944                            | 73,015              |
| <b>Total expenses</b>                 | <b>\$ 2,095,239</b> | <b>\$ 1,854,471</b> | <b>\$ 264,455</b>                | <b>\$ 4,214,165</b> |

**See accompanying independent auditor's report.**

# NORTH COLLIN COUNTY HABITAT FOR HUMANITY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

### 1. ORGANIZATION

North Collin County Habitat for Humanity, 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 Collin County area (Frisco, Celina, McKinney, Princeton, Anna, Melissa, Prosper, Farmersville, New Hope, and Blue Ridge). Habitat is an affiliate of Habitat for Humanity International, Inc., located in Americus, Georgia.

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.

#### Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification ("ASC") 958, "Not-for-Profit Entities." Under ASC 958, the Habitat is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Also, in accordance with ASC 958, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

A description of the three net asset categories follows:

***Unrestricted Net Assets***

Unrestricted Net Assets represent resources over which the Board of Directors has discretionary control and can be used currently for the general purposes of the Habitat in accordance with its bylaws. The Board may voluntarily designate unrestricted resources for specific purposes, but this is a voluntary action of the governing board that can be modified or reversed at its discretion. These designations of unrestricted resources by the governing board do not have the same legal requirements as do restrictions of funds.

***Temporarily Restricted Net Assets***

Temporarily Restricted Net Assets represent resources currently available for use, but expendable only for those operating purposes specified by the donor.

***Permanently Restricted Net Assets***

Permanently Restricted Net Assets represent principal amounts of gifts and bequests which have been accepted with the donor stipulation that the principal be maintained intact in perpetuity or a specified period, with only the income to be utilized. The Habitat has no permanently restricted net assets as of June 30, 2018 and 2017.

**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, 2018 and 2017.

**Restricted Cash**

The Board of Directors has designated \$6,898 and \$22,460 of cash for purposes of renovations, youth projects and reserves for the years ended June 30, 2018 and 2017, respectively.

**Contributions Receivable**

Contributions, including unconditional promises to give, are recognized when made or received. All contributions are reported as increases in unrestricted net assets 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 temporarily restricted net assets, 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 temporarily restricted 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, temporarily restricted net assets are reclassified to unrestricted net assets 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 such, 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 unrelated business taxable income. The tax benefits recognized in the financial statements from a tax position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as assets or liabilities for fiscal years 2018 and 2017.

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

### **Allocation of Functional Expenses**

Costs have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **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.



### **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 cost or 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.

### **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. It is unreasonable to estimate the amount of compensation for future absences and the balance is not anticipated to be material to the financial statements as a whole. Accordingly, no liability has been recorded in the accompanying statements of financial position. The Habitat's policy is to recognize the costs of compensated absences when actually paid.

### **Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Habitat's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

### 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>June 30, 2017</u> | <u>Additions</u>    | <u>Deletions</u> | <u>June 30, 2018</u> |
|--|----------------------|---------------------|------------------|----------------------|
| Land   | \$ 253,847           | \$ -                | \$ -             | \$ 253,847           |
| Buildings and improvements                     | 1,347,140            | 13,281              | -                | 1,360,421            |
| Furniture and fixtures                         | 103,696              | -                   | -                | 103,696              |
| Vehicles and trailers                          | 132,190              | 1,976               | -                | 134,166              |
| Machinery and equipment                        | <u>188,518</u>       | <u>-</u>            | <u>-</u>         | <u>188,518</u>       |
|  | 2,025,391            | 15,257              | -                | 2,040,648            |
| Less accumulated depreciation                  | <u>( 529,588)</u>    | <u>( 97,993)</u>    | <u>-</u>         | <u>( 627,581)</u>    |
| Total property and equipment, net depreciation | <u>\$ 1,495,803</u>  | <u>\$ ( 82,736)</u> | <u>\$ -</u>      | <u>\$ 1,413,067</u>  |

Depreciation expense for the years ended June 30, 2018 and 2017 was \$97,993 and \$92,754, 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, 2018</u> |                   | <u>June 30, 2017</u> |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | <u>Homes</u>         | <u>Cost</u>       | <u>Homes</u>         | <u>Cost</u>       |
| Homes under construction at beginning of year | 6                    | \$ 153,636        | 7                    | \$ 226,438        |
| Additional cost incurred during the year      | -                    | 495,069           | -                    | 323,618           |
| New homes started during the year             | 5                    | 335,438           | 8                    | 575,530           |
| Homes transferred during the year             | <u>(4)</u>           | <u>( 505,211)</u> | <u>(9)</u>           | <u>( 971,950)</u> |
| Homes under construction at year-end          | <u>7</u>             | <u>\$ 478,932</u> | <u>6</u>             | <u>\$ 153,636</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 \$529,678 and \$293,976 as of June 30, 2018 and 2017, 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 \$334,403 and \$314,419 as of June 30, 2018 and 2017, respectively.

## 6. SALES TO HOMEOWNERS

During the years ended June 30, 2018 and 2017, four and nine 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 rates for the years ended June 30, 2018 and 2017 were 7.57% and 7.47%, respectively. The discounts totaled \$200,904 for 2018 and \$389,839 for 2017.

## 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, 2018 and 2017 are as follows:

|                                       | <u>2018</u>         | <u>2017</u>         |
|---------------------------------------|---------------------|---------------------|
| Mortgages receivable (at face value)  | \$ 2,801,655        | \$ 2,701,856        |
| Unamortized discount on mortgages     | ( 1,475,770)        | ( 1,388,956)        |
| Mortgages receivable, net of discount | <u>\$ 1,325,885</u> | <u>\$ 1,312,900</u> |

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

|            |                     |
|------------|---------------------|
| 2019       | \$ 201,270          |
| 2020       | 201,270             |
| 2021       | 201,270             |
| 2022       | 201,270             |
| 2023       | 201,270             |
| Thereafter | <u>319,535</u>      |
| Total      | <u>\$ 1,325,885</u> |

Mortgages are considered delinquent when the monthly mortgage payment is at least 31 days past due. As of June 30, 2018, ten mortgages totaling \$10,624 were past due. As of June 30, 2017, twelve mortgages totaling \$6,780 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 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, 2018, the balance in the agency receivables is \$1,108,323 and agency payables account is \$1,109,318. As of June 30, 2017, the balance in the agency receivables is \$995,502 and agency payables account is \$996,528. Typically, the balance of the agency receivable equals the balance of the agency payable. However, during the current and prior fiscal year, Habitat decided to take back the house of one homeowner. 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 2012, two homeowners 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, 2018, the balances of the agency receivable and payable were \$13,250 and \$6,667, respectively. As of June 30, 2017, the balances of the agency receivable and payable were \$14,250 and \$8,667, respectively.

## 8. LONG-TERM DEBT

Long-term debt, net of discounts, consists of the following notes as of June 30, 2018 and 2017:

|   | <u>2018</u>         | <u>2017</u>         |
|---|---------------------|---------------------|
| Notes payable to Texas Department of Housing and Community Affairs (TDHCA) in the original amounts of \$2,183,669 and \$1,892,373 as of June 30, 2018 and 2017, respectively, bearing interest ranging from 0% to 4%, 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 \$868,167 and \$717,881, as of June 30, 2018 and 2017, respectively. The Habitat remits monthly payments of \$8,276 and the loans mature July 2021 through August 2046. | \$ 1,274,959        | \$ 1,149,743        |
| Line of credit to LegacyTexas bank in the amount of \$100,000 due January 18, 2019; interest rate of 7.0%   | 99,872              | 25,000              |
| Note payable to a bank; interest rate of 5.25%; due May 25, 2026. Secured by land and building.   | 47,482              | 120,991             |
| Line of credit with Independent Bank in the amount of \$100,000 due January 23, 2020; interest rate of 3.5%.  | <u>97,233</u>       | <u>-</u>            |
| Total outstanding balance   | 1,519,546           | 1,295,734           |
| Less current installments   | <u>( 199,175)</u>   | <u>( 85,626)</u>    |
| Total long-term debt  | <u>\$ 1,320,371</u> | <u>\$ 1,210,108</u> |

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

|            |                     |
|------------|---------------------|
| 2019       | \$ 199,175          |
| 2020       | 196,767             |
| 2021       | 99,929              |
| 2022       | 100,438             |
| 2023       | 105,250             |
| Thereafter | <u>817,987</u>      |
| Total      | <u>\$ 1,519,546</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, 2018 was \$224,633 and \$202,885 in 2017.

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**

Temporarily restricted net assets consisted of the following:

|   | <u>2018</u>         | <u>2017</u>       |
|---|---------------------|-------------------|
| Temporarily restricted Contributions Temporarily Restricted | <u>\$ 1,011,441</u> | <u>\$ 351,251</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 uninsured cash balances of \$0 as of June 30, 2018 and 2017.

The Habitat’s programs are concentrated in the northern portion of Collin County. The Organization 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, 2018 and 2017, advertising expenses of \$68,042 and \$56,014 were incurred, 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, 2018 and 2017, Habitat contributed \$11,000 and \$16,000 to Habitat International, respectively. In addition to these unrestricted contributions to Habitat International, Habitat also paid a support fee in the amount of \$17,100 for the year ended June 30, 2018 and \$15,600 for the year ended June 30, 2017.

**15. RECLASSIFICATIONS**

Certain reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results.

**16. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 15, 2018 the issuance date of the report. No subsequent events requiring disclosure were noted.

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2017**  
Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2017 calendar year, or tax year beginning **JUL 1, 2017** and ending **JUN 30, 2018**

|  |  |   |
|--|--|---|
| <b>B</b> Check if applicable:<br><br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Final return/terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b> Name of organization<br><b>HABITAT FOR HUMANITY OF COLLIN COUNTY</b><br>Doing business as<br>Number and street (or P.O. box if mail is not delivered to street address) Room/suite<br><b>2060 COUCH DRIVE</b><br>City or town, state or province, country, and ZIP or foreign postal code<br><b>MCKINNEY, TX 75069-7313</b><br><b>F</b> Name and address of principal officer: <b>JASON JUPITERWALA</b><br><b>SAME AS C ABOVE</b> | <b>D</b> Employer identification number<br><p align="center">** - ***3511</p> <b>E</b> Telephone number<br><p align="center">972-542-5300</p> <b>G</b> Gross receipts \$ <b>5,012,852.</b><br><b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If "No," attach a list. (see instructions)<br><b>H(c)</b> Group exemption number ▶ <b>8545</b> |
| <b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527   |  |   |
| <b>J</b> Website: ▶ <b>HABITATCOLLINCOUNTY.ORG</b>   |  |   |
| <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶  |  | <b>L</b> Year of formation: <b>1992</b> <b>M</b> State of legal domicile: <b>TX</b>   |

**Part I Summary**

|            |  |                                  |                     |
|------------|--|----------------------------------|---------------------|
| <b>1</b>   | Briefly describe the organization's mission or most significant activities: <b>SEEKING TO PUT GOD'S LOVE IN ACTION, HABITAT FOR HUMANITY OF COLLIN COUNTY BRINGS PEOPLE TOGETHER</b> |                                  |                     |
| <b>2</b>   | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.  |                                  |                     |
| <b>3</b>   | Number of voting members of the governing body (Part VI, line 1a)  | <b>3</b>                         | <b>15</b>           |
| <b>4</b>   | Number of independent voting members of the governing body (Part VI, line 1b)  | <b>4</b>                         | <b>15</b>           |
| <b>5</b>   | Total number of individuals employed in calendar year 2017 (Part V, line 2a)   | <b>5</b>                         | <b>36</b>           |
| <b>6</b>   | Total number of volunteers (estimate if necessary)   | <b>6</b>                         | <b>2402</b>         |
| <b>7a</b>  | Total unrelated business revenue from Part VIII, column (C), line 12   | <b>7a</b>                        | <b>103,476.</b>     |
| <b>7b</b>  | Net unrelated business taxable income from Form 990-T, line 34   | <b>7b</b>                        | <b>-120,229.</b>    |
| <b>8</b>   | Contributions and grants (Part VIII, line 1h)  | <b>Prior Year</b>                | <b>Current Year</b> |
| <b>9</b>   | Program service revenue (Part VIII, line 2g)   | <b>1,797,270.</b>                | <b>3,164,230.</b>   |
| <b>10</b>  | Investment income (Part VIII, column (A), lines 3, 4, and 7d)  | <b>1,058,259.</b>                | <b>641,141.</b>     |
| <b>11</b>  | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)   | <b>283.</b>                      | <b>2,366.</b>       |
| <b>12</b>  | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)   | <b>129,927.</b>                  | <b>-288,777.</b>    |
| <b>13</b>  | Grants and similar amounts paid (Part IX, column (A), lines 1-3)   | <b>2,985,739.</b>                | <b>3,518,960.</b>   |
| <b>14</b>  | Benefits paid to or for members (Part IX, column (A), line 4)  | <b>0.</b>                        | <b>0.</b>           |
| <b>15</b>  | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)  | <b>0.</b>                        | <b>0.</b>           |
| <b>16a</b> | Professional fundraising fees (Part IX, column (A), line 11e)  | <b>967,859.</b>                  | <b>1,022,152.</b>   |
| <b>16b</b> | Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>  | <b>0.</b>                        | <b>0.</b>           |
| <b>17</b>  | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)   | <b>2,086,669.</b>                | <b>1,531,073.</b>   |
| <b>18</b>  | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)  | <b>3,054,528.</b>                | <b>2,553,225.</b>   |
| <b>19</b>  | Revenue less expenses. Subtract line 18 from line 12   | <b>-68,789.</b>                  | <b>965,735.</b>     |
| <b>20</b>  | Total assets (Part X, line 16)   | <b>Beginning of Current Year</b> | <b>End of Year</b>  |
| <b>21</b>  | Total liabilities (Part X, line 26)  | <b>5,007,271.</b>                | <b>6,300,179.</b>   |
| <b>22</b>  | Net assets or fund balances. Subtract line 21 from line 20   | <b>2,600,187.</b>                | <b>2,927,360.</b>   |
|            |  | <b>2,407,084.</b>                | <b>3,372,819.</b>   |

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

|                               |  |                                  |   |
|-------------------------------|--|----------------------------------|---|
| <b>Sign Here</b>              | Signature of officer<br><b>JASON JUPITERWALA, TREASURER</b><br>Type or print name and title                                      | Date                             |   |
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name<br><b>SHARON M. HERWALD, CPA</b>  | Preparer's signature             | Date<br>Check if self-employed <input type="checkbox"/> PTIN <b>P00079864</b> |
|                               | Firm's name ▶ <b>PATTILLO, BROWN &amp; HILL, L.L.P.</b><br>Firm's address ▶ <b>P. O. BOX 20725</b><br><b>WACO, TX 76702-0725</b> | Firm's EIN ▶ <b>** - ***0599</b> | Phone no. (254) <b>772-4901</b>   |

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No



Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: SEEKING TO PUT GOD'S LOVE IN ACTION, HABITAT FOR HUMANITY OF COLLIN COUNTY BRINGS PEOPLE TOGETHER TO BUILD HOMES, COMMUNITIES, AND HOPE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 1,311,894. including grants of \$ ) (Revenue \$ 680,310.) THE ORGANIZATION BUILDS HOMES FOR LOW INCOME FAMILIES AND PROVIDES COUNSELING AND SUPPORT TO NEW HOME OWNERS IN NORTH COLLIN COUNTY, TX. DURING THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2018, THE ORGANIZATION PLACED FOUR FAMILIES IN HOMES.

4b (Code: ) (Expenses \$ 802,189. including grants of \$ ) (Revenue \$ -422,507.) THE ORGANIZATION OPERATES A RESALE STORE FOR ITEMS DONATED BY THE PUBLIC. THE ITEMS DONATED ARE SOLD TO THE PUBLIC AND THE PROCEEDS ARE USED TO PURCHASE MATERIALS AND SUPPLIES FOR HOMES SOLD TO LOW INCOME FAMILIES.

4c (Code: ) (Expenses \$ 126,898. including grants of \$ ) (Revenue \$ ) A BRUSH WITH KINDNESS - A HOME REHABILITATION AND NEIGHBORHOOD REVITALIZATION PROGRAM TARGETED TO LOW INCOME FAMILIES. THIRTY-SIX FAMILIES WERE SERVED THROUGH THIS PROGRAM DURING THE ORGANIZATION'S FISCAL YEAR.

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 2,240,981.

**Part IV Checklist of Required Schedules**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?<br><i>If "Yes," complete Schedule A</i>  | X   |    |
| <b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?   | X   |    |
| <b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>  |     | X  |
| <b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>   |     | X  |
| <b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>   |     | X  |
| <b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>  |     | X  |
| <b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>  |     | X  |
| <b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>   |     | X  |
| <b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>            | X   |    |
| <b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>   |     | X  |
| <b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.   |     |    |
| <b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>   | X   |    |
| <b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>   |     | X  |
| <b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>   |     | X  |
| <b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>  |     | X  |
| <b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>   | X   |    |
| <b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>  | X   |    |
| <b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>  | X   |    |
| <b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year?<br><i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>  |     | X  |
| <b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>  |     | X  |
| <b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?  |     | X  |
| <b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> |     | X  |
| <b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>   |     | X  |
| <b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>   |     | X  |
| <b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>   |     | X  |
| <b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>   | X   |    |
| <b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>   |     | X  |

**Part IV Checklist of Required Schedules** (continued)

|  | Yes | No |
|--|-----|----|
| <b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>  |     | X  |
| <b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?  |     |    |
| <b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>   |     | X  |
| <b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>   |     | X  |
| <b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>  |     | X  |
| <b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>                           |     | X  |
| <b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?   |     |    |
| <b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defuse any tax-exempt bonds?   |     |    |
| <b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?   |     |    |
| <b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>  |     | X  |
| <b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>  |     | X  |
| <b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>                                 |     | X  |
| <b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> |     | X  |
| <b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):  |     |    |
| <b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>  |     | X  |
| <b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>   |     | X  |
| <b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>   |     | X  |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>  | X   |    |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>  |     | X  |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>  |     | X  |
| <b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>  |     | X  |
| <b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>  |     | X  |
| <b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>  |     | X  |
| <b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?   |     | X  |
| <b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>  |     |    |
| <b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>   |     | X  |
| <b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>   |     | X  |
| <b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?<br><b>Note.</b> All Form 990 filers are required to complete Schedule O   | X   |    |

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for line numbers (1a-14b), descriptions of questions, and Yes/No checkboxes. Includes questions about Form 1096, Form W-2G, Form W-3, and various IRS forms like 8899, 8886-T, 8282, 1098-C, 4966, 501(c)(7), 501(c)(12), 4947(a)(1), and 720.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

|    |  | Yes | No |
|----|--|-----|----|
| 1a | Enter the number of voting members of the governing body at the end of the tax year<br>If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. |     |    |
| 1a | 15   |     |    |
| b  | Enter the number of voting members included in line 1a, above, who are independent   |     |    |
| 1b | 15   |     |    |
| 2  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?  |     | X  |
| 3  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?   |     | X  |
| 4  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?   |     | X  |
| 5  | Did the organization become aware during the year of a significant diversion of the organization's assets?   |     | X  |
| 6  | Did the organization have members or stockholders?   |     | X  |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?   |     | X  |
| b  | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?  |     | X  |
| 7b |  |     | X  |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:  |     |    |
| a  | The governing body?  | X   |    |
| 8a |  | X   |    |
| b  | Each committee with authority to act on behalf of the governing body?  | X   |    |
| 8b |  | X   |    |
| 9  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.  |     | X  |
| 9  |  |     | X  |

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

|     |  | Yes | No |
|-----|--|-----|----|
| 10a | Did the organization have local chapters, branches, or affiliates?   |     | X  |
| 10a |  |     | X  |
| b   | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?   |     |    |
| 10b |  |     |    |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?  | X   |    |
| 11a |  | X   |    |
| b   | Describe in Schedule O the process, if any, used by the organization to review this Form 990.  |     |    |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13  | X   |    |
| 12a |  | X   |    |
| b   | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?  | X   |    |
| 12b |  | X   |    |
| c   | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done   | X   |    |
| 12c |  | X   |    |
| 13  | Did the organization have a written whistleblower policy?  | X   |    |
| 13  |  | X   |    |
| 14  | Did the organization have a written document retention and destruction policy?   | X   |    |
| 14  |  | X   |    |
| 15  | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?   |     |    |
| a   | The organization's CEO, Executive Director, or top management official   | X   |    |
| 15a |  | X   |    |
| b   | Other officers or key employees of the organization  | X   |    |
| 15b |  | X   |    |
|     | If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).  |     |    |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?  |     | X  |
| 16a |  |     | X  |
| b   | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? |     |    |
| 16b |  |     |    |

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records: **CELESTE H COX - 972-542-5300**  
**2060 COUCH DRIVE, MCKINNEY, TX 75069-7313**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A)<br>Name and Title                     | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position<br>(do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|   |   | Individual trustee or director   | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (1) TERRY BUSHA<br>PAST PRESIDENT         | 5.00  | X  |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (2) MATT HILTON<br>PRESIDENT              | 10.00   | X  |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (3) MARTY SMITH<br>PRESIDENT ELECT        | 5.00  | X  |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (4) LARRY PIETENPOL<br>VICE PRESIDENT     | 5.00  | X  |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (5) NELSON CARTER<br>SECRETARY            | 10.00   | X  |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (6) TIM BAKER<br>ASSISTANT SECRETARY      | 5.00  | X  |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (7) JASON JUPITERWALA<br>TREASURER        | 5.00  | X  |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (8) RACHE BARNETTE<br>ASSISTANT TREASURER | 5.00  | X  |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (9) HUD WARD<br>DIRECTOR                  | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (10) CHARLIE WALLER<br>DIRECTOR           | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (11) DIANE MCDONALD<br>DIRECTOR           | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (12) DOC COMPTON<br>DIRECTOR              | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (13) ELIZABETH CHOSTNER<br>DIRECTOR       | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (14) GREG STIEBLING<br>DIRECTOR           | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (15) HUNTER LORD<br>DIRECTOR              | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (16) JEREMY GILSTRAP<br>DIRECTOR          | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (17) JR RUSSELL<br>DIRECTOR               | 5.00  | X  |                       |         |              |                              |        | 0.   | 0.  | 0.  |

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

| (A)<br>Name and title  | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |   | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (18) MARC DUNHAM<br>DIRECTOR                                   | 5.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (19) MARY HOLLAND<br>DIRECTOR                                  | 5.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (20) OLIVE SWEARINGEN<br>DIRECTOR                              | 5.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (21) RAMON HODRIDGE<br>DIRECTOR                                | 5.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (22) STEVE LAUTEN<br>DIRECTOR                                  | 5.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (23) TERRY WEGNER<br>DIRECTOR                                  | 5.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (24) CELESTE H COX<br>EXECUTIVE DIRECTOR-CEO                   | 40.00   |   |                       | X       |              |                              |        | 103,224.   | 0.  | 4,264.  |
| (25) RUTH DRYE<br>DIRECTOR OF FINANCE CFO                      | 40.00   |   |                       | X       |              |                              |        | 58,253.  | 0.  | 8,906.  |
| (26) ROBERT MANLEY III<br>COO                                  | 40.00   |   |                       | X       |              |                              |        | 68,904.  | 0.  | 2,777.  |
| <b>1b Sub-total</b>  |   |   |                       |         |              |                              |        | 230,381.   | 0.  | 15,947.   |
| <b>c Total from continuation sheets to Part VII, Section A</b> |   |   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| <b>d Total (add lines 1b and 1c)</b>                           |   |   |                       |         |              |                              |        | 230,381.   | 0.  | 15,947.   |

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

|   | Yes | No |
|---|-----|----|
| <b>3</b> Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual  |     | X  |
| <b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$160,000? If "Yes," complete Schedule J for such individual |     | X  |
| <b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person                       |     | X  |

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A)<br>Name and business address | (B)<br>Description of services | (C)<br>Compensation |
|----------------------------------|--------------------------------|---------------------|
| NONE                             |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

|  |   |  | (A)                       | (B)                                | (C)                        | (D)  |        |
|--|---|--|---------------------------|------------------------------------|----------------------------|--|--------|
|  |   |  | Total revenue             | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512-514 |        |
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a   | Federated campaigns  | 1a                        |                                    |                            |  |        |
|  | b   | Membership dues  | 1b                        |                                    |                            |  |        |
|  | c   | Fundraising events   | 1c                        | 101,782.                           |                            |  |        |
|  | d   | Related organizations  | 1d                        |                                    |                            |  |        |
|  | e   | Government grants (contributions)  | 1e                        | 1,353,203.                         |                            |  |        |
|  | f   | All other contributions, gifts, grants, and similar amounts not included above   | 1f                        | 1,709,245.                         |                            |  |        |
|  | g   | Noncash contributions included in lines 1a-1f: \$  |                           | 1,526,302.                         |                            |  |        |
|  | h   | <b>Total.</b> Add lines 1a-1f  |                           | 3,164,230.                         |                            |  |        |
| Program Service Revenue                                | 2 a   | SALES TO HOMEOWNERS  | Business Code 522220      | 527,051.                           | 527,051.                   |  |        |
|  | b   | MORTGAGE DISCOUNT AMORTIZATION   | 522220                    | 114,090.                           | 114,090.                   |  |        |
|  | c   |  |                           |                                    |                            |  |        |
|  | d   |  |                           |                                    |                            |  |        |
|  | e   |  |                           |                                    |                            |  |        |
|  | f   | All other program service revenue  |                           |                                    |                            |  |        |
|  | g   | <b>Total.</b> Add lines 2a-2f  |                           | 641,141.                           |                            |  |        |
| Other Revenue  | 3   | Investment income (including dividends, interest, and other similar amounts)   |                           | 166.                               |                            | 166.   |        |
|  | 4   | Income from investment of tax-exempt bond proceeds   |                           |                                    |                            |  |        |
|  | 5   | Royalties  |                           |                                    |                            |  |        |
|  | 6 a   | Gross rents  | (i) Real (ii) Personal    |                                    |                            |  |        |
|  |   | Less: rental expenses  |                           |                                    |                            |  |        |
|  |   | Rental income or (loss)  |                           |                                    |                            |  |        |
|  | d   | Net rental income or (loss)  |                           |                                    |                            |  |        |
|  | 7 a   | Gross amount from sales of assets other than inventory   | (i) Securities (ii) Other |                                    | 2,200.                     |  |        |
|  |   | Less: cost or other basis and sales expenses   |                           |                                    | 0.                         |  |        |
|  |   | Gain or (loss)   |                           |                                    | 2,200.                     |  |        |
|  |   | Net gain or (loss)   |                           |                                    | 2,200.                     |  | 2,200. |
|  | 8 a   | Gross income from fundraising events (not including \$ 101,782 of contributions reported on line 1c). See Part IV, line 18 | a                         | 3,170.                             |                            |  |        |
|  | b   | Less: direct expenses  | b                         | 12,085.                            |                            |  |        |
|  | c   | Net income or (loss) from fundraising events   |                           | -8,915.                            |                            | -8,915.  |        |
|  | 9 a   | Gross income from gaming activities. See Part IV, line 19  | a                         |                                    |                            |  |        |
| b  | Less: direct expenses                                 | b  |                           |                                    |                            |  |        |
| c  | Net income or (loss) from gaming activities           |  |                           |                                    |                            |  |        |
| 10 a   | Gross sales of inventory, less returns and allowances | a  | 1,162,776.                |                                    |                            |  |        |
|  | Less: cost of goods sold                              | b  | 1,481,807.                |                                    |                            |  |        |
|  | Net income or (loss) from sales of inventory          |  | -319,031.                 | -422,507.                          | 103,476.                   |  |        |
| Miscellaneous Revenue                                  |   |  | Business Code             |                                    |                            |  |        |
| 11 a   | MISCELLANEOUS INCOME                                  | 522220   | 33,386.                   | 33,386.                            |                            |  |        |
| b  | LATE FEE INCOME                                       | 522220   | 3,083.                    | 3,083.                             |                            |  |        |
| c  | ADMIN FEE INCOME                                      | 522220   | 2,700.                    | 2,700.                             |                            |  |        |
| d  | All other revenue                                     |  |                           |                                    |                            |  |        |
| e  | <b>Total.</b> Add lines 11a-11d                       |  | 39,169.                   |                                    |                            |  |        |
| 12   | <b>Total revenue.</b> See instructions.               |  | 3,518,960.                | 257,803.                           | 103,476.                   | -6,549.  |        |



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

| <i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>   | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21  |                       |                                 |  |                             |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22   |                       |                                 |  |                             |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16  |                       |                                 |  |                             |
| 4 Benefits paid to or for members   |                       |                                 |  |                             |
| 5 Compensation of current officers, directors, trustees, and key employees  | 182,698.              | 139,548.                        | 43,150.                                |                             |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   |                       |                                 |  |                             |
| 7 Other salaries and wages  | 646,052.              | 493,465.                        | 152,587.                               |                             |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)  |                       |                                 |  |                             |
| 9 Other employee benefits   | 124,202.              | 94,868.                         | 29,334.                                |                             |
| 10 Payroll taxes  | 69,200.               | 52,856.                         | 16,344.                                |                             |
| 11 Fees for services (non-employees):   |                       |                                 |  |                             |
| a Management  |                       |                                 |  |                             |
| b Legal   |                       |                                 |  |                             |
| c Accounting  | 35,356.               | 25,683.                         | 9,673.                                 |                             |
| d Lobbying  |                       |                                 |  |                             |
| e Professional fundraising services. See Part IV, line 17   |                       |                                 |  |                             |
| f Investment management fees  |                       |                                 |  |                             |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)   | 121,489.              | 118,364.                        | 3,125.                                 |                             |
| 12 Advertising and promotion  | 55,957.               | 51,248.                         | 4,709.                                 |                             |
| 13 Office expenses  | 236,758.              | 214,216.                        | 22,542.                                |                             |
| 14 Information technology   |                       |                                 |  |                             |
| 15 Royalties  |                       |                                 |  |                             |
| 16 Occupancy  | 135,443.              | 128,117.                        | 7,326.                                 |                             |
| 17 Travel   | 32,523.               | 27,618.                         | 4,905.                                 |                             |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| 19 Conferences, conventions, and meetings   | 23,285.               | 13,481.                         | 9,804.                                 |                             |
| 20 Interest   | 24,074.               | 22,560.                         | 1,514.                                 |                             |
| 21 Payments to affiliates   | 28,100.               | 28,100.                         |  |                             |
| 22 Depreciation, depletion, and amortization  | 97,993.               | 93,873.                         | 4,120.                                 |                             |
| 23 Insurance  | 38,269.               | 35,158.                         | 3,111.                                 |                             |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) |                       |                                 |  |                             |
| a OTHER MATERIALS & SUPPL   | 500,922.              | 500,922.                        |  |                             |
| b MORTGAGE DISCOUNT   | 200,904.              | 200,904.                        |  |                             |
| c   |                       |                                 |  |                             |
| d   |                       |                                 |  |                             |
| e All other expenses  |                       |                                 |  |                             |
| 25 Total functional expenses. Add lines 1 through 24e   | 2,553,225.            | 2,240,981.                      | 312,244.                               | 0.                          |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.                                     |                       |                                 |  |                             |

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

|                             |   | (A)<br>Beginning of year  |                | (B)<br>End of year |            |
|-----------------------------|---|---|----------------|--------------------|------------|
| Assets                      | 1   | Cash - non-interest-bearing   | 69,482.        | 1                  | 47,366.    |
|                             | 2   | Savings and temporary cash investments  |                | 2                  |            |
|                             | 3   | Pledges and grants receivable, net  | 328,791.       | 3                  | 1,006,465. |
|                             | 4   | Accounts receivable, net  | 26,664.        | 4                  | 31,948.    |
|                             | 5   | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L   |                | 5                  |            |
|                             | 6   | Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L |                | 6                  |            |
|                             | 7   | Notes and loans receivable, net   | 2,322,652.     | 7                  | 2,447,458. |
|                             | 8   | Inventories for sale or use   | 608,395.       | 8                  | 864,081.   |
|                             | 9   | Prepaid expenses and deferred charges   | 315.           | 9                  | 10,862.    |
|                             | 10a   | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D   | 10a 2,519,580. |                    |            |
|                             | b   | Less: accumulated depreciation  | 10b 627,581.   | 10c                | 1,891,999. |
|                             | 11  | Investments - publicly traded securities  |                | 11                 |            |
|                             | 12  | Investments - other securities. See Part IV, line 11  |                | 12                 |            |
|                             | 13  | Investments - program-related. See Part IV, line 11   |                | 13                 |            |
|                             | 14  | Intangible assets   |                | 14                 |            |
|                             | 15  | Other assets. See Part IV, line 11  | 1,533.         | 15                 | 0.         |
| 16                          | <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)  | 5,007,271.  | 16             | 6,300,179.         |            |
| Liabilities                 | 17  | Accounts payable and accrued expenses   | 117,118.       | 17                 | 71,765.    |
|                             | 18  | Grants payable  | 1,005,195.     | 18                 | 1,115,985. |
|                             | 19  | Deferred revenue  |                | 19                 |            |
|                             | 20  | Tax-exempt bond liabilities   |                | 20                 |            |
|                             | 21  | Escrow or custodial account liability. Complete Part IV of Schedule D   | 86,421.        | 21                 | 129,630.   |
|                             | 22  | Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L  |                | 22                 |            |
|                             | 23  | Secured mortgages and notes payable to unrelated third parties  | 1,295,734.     | 23                 | 1,519,546. |
|                             | 24  | Unsecured notes and loans payable to unrelated third parties  |                | 24                 |            |
|                             | 25  | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D   | 95,719.        | 25                 | 90,434.    |
|                             | 26  | <b>Total liabilities.</b> Add lines 17 through 25   | 2,600,187.     | 26                 | 2,927,360. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |   |                |                    |            |
|                             | 27  | Unrestricted net assets   | 2,055,833.     | 27                 | 2,361,378. |
|                             | 28  | Temporarily restricted net assets   | 351,251.       | 28                 | 1,011,441. |
|                             | 29  | Permanently restricted net assets   |                | 29                 |            |
|                             | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.                          |   |                |                    |            |
|                             | 30  | Capital stock or trust principal, or current funds  |                | 30                 |            |
|                             | 31  | Paid-in or capital surplus, or land, building, or equipment fund  |                | 31                 |            |
|                             | 32  | Retained earnings, endowment, accumulated income, or other funds  |                | 32                 |            |
| 33                          | <b>Total net assets or fund balances</b>  | 2,407,084.  | 33             | 3,372,819.         |            |
| 34                          | <b>Total liabilities and net assets/fund balances</b>   | 5,007,271.  | 34             | 6,300,179.         |            |

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

|    |  |    |            |
|----|--|----|------------|
| 1  | Total revenue (must equal Part VIII, column (A), line 12)  | 1  | 3,518,960. |
| 2  | Total expenses (must equal Part IX, column (A), line 25)   | 2  | 2,553,225. |
| 3  | Revenue less expenses. Subtract line 2 from line 1   | 3  | 965,735.   |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                      | 4  | 2,407,084. |
| 5  | Net unrealized gains (losses) on investments   | 5  |            |
| 6  | Donated services and use of facilities   | 6  |            |
| 7  | Investment expenses  | 7  |            |
| 8  | Prior period adjustments   | 8  |            |
| 9  | Other changes in net assets or fund balances (explain in Schedule O)   | 9  | 0.         |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 3,372,819. |

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

|    |   | Yes | No |
|----|---|-----|----|
| 1  | Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.   |     |    |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant?<br>If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis |     | X  |
| b  | Were the organization's financial statements audited by an independent accountant?<br>If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:<br><input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                | X   |    |
| c  | If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.   | X   |    |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?  |     | X  |
| b  | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits  |     |    |

Public Disclosure Copy



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶  | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) 2017   | (f) Total  |
|--|----------|----------|----------|----------|------------|------------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")  | 855,893. | 778,312. | 734,649. | 666,773. | 1,637,919. | 4,673,546. |
| <b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf   |          |          |          |          |            |            |
| <b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge   |          |          |          |          |            |            |
| <b>4 Total.</b> Add lines 1 through 3  | 855,893. | 778,312. | 734,649. | 666,773. | 1,637,919. | 4,673,546. |
| <b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |          |          |          |          |            |            |
| <b>6 Public support.</b> Subtract line 5 from line 4.  |          |          |          |          |            | 4,673,546. |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ▶  | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) 2017   | (f) Total  |
|--|----------|----------|----------|----------|------------|------------|
| <b>7</b> Amounts from line 4   | 855,893. | 778,312. | 734,649. | 666,773. | 1,637,919. | 4,673,546. |
| <b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources   | 208.     | 486.     | 516.     | 283.     | 166.       | 1,659.     |
| <b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on  |          |          |          |          | 0.         |            |
| <b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)  | 20,470.  | 49,603.  | 38,183.  | 45,174.  | 39,169.    | 192,599.   |
| <b>11 Total support.</b> Add lines 7 through 10  |          |          |          |          |            | 4,867,804. |
| <b>12</b> Gross receipts from related activities, etc. (see instructions)  |          |          |          |          | 12         | 6,812,819. |
| <b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/> |          |          |          |          |            |            |

**Section C. Computation of Public Support Percentage**

|   |    |         |
|---|----|---------|
| <b>14</b> Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f))  | 14 | 96.01 % |
| <b>15</b> Public support percentage from 2016 Schedule A, Part II, line 14  | 15 | 95.08 % |
| <b>16a 33 1/3% support test - 2017.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>   |    |         |
| <b>b 33 1/3% support test - 2016.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>   |    |         |
| <b>17a 10% -facts-and-circumstances test - 2017.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>    |    |         |
| <b>b 10% -facts-and-circumstances test - 2016.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/> |    |         |
| <b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>   |    |         |

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶   | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) 2017 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")   |          |          |          |          |          |           |
| <b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513   |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf  |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge  |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5   |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons  |          |          |          |          |          |           |
| <b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year           |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b  |          |          |          |          |          |           |
| <b>8 Public support.</b> (Subtract line 7c from line 6.)  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ▶  | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) 2017 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6   |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                           |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b   |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on      |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)                                  |          |          |          |          |          |           |
| <b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)   |          |          |          |          |          |           |

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

|  |           |   |
|--|-----------|---|
| <b>15</b> Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)) | <b>15</b> | % |
| <b>16</b> Public support percentage from 2016 Schedule A, Part III, line 15                      | <b>16</b> | % |

**Section D. Computation of Investment Income Percentage**

|   |           |   |
|---|-----------|---|
| <b>17</b> Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f)) | <b>17</b> | % |
| <b>18</b> Investment income percentage from 2016 Schedule A, Part III, line 17                        | <b>18</b> | % |

**19a 33 1/3% support tests - 2017.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2016.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

|  | Yes | No |
|--|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.  |     |    |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).   |     |    |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.   |     |    |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.   |     |    |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.  |     |    |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.  |     |    |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.  |     |    |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.   |     |    |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document). |     |    |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?  |     |    |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control?   |     |    |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI.  |     |    |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).   |     |    |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).  |     |    |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI.  |     |    |
| b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI.  |     |    |
| c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI.   |     |    |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b below.   |     |    |
| b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)   |     |    |

**Part IV Supporting Organizations** (continued)

|  | Yes | No |
|--|-----|----|
| <b>11</b> Has the organization accepted a gift or contribution from any of the following persons?  |     |    |
| <b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization? |     |    |
| <b>b</b> A family member of a person described in (a) above?   |     |    |
| <b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.   |     |    |

**Section B. Type I Supporting Organizations**

|  | Yes | No |
|--|-----|----|
| <b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year. |     |    |
| <b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.   |     |    |

**Section C. Type II Supporting Organizations**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s). |     |    |

**Section D. All Type III Supporting Organizations**

|   | Yes | No |
|---|-----|----|
| <b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? |     |    |
| <b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).  |     |    |
| <b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.   |     |    |

**Section E. Type III Functionally Integrated Supporting Organizations**

|  |  |  |
|--|--|--|
| <b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).   |  |  |
| <b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.   |  |  |
| <b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.  |  |  |
| <b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).  |  |  |
| <b>2</b> Activities Test. Answer (a) and (b) below.  |  |  |
| <b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities. |  |  |
| <b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.  |  |  |
| <b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.  |  |  |
| <b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.  |  |  |
| <b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.   |  |  |



**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| Section A - Adjusted Net Income  |  | (A) Prior Year | (B) Current Year (optional) |
|----------------------------------|--|----------------|-----------------------------|
| 1                                | Net short-term capital gain  | 1              |                             |
| 2                                | Recoveries of prior-year distributions   | 2              |                             |
| 3                                | Other gross income (see instructions)  | 3              |                             |
| 4                                | Add lines 1 through 3  | 4              |                             |
| 5                                | Depreciation and depletion   | 5              |                             |
| 6                                | Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6              |                             |
| 7                                | Other expenses (see instructions)  | 7              |                             |
| 8                                | <b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)  | 8              |                             |
| Section B - Minimum Asset Amount |  | (A) Prior Year | (B) Current Year (optional) |
| 1                                | Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):  |                |                             |
| a                                | Average monthly value of securities  | 1a             |                             |
| b                                | Average monthly cash balances  | 1b             |                             |
| c                                | Fair market value of other non-exempt-use assets   | 1c             |                             |
| d                                | <b>Total</b> (add lines 1a, 1b, and 1c)  | 1d             |                             |
| e                                | <b>Discount</b> claimed for blockage or other factors (explain in detail in Part VI):  |                |                             |
| 2                                | Acquisition indebtedness applicable to non-exempt-use assets   |                |                             |
| 3                                | Subtract line 2 from line 1d   | 3              |                             |
| 4                                | Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount see instructions)  | 4              |                             |
| 5                                | Net value of non-exempt-use assets (subtract line 4 from line 3)   | 5              |                             |
| 6                                | Multiply line 5 by .035  | 6              |                             |
| 7                                | Recoveries of prior-year distributions   | 7              |                             |
| 8                                | <b>Minimum Asset Amount</b> (add line 7 to line 6)   | 8              |                             |
| Section C - Distributable Amount |  |                | Current Year                |
| 1                                | Adjusted net income for prior year (from Section A, line 8, Column A)  | 1              |                             |
| 2                                | Enter 85% of line 1  | 2              |                             |
| 3                                | Minimum asset amount for prior year (from Section B, line 8, Column A)   | 3              |                             |
| 4                                | Enter greater of line 2 or line 3  | 4              |                             |
| 5                                | Income tax imposed in prior year   | 5              |                             |
| 6                                | <b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)   | 6              |                             |
| 7                                | <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).                                |                |                             |

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

| Section D - Distributions  | Current Year |
|--|--------------|
| 1 Amounts paid to supported organizations to accomplish exempt purposes  |              |
| 2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity      |              |
| 3 Administrative expenses paid to accomplish exempt purposes of supported organizations  |              |
| 4 Amounts paid to acquire exempt-use assets  |              |
| 5 Qualified set-aside amounts (prior IRS approval required)  |              |
| 6 Other distributions (describe in Part VI). See instructions.   |              |
| 7 <b>Total annual distributions.</b> Add lines 1 through 6.  |              |
| 8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions. |              |
| 9 Distributable amount for 2017 from Section C, line 6   |              |
| 10 Line 8 amount divided by line 9 amount  |              |

| Section E - Distribution Allocations (see instructions)   | (i)<br>Excess Distributions | (ii)<br>Underdistributions<br>Pre-2017 | (iii)<br>Distributable<br>Amount for 2017 |
|---|-----------------------------|--|---|
| 1 Distributable amount for 2017 from Section C, line 6  |                             |  |   |
| 2 Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in Part VI). See instructions.  |                             |  |   |
| 3 Excess distributions carryover, if any, to 2017   |                             |  |   |
| a   |                             |  |   |
| b From 2013   |                             |  |   |
| c From 2014   |                             |  |   |
| d From 2015   |                             |  |   |
| e From 2016   |                             |  |   |
| f <b>Total</b> of lines 3a through e  |                             |  |   |
| g Applied to underdistributions of prior years  |                             |  |   |
| h Applied to 2017 distributable amount  |                             |  |   |
| i Carryover from 2012 not applied (see instructions)  |                             |  |   |
| j Remainder. Subtract lines 3g, 3h, and 3i from 3f.   |                             |  |   |
| 4 Distributions for 2017 from Section D, line 7: \$   |                             |  |   |
| a Applied to underdistributions of prior years  |                             |  |   |
| b Applied to 2017 distributable amount  |                             |  |   |
| c Remainder. Subtract lines 4a and 4b from 4.   |                             |  |   |
| 5 Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions. |                             |  |   |
| 6 Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.                        |                             |  |   |
| 7 <b>Excess distributions carryover to 2018.</b> Add lines 3j and 4c.   |                             |  |   |
| 8 Breakdown of line 7:  |                             |  |   |
| a Excess from 2013  |                             |  |   |
| b Excess from 2014  |                             |  |   |
| c Excess from 2015  |                             |  |   |
| d Excess from 2016  |                             |  |   |
| e Excess from 2017  |                             |  |   |

**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.  
(See instructions.)

Public Disclosure Copy

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

Name of the organization

Employer identification number

HABITAT FOR HUMANITY OF COLLIN COUNTY

\*\* - \*\*\*3511

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2017)

|  |   |
|--|---|
| <b>Name of organization</b><br>HABITAT FOR HUMANITY OF COLLIN COUNTY | <b>Employer identification number</b><br>** - ***3511 |
|--|---|

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Total contributions | (d)<br>Type of contribution   |
|------------|-----------------------------------|----------------------------|---|
| 1          | _____<br>_____<br>_____           | \$ 1,208,593.              | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.) |
| 2          | _____<br>_____<br>_____           | \$ 450,000.                | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input checked="" type="checkbox"/><br>(Complete Part II for noncash contributions.) |
|            | _____<br>_____<br>_____           | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            | _____<br>_____<br>_____           | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            | _____<br>_____<br>_____           | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |
|            | _____<br>_____<br>_____           | \$ _____                   | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II for noncash contributions.)            |

Public Disclosure Copy

|  |   |
|--|---|
| Name of organization<br><b>HABITAT FOR HUMANITY OF COLLIN COUNTY</b> | Employer identification number<br><b>** - ***3511</b> |
|--|---|

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

| (a)<br>No.<br>from<br>Part I | (b)<br>Description of noncash property given   | (c)<br>FMV (or estimate)<br>(See instructions.) | (d)<br>Date received |
|------------------------------|--|---|----------------------|
| 2                            | CABINETS & HARDWARE<br>_____<br>_____<br>_____ | \$ 450,000.                                     | 12/28/17             |
|                              | _____<br>_____<br>_____                        | \$ _____  | _____                |
|                              | _____<br>_____<br>_____                        | \$ _____  | _____                |
|                              | _____<br>_____<br>_____                        | \$ _____  | _____                |
|                              | _____<br>_____<br>_____                        | \$ _____  | _____                |
|                              | _____<br>_____<br>_____                        | \$ _____  | _____                |
|                              | _____<br>_____<br>_____                        | \$ _____  | _____                |

Public Disclosure Copy

|  |   |
|--|---|
| Name of organization<br><b>HABITAT FOR HUMANITY OF COLLIN COUNTY</b> | Employer identification number<br><b>**-***3511</b> |
|--|---|

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---------------------|-----------------|-------------------------------------|
|                     |                     |                 |                                     |

| (e) Transfer of gift                    |  |
|---|--|
| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|   |  |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---------------------|-----------------|-------------------------------------|
|                     |                     |                 |                                     |

| (e) Transfer of gift                    |  |
|---|--|
| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|   |  |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---------------------|-----------------|-------------------------------------|
|                     |                     |                 |                                     |

| (e) Transfer of gift                    |  |
|---|--|
| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|   |  |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------|---------------------|-----------------|-------------------------------------|
|                     |                     |                 |                                     |

| (e) Transfer of gift                    |  |
|---|--|
| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|   |  |

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**  
▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2017**

**Open to Public Inspection**

Name of the organization

HABITAT FOR HUMANITY OF COLLIN COUNTY

Employer identification number

\*\*-\*\*\*3511

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

|   | (a) Donor advised funds | (b) Funds and other accounts                             |
|---|-------------------------|--|
| 1 Total number at end of year   |                         |  |
| 2 Aggregate value of contributions to (during year)   |                         |  |
| 3 Aggregate value of grants from (during year)  |                         |  |
| 4 Aggregate value at end of year  |                         |  |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

|  |   |
|--|---|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of a historically important land area |
| <input type="checkbox"/> Protection of natural habitat                                       | <input type="checkbox"/> Preservation of a certified historic structure     |
| <input type="checkbox"/> Preservation of open space  |   |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

|   | Held at the End of the Tax Year |
|---|---------------------------------|
| a Total number of conservation easements  | 2a                              |
| b Total acreage restricted by conservation easements  | 2b                              |
| c Number of conservation easements on a certified historic structure included in (a)  | 2c                              |
| d Number of conservation easements included in (c) acquired after 7/25/06 and not on a historic structure listed in the National Register | 2d                              |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

|   |            |
|---|------------|
| (i) Revenue included on Form 990, Part VIII, line 1 | ▶ \$ _____ |
| (ii) Assets included in Form 990, Part X            | ▶ \$ _____ |

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

|   |            |
|---|------------|
| a Revenue included on Form 990, Part VIII, line 1 | ▶ \$ _____ |
| b Assets included in Form 990, Part X             | ▶ \$ _____ |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2017



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

|                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

|  | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance                     |                  |                |                    |                      |                     |
| b Contributions                                  |                  |                |                    |                      |                     |
| c Net investment earnings, gains, and losses     |                  |                |                    |                      |                     |
| d Grants or scholarships                         |                  |                |                    |                      |                     |
| e Other expenditures for facilities and programs |                  |                |                    |                      |                     |
| f Administrative expenses                        |                  |                |                    |                      |                     |
| g End of year balance                            |                  |                |                    |                      |                     |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ \_\_\_\_\_ %
- b Permanent endowment ▶ \_\_\_\_\_ %
- c Temporarily restricted endowment ▶ \_\_\_\_\_ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

|        | Yes | No |
|--------|-----|----|
| 3a(i)  |     |    |
| 3a(ii) |     |    |
| 3b     |     |    |

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property  | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value    |
|--|--------------------------------------|---------------------------------|------------------------------|-------------------|
| 1a Land  |                                      | 253,847.                        |                              | 253,847.          |
| b Buildings  |                                      | 1,360,421.                      | 299,367.                     | 1,061,054.        |
| c Leasehold improvements   |                                      |                                 |                              |                   |
| d Equipment  |                                      | 426,380.                        | 328,214.                     | 98,166.           |
| e Other  |                                      | 478,932.                        |                              | 478,932.          |
| <b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) |                                      |                                 |                              | <b>1,891,999.</b> |

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security)      | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) Financial derivatives   |                |   |
| (2) Closely-held equity interests   |                |   |
| (3) Other   |                |   |
| (A)   |                |   |
| (B)   |                |   |
| (C)   |                |   |
| (D)   |                |   |
| (E)   |                |   |
| (F)   |                |   |
| (G)   |                |   |
| (H)   |                |   |
| <b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶ |                |   |

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment   | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1)   |                |   |
| (2)   |                |   |
| (3)   |                |   |
| (4)   |                |   |
| (5)   |                |   |
| (6)   |                |   |
| (7)   |                |   |
| (8)   |                |   |
| (9)   |                |   |
| <b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶ |                |   |

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description   | (b) Book value |
|---|----------------|
| (1)   |                |
| (2)   |                |
| (3)   |                |
| (4)   |                |
| (5)   |                |
| (6)   |                |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ |                |

**Part X Other Liabilities**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability   | (b) Book value |
|---|----------------|
| (1) Federal income taxes  |                |
| (2) DUE TO RESTORE  | 90,434.        |
| (3)   |                |
| (4)   |                |
| (5)   |                |
| (6)   |                |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ |                |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

|   |   |    |            |
|---|---|----|------------|
| 1 | Total revenue, gains, and other support per audited financial statements        | 1  | 5,012,852. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12:             |    |            |
| a | Net unrealized gains (losses) on investments                                    | 2a |            |
| b | Donated services and use of facilities  | 2b |            |
| c | Recoveries of prior year grants   | 2c |            |
| d | Other (Describe in Part XIII.)  | 2d | 1,493,892. |
| e | Add lines 2a through 2d   | 2e | 1,493,892. |
| 3 | Subtract line 2e from line 1  | 3  | 3,518,960. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1:            |    |            |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                | 4a |            |
| b | Other (Describe in Part XIII.)  | 4b |            |
| c | Add lines 4a and 4b   | 4c | 0.         |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5  | 3,518,960. |

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

|   |  |    |            |
|---|--|----|------------|
| 1 | Total expenses and losses per audited financial statements                       | 1  | 4,047,117. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25:                |    |            |
| a | Donated services and use of facilities   | 2a |            |
| b | Prior year adjustments   | 2b |            |
| c | Other losses   | 2c |            |
| d | Other (Describe in Part XIII.)   | 2d | 1,493,892. |
| e | Add lines 2a through 2d  | 2e | 1,493,892. |
| 3 | Subtract line 2e from line 1   | 3  | 2,553,225. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1:               |    |            |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                 | 4a |            |
| b | Other (Describe in Part XIII.)   | 4b |            |
| c | Add lines 4a and 4b  | 4c | 0.         |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5  | 2,553,225. |

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 6; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART IV, LINE 2B:**

THE ORGANIZATION MAINTAINS ESCROW ACCOUNTS FOR INSURANCE AND TAXES FOR THE MORTGAGES THAT IT SERVICES FOR ITS HOMEBUYERS.

**PART X, LINE 2:**

HABITAT HAS BEEN GRANTED EXEMPTIONS FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. AS SUCH, 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.

**Part XIII** Supplemental Information (continued)

UNDER THAT GUIDANCE, 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 HABITAT AND VARIOUS POSITIONS RELATED TO THE POTENTIAL SOURCES OF UNRELATED BUSINESS TAXABLE INCOME. THE TAX BENEFITS RECOGNIZED IN THE FINANCIAL STATEMENTS FROM A TAX POSITION ARE MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50% LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT. THERE WERE NO UNRECOGNIZED TAX BENEFITS IDENTIFIED OR RECORDED AS LIABILITIES FOR FISCAL YEARS 2018 AND 2017.

HABITAT FILES ITS FORMS 990 IN THE U.S. FEDERAL JURISDICTION REQUIRED, AND IS GENERALLY NO LONGER SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE FOR THREE YEARS AFTER FILING.

## PART XI, LINE 2D - OTHER ADJUSTMENTS:

|  |            |
|--|------------|
| COGS OFFSET AGAINST RESTORE INCOME ON FORM 990     | 1,481,807. |
| FUNDRAISING EXPENSES OFFSET AGAINST REVENUE ON 990 | 12,085.    |
| TOTAL TO SCHEDULE D, PART XI, LINE 2D              | 1,493,892. |

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

|  |            |
|--|------------|
| COGS OFFSET AGAINST RESTORE INCOME ON FORM 990     | 1,481,807. |
| FUNDRAISING EXPENSES OFFSET AGAINST REVENUE ON 990 | 12,085.    |
| TOTAL TO SCHEDULE D, PART XII, LINE 2D             | 1,493,892. |



**Part II Fundraising Events.** Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

|                 |    | (a) Event #1   | (b) Event #2                       | (c) Other events    | (d) Total events<br>(add col. (a) through<br>col. (c)) |          |
|-----------------|----|--|------------------------------------|---------------------|--|----------|
|                 |    | DAY OF<br>GIVING<br>(event type)                             | GOLF<br>TOURNAMENT<br>(event type) | 2<br>(total number) |  |          |
| Revenue         | 1  | Gross receipts   | 77,760.                            | 19,522.             | 7,670.   | 104,952. |
|                 | 2  | Less: Contributions  | 77,760.                            | 19,522.             | 4,500.   | 101,782. |
|                 | 3  | Gross income (line 1 minus line 2)                           |                                    |                     | 3,170.   | 3,170.   |
| Direct Expenses | 4  | Cash prizes  |                                    | 110.                |  | 110.     |
|                 | 5  | Noncash prizes   |                                    |                     |  |          |
|                 | 6  | Rent/facility costs  |                                    |                     |  |          |
|                 | 7  | Food and beverages   |                                    |                     |  |          |
|                 | 8  | Entertainment  |                                    |                     |  |          |
|                 | 9  | Other direct expenses  |                                    | 3,210.              | 8,765.   | 11,975.  |
|                 | 10 | Direct expense summary. Add lines 4 through 9 in column (d)  |                                    |                     |  | 12,085.  |
|                 | 11 | Net income summary. Subtract line 10 from line 3, column (d) |                                    |                     |  | -8,915.  |

**Part III Gaming.** Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

|                 |   | (a) Bingo  | (b) Pull tabs/instant<br>bingo/progressive bingo                    | (c) Other gaming  | (d) Total gaming (add<br>col. (a) through col. (c))                 |
|-----------------|---|--|---|---|---|
|                 |   |  |   |   |   |
| Revenue         | 1 | Gross revenue  |   |   |   |
| Direct Expenses | 2 | Cash prizes  |   |   |   |
|                 | 3 | Noncash prizes   |   |   |   |
|                 | 4 | Rent/facility costs  |   |   |   |
|                 | 5 | Other direct expenses  |   |   |   |
|                 | 6 | Volunteer labor  | <input type="checkbox"/> Yes _____ %<br><input type="checkbox"/> No | <input type="checkbox"/> Yes _____ %<br><input type="checkbox"/> No | <input type="checkbox"/> Yes _____ %<br><input type="checkbox"/> No |
|                 | 7 | Direct expense summary. Add lines 2 through 5 in column (d)        |   |   |   |
|                 | 8 | Net gaming income summary. Subtract line 7 from line 1, column (d) |   |   |   |

9 Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_  
 a Is the organization licensed to conduct gaming activities in each of these states?  Yes  No  
 b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_

11 Does the organization conduct gaming activities with nonmembers?  Yes  No

12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No

13 Indicate the percentage of gaming activity conducted in:

|                               |     |   |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility         | 13b | % |

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_

c If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

16 Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

\_\_\_\_\_

Director/officer     Employee     Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** Supplemental information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_





**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2017**

**Open To Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
- ▶ **Attach to Form 990.**
- ▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

Name of the organization **HABITAT FOR HUMANITY OF COLLIN COUNTY** Employer identification number **\*\* - \*\*\*3511**

**Part I Types of Property**

|  | (a)<br>Check if<br>applicable | (b)<br>Number of<br>contributions or<br>items contributed | (c)<br>Noncash contribution<br>amounts reported on<br>Form 990, Part VIII, line 1g | (d)<br>Method of determining<br>noncash contribution amounts |
|--|-------------------------------|---|--|--|
| 1 Art - Works of art   |                               |   |  |  |
| 2 Art - Historical treasures                                 |                               |   |  |  |
| 3 Art - Fractional interests                                 |                               |   |  |  |
| 4 Books and publications                                     |                               |   |  |  |
| 5 Clothing and household goods                               |                               |   |  |  |
| 6 Cars and other vehicles                                    |                               |   |  |  |
| 7 Boats and planes   |                               |   |  |  |
| 8 Intellectual property                                      |                               |   |  |  |
| 9 Securities - Publicly traded                               |                               |   |  |  |
| 10 Securities - Closely held stock                           |                               |   |  |  |
| 11 Securities - Partnership, LLC, or trust interests         |                               |   |  |  |
| 12 Securities - Miscellaneous                                |                               |   |  |  |
| 13 Qualified conservation contribution - Historic structures |                               |   |  |  |
| 14 Qualified conservation contribution - Other               |                               |   |  |  |
| 15 Real estate - Residential                                 |                               |   |  |  |
| 16 Real estate - Commercial                                  |                               |   |  |  |
| 17 Real estate - Other                                       |                               |   |  |  |
| 18 Collectibles  |                               |   |  |  |
| 19 Food inventory  |                               |   |  |  |
| 20 Drugs and medical supplies                                |                               |   |  |  |
| 21 Taxidermy   |                               |   |  |  |
| 22 Historical artifacts                                      |                               |   |  |  |
| 23 Scientific specimens                                      |                               |   |  |  |
| 24 Archeological artifacts                                   |                               |   |  |  |
| 25 Other ▶ ( <u>DONATED MATERIAL</u> )                       | X                             | 3,581   | 1,301,669  | THRIFT SHOP VALUE  |
| 26 Other ▶ ( <u>BUILDING MATERIAL</u> )                      | X                             | 513   | 224,633  | FAIR MARKET VALUE  |
| 27 Other ▶ ( )   |                               |   |  |  |
| 28 Other ▶ ( )   |                               |   |  |  |

Public Disclosure Copy

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** **1**

|   | Yes | No |
|---|-----|----|
| 30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?<br>b If "Yes," describe the arrangement in Part II. |     | X  |
| 31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?   | X   |    |
| 32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?<br>b If "Yes," describe in Part II.  |     | X  |
| 33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.   |     |    |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2017



**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

Open to Public  
Inspection

Name of the organization

HABITAT FOR HUMANITY OF COLLIN COUNTY

Employer identification number

\*\*-\*\*\*3511

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

TO BUILD HOMES, COMMUNITIES, AND HOPE.

FORM 990, PART I, LINE 6

THE NUMBER OF VOLUNTEERS WAS DETERMINED BY A REPORT GENERATED BY  
KEYSTONE, OUR SOFTWARE THAT TRACKS VOLUNTEER INFORMATION. A TOTAL OF  
26,921 HOURS WERE COMPLETED BY 2,402 UNDUPLICATED VOLUNTEERS, PROVIDING  
HELP WITH NEW CONSTRUCTION, NEIGHBORHOOD REVITALIZATION, RESTORE  
SUPPORT, OFFICE AND IT SUPPORT, VARIOUS COMMITTEES, AND SERVING ON OUR  
BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 11B:

THE PAID PREPARER REVIEWS A DRAFT OF THE 990 FEDERAL TAX RETURN WITH THE  
EXECUTIVE DIRECTOR AND FINANCE DIRECTOR. THE FINANCE DIRECTOR REVIEWS THE  
RETURN WITH THE TREASURER AND BOARD MEMBERS PRIOR TO SUBMITTING THE RETURN  
TO THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C:

EACH DIRECTOR AND KEY EMPLOYEE SIGNS A CONFLICT OF INTEREST STATEMENT  
ANNUALLY, STATING OUTSIDE EMPLOYMENT AND/OR AFFILIATIONS WITH OTHER  
ENTITIES. THE BOARD REVIEWS THESE STATEMENTS.

FORM 990, PART VI, SECTION B, LINE 15:

DFW SALARY SURVEY 2018, HABITAT FOR HUMANITY INTERNATIONAL SALARY SURVEY  
2018, AND THE AFP 2018 SALARY SURVEY WERE USED TO DETERMINE THE SALARY

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2017)

Name of the organization

HABITAT FOR HUMANITY OF COLLIN COUNTY

Employer identification number

\*\*-\*\*\*3511

RANGES FOR THE ORGANIZATION. THE HR COMMITTEE SET THE INCREASES FOR ALL EMPLOYEES AND THE BOARD OF DIRECTORS VOTED AND APPROVED THE RECOMMENDATIONS.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST. FINANCIAL STATEMENTS ARE ALSO AVAILABLE ON THE ORGANIZATION'S WEBSITE.

FORM 990, PART XII, LINE 2C

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

Public Disclosure Copy

Form **990-T**

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

OMB No. 1545-0687

For calendar year 2017 or other tax year beginning **JUL 1, 2017**, and ending **JUN 30, 2018**

**2017**

Department of the Treasury  
Internal Revenue Service

Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

|  |  |  |   |
|--|--|--|---|
| <b>A</b> <input type="checkbox"/> Check box if address changed<br><br><b>B</b> Exempt under section<br><input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e)<br><input type="checkbox"/> 408A <input type="checkbox"/> 530(a)<br><input type="checkbox"/> 529(a) | Print or Type<br><b>HABITAT FOR HUMANITY OF COLLIN COUNTY</b><br>Number, street, and room or suite no. If a P.O. box, see instructions.<br><b>2060 COUCH DRIVE</b><br>City or town, state or province, country, and ZIP or foreign postal code<br><b>MCKINNEY, TX 75069-7313</b> | Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.) | Employer identification number (Employees' trust, see instructions.)<br><b>**-***3511</b> |
|  |  | F Group exemption number (See instructions.) <b>8545</b>   | E Unrelated business activity codes (See instructions.)<br><b>444100</b>                  |

**C** Book value of all assets at end of year: **6,300,179.**

**F** Group exemption number (See instructions.) **8545**

**G** Check organization type:  501(c) corporation  501(c) trust  401(a) trust  Other trust

**H** Describe the organization's primary unrelated business activity. **SALE OF CABINETS AND BUILDING SUPPLIES**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation.

**J** The books are in care of **CELESTE H COX** Telephone number **972-542-5300**

| Part I Unrelated Trade or Business Income |  | (A) Income      | (B) Expenses | (C) Net         |
|---|--|-----------------|--------------|-----------------|
| 1 a                                       | Gross receipts or sales <b>324,262.</b>  |                 |              |                 |
| b   | Less returns and allowances  |                 |              |                 |
|   | <b>c</b> Balance   | <b>324,262.</b> |              |                 |
| 2   | Cost of goods sold (Schedule A, line 7)  | <b>220,786.</b> |              |                 |
| 3   | Gross profit. Subtract line 2 from line 1c                                       | <b>103,476.</b> |              | <b>103,476.</b> |
| 4 a                                       | Capital gain net income (attach Schedule D)                                      |                 |              |                 |
| b   | Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)                 |                 |              |                 |
| c   | Capital loss deduction for trusts  |                 |              |                 |
| 5   | Income (loss) from partnerships and S corporations (attach statement)            |                 |              |                 |
| 6   | Rent income (Schedule C)   |                 |              |                 |
| 7   | Unrelated debt-financed income (Schedule E)                                      |                 |              |                 |
| 8   | Interest, annuities, royalties, and rents from controlled organizations (Sch. F) |                 |              |                 |
| 9   | Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G) |                 |              |                 |
| 10  | Exploited exempt activity income (Schedule I)                                    |                 |              |                 |
| 11  | Advertising income (Schedule J)  |                 |              |                 |
| 12  | Other income (See instructions; attach schedule)                                 |                 |              |                 |
| 13  | <b>Total.</b> Combine lines 3 through 12   | <b>103,476.</b> |              | <b>103,476.</b> |

| Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)<br>(Except for contributions, deductions must be directly connected with the unrelated business income.) |   |     |                  |
|---|---|-----|------------------|
| 14  | Compensation of officers, directors, and trustees (Schedule K)  | 14  |                  |
| 15  | Salaries and wages  | 15  | <b>102,525.</b>  |
| 16  | Repairs and maintenance   | 16  |                  |
| 17  | Bad debts   | 17  |                  |
| 18  | Interest (attach schedule)  | 18  |                  |
| 19  | Taxes and licenses  | 19  | <b>8,716.</b>    |
| 20  | Charitable contributions (See instructions for limitation rules)  | 20  |                  |
| 21  | Depreciation (attach Form 4562)   | 21  | <b>23,201.</b>   |
| 22  | Less depreciation claimed on Schedule A and elsewhere on return   | 22a |                  |
| 23  | Depletion   | 23  | <b>23,201.</b>   |
| 24  | Contributions to deferred compensation plans  | 24  |                  |
| 25  | Employee benefit programs   | 25  | <b>17,510.</b>   |
| 26  | Excess exempt expenses (Schedule I)   | 26  |                  |
| 27  | Excess readership costs (Schedule J)  | 27  |                  |
| 28  | Other deductions (attach schedule) <b>SEE STATEMENT 1</b>   | 28  | <b>71,753.</b>   |
| 29  | <b>Total deductions.</b> Add lines 14 through 28  | 29  | <b>223,705.</b>  |
| 30  | Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13  | 30  | <b>-120,229.</b> |
| 31  | Net operating loss deduction (limited to the amount on line 30) <b>SEE STATEMENT 2</b>  | 31  |                  |
| 32  | Unrelated business taxable income before specific deduction. Subtract line 31 from line 30  | 32  | <b>-120,229.</b> |
| 33  | Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)   | 33  | <b>1,000.</b>    |
| 34  | <b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 | 34  | <b>-120,229.</b> |

| Part III Tax Computation   |  |
|--|--|
| <b>35 Organizations Taxable as Corporations.</b> See instructions for tax computation.<br>Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:<br>a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):<br>(1) \$ _____ (2) \$ _____ (3) \$ _____<br>b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____<br>(2) Additional 3% tax (not more than \$100,000) \$ _____<br>c Income tax on the amount on line 34 <b>35c</b> 0. |  |
| <b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation. Income tax on the amount on line 34 from:<br><input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) <b>36</b>  |  |
| <b>37 Proxy tax.</b> See instructions <b>37</b>  |  |
| <b>38 Alternative minimum tax</b> <b>38</b>  |  |
| <b>39 Tax on Non-Compliant Facility Income.</b> See instructions <b>39</b>   |  |
| <b>40 Total.</b> Add lines 37, 38 and 39 to line 35c or 36, whichever applies <b>40</b> 0.   |  |

| Part IV Tax and Payments   |  |
|--|--|
| <b>41a</b> Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) <b>41a</b>  |  |
| <b>41b</b> Other credits (see instructions) <b>41b</b>   |  |
| <b>41c</b> General business credit. Attach Form 3800 <b>41c</b>  |  |
| <b>41d</b> Credit for prior year minimum tax (attach Form 8801 or 8827) <b>41d</b>   |  |
| <b>41e</b> Total credits. Add lines 41a through 41d <b>41e</b>   |  |
| <b>42</b> Subtract line 41e from line 40 <b>42</b> 0.  |  |
| <b>43</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) <b>43</b> |  |
| <b>44</b> Total tax. Add lines 42 and 43 <b>44</b> 0.  |  |
| <b>45a</b> Payments: A 2016 overpayment credited to 2017 <b>45a</b>  |  |
| <b>45b</b> 2017 estimated tax payments <b>45b</b>  |  |
| <b>45c</b> Tax deposited with Form 8868 <b>45c</b>   |  |
| <b>45d</b> Foreign organizations: Tax paid or withheld at source (see instructions) <b>45d</b>   |  |
| <b>45e</b> Backup withholding (see instructions) <b>45e</b>  |  |
| <b>45f</b> Credit for small employer health insurance premiums (Attach Form 8944) <b>45f</b>   |  |
| <b>45g</b> Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total <b>45g</b>   |  |
| <b>46</b> Total payments. Add lines 45a through 45g <b>46</b>  |  |
| <b>47</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> <b>47</b>  |  |
| <b>48</b> Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed <b>48</b> 0.  |  |
| <b>49</b> Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid <b>49</b> 0.  |  |
| <b>50</b> Enter the amount of line 49 you want: Credited to 2018 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> <b>50</b>  |  |

| Part V Statements Regarding Certain Activities and Other Information (see instructions)   |     |    |
|---|-----|----|
| <b>51</b> At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here <input type="checkbox"/> | Yes | No |
| <b>52</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. <input type="checkbox"/>  |     | X  |
| <b>53</b> Enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> \$   |     |    |

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

|                               |   |  |   |
|-------------------------------|---|--|---|
| <b>Sign Here</b>              | Signature of officer _____ Date _____   | <b>TREASURER</b>   | May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name<br>SHARON M. HERWALD, CPA  | Preparer's signature _____ Date _____                        | Check <input type="checkbox"/> if self-employed PTIN<br>P00079864   |
|                               | Firm's name <input checked="" type="checkbox"/> PATTILLO, BROWN & HILL, L.L.P.<br>P. O. BOX 20725 | Firm's EIN <input checked="" type="checkbox"/> ** - *** 0599 |   |
|                               | Firm's address <input checked="" type="checkbox"/> WACO, TX 76702-0725                            | Phone no. (254) 772-4901                                     |   |

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation **LOWER OF COST OR MARKET**

|    |   |    |          |   |  |     |          |
|----|---|----|----------|---|--|-----|----------|
| 1  | Inventory at beginning of year                  | 1  | 314,419. | 6 | Inventory at end of year   | 6   | 334,403. |
| 2  | Purchases                                       | 2  | 240,770. | 7 | Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2                                  | 7   | 220,786. |
| 3  | Cost of labor                                   | 3  |          | 8 | Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? | Yes | No       |
| 4a | Additional section 263A costs (attach schedule) | 4a |          |   |  |     |          |
| 4b | Other costs (attach schedule)                   | 4b |          |   |  |     |          |
| 5  | Total. Add lines 1 through 4b                   | 5  | 555,189. |   |  |     | X        |

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**  
(see instructions)

|   |  |   |  |
|---|--|---|--|
| 1. Description of property  |  |   |  |
| (1)   |  |   |  |
| (2)   |  |   |  |
| (3)   |  |   |  |
| (4)   |  |   |  |
| 2. Rent received or accrued   |  |   |  |
| (a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%) |  | (b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income) |  |
| 3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)                       |  |   |  |
| (1)   |  |   |  |
| (2)   |  |   |  |
| (3)   |  |   |  |
| (4)   |  |   |  |
| Total 0.  |  | Total 0.  |  |
| (c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)         |  | (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B)  |  |
| 0.  |  | 0.  |  |

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

|   |   |   |   |  |  |
|---|---|---|---|--|--|
| 1. Description of debt-financed property  |   | 2. Gross income from or allocable to debt-financed property |   | 3. Deductions directly connected with or allocable to debt-financed property |  |
|   |   |   |   | (a) Straight line depreciation (attach schedule)                             |  |
|   |   |   |   | (b) Other deductions (attach schedule)                                       |  |
| (1)   |   |   |   |  |  |
| (2)   |   |   |   |  |  |
| (3)   |   |   |   |  |  |
| (4)   |   |   |   |  |  |
| 4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule) | 5. Average adjusted basis of or allocable to debt-financed property (attach schedule) | 6. Column 4 divided by column 5                             | 7. Gross income reportable (column 2 x column 6)      | 8. Allocable deductions (column 8 x total of columns 3(a) and 3(b))          |  |
| (1)   |   | %   |   |  |  |
| (2)   |   | %   |   |  |  |
| (3)   |   | %   |   |  |  |
| (4)   |   | %   |   |  |  |
| Totals  |   |   | Enter here and on page 1, Part I, line 7, column (A). | Enter here and on page 1, Part I, line 7, column (B).                        |  |
| Total dividends-received deductions included in column 8  |   |   | 0.  | 0.   |  |

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

| 1. Name of controlled organization | 2. Employer identification number | Exempt Controlled Organizations                   |                                     |   |  |
|------------------------------------|-----------------------------------|---|-------------------------------------|---|--|
|                                    |                                   | 3. Net unrelated income (loss) (see instructions) | 4. Total of specified payments made | 5. Part of column 4 that is included in the controlling organization's gross income | 6. Deductions directly connected with income in column 5 |
| (1)                                |                                   |   |                                     |   |  |
| (2)                                |                                   |   |                                     |   |  |
| (3)                                |                                   |   |                                     |   |  |
| (4)                                |                                   |   |                                     |   |  |

**Nonexempt Controlled Organizations**

| 7. Taxable income | 8. Net unrelated income (loss) (see instructions) | 9. Total of specified payments made | 10. Part of column 9 that is included in the controlling organization's gross income | 11. Deductions directly connected with income in column 10 |
|-------------------|---|-------------------------------------|--|--|
| (1)               |   |                                     |  |  |
| (2)               |   |                                     |  |  |
| (3)               |   |                                     |  |  |
| (4)               |   |                                     |  |  |

|  |  |  |  |           |
|--|--|--|--|-----------|
| Add columns 5 and 10.<br>Enter here and on page 1, Part I, line 8, column (A). |  |  | Add columns 6 and 11.<br>Enter here and on page 1, Part I, line 8, column (B). |           |
| <b>Totals</b>  |  |  | <b>0.</b>  | <b>0.</b> |

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

| 1. Description of income | 2. Amount of income | 3. Deductions directly connected (attach schedule) | 4. Set-asides (attach schedule) | 5. Total deductions and set-asides (col. 3 plus col. 4) |
|--------------------------|---------------------|--|---------------------------------|---|
| (1)                      |                     |  |                                 |   |
| (2)                      |                     |  |                                 |   |
| (3)                      |                     |  |                                 |   |
| (4)                      |                     |  |                                 |   |

|   |  |   |           |  |
|---|--|---|-----------|--|
| Enter here and on page 1, Part I, line 9, column (A). |  | Enter here and on page 1, Part I, line 9, column (B). |           |  |
| <b>Totals</b>   |  | <b>0.</b>   | <b>0.</b> |  |

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

| 1. Description of exploited activity | 2. Gross unrelated business income from trade or business | 3. Expenses directly connected with production of unrelated business income | 4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7. | 5. Gross income from activity that is not unrelated business income | 6. Expenses attributable to column 5 | 7. Excess exempt expenses (column 6 minus column 5, but not more than column 4). |
|--------------------------------------|---|---|--|---|--------------------------------------|--|
| (1)                                  |   |   |  |   |                                      |  |
| (2)                                  |   |   |  |   |                                      |  |
| (3)                                  |   |   |  |   |                                      |  |
| (4)                                  |   |   |  |   |                                      |  |

|  |  |  |           |   |  |  |
|--|--|--|-----------|---|--|--|
| Enter here and on page 1, Part I, line 10, col. (A). |  | Enter here and on page 1, Part I, line 10, col. (B). |           | Enter here and on page 1, Part II, line 26. |  |  |
| <b>Totals</b>  |  | <b>0.</b>  | <b>0.</b> | <b>0.</b>                                   |  |  |

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

| 1. Name of periodical | 2. Gross advertising income | 3. Direct advertising costs | 4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7. | 5. Circulation income | 6. Readership costs | 7. Excess readership costs (column 6 minus column 5, but not more than column 4). |
|-----------------------|-----------------------------|-----------------------------|--|-----------------------|---------------------|---|
| (1)                   |                             |                             |  |                       |                     |   |
| (2)                   |                             |                             |  |                       |                     |   |
| (3)                   |                             |                             |  |                       |                     |   |
| (4)                   |                             |                             |  |                       |                     |   |

|  |  |           |           |           |  |  |
|--|--|-----------|-----------|-----------|--|--|
| <b>Totals (carry to Part II, line (5))</b> |  | <b>0.</b> | <b>0.</b> | <b>0.</b> |  |  |
|--|--|-----------|-----------|-----------|--|--|



**Part II** **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

| 1. Name of periodical              | 2. Gross advertising income                                    | 3. Direct advertising costs                                    | 4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7. | 5. Circulation income | 6. Readership costs | 7. Excess readership costs (column 6 minus column 5, but not more than column 4). |
|------------------------------------|--|--|--|-----------------------|---------------------|---|
| (1)                                |  |  |  |                       |                     |   |
| (2)                                |  |  |  |                       |                     |   |
| (3)                                |  |  |  |                       |                     |   |
| (4)                                |  |  |  |                       |                     |   |
| <b>Totals from Part I</b>          | <b>0.</b>  | <b>0.</b>  |  |                       |                     | <b>0.</b>   |
| <b>Totals, Part II (lines 1-5)</b> | Enter here and on page 1, Part I, line 11, col. (A). <b>0.</b> | Enter here and on page 1, Part I, line 11, col. (B). <b>0.</b> |  |                       |                     | Enter here and on page 1, Part II, line 27. <b>0.</b>                             |

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

| 1. Name  | 2. Title | 3. Percent of time devoted to business | Compensation attributable to unrelated business |
|--|----------|--|---|
| (1)  |          | %                                      |   |
| (2)  |          | %                                      |   |
| (3)  |          | %                                      |   |
| (4)  |          | %                                      |   |
| <b>Total.</b> Enter here and on page 1, Part II, line 14 |          |  | <b>0.</b>                                       |

Public Disclosure

COPY

| FORM 990-T                           | OTHER DEDUCTIONS | STATEMENT | 1 |
|--------------------------------------|------------------|-----------|---|
| DESCRIPTION                          |                  | AMOUNT    |   |
| ACCOUNTING                           |                  | 3,775.    |   |
| OTHER CONSULTING SERVICES            |                  | 3,625.    |   |
| ADVERTISING                          |                  | 13,327.   |   |
| SUPPLIES                             |                  | 4,470.    |   |
| OCCUPANCY                            |                  | 30,612.   |   |
| TRAVEL                               |                  | 3,828.    |   |
| CONFERENCES, CONVENTIONS, & MEETINGS |                  | 1,705.    |   |
| INTEREST                             |                  | 2,918.    |   |
| INSURANCE                            |                  | 6,907.    |   |
| PAYMENTS TO AFFILIATES               |                  | 586.      |   |
| TOTAL TO FORM 990-T, PAGE 1, LINE 28 |                  | 71,753.   |   |

| FORM 990-T                        | NET OPERATING LOSS DEDUCTION |                         |                | STATEMENT           | 2 |
|-----------------------------------|------------------------------|-------------------------|----------------|---------------------|---|
| TAX YEAR                          | LOSS SUSTAINED               | LOSS PREVIOUSLY APPLIED | LOSS REMAINING | AVAILABLE THIS YEAR |   |
| 06/30/11                          | 155,403.                     | 0.                      | 155,403.       | 155,403.            |   |
| 06/30/12                          | 299,390.                     | 0.                      | 299,390.       | 299,390.            |   |
| 06/30/13                          | 133,999.                     | 0.                      | 133,999.       | 133,999.            |   |
| 06/30/14                          | 177,011.                     | 0.                      | 177,011.       | 177,011.            |   |
| 06/30/15                          | 197,816.                     | 0.                      | 197,816.       | 197,816.            |   |
| 06/30/16                          | 145,031.                     | 0.                      | 145,031.       | 145,031.            |   |
| 06/30/17                          | 78,408.                      | 0.                      | 78,408.        | 78,408.             |   |
| NOL CARRYOVER AVAILABLE THIS YEAR |                              |                         | 1,187,058.     | 1,187,058.          |   |

**ATTACHMENT– PROJECT BUDGETS**

**Habitat Collin County - McKinney Project Cost Budget**

**ABWK**

| <u>Rehabilitation Category</u> | <u>Estimated Cost Per Home</u> | <u>Estimated Homes</u> | <u>Estimated Total Costs</u> |
|--------------------------------|--------------------------------|------------------------|------------------------------|
| Roof                           | \$ 4,800                       | 40                     | \$ 19,000                    |
| Doors / Windows                | \$ 1,000                       | 40                     | \$ 8,500                     |
| Siding/Trim                    | \$ 2,000                       | 40                     | \$ 22,000                    |
| House Paint                    | \$ 750                         | 40                     | \$ 7,500                     |
| Ramp/Steps/Handrail            | \$ 600                         | 40                     | \$ 12,000                    |
| Misc                           | \$ 350                         | 40                     | \$ 3,500                     |
| Developer Fee                  | \$ 250                         | 40                     | \$ 5,000                     |
| Inspection Fee                 | \$ 250                         | 40                     | \$ 2,500                     |
| <b>Total</b>                   | <b>\$ 10,000</b>               | <b>40</b>              | <b>\$ 400,000</b>            |
|                                |                                |                        | <b>\$ 120,000</b>            |
| <b>MCDC Request</b>            |                                | <b>12</b>              | <b>30%</b>                   |
| % of total project costs       |                                |                        |                              |

**LAND ACQUISITION**

| <u>Category</u>                                      | <u>Estimated Cost per Lot</u> | <u>Quantity</u> | <u>Estimate Total Costs</u> |
|--|-------------------------------|-----------------|-----------------------------|
| <u>Buildable Lot typically</u><br><u>5000 sq.ft.</u> | <u>50,000.00</u>              | <u>12</u>       | <u>\$ 600,000</u>           |
| <b>MCDC Request</b>                                  | <b>50,000.00</b>              | <b>6</b>        | <b>300,000</b>              |
| % of total project costs                             |                               |                 |                             |
|  |                               |                 | <b>50%</b>                  |

**COTTON GROVES NEW CONSTRUCTION**

| <u>Item Description</u>    | <u>Cost</u> |    | <u>Estimated Total Costs</u> |
|----------------------------|-------------|----|------------------------------|
| Fabrication and            |             |    |                              |
| <b>Container Cost</b>      | 1,350,000   | 36 | \$ 1,350,000                 |
| Set, weld and oversight    | 585,000     | 36 | \$ 585,000                   |
| Finish Out                 | 2,063,000   | 36 | \$ 2,063,000                 |
| Permits                    | 74,000      | 36 | \$ 74,000                    |
| <b>Design Fees</b>         | 286,000     | 36 | \$ 286,000                   |
| Land, Infrastructure,      |             |    |                              |
| <b>Parkland Dedication</b> |             |    |                              |
| Fees                       | 1,318,000   | 36 | \$ 1,318,000                 |
| Training Center/moving     | 85,000      |    | \$ 85,000                    |
| <b>TOTAL</b>               |             |    | <b>\$ 5,761,000</b>          |
| <b>MCDC Request</b>        |             |    | <b>\$ 319,054</b>            |
| % of total project costs   |             |    |                              |
|                            |             |    | <b>5.5%</b>                  |

# Cotton Groves Amenity Centre Costing Analysis

## McKinney, TX for Habitat for Humanity of Collin County

| Name                 | Unit Cost | Total Units | Materials | Labor | Cost | Lump Sum | TOTAL         |
|----------------------|-----------|-------------|-----------|-------|------|----------|---------------|
| <b>Admin</b>         |           |             |           |       |      |          |               |
| Permits              |           |             |           |       |      | 0        |               |
| Permit Running       |           |             |           |       |      | 0        |               |
| Impact Fee           |           |             |           |       |      | 0        |               |
| Engineering          |           |             |           |       |      | 1535     |               |
| Drafting             |           |             |           |       |      | 4628     |               |
| Insurance- Liability |           |             |           |       |      | 0        |               |
| Insurance- Property  |           |             |           |       |      | 0        |               |
| Taxes, Year 1        | 0.0253    |             | 0         |       |      | 0        |               |
| Closing              |           |             |           |       |      | 0        |               |
| Financing Closing    |           |             |           |       |      | 0        |               |
| Porto-Potty          | 112       | 6           |           |       |      | 672      |               |
| Security             | 1200      | 6           |           |       |      | 7200     |               |
|                      |           |             |           |       |      |          | <b>140035</b> |

|                         |  |  |   |  |  |   |      |
|-------------------------|--|--|---|--|--|---|------|
| <b>Site and General</b> |  |  |   |  |  |   |      |
| Tree Removal            |  |  |   |  |  | 0 |      |
| Concrete Removal        |  |  |   |  |  | 0 |      |
| House Demolition        |  |  |   |  |  | 0 |      |
| Tap Plugs               |  |  |   |  |  | 0 |      |
| Extra Dirt              |  |  |   |  |  | 0 | 500  |
| Trash                   |  |  | 1 |  |  |   | 1000 |

Cleaning 1  
 Grading 0  
 0  
 1500

| Foundation    |     |    |       |
|---------------|-----|----|-------|
| Slab          | 400 | 14 | 15000 |
|               | 550 |    | 0     |
|               | 4.5 |    | 0     |
|               | 25  |    | 0     |
| Driveway (4") | 4   |    | 0     |
| Driveway (6") | 5   |    | 0     |
| Culvert, HDPE |     |    | 0     |
|               |     |    | 15000 |

| Plumbing    |      |   |      |
|-------------|------|---|------|
| Fixture     | 600  | 6 | 3600 |
| Water Tap   | 1000 | 0 | 0    |
| Sewer Tap   | 1200 | 0 | 0    |
| Water Meter | 360  | 1 | 360  |
|             |      |   | 0    |
|             |      |   | 3960 |

| Electrical        |     |      |      |
|-------------------|-----|------|------|
| Per Sqft          | 3.5 | 2560 | 8960 |
| Meter(s)          | 315 | 1    | 315  |
| Utility Per Month | 75  | 6    | 450  |
|                   |     |      | 9725 |

| HVAC             |      |      |      |
|------------------|------|------|------|
| Per Sqft         | 3.25 | 2560 | 8320 |
| Blower Door Test | 350  | 1    | 350  |
| Duct Blaster     | 150  | 1    | 150  |
| Cages            | 350  | 0    | 0    |
|                  |      |      | 8820 |

| Framing |  |  |      |
|---------|--|--|------|
|         |  |  | 8820 |

|                           |    |     |      |              |
|---------------------------|----|-----|------|--------------|
| Windows                   | 14 | 125 | 1750 |              |
| Front Doors               | 4  | 125 | 500  |              |
| Roof Trusses              |    |     | 0    | 3200         |
| General Framing Materials |    |     | 0    | 8000         |
| General Labor Lump Sum    |    |     | 0    | 12,000       |
|                           |    |     |      | <b>25450</b> |

|                |     |      |      |             |
|----------------|-----|------|------|-------------|
| <b>Roofing</b> |     |      |      |             |
| Per Square     | 155 | 12.8 | 1984 |             |
| TPO            |     |      |      | <b>1984</b> |

|                   |      |      |        |              |
|-------------------|------|------|--------|--------------|
| <b>Containers</b> |      |      |        |              |
| Per Unit          | 8    | 3200 | 25600  |              |
| Framing Metal     | 12   | 125  | 1500   |              |
| Welding/Cutting   | 4    | 1750 | 7000   |              |
| Crane, FIXED      |      |      | 1200   |              |
| Interior Finish   | 2560 |      | 45,000 |              |
|                   |      |      |        | <b>80300</b> |

|                      |      |      |      |              |
|----------------------|------|------|------|--------------|
| <b>Insulation</b>    |      |      |      |              |
| Open Cell in Ceiling | 1.25 | 1360 | 1700 |              |
| Closed Cell in Walls | 1.5  | 5760 | 8640 |              |
|                      |      |      |      | <b>14840</b> |

|                          |      |      |        |                |
|--------------------------|------|------|--------|----------------|
| <b>Drywall and Paint</b> |      |      |        |                |
| Labor                    | 1.56 | 5760 | 8985.6 |                |
| Drywall Mats             |      |      | 0      | 2880           |
| Paint Mats               |      |      | 0      | 340            |
| Paint Exterior           |      |      |        | 2800           |
|                          |      |      |        | <b>15005.6</b> |

|              |   |     |     |  |
|--------------|---|-----|-----|--|
| <b>Doors</b> |   |     |     |  |
| Labor        | 6 | 125 | 750 |  |
| Door Mats    | 6 | 60  | 360 |  |

|       |   |    |    |       |
|-------|---|----|----|-------|
| Knobs | 6 | 10 | 60 | 1,170 |
|-------|---|----|----|-------|

**Trim/Shelving**

|          |       |  |       |  |
|----------|-------|--|-------|--|
| Labor    |       |  | 0     |  |
| Mats     |       |  | 0     |  |
| Lump Sum | 2,720 |  | 1,768 |  |
|          |       |  | 0     |  |

|  |  |  |  |       |
|--|--|--|--|-------|
|  |  |  |  | 1,768 |
|--|--|--|--|-------|

**Tiling**

|            |   |     |     |  |
|------------|---|-----|-----|--|
| Mats-bath  | 2 | 450 | 900 |  |
| Labor-bath | 2 | 700 | 0   |  |

|  |  |  |  |     |
|--|--|--|--|-----|
|  |  |  |  | 900 |
|--|--|--|--|-----|

**Flooring**

|          |       |  |       |  |
|----------|-------|--|-------|--|
| Mats     |       |  | 0     |  |
| Labor    |       |  | 0     |  |
| Lump Sum | 2,560 |  | 4,480 |  |

|  |  |  |  |       |
|--|--|--|--|-------|
|  |  |  |  | 4,480 |
|--|--|--|--|-------|

**Other**

|                         |       |     |       |  |
|-------------------------|-------|-----|-------|--|
| Kitchen Cabinets        | 85    | 20  | 1,700 |  |
| Bathroom Vanity         | 2     | 500 | 1,000 |  |
| Bath Trim Kits          | 2     | 35  | 70    |  |
| Shower Valves           | 0     | 85  | 0     |  |
| Toilets                 | 2     | 95  | 190   |  |
| Tubs/Showers            | 0     | 125 | 0     |  |
| Water Heater            | 1     | 345 | 345   |  |
| Garbage Disposal        | 1     | 95  | 95    |  |
| Sprinkler System        | 2,650 |     | 4,480 |  |
| Kitchen Lights          | 1     | 45  | 45    |  |
| Pantry Light            | 1     | 6   | 6     |  |
| Bedroom Fan             | 0     | 45  | 0     |  |
| Bathroom Vanity Light   | 2     | 45  | 90    |  |
| Bathroom overhead light | 2     | 15  | 30    |  |
| Closet light            | 4     | 6   | 24    |  |

Exterior Front Light  
Smoke Detectors  
Universal Chair Lift  
Appliances

10  
6  
1  
0

6  
22  
15,000  
1,400

60  
132  
15,000  
0

23267



Cost analysis only shows items listed in estimate.  
 Submitted by JDL Group on 04.22.19 @4:56pm

|                       |          |
|-----------------------|----------|
| <b>Admin</b>          |          |
| Site and General      | 14,035   |
| Foundation            | 1,500    |
| Plumbing              | 15,000   |
| Electrical            | 3,960    |
| HVAC                  | 9,725    |
| Framing               | 8,820    |
| Roofing               | 25,450   |
| Containers            | 1,984    |
| Insulation            | 80,300   |
| Drywall               | 14,840   |
| Doors                 | 15,005.6 |
| Trim                  | 1,170    |
| Tile                  | 1,768    |
| Flooring              | 900      |
| Other                 | 4,480    |
| Exterior Improvements | 23,267   |
| Total                 | 8,000    |
| Land Cost             | 19,796   |
|                       | 0        |

**TOTAL COST \$249,965**

| Metrics                    |       |
|----------------------------|-------|
| Number of Projects         | 1     |
| Units                      | 2     |
| SQFT                       | 2,560 |
| Containers                 | 4     |
| Bathrooms                  | 2     |
| Kitchens                   | 1     |
| Bedrooms                   | 0     |
| Length of Projects, Months | 6     |
| SQFT Ceiling               | 1,280 |
| Washer Dryer               | 0     |
| Water Heater               | 0     |

(deck and siding)

**FY19 Proposed Adjusted Budget**

HABITAT COLLIN COUNTY - ENTIRE C

|  | <b>FY19<br/>Adjusted<br/>Budget</b> |
|--|-------------------------------------|
| Ordinary Income/Expense                |                                     |
| Income                                 |                                     |
| 4000-\$Contributions                   |                                     |
| Total 4100-\$ Business Contributions   | 336,605                             |
| Total 4200-\$ Individual Contributions | 365,841                             |
| Total 4300-\$Agency Contributions      | 15,829                              |
| Total 4400-\$Church Contributions      | <u>117,617</u>                      |
| Total 4000-\$Contributions             | 835,892                             |
| Total 4600-Grants                      | 1,132,500                           |
| Total 4700-Other Income                | 69,740                              |
| Total 4800-ReStore Sales-McKinney      | 1,147,050                           |
| Total 4800-ReStore Sales-Plano         | 611,000                             |
| Total 4900-Special Events Net Income   | <u>106,000</u>                      |
| Total Income                           | 3,902,182                           |
| Total COGS                             | <u>280,095</u>                      |
| Gross Profit                           | 3,622,087                           |
| Expense                                |                                     |
| Total 5100-Administrative              | 388,718                             |
| Total 5200-Employee Related Expenses   | 1,551,089                           |
| Total 5300-Fleet Expense               | 74,555                              |
| Total 5400-Marketing & Advertising     | 97,950                              |
| Total 5500-Meetings & Travel           | 31,900                              |
| Total 5600-Occupancy Expense           | 350,560                             |
| Total 5700-Prgm Svcs-Mission Specific  | <u>211,300</u>                      |
| Total Expense                          | <u>2,706,072</u>                    |
| Net Ordinary Income                    | 916,015                             |
| Other Income/Expense                   |                                     |
| Other Income                           |                                     |
| 6000-Donated Materials-ReStore         | 1,108,000                           |
| Early Not Termination                  | -                                   |
| 6200-GIK-Material Donations            | 267,682                             |
| 6300-Mtg Discount Amortization         | 278,798                             |
| 6400-Sale to Homeowners                | <u>1,476,031</u>                    |
| Total Other Income                     | 3,130,511                           |
| Other Expense                          |                                     |
| Total 7100-Construction Cost CIP Exp   | 1,277,290                           |
| 7200-Depreciation Expense              | 65,649                              |
| 7300-HFH International SOSI Fee        | 31,000                              |
| 7400-HFH International Tithe           | 36,000                              |
| 7600-Mortgage Discount Expense         | 400,000                             |
| 7800-Other GIK Expense                 | 10,000                              |
| 7900-ReStore GIK (COGS)                | <u>1,108,000</u>                    |
| Total Other Expense                    | 2,927,939                           |
| Net Other Income                       | <u>202,572</u>                      |
| Net Income                             | 1,118,587                           |

## For FY 19-20 Development Budget

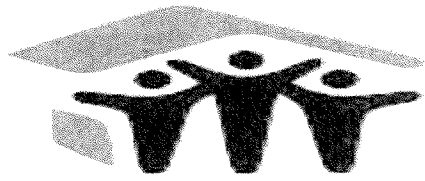
|          |                  | \$ cash           | Cash to raise     | In-Kind           | Total               |
|----------|------------------|-------------------|-------------------|-------------------|---------------------|
| House 1  | Celina Build     |                   | \$ 85,000         | \$ 16,000         | \$ 101,000          |
| House 2  | Church Build     | \$ 91,000         |                   | \$ 16,000         | \$ 107,000          |
| House 3  | Women Build      | \$ 27,500         | \$ 41,500         | \$ 16,000         | \$ 85,000           |
| House 4  | Giving Day Build | \$ 80,000         | \$ 5,000          | \$ 16,000         | \$ 101,000          |
| House 5  | Methodist Build  | \$ 65,000         | \$ 4,000          | \$ 16,000         | \$ 85,000           |
| House 6  | Catholic Build   | \$ 85,000         |                   | \$ 16,000         | \$ 101,000          |
| House 7  | Recycle Build    | \$ 15,000         |                   | \$ 16,000         | \$ 31,000           |
| House 8  | Harley Davidson  | \$ 45,000         | \$ 40,000         | \$ 16,000         | \$ 101,000          |
| House 9  | Church Build     | \$ 65,000         | \$ 4,000          | \$ 16,000         | \$ 85,000           |
| House 10 | Veteran Build    | \$ 100,000        |                   | \$ 16,000         | \$ 116,000          |
| House 11 | Cotton Groves    | \$ 40,000         | \$ 45,000         | \$ 16,000         | \$ 101,000          |
| House 12 | Cotton Groves    |                   | \$ 85,000         | \$ 16,000         | \$ 101,000          |
| House 13 | Cotton Groves    |                   | \$ 85,000         | \$ 16,000         | \$ 101,000          |
| House 14 | Cotton Groves    |                   | \$ 85,000         | \$ 16,000         | \$ 101,000          |
|          |                  | <b>\$ 613,500</b> | <b>\$ 479,500</b> | <b>\$ 224,000</b> | <b>\$ 1,317,000</b> |

### MCDC Request

|                     |            |                   |
|---------------------|------------|-------------------|
| Mktg and Adv        | \$ 21,707  |                   |
| Global Village      | \$ 12,600  |                   |
| 40 ABWK             | \$ 400,000 | <b>\$ 120,000</b> |
| 12 Land Acquisition | \$ 600,000 |                   |

### Capital Expenditures

|                        |               |                   |
|------------------------|---------------|-------------------|
| 12 Land Acquisition    | \$ 600,000    | <b>\$ 300,000</b> |
| 12 Infrastructure      | \$ 144,000    |                   |
| 36 Fabrication and Cor | \$ 13,500,000 |                   |
| Cotton Groves          | \$ 5,761,000  | <b>\$ 319,054</b> |



**Habitat**  
**for Humanity**<sup>®</sup>  
of Collin County

**2019-2020 Habitat for Humanity of Collin County Board of Directors**

Marty Smith.....President  
Matt Hilton..... Past Pres.  
Jason Jupiterwala.....Pres-Elect  
Diane McDonald.....VicePres  
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David Hale  
Mary Holland  
Natalie Jackson  
Robin Joseph-Williams  
Steve Lauten  
Shannon Luton  
Latrice Roberts  
JR Russell  
Olive Swearingen

### **CEO – Celeste Cox**

Celeste Haiduk Cox was hired thirteen years ago as the first paid staff for Habitat Collin County. The organization was 100% volunteer upon her arrival and was building one or two homes per year. Since that time, her staff has grown to 10+ full time and 12 part-time, a new ReStore operation was open 6 years ago and nearly 600 lives have been touched as 200+ homes have been built. Habitat has also completed over 90 repair projects in that time. Celeste serves as the primary contact for many donors and fundraisers as well as maintaining active membership within Rotary, Chambers of Commerce, Boy Scouts, Girl Scouts, Church and Habitat Boards.

### **COO- Gary Garza**

Gary comes to Habitat for Humanity Collin County with 21 years of non-profit experience. He spent 19 years as an executive with the Circle Ten Council-Boy Scouts of America, where he served in several positions. He also served 2 years as the Operations Manager/Medical Practice Manager for Hope Clinic of Garland, a clinic that provided medical services to the uninsured/low insured income patients of Garland, TX.

### **CFO – Ruthie Dye**

Ruthie joined Habitat Collin County in October of 2012. Ruthie has over 20 years in the nonprofit sector finds working with staff, board and partner families to be very rewarding. "Doing the right thing just feels good," Ruthie said. Ruthie earned her accounting degree from University of Phoenix and is currently working on her CPA. Ruthie and her husband of 30 plus years have raised their three children in Frisco, Texas and is a grandmother of three beautiful grandchildren.

### **ReStore Director – Kavanski Morrison**

Rick joined the Habitat Collin County team in April of 2018. Kavanski recently served as the Senior Hardlines Manager for Cabela's in Allen. He also filled the roles of Senior Softlines Manager, Senior Operations Manager, Customer Service Manager and Regional Club Manager in his 8 years with Cabela's. Kavanski has participated in all aspects of 12 new store openings for Cabela's. He has extensive experience in Retail Management and Multi-Unit Leadership. With over 15 years of experience, his retail background includes Cabela's, OfficeMax, and Walmart. He has been very involved in the community by helping organize a City Wide Clean-Up where more than 100 people participated and planned a sustainability project for Walmart. He was selected to participate in Cabela's sponsored workshops Emerging Leaders & Leaders Developing Leaders.

### **Construction Project Manager – Bryant Knepp**

Bryant Knepp joined Habitat Collin County in 2016. Bryant provides oversight of the Construction Department where he leads the new construction and repair programs. Bryant has served in a number of roles with Habitat affiliates since 2003. He considers himself a student of Habitat and most highly values the Christian foundation and approach of Habitat's work. He was raised in southwestern Indiana where his construction training took place within a family owned, Amish-Mennonite construction company. Bryant enjoys participating in Christian mission, both locally and abroad. He and his wife, Lyndsay, have three daughters.

### **Family and Volunteer Manager – Dawn Serr**

Dawn has been on staff at Habitat Collin County since 2010, when she joined as the Volunteer Coordinator. Dawn has served in this role organizing and managing all of our weekly, daily, and occasional volunteers which number in the thousands! Dawn also serves as a Family Mentor working with our Habitat families helping them through the Habitat homeownership program, and on into the first year of being a homeowner. Dawn is passionate about both our families and our volunteers. She is a very integral part of this entire organization working with so many of the people this people organization serves. Dawn is also a wife, mother of 4 grown children, and grandmother to 4 grandchildren.



Seeking to put God's love into action, Habitat for Humanity of Collin County brings people together to build homes, communities and hope.

January 15, 2020

BOARD OF DIRECTORS

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Steve Lauten
Shannon Luton
Latrice Roberts
JR Russell
Olive Swearingen

Cindy Schneible
McKinney Community Development Corporation
5900 S Lake Forest Blvd., Suite 110
McKinney, Texas 75070

Dear Cindy and Board of Directors,

Habitat for Humanity of Collin County would like to request an addition to our current grant request for the following items as bids were not available at time of submission of grant request:

Emeritus

Terry Busha
Shannon Cain
Gary Carley
Jim German
Marta Gore
Dennis Heydanek
Don Hixon
Rick Horton
Mike LaTour
Kim McPeak
Michael Nichols
Harvey Oaxaca
Jim Owens
Frank Shushok
Sue Shushok
Ed Smith
Timothy Solano
Ed Stankunas
Brian Umberger
Bud Ward
Sharon Weideman
Bill Whitfield, Past Mayor

Ex-Officio

Corbett Howard, Past Mayor
Terri Ricketts, Celina

- \$9,800 Tree Trimming- 603 Bumpas, Cotton Groves
\$23,420 Concrete costs for playground subsurface
\$950 Engineering for shade structure for playground

This will amend our current request to include the following:

- \$120,000 - Repair Projects - Low-Income rehabs
\$300,000 - Land Acquisition - Affordable Housing New Construction
\$250,000 - Amenity Center - Cotton Grove
\$61,854 - Park Land Dedication Fees - Cotton Groves
\$7,200 - Foundation Engineering (36 \* \$200) - Cotton Groves
\$9,800 - Tree Trimming - Cotton Groves
\$23,420 - Concrete surface, playground - Cotton Groves
\$950 - Engineering for shade structure - playground

Total Amended Request = \$773,224

Thank you so much for your consideration in advance.

Celeste H. Cox (handwritten signature)

Celeste H Cox, CEO

