

McKINNEY COMMUNITY DEVELOPMENT CORPORATION
Project Grant Application
Fiscal Year 2023

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

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

McKinney Community Development Corporation
7300 SH 121, SB, Suite 200
McKinney, TX 75070

Attn: Cindy Schneible (cschneible@mckinneycdc.org)

2022 Project Grant Application Schedule

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: December 30, 2022	January 26, 2023	February 23, 2023
Cycle II: March 31, 2023	April 27, 2023	May 25, 2023
Cycle III: June 30, 2023	July 27, 2023	August 24, 2023

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
- Destination Entertainment, Tourist and Convention Facilities
- Projects Related to Low Income Housing
- Airport Facilities

McKinney Community Development Corporation – Overview

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

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

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

McKinney Community Development Corporation – Mission

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

Guiding Principles:

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

McKinney Community Development Corporation – Goals

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

General Guidelines

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

General Guidelines - continued

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

Process

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

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

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

APPLICANT INFORMATION

Name: Douglas Fair

Company: Habitat for Humanity of Collin County/HFHCC

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: 972-542-5159

Email: development@habitatcctx.org

Cell: 214-616-6210

Website: habitatcollincounty.org

Check One:

☐

Corporation

☐

Partnership

☐

Sole Proprietorship

☐

Governmental entity

☒

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

☐

Other

PROJECT INFORMATION:

Project/Business Name: McKinney Home Repair -2023

Location of Project: McKinney

Physical Address: TBD

City: McKinney

ST: TX

Zip: all

Property Size: TBD acres

Collin CAD Property ID: TBD

Please provide the information requested below:

- An expansion/improvement
- A replacement/repair
- A multi-phase project
- A new project

☐ Yes
☒ Yes
☐ Yes
☐ Yes

☒ No
☐ No
☒ No
☒ No

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

Name:

Company: Habitat for Humanity of Collin County (HFHCC) continues its vision of "A world where everyone has a decent place to live" by working in local partnership with the City of McKinney

Mailing Address:

City:

ST:

Zip:

Phone

Fax:

Email:

Cell:

DETAILED PROJECT INFORMATION:

Project Details and Proposed Use: Through our continued efforts of the "Home Repair Program," HFHCC pledges to ensure families live in homes that are healthy, safe, and accessible. We believe that the homes must be comfortable during the extreme North Texas weather. They also must meet the basic needs such as adequate plumbing, heating, and cooling. HFHCC is requesting \$400,000 for the "Home Repair Program" which will pay for various levels of home repair. Home Repair Program: 1) Level 2 home repairs 2 at \$75,000, 2) Level 2 home repairs 2 at \$50,000, 3) Level 3 home repairs 4 at \$25,000, Level 4 home repairs 5 at \$10,000. Thirteen homeowners will be served with this funding.

Estimated Date of Project Completion: September 30, 2024

Days/Hours of Business Operation: Administrative Office: Monday-Friday 9:00 am – 5:00 pm. Construction Offices: Tuesday-Saturday 9:00 am – 5:00 pm

Estimated Annual Taxable Sales: N/A

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

Estimated Construction Cost for Total Project: \$400,000+

Total Estimated Cost for Project Improvements included in grant request: \$400,000+

Total Grant Amount Requested: \$400,000

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

☐ Yes

☒ No

If yes, please provide details and funding requested:

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

☒ Yes ☐ No

Date(s): 2005-2022

Will the project be competitively bid?

☐ Yes ☒ No

If yes, please attach bids for the project

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

Additional Information – please attach the following

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

Acknowledgements

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

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying individual/company.
- All funds awarded will be used exclusively for the purpose described in this application.
- Applicant owns the land, building or facility where the proposed infrastructure improvements will be made. If the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed improvements and use of the property or building; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- MCDC will be recognized as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Individual/company representative who has signed the application is authorized to submit the application.
- Applicant will comply with the Grant Guidelines in executing the Project for which funds were awarded.

- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding from Grant for ten (10) years.

Acknowledgements - *continued*

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

[The Remainder of this Page Intentionally Left Blank]

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

Applicant's Signature

Signature

Douglas Fair
Printed Name

Date

Property Owner's Signature

Signature

Printed Name

Date

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

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

Habitat for Humanity of Collin County
MCDC Project Grant Application FY 2023
“McKinney Home Repair Program”
Business Plan

Habitat for Humanity of Collin County Overview

The vision of Habitat for Humanity is “A world where everyone has a decent place to live.” For Habitat for Humanity of Collin County (HFHCC), our goal is to serve the 24 cities and surrounding areas within Collin County by providing decent, affordable housing options and critical home repair and/or home modifications to low-to-middle income families. A proper home is safe to live in, has access to clean water, sanitation, and electricity, and protects from extreme weather. HFHCC requests \$400,000 from the McKinney Community Development Corporation (MCDC) to support our “Home Repair Program.”

The \$400,000 will pay for various levels of home repair. Home Repair Program: 1) Level 1 home repairs 2@ at \$75,000, 2) Level 2 home repairs 2@ at \$50,000, 3) Level 3 home repairs 4@ at \$25,000, 4) Level 4 home repairs 5@ at \$10,000. Thirteen homes will be repaired with this funding, serving 30 individuals.

HFHCC celebrates 31 years of assisting low-income families with home repairs or securing new homes this year. Through the Habitat Homeownership Program, low-income families are prepared to own a new, affordable home that improves the family’s health, wealth, future opportunities, and the greater McKinney community. The Home Repair Program provides options for homeowners to make critical home repairs and/or modifications to live safely in their own homes, such as installing new plumbing, replacing uneven flooring, or building wheelchair ramps. These repairs are essential for older adults and individuals with limited mobility because they can “age in place” and stay in their own homes independently and safely.

The McKinney community also benefits from Habitat’s programs. When a home is being significantly repaired, it is often the catalyst for other neighbors to make minor improvements in their own homes, such as planting new shrubs or painting a garage door. This home improvement ripple effect also stimulates the local economy as homeowners purchase their supplies and materials from area businesses. While Habitat provides services directly to one family through a repair, McKinney is also an indirect beneficiary.

McKinney Housing and Income Statistics

Providing affordable housing is a commitment Habitat feels very strongly about because it provides safe and secure homes. Stable homeownership improves the quality of life of the residents. This, in turn, improves families' physical and mental health. It also provides opportunities for a better future and improves surrounding neighborhoods and communities. On the other hand, many McKinney homeowners still need essential home repairs and cannot afford these improvements.

The U.S. Census data has the Median Household Income (MHI) in McKinney at \$98,317. While this may be impressive, it is very uneven across the ethnicities. The average for African Americans is \$60,813, and for Hispanics, it's \$82,781. What is as disturbing is that the MHI for seniors (65+) is \$63,172. Seniors are the majority of our homeowners.

Poverty has disproportionately affected families of color. The poverty rate for McKinney is 7.3%, but for African Americans, it is 18.9% over 6,300 individuals. The poverty rate for Hispanics is 10.2%, or 3,500 individuals living below the poverty line.

There are 73,357 housing units in McKinney, of which 47,064 are owner-occupied. Of the 47,064 owner-occupied homes, 7.3% are over 40 years old. As per the Office of the Surgeon General's "Health Homes Call to Action," older normally have more health and safety hazards and require maintenance.

Role of Habitat for Humanity of Collin County

Our target population for critical home repairs is very low to low-income seniors, individuals with disabilities, veterans, and families. Our mission is to improve people's lives by making their homes healthy, safe, and accessible.

Our focus is improving the homeowners' and residents' quality of life. We improve their quality of life using the "Healthy Homes" concept. The concept is an integrated approach to identifying and addressing many health and safety hazards in low-income housing. The focus is on cost-effective interventions that address multiple health and safety hazards, including education and outreach. These hazards, such as disease, disability, and injury, may result from health and safety hazards in the home. Homes with significant upkeep problems and structural and safety defects are at risk for the residents. Such risks include a lack of safety devices, deferred maintenance, and moisture. These problems increase the risk of housing-related illness, injury, and disability.

Our typical home repairs are repairing or replacing roofs and windows, which helps reduce energy costs. We also add insulation to improve living conditions and reduce energy costs. Our modifications include installing wheelchair ramps and making kitchens and bathrooms more accessible.

A home with mold or pests can cause chronic respiratory conditions like asthma. Housing with poor insulation does not provide protection against extreme weather conditions and is dangerous for children and seniors.

For this grant, “McKinney Home Repair Program,” HFHCC is requesting an investment of \$400,000 to assist us in repairing and/or modifying thirteen homes.

While HFHCC has an established home repair program through previous McKinney Community Development Corporation (MCDC) funding, this proposal continues with the changes made in 2022 that reflect a more comprehensive program where we repair more local homes needing a broader range of restoration. HFHCC restructured the Home Repair Program into four levels: Major (two levels within), minor, and cosmetic repairs. Major #1 repairs are larger, more expensive projects from \$45,000 to \$75,000, and Major #2 includes projects from \$25,000 to \$45,000. The repairs in the Major category include complete home rebuilds, foundation repairs, and roof replacement. The degree of the repairs will designate which category. Examples of minor repairs include window replacement, gutter repair, and installing wheelchair ramps, with cost estimates from \$5,000 to \$25,000. Cosmetic repairs such as exterior painting, fence repair, and landscaping. This grant will fund 2 major repairs at \$75,000 and 2 major repairs at \$50,000, 4 minor repairs at \$25,000, and 5 cosmetic repairs for \$5,000 for a total of thirteen repairs. These repairs should serve over 30 individuals, depending upon the number of individuals in each home.

To qualify for home repairs, the applicant must live in Collin County, McKinney, for this grant, own the home where the repairs will be performed, occupy the home as their primary residence, and be present during the repair work. Houses with existing mortgages must have no outstanding payments, be up to date on homeowner’s insurance and taxes, and the household income must be between 10% to 80% of the Median Family Income. The homeowner is presented with a scope of work before the project begins.

With additional funding, HFHCC will continue its work in the local community to help ensure homes are safe, healthy, and comfortable and meet families’ basic needs. Previously, homes needing a complete teardown and rebuilding were not in our scope

of work. With changes instituted in 2022, we have changed that situation thanks to the funding from MCDC. This funding will assist us in making significant improvements to more homes needing more extensive repairs.

Attachments:

1. Current financial report
2. Audited financials
3. Project budget
4. Timeline and schedule

Plans for Future Expansion/Growth

Our “Home Repair Program” for the next three years will increase the number of homes repaired by over 50 percent. We plan on spreading out our repairs on all four levels of repairs. The goal is to repair 20 homes per year and serve an estimated 50 individuals annually.

Outputs:

- Increase the number of homes to 20 per year,
- Perform the critical repairs as a priority,
- Have maintenance education for all homeowners.

Priority Areas:

- Old Downtown / East McKinney-census tracts 309.03
 - Houses in this tract are 28 years of age,
 - The poverty level is 27.92% in 0309.03,
- Our second priority is East McKinney - census tract 309.01, with a poverty rate of 35.75%

Outcomes:

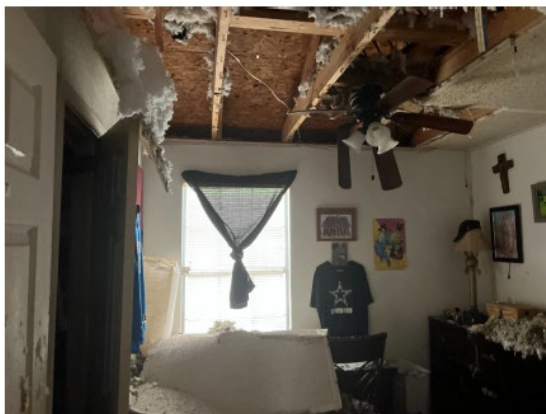
- Improve the quality of life of residents in 20 homes,
- Improve the quality of life for over 50 people,
- Improve the housing in the poverty area of McKinney,
- Develop partnerships with local businesses to assist HFHCC in improving McKinney.

All of these goals are very attainable, and with the funding from MCDC, we can use your funds to leverage funds from other funders.

Current McKinney Plans:

We currently have four major projects already in our system.

- **1405 Gough St., McKinney**
 - Family – Elderly blind senior raising two grandchildren
 - Scope of work: \$95,000
 - Exterior – Roof, New windows, new fence, Siding, Foundation – 9 Piers, French drain
 - Interior – Replace Hot Water Heater, Electrical Box, replace the flooring, Ceilings in 3 bedrooms, and paint and texture the entire home. Plumbing and Electrical.



See attached file for the additional projects.

Neighborhood Revitalization:

Neighborhood Revitalization is a holistic approach that expands Habitat's traditional partnership with new homeowners and volunteers to include neighbors and local organizations for a far greater impact in the communities we serve. While home construction continues to play a vital role, a bigger toolbox that includes repairs and other services allows Habitat to serve more families.

Our Neighborhood Revitalization program now has a new full-time manager. The new position of "Neighborhood Revitalization Manager" started this spring. The manager is responsible for building and maintaining relationships with key stakeholders in HFHCC-targeted communities and organizational partners. The manager position adds focus to our Home Repair Program and its potential growth and ability to serve more individuals.

505 Chestnut McKinney TX

\$150,000

Referred to Habitat by the City of McKinney

Elderly homeowner with no mortgage

Home needs major foundation work

HVAC installed to replace window units

Fix & update plumbing & remove of cast iron pipes

Wrap around porch is a complete safety hazard & will need to be rebuilt.

House needs a new roof

Existing bathroom has major plumbing issues & is not user friendly for the homeowner as he is unable to get in & out of the tub due to health.

Majority of windows are broken due to shift in foundation & will be need to be replaced.

Majority of wood on the outside of the home will need to be replaced.

All interior & exterior doors will need to be replaced due to the foundation issues.

This rehab that is located in the historical district



Habitat for Humanity of Collin County

Printed on Fri Jun 30, 2023 at 08:33 am CDT

TBD-505 Chestnut-Mckinney-Jasso
505 Chestnut
McKinney, Texas 75069
2147330239



Description

Taken Date

Uploaded By

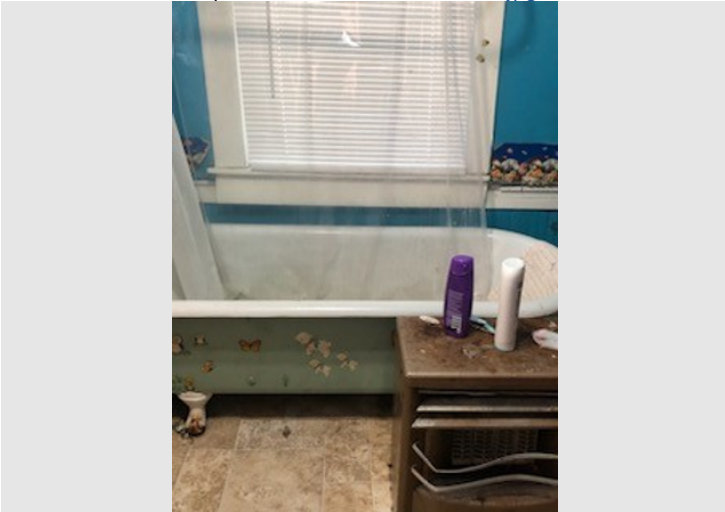
Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 Chestnut.jpg](#)



Description

Taken Date

06/29/2023 at 05:12 pm

Uploaded By

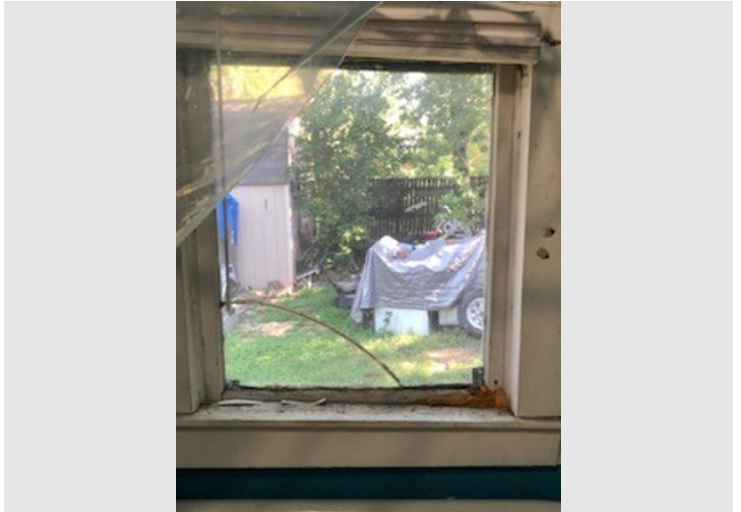
Contessa Corkern

Upload Date

06/29/2023 at 05:15 pm

File Name

[505 tub.jpg](#)



Description

Taken Date

06/29/2023 at 05:12 pm

Uploaded By

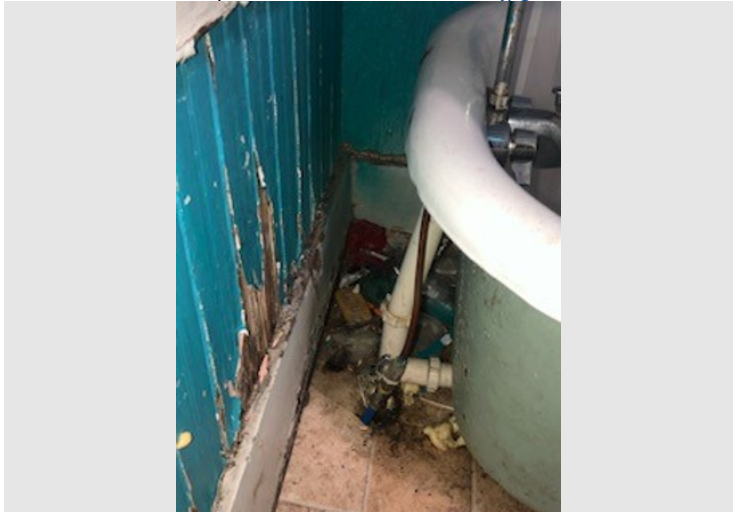
Contessa Corkern

Upload Date

06/29/2023 at 05:15 pm

File Name

[505 window .jpg](#)



Description

Taken Date

06/29/2023 at 05:11 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:15 pm

File Name

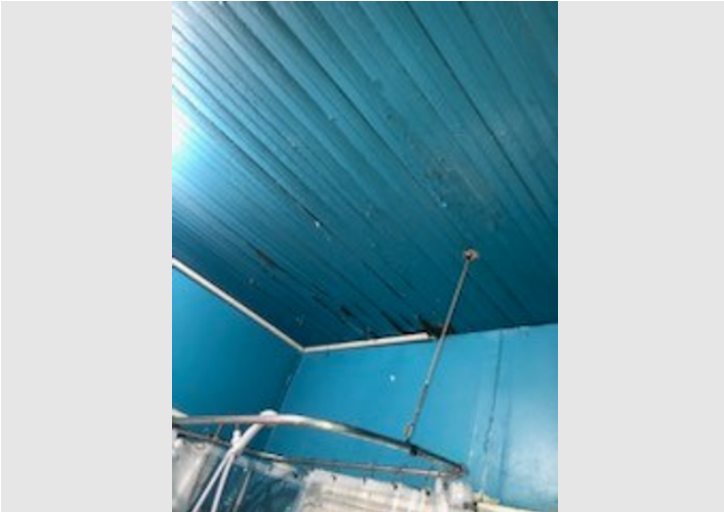
[505 plumbing.jpg](#)



Habitat for Humanity of Collin County

Printed on Fri Jun 30, 2023 at 08:33 am CDT

TBD-505 Chestnut-Mckinney-Jasso
505 Chestnut
McKinney, Texas 75069
2147330239



Description

Taken Date

06/29/2023 at 05:10 pm

Uploaded By

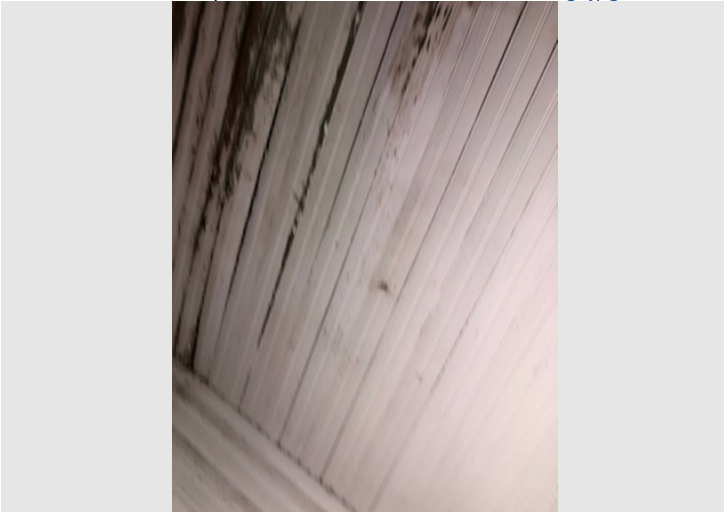
Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 bathroom ceiling .jpg](#)



Description

Taken Date

06/29/2023 at 05:09 pm

Uploaded By

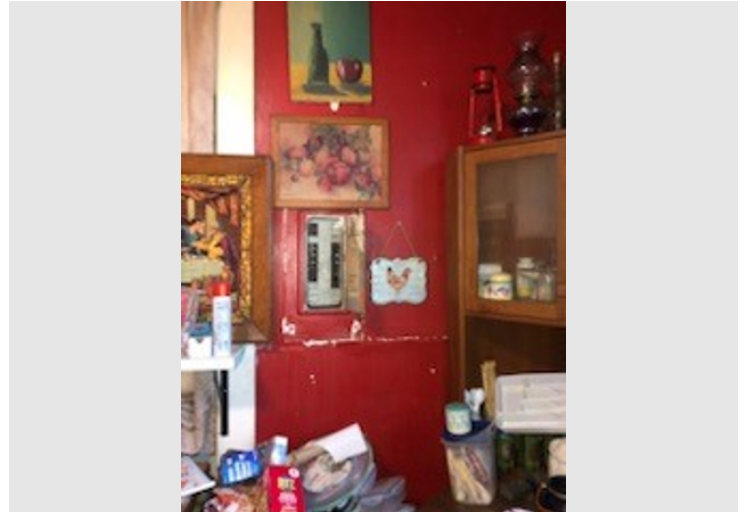
Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 ceiling water damage.jpg](#)



Description

Taken Date

06/29/2023 at 05:10 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 electrical panel.jpg](#)



Description

Taken Date

06/29/2023 at 05:08 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 more porch pics.jpg](#)



Description

Taken Date

06/29/2023 at 05:08 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:15 pm

File Name

[505 porch flat wood .jpg](#)



Description

Taken Date

06/29/2023 at 05:06 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 corner porch pic.jpg](#)



Description

Taken Date

06/29/2023 at 05:07 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:15 pm

File Name

[505 porch siding pic.jpg](#)



Description

Taken Date

06/29/2023 at 05:05 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:15 pm

File Name

[505 slanted column.jpg](#)



Habitat for Humanity of Collin County

Printed on Fri Jun 30, 2023 at 08:33 am CDT

TBD-505 Chestnut-Mckinney-Jasso
505 Chestnut
McKinney, Texas 75069
2147330239



Description

Taken Date

06/29/2023 at 05:05 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 taped window.jpg](#)



Description

Taken Date

06/29/2023 at 05:03 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 columns.jpg](#)



Description

Taken Date

06/29/2023 at 05:03 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 fence pic.jpg](#)



Description

Taken Date

06/29/2023 at 05:02 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:15 pm

File Name

[505 window broken .jpg](#)



Habitat for Humanity of Collin County

Printed on Fri Jun 30, 2023 at 08:33 am CDT

TBD-505 Chestnut-Mckinney-Jasso
505 Chestnut
McKinney, Texas 75069
2147330239



Description

Taken Date

06/29/2023 at 05:02 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:16 pm

File Name

[505 foundation side .jpg](#)



Description

Taken Date

06/29/2023 at 05:01 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 05:17 pm

File Name

[Chestnut Corner foundation .jpg](#)



Description

Taken Date

Upload Date

06/29/2023 at 04:59 pm

Uploaded By

Contessa Corkern

File Name

[505 Chestnut.jpg](#)

1103 Oak Street McKinney TX

\$75,000

Referred to Habitat by the City of McKinney

Elderly couple with no mortgage

House needs to be demolished

Shed needs to be demolished

Homeowners can relocate temporarily with family nearby

Habitat has a home that was given to us that we would like to place on this lot once its scraped. Foundation plans have been submitted to the city. Currently we are working thru the process with the city in hopes of moving the first home in 35 years IN TO the City of McKinney!

Estimated total cost: \$75,0000

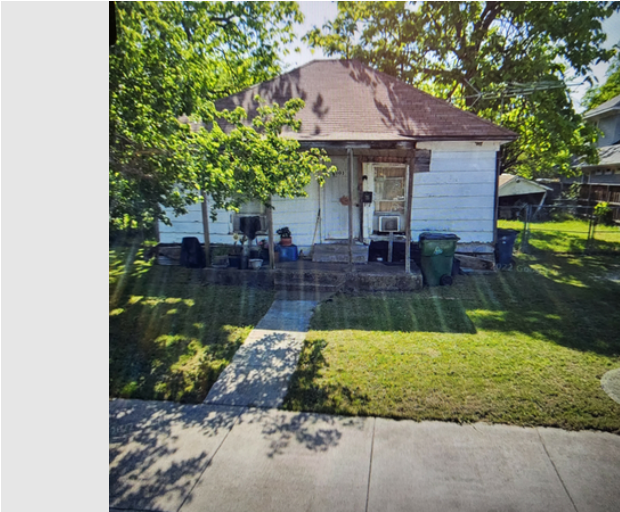
See attached pictures of the "Little Red House" minor improvements will need to be made, Habitat will be using flooring, cabinets, light fixtures & paint from the McKinney Habitat Restore. It is our hope to complete all city requirements in order to take this home that was given to us & give it to this family new & improved!



Habitat for Humanity of Collin County

Printed on Fri Jun 30, 2023 at 08:56 am CDT

TBD-1103 Oak Street-McKinney-Campos
1103 Oak Street
McKinney, Texas 75069
9723633715



Description



Description

Taken Date

06/29/2023 at 10:40 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:01 pm

File Name

[1103 Oak Street .jpg](#)



Description

Taken Date

03/27/2023 at 03:30 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:03 pm

File Name

[dee tree in roof & siding.jpg](#)



Description

Taken Date

03/27/2023 at 03:30 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:03 pm

File Name

[dee shed floor.jpg](#)

Taken Date

03/27/2023 at 03:30 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:03 pm

File Name

[Dee shed .jpg](#)



Description



Description

Taken Date

03/27/2023 at 03:30 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:03 pm

File Name

[Dee tree on roof.jpg](#)



Description

Taken Date

03/27/2023 at 03:30 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:04 pm

File Name

[dees foundation 2.jpg](#)



Description

Taken Date

03/27/2023 at 03:30 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:04 pm

File Name

[Dees gas.jpg](#)

Taken Date

03/27/2023 at 03:29 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:03 pm

File Name

[Dee window pic 3.jpg](#)



Description

Taken Date

03/27/2023 at 03:29 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:03 pm

File Name

[dee plastic foundation cover.jpg](#)



Description

Taken Date

03/27/2023 at 03:29 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:03 pm

File Name

[Dees AC.jpg](#)



Description

Taken Date

03/27/2023 at 03:29 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:04 pm

File Name

[dees siding 3.jpg](#)



Description

Taken Date

03/27/2023 at 03:28 pm

Uploaded By

Contessa Corkern

Upload Date

06/29/2023 at 11:04 pm

File Name

[Dees Porch.jpg](#)

6053 FM 1827 McKinney TX

Estimated total cost between \$60 & \$80,0000

Referred to Habitat by the City of McKinney

Elderly grandparents raising grandson, no mortgage

House needs new roof.

House needs framework thru out due to the length of time the interior has been exposed to outside elements door to the damage in the ceiling.

Electrical needs to be replaced & updated in some areas due to fire hazard.

Foundation work to majority of home

Ceilings & floors need to be replaced in at least 3 rooms due to water damage.

6 windows need to be replaced.

Porch is a hazard & needs to be redone or have improvements added to the structure.

With foundation repair at this magnitude, we anticipate plumbing & electrical being affected & will need to access the damage into the cost once the foundation work is done & the plumber & electrician can go out. Est below does not figure in that cost.



Description

Taken Date

05/17/2023 at 11:39 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:44 am

File Name

[fisher exterior wall.jpg](#)



Description

Taken Date

05/17/2023 at 11:36 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:45 am

File Name

[fisher roof porch siding .jpg](#)



Description

Taken Date

05/17/2023 at 11:36 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:45 am

File Name

[fisher roof overhang.jpg](#)



Description

Taken Date

05/17/2023 at 11:21 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:44 am

File Name

[fisher garage ceiling .jpg](#)



Description

Taken Date

05/17/2023 at 11:21 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:44 am

File Name

[fisher electrical.jpg](#)



Description

Taken Date

05/17/2023 at 11:20 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:29 am

File Name

[fisher ceiling.jpg](#)



Description

Taken Date

05/17/2023 at 11:20 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:44 am

File Name

[fisher kitchen .jpg](#)



Description

Taken Date

05/17/2023 at 11:20 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:29 am

File Name

[fisher ceiling 2.jpg](#)



Description

Taken Date

05/17/2023 at 11:19 am

Uploaded By

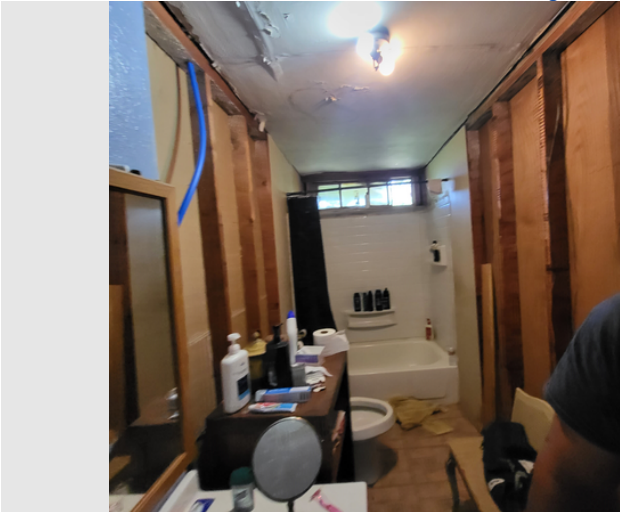
Contessa Corkern

Upload Date

06/30/2023 at 09:44 am

File Name

[fisher water damage ceiling.jpg](#)



Description

Taken Date

05/17/2023 at 11:16 am

Uploaded By

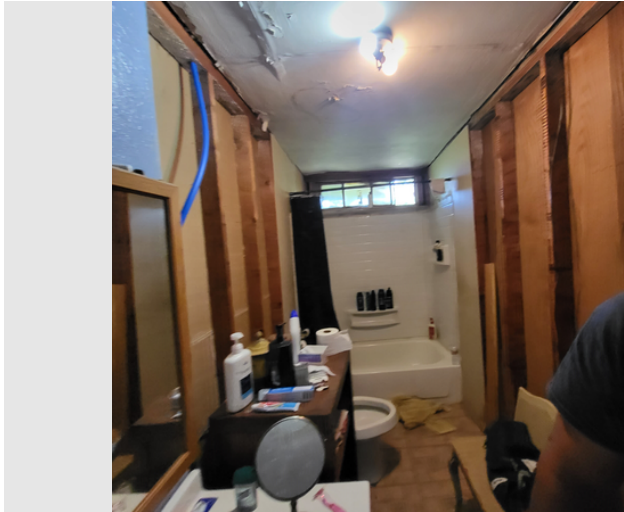
Contessa Corkern

Upload Date

06/30/2023 at 09:29 am

File Name

[fisher bathroom.jpg](#)



Description

Taken Date

05/17/2023 at 11:16 am

Uploaded By

Contessa Corkern

Upload Date

06/30/2023 at 09:45 am

File Name

[fisher bathroom.jpg](#)

Census Tracts around downtown McKinney Texas



2022 FFIEC Census Report - Summary Census Housing Information

MSA/MD: 19124 - DALLAS-PLANO-IRVING, TX

State: 48 - TEXAS (TX)

County: 085 - COLLIN COUNTY

Tract: All Tracts



State Code	County Code	Tract Code	Total Housing Units	1- to 4-Family Units	Median House Age (Years)	Inside Principal City?	Owner Occupied Units	Vacant Units	Owner Occupied 1- to 4- Family Units	Renter Occupied Units
48	085	0301.01	807	807	28	No	641	57	641	109
48	085	0301.02	1138	1138	27	No	795	127	795	216
48	085	0302.01	1239	1209	18	No	914	85	914	240
48	085	0302.02	1290	1290	20	No	1047	104	1047	139
48	085	0302.04	2477	2020	14	No	1498	123	1498	856
48	085	0302.05	1597	1597	12	No	1166	178	1166	253
48	085	0302.06	1064	1064	8	No	956	0	956	108
48	085	0302.07	3009	2984	13	No	2415	304	2415	290
48	085	0303.01	2754	2754	9	No	2229	144	2229	381
48	085	0303.02	1516	1516	9	No	1306	147	1306	63
48	085	0303.03	3311	2835	11	No	2629	242	2629	440
48	085	0303.04	2160	2146	2002	No	1752	258	1752	150
48	085	0303.06	3016	2993	13	No	2552	114	2552	350
48	085	0303.07	3636	3636	12	No	3283	90	3283	263
48	085	0304.03	2407	2368	24	No	1541	166	1541	700
48	085	0304.04	2333	2333	23	No	1883	77	1883	373
48	085	0304.05	2623	1154	21	No	877	211	864	1535
48	085	0304.06	2142	920	16	No	479	63	479	1600
48	085	0304.07	1468	1468	18	No	1200	82	1200	186
48	085	0304.09	1464	513	20	No	279	156	231	1029
48	085	0304.10	1878	1031	23	No	631	133	631	1114
48	085	0305.04	2093	724	17	No	625	238	625	1230
48	085	0305.05	3942	363	10	No	184	460	184	3298
48	085	0305.06	2031	1281	20	No	1013	185	1013	833
48	085	0305.07	651	651	23	No	548	30	548	73
48	085	0305.09	1082	970	18	No	803	94	803	185
48	085	0305.10	1201	1187	19	No	818	18	818	365
48	085	0305.11	3860	3860	9	No	3441	189	3441	230
48	085	0305.12	1606	1606	0	No	1540	0	1540	66
48	085	0305.15	2338	2338	17	No	1982	35	1982	321
48	085	0305.16	2275	2134	14	No	1684	20	1684	571
48	085	0305.17	3651	2535	12	No	2182	59	2170	1410
48	085	0305.18	2466	2458	7	No	2352	68	2352	46
48	085	0305.19	2437	1876	2002	No	1450	399	1450	588
48	085	0305.20	2283	1802	0	No	1406	61	1406	816
48	085	0305.21	1484	1484	13	No	1188	19	1188	277
48	085	0305.24	2256	2252	2002	No	1948	0	1944	308
48	085	0305.25	2040	1699	18	No	1635	45	1635	360
48	085	0305.29	1200	964	16	No	723	82	723	395
48	085	0305.31	2553	2236	17	No	2085	95	2085	373
48	085	0305.32	1179	794	24	No	565	66	565	548

State Code	County Code	Tract Code	Total Housing Units	1- to 4-Family Units	Median House Age (Years)	Inside Principal City?	Owner Occupied Units	Vacant Units	Owner Occupied 1- to 4- Family Units	Renter Occupied Units
48	085	0305.33	1116	1116	25	No	954	0	954	162
48	085	0305.34	1049	1049	24	No	869	0	869	180
48	085	0305.35	1343	892	21	No	783	76	769	484
48	085	0305.36	2058	2058	12	No	1767	81	1767	210
48	085	0305.37	2013	1873	2002	No	1683	60	1683	270
48	085	0305.38	1844	1821	13	No	1319	41	1319	484
48	085	0305.39	2134	2068	15	No	1387	72	1349	675
48	085	0305.40	1673	291	6	No	153	259	153	1261
48	085	0305.41	1083	1047	11	No	907	113	907	63
48	085	0305.42	2962	1419	2002	No	1164	369	1164	1429
48	085	0305.43	1432	304	2002	No	276	203	276	953
48	085	0305.44	2062	1257	17	No	1191	47	1191	824
48	085	0305.45	1063	1063	21	No	992	0	992	71
48	085	0305.46	1804	1484	12	No	1327	108	1327	369
48	085	0305.47	2189	1674	13	No	1554	83	1554	552
48	085	0305.48	1939	1939	15	No	1342	0	1342	597
48	085	0305.49	948	931	23	No	625	55	625	268
48	085	0305.50	1617	1617	24	No	1183	0	1183	434
48	085	0306.04	893	893	16	No	670	10	670	213
48	085	0306.05	2461	1939	19	No	1112	190	1112	1159
48	085	0306.06	2408	1306	22	No	1104	315	1058	989
48	085	0306.07	1942	1942	25	No	1790	14	1790	138
48	085	0306.08	698	526	28	No	413	56	397	229
48	085	0306.09	2889	2557	20	No	2125	119	2125	645
48	085	0307.01	1364	1119	46	No	666	113	666	585
48	085	0307.02	2115	1910	57	No	1166	55	1166	894
48	085	0308.01	2100	762	20	No	431	89	431	1580
48	085	0308.02	2409	1398	33	No	663	328	650	1418
48	085	0309.01	614	547	17	No	265	33	265	316
48	085	0309.02	0	0	0	No	0	0	0	0
48	085	0309.03	2704	1683	28	No	1194	221	1194	1289
48	085	0310.03	2703	2703	12	No	2218	102	2218	383
48	085	0310.05	1357	1227	40	No	815	91	815	451
48	085	0310.06	837	788	28	No	642	39	642	156
48	085	0310.07	1353	1283	19	No	1008	115	1008	230
48	085	0310.08	1056	1027	26	No	529	212	529	315
48	085	0311.01	2005	1815	43	No	1302	193	1302	510
48	085	0311.02	1954	1945	21	No	1435	312	1435	207
48	085	0312.01	1940	1937	16	No	1672	82	1672	186
48	085	0312.02	1691	1691	15	Yes	1452	46	1452	193
48	085	0313.08	2025	1851	21	No	1494	12	1494	519
48	085	0313.14	1431	1431	14	No	1255	133	1255	43
48	085	0313.18	1645	1510	15	No	1178	131	1178	336
48	085	0313.19	1522	1080	19	No	785	58	785	679
48	085	0313.20	2091	1951	26	No	1592	21	1592	478
48	085	0313.21	1637	1637	14	Yes	1513	0	1513	124

State Code	County Code	Tract Code	Tract Income Level	2020 MSA/MD Statewide non-MSA/MD Median Family Income	2022 FFIEC Est. MSA/MD non-MSA/MD Median Family Income	% Below Poverty Line	Tract Median Family Income %	2020 Tract Median Family Income	2022 Est. Tract Median Family Income	2020 Tract Median Household Income
48	085	0305.32	Upper	\$88,315	\$97,400	8.36	185.24	\$163,600	\$180,424	\$110,325
48	085	0305.33	Upper	\$88,315	\$97,400	1.67	199.08	\$175,823	\$193,904	\$165,000
48	085	0305.34	Upper	\$88,315	\$97,400	1.43	155.16	\$137,031	\$151,126	\$134,781
48	085	0305.35	Upper	\$88,315	\$97,400	5.27	120.48	\$106,406	\$117,348	\$75,638
48	085	0305.36	Upper	\$88,315	\$97,400	0.26	162.69	\$143,680	\$158,460	\$142,905
48	085	0305.37	Upper	\$88,315	\$97,400	5.93	154.07	\$136,071	\$150,064	\$133,118
48	085	0305.38	Upper	\$88,315	\$97,400	4.67	153.97	\$135,984	\$149,967	\$132,660
48	085	0305.39	Upper	\$88,315	\$97,400	4.07	137.36	\$121,311	\$133,789	\$108,696
48	085	0305.40	Moderate	\$88,315	\$97,400	5.84	64.03	\$56,556	\$62,365	\$56,472
48	085	0305.41	Upper	\$88,315	\$97,400	0.00	167.08	\$147,560	\$162,736	\$145,307
48	085	0305.42	Upper	\$88,315	\$97,400	4.53	129.05	\$113,971	\$125,695	\$88,264
48	085	0305.43	Unknown	\$88,315	\$97,400	25.68	0.00	\$0	\$0	\$65,069
48	085	0305.44	Upper	\$88,315	\$97,400	1.08	135.15	\$119,366	\$131,636	\$96,528
48	085	0305.45	Upper	\$88,315	\$97,400	2.13	182.58	\$161,250	\$177,833	\$139,534
48	085	0305.46	Upper	\$88,315	\$97,400	3.44	197.32	\$174,269	\$192,190	\$160,221
48	085	0305.47	Upper	\$88,315	\$97,400	4.22	187.93	\$165,972	\$183,044	\$151,944
48	085	0305.48	Upper	\$88,315	\$97,400	3.96	147.92	\$130,643	\$144,074	\$135,375
48	085	0305.49	Upper	\$88,315	\$97,400	4.45	128.11	\$113,147	\$124,779	\$85,179
48	085	0305.50	Upper	\$88,315	\$97,400	1.98	130.46	\$115,222	\$127,068	\$97,542
48	085	0306.04	Upper	\$88,315	\$97,400	0.32	128.87	\$113,819	\$125,519	\$109,688
48	085	0306.05	Middle	\$88,315	\$97,400	14.37	94.21	\$83,202	\$91,761	\$84,031
48	085	0306.06	Middle	\$88,315	\$97,400	6.50	102.07	\$90,147	\$99,416	\$68,495
48	085	0306.07	Upper	\$88,315	\$97,400	1.03	172.71	\$152,534	\$168,220	\$147,250
48	085	0306.08	Upper	\$88,315	\$97,400	1.58	123.09	\$108,713	\$119,890	\$79,900
48	085	0306.09	Upper	\$88,315	\$97,400	7.17	128.07	\$113,108	\$124,740	\$103,864
48	085	0307.01	Middle	\$88,315	\$97,400	8.07	91.64	\$80,938	\$89,257	\$85,130
48	085	0307.02	Middle	\$88,315	\$97,400	15.88	88.89	\$78,507	\$86,579	\$70,000
48	085	0308.01	Moderate	\$88,315	\$97,400	8.19	64.90	\$57,321	\$63,213	\$55,897
48	085	0308.02	Moderate	\$88,315	\$97,400	16.03	63.69	\$56,250	\$62,034	\$44,133
48	085	0309.01	Unknown	\$88,315	\$97,400	35.75	0.00	\$0	\$0	\$34,152
48	085	0309.02	Unknown	\$88,315	\$97,400	0.00	0.00	\$0	\$0	\$0
48	085	0309.03	Moderate	\$88,315	\$97,400	27.92	64.78	\$57,214	\$63,096	\$33,125
48	085	0310.03	Middle	\$88,315	\$97,400	8.59	96.85	\$85,536	\$94,332	\$83,381
48	085	0310.05	Middle	\$88,315	\$97,400	8.51	86.86	\$76,719	\$84,602	\$57,589
48	085	0310.06	Middle	\$88,315	\$97,400	4.64	80.53	\$71,125	\$78,436	\$68,636
48	085	0310.07	Middle	\$88,315	\$97,400	3.93	97.13	\$85,781	\$94,605	\$83,311
48	085	0310.08	Moderate	\$88,315	\$97,400	2.54	65.39	\$57,757	\$63,690	\$52,000
48	085	0311.01	Middle	\$88,315	\$97,400	10.25	100.38	\$88,654	\$97,770	\$63,500
48	085	0311.02	Middle	\$88,315	\$97,400	5.32	119.02	\$105,117	\$115,925	\$87,902
48	085	0312.01	Middle	\$88,315	\$97,400	4.46	115.63	\$102,125	\$112,624	\$89,470
48	085	0312.02	Upper	\$88,315	\$97,400	1.05	128.50	\$113,490	\$125,159	\$99,464
48	085	0313.08	Upper	\$88,315	\$97,400	10.13	125.75	\$111,058	\$122,481	\$101,641
48	085	0313.14	Upper	\$88,315	\$97,400	1.34	149.84	\$132,335	\$145,944	\$140,761
48	085	0313.18	Upper	\$88,315	\$97,400	8.37	120.97	\$106,838	\$117,825	\$105,662
48	085	0313.19	Moderate	\$88,315	\$97,400	7.37	75.87	\$67,008	\$73,897	\$61,230

2022 FFIEC Census Report - Summary Census Population Information

MSA/MD: 19124 - DALLAS-PLANO-IRVING, TX

State: 48 - TEXAS (TX)

County: 085 - COLLIN COUNTY

Tract: All Tracts



State Code	County Code	Tract Code	Tract Population	Tract Minority %	Number of Families	Number of Households	Non-Hisp White Population	Tract Minority Population	American Indian Population	Asian/Hawaiian/Pacific Islander Population	Black Population	Hispanic Population	Other Population/Two or More Races
48	085	0301.01	3595	30.18	596	750	2510	1085	29	42	41	782	191
48	085	0301.02	4282	26.69	831	1011	3139	1143	25	24	48	832	214
48	085	0302.01	6175	34.02	1024	1154	4074	2101	55	207	593	905	341
48	085	0302.02	6345	31.96	983	1186	4317	2028	24	297	513	850	344
48	085	0302.04	7554	42.65	2019	2354	4332	3222	37	148	907	1705	425
48	085	0302.05	4869	43.89	1201	1419	2732	2137	35	101	583	1119	299
48	085	0302.06	4565	37.06	1009	1064	2873	1692	39	210	487	672	284
48	085	0302.07	14195	38.16	2370	2705	8778	5417	104	376	1563	2586	788
48	085	0303.01	9945	39.00	2286	2610	6066	3879	34	1025	1108	1130	582
48	085	0303.02	5812	21.71	1339	1369	4550	1262	4	221	353	373	311
48	085	0303.03	10198	31.40	2782	3069	6996	3202	37	758	874	1015	518
48	085	0303.04	7973	29.00	1695	1902	5661	2312	59	486	451	888	428
48	085	0303.06	11608	33.75	2431	2902	7690	3918	54	514	669	2082	599
48	085	0303.07	12663	27.74	3192	3546	9150	3513	67	486	699	1579	682
48	085	0304.03	5616	39.46	1832	2241	3400	2216	29	332	444	1051	360
48	085	0304.04	5535	44.91	1544	2256	3049	2486	12	787	578	852	257
48	085	0304.05	4546	53.70	1348	2412	2105	2441	21	595	691	853	281
48	085	0304.06	5622	60.89	1020	2079	2199	3423	36	828	742	1521	296
48	085	0304.07	3868	33.14	1072	1386	2586	1282	24	447	226	369	216
48	085	0304.09	3619	58.75	747	1308	1493	2126	8	263	529	1159	167
48	085	0304.10	4349	50.45	865	1745	2155	2194	9	219	497	1236	233
48	085	0305.04	4417	42.22	827	1855	2552	1865	10	530	581	518	226
48	085	0305.05	5903	57.33	1186	3482	2519	3384	34	1340	770	771	469
48	085	0305.06	4543	50.28	1074	1846	2259	2284	10	1079	435	525	235
48	085	0305.07	1810	37.96	512	621	1123	687	3	296	84	191	113
48	085	0305.09	2507	45.51	767	988	1366	1141	7	595	174	259	106
48	085	0305.10	3107	53.85	1007	1183	1434	1673	6	629	430	423	185
48	085	0305.11	14451	71.78	3326	3671	4078	10373	37	8162	737	944	493
48	085	0305.12	4566	47.35	1490	1606	2404	2162	13	1484	165	321	179
48	085	0305.15	6444	43.08	1934	2303	3668	2776	36	670	861	852	357
48	085	0305.16	7412	56.52	1855	2255	3223	4189	33	1876	949	942	389
48	085	0305.17	9512	47.90	2719	3592	4956	4556	34	1533	1256	1175	558
48	085	0305.18	9638	75.90	2360	2398	2323	7315	36	5994	569	359	357
48	085	0305.19	8888	60.11	1657	2038	3545	5343	22	2726	963	1067	565
48	085	0305.20	6791	60.04	1880	2222	2714	4077	24	1736	1051	856	410
48	085	0305.21	5252	73.42	1344	1465	1396	3856	19	2346	695	540	256
48	085	0305.24	8990	60.69	1886	2256	3534	5456	40	2753	1086	1152	425
48	085	0305.25	5966	22.31	1773	1995	4635	1331	11	265	298	494	263
48	085	0305.29	3710	37.14	903	1118	2332	1378	4	331	376	443	224
48	085	0305.31	6856	24.85	1969	2458	5152	1704	27	423	336	607	311
48	085	0305.32	3015	41.29	686	1113	1770	1245	10	653	141	293	148

State Code	County Code	Tract Code	Tract Population	Tract Minority %	Number of Families	Number of Households	Non-Hisp White Population	Tract Minority Population	American Indian Population	Asian/ Hawaiian/ Pacific Islander Population	Black Population	Hispanic Population	Other Population/ Two or More Races
48	085	0305.33	3355	34.52	849	1116	2197	1158	11	400	130	415	202
48	085	0305.34	3173	23.35	884	1049	2432	741	6	89	181	315	150
48	085	0305.35	2786	24.80	674	1267	2095	691	5	119	124	282	161
48	085	0305.36	7209	68.14	1933	1977	2297	4912	23	2753	971	790	375
48	085	0305.37	7579	59.34	1768	1953	3082	4497	25	2663	619	781	409
48	085	0305.38	5584	62.39	1647	1803	2100	3484	18	1499	1035	633	299
48	085	0305.39	5448	44.81	1736	2062	3007	2441	19	569	875	706	272
48	085	0305.40	4154	62.71	782	1414	1549	2605	10	690	1092	549	264
48	085	0305.41	4468	58.95	797	970	1834	2634	11	1580	437	379	227
48	085	0305.42	8325	55.35	1488	2593	3717	4608	38	2134	1118	897	421
48	085	0305.43	3672	69.04	894	1229	1137	2535	10	1322	612	430	161
48	085	0305.44	5510	34.65	1510	2015	3601	1909	20	407	456	719	307
48	085	0305.45	3034	22.58	940	1063	2349	685	10	190	104	231	150
48	085	0305.46	5611	35.59	1295	1696	3614	1997	10	525	596	596	270
48	085	0305.47	5715	32.53	1848	2106	3856	1859	25	358	541	650	285
48	085	0305.48	4794	40.28	1744	1939	2863	1931	20	342	636	684	249
48	085	0305.49	2612	45.67	669	893	1419	1193	5	164	354	514	156
48	085	0305.50	4218	42.84	1228	1617	2411	1807	12	393	543	627	232
48	085	0306.04	3353	45.57	835	883	1825	1528	8	160	656	569	135
48	085	0306.05	6758	56.02	1916	2271	2972	3786	23	367	1495	1490	411
48	085	0306.06	5597	46.20	1560	2093	3011	2586	24	277	1168	855	262
48	085	0306.07	5200	22.15	1771	1928	4048	1152	42	238	205	423	244
48	085	0306.08	2508	48.56	343	642	1290	1218	10	77	345	654	132
48	085	0306.09	6776	45.45	2367	2770	3696	3080	29	663	934	1123	331
48	085	0307.01	3363	58.97	748	1251	1380	1983	18	64	366	1392	143
48	085	0307.02	4874	48.89	1444	2060	2491	2383	12	36	343	1800	192
48	085	0308.01	4521	58.00	1127	2011	1899	2622	24	233	979	1108	278
48	085	0308.02	6099	58.53	1517	2081	2529	3570	29	80	810	2383	268
48	085	0309.01	2335	81.93	399	581	422	1913	5	61	659	1100	88
48	085	0309.02	6	0.00	0	0	6	0	0	0	0	0	0
48	085	0309.03	7763	71.62	1309	2483	2203	5560	23	146	908	4314	169
48	085	0310.03	12022	53.98	2171	2601	5532	6490	63	460	1894	3456	617
48	085	0310.05	3126	43.92	992	1266	1753	1373	24	38	107	1066	138
48	085	0310.06	3460	46.85	651	798	1839	1621	13	37	83	1331	157
48	085	0310.07	6291	50.64	1042	1238	3105	3186	18	129	554	2175	310
48	085	0310.08	3229	49.61	583	844	1627	1602	40	27	35	1415	85
48	085	0311.01	5837	35.65	1256	1812	3756	2081	18	46	251	1497	269
48	085	0311.02	6507	41.19	1210	1642	3827	2680	52	64	127	2089	348
48	085	0312.01	7895	32.74	1516	1858	5310	2585	36	147	414	1587	401
48	085	0312.02	7224	39.92	1357	1645	4340	2884	63	177	537	1804	303
48	085	0313.08	6999	41.71	1701	2013	4080	2919	40	422	786	1240	431
48	085	0313.14	6001	39.96	1189	1298	3603	2398	32	681	537	811	337
48	085	0313.18	5832	47.46	1262	1514	3064	2768	24	473	830	1098	343
48	085	0313.19	4707	52.90	977	1464	2217	2490	28	376	917	887	282
48	085	0313.20	6153	34.89	1613	2070	4006	2147	37	249	517	1025	319

**HABITAT FOR HUMANITY
OF COLLIN COUNTY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2022**

WITH INDEPENDENT AUDITOR'S REPORT

HABITAT FOR HUMANITY OF COLLIN COUNTY

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1 – 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses Year Ended June 30, 2022	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7 – 15

THIS PAGE LEFT BLANK INTENTIONALLY



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Habitat for Humanity of Collin County, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Habitat for Humanity of Collin County as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Habitat for Humanity of Collin County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of Collin County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston

NEW MEXICO | Albuquerque

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Habitat for Humanity of Collin County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of Collin County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Waco, Texas
January 27, 2023

FINANCIAL STATEMENTS

HABITAT FOR HUMANITY OF COLLIN COUNTY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

	<u>2022</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 353,006
Restricted cash	171,870
Contributions receivable	105,039
Inventory - ReStore	202,382
Inventory - land held for development	657,868
Non-interest bearing mortgages receivable, current portion	410,905
TDHCA Boot Strap agency receivables, current portion	144,534
Due from ReStore	24,912
Prepaid expenses	14,780
Other receivables	<u>40,781</u>
Total current assets	<u>2,126,077</u>
LONG-TERM ASSETS	
Property and equipment (net)	1,204,632
Contributions receivable	28,840
Non-interest bearing mortgages receivable, long-term portion	5,906,110
TDHCA Boot Strap agency receivables, long-term portion	2,125,429
HBA agency receivable	10,099
Discount on non-interest bearing mortgage	(3,787,006)
Construction in progress	<u>2,755,385</u>
Total long-term assets	<u>8,243,489</u>
Total assets	<u>\$ 10,369,566</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable and accrued expenses	\$ 232,001
Escrow-mortgage holders	174,050
Due to TDHCA Boot Strap, current portion	144,534
Line of credit	415,675
Notes payable, current portion (net of discount)	<u>537,284</u>
Total current liabilities	<u>1,503,544</u>
LONG-TERM LIABILITIES	
Due to TDHCA Bootstrap, long-term portion	2,120,247
Due to HBA	895
Notes payable, long-term portion (net of discount)	<u>1,596,845</u>
Total long-term liabilities	<u>3,717,987</u>
Total liabilities	<u>5,221,531</u>
NET ASSETS	
Without donor restriction	4,859,606
With donor restriction	<u>288,429</u>
Total net assets	<u>5,148,035</u>
Total liabilities and net assets	<u>\$ 10,369,566</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Without donor restriction	With donor restriction	2022 Total
REVENUE AND OTHER SUPPORT			
Grants	\$ 892,556	\$ 292,334	\$ 1,184,890
Contributions	301,100	352,299	653,399
Contributions - non cash	35,099	-	35,099
Donated materials	1,107,738	-	1,107,738
Discount amortization	355,199	-	355,199
Transfers to homeowners	391,600	-	391,600
ReStore sales	1,551,614	-	1,551,614
Miscellaneous	55,160	-	55,160
Interest income	356	-	356
Net assets released from restrictions	<u>667,478</u>	<u>(667,478)</u>	<u>-</u>
Total revenue and other support	<u>5,357,900</u>	<u>(22,845)</u>	<u>5,335,055</u>
EXPENSES			
Home ownership program	1,569,798	-	1,569,798
ReStore program	2,686,118	-	2,686,118
Fundraising	272,364	-	272,364
Management and administrative	<u>342,732</u>	<u>-</u>	<u>342,732</u>
Total expenses	<u>4,871,012</u>	<u>-</u>	<u>4,871,012</u>
OTHER INCOME/(EXPENSES)			
Gain on disposition of assets	<u>102,748</u>	<u>-</u>	<u>102,748</u>
CHANGE IN NET ASSETS	589,636	(22,845)	566,791
NET ASSETS, BEGINNING OF YEAR	4,571,433	311,274	4,882,707
PRIOR PERIOD ADJUSTMENT	<u>(301,463)</u>	<u>-</u>	<u>(301,463)</u>
NET ASSETS, END OF YEAR	<u>\$ 4,859,606</u>	<u>\$ 288,429</u>	<u>\$ 5,148,035</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	Program Services		Support Services		Total
	Home Ownership	ReStore	Fundraising	Management and Administrative	2022
Bank charges	\$ -	\$ -	\$ -	\$ 2,831	\$ 2,831
Conference, convention, meetings	2,917	1,565	2,462	1,471	8,415
Consulting	5,229	-	-	18,914	24,143
Contract labor	1,740	-	-	20,952	22,692
Credit card fees	1,024	30,658	5,212	1,246	38,140
Depreciation expense	12,683	66,223	-	6,541	85,447
Dues and subscriptions	8,776	3,935	7,919	8,655	29,285
Equipment lease	1,509	2,454	907	1,213	6,083
Fleet Expense	31,664	43,020	113	720	75,517
Insurance	20,412	36,618	2,457	2,456	61,943
Interest expense	838	-	-	38,868	39,706
Materials and supplies	412,398	1,319,113	-	-	1,731,511
Miscellaneous	-	-	-	989	989
Mortgage discount	178,063	-	-	-	178,063
Office expenses	4,718	23,351	1,316	8,482	37,867
Postage	536	414	3,058	2,801	6,809
Printing, promotions, and advertising	5,580	40,055	25,500	136	71,271
Professional fees	4,720	5,310	-	1,770	11,800
Program expenses	234,252	-	-	-	234,252
Rent - warehouse/Plano ReStore/storage	-	238,571	-	-	238,571
Repairs & Maintenance	3,402	41,219	4,918	4,916	54,455
Salaries and benefits	570,669	712,149	214,860	208,016	1,705,694
Telephone	6,240	13,062	859	6,554	26,715
HfH International tithe/SOSI fee	50,000	-	-	-	50,000
Travel	1,961	498	509	2,927	5,895
Utilities	10,467	107,903	2,274	2,274	122,918
Total expenses	\$ <u>1,569,798</u>	\$ <u>2,686,118</u>	\$ <u>272,364</u>	\$ <u>342,732</u>	\$ <u>4,871,012</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 566,791
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	85,447
Discount amortization-mortgages	(355,199)
Transfer to homeowners	(383,500)
Gain on the disposal of assets	(102,748)
Effect of changes in assets and liabilities:	
(Increase) decrease in inventories - (lots)	112,392
(Increase) decrease in inventories - (resale)	6,598
(Increase) decrease in contributions receivable	61,430
(Increase) decrease in agency receivable	(5,352)
(Increase) decrease in other receivables	44,546
(Increase) decrease in homes under construction	(1,132,864)
Increase (decrease) in accounts payable and accrued expenses	<u>70,338</u>
Net cash used by operating activities	<u>(1,032,121)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net proceeds/purchases of land, building and equipment	87,007
Net loan proceeds/payments	292,530
Mortgage payments received	<u>916,059</u>
Net cash provided by investing activities	<u>1,295,596</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	263,475
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>261,401</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>524,876</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Issuance of non-interest bearing mortgage loans	\$ 383,500
Discount on non-interest bearing mortgages loans	<u>(178,063)</u>
Transfers to homeowners subject to non-interest bearing mortgage loans	\$ <u>205,437</u>
Cash paid for interest	\$ <u>39,706</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

1. ORGANIZATION

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

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

The 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. The Habitat expects to continue to finance its operations through continuing contributions and mortgage receipts.

The 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 the Habitat's community programs.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Such net assets are available for any purpose consistent with the Habitat's mission. Designations of net assets by the governing board do not have the same legal requirements as do restrictions of funds and are included in this category.

Net Assets With Donor Restrictions – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Habitat and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Habitat considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2022.

Restricted Cash

As of June 30, 2022, restricted cash of \$171,870 consisted of \$163,709 restricted by donors for future builds and youth projects and \$8,161 designated by the Board of Directors for purposes of renovations and reserves.

Contributions Receivable

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

Mortgages Receivable

Mortgages receivables consist of non-interest-bearing mortgages, which are secured by real estate and payable in monthly installments. The mortgages have an original maturity of 20 - 30 years. These mortgages have been discounted at various rates ranging from 7.23% to 8.78% 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 fair value at the date of the contribution. Included in land costs are any costs incurred in development. When revenue from the sale of a home is recognized, the corresponding costs are then expensed in the statement of activities as program services.

Support

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

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

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

Estimates

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

Income Taxes

The Habitat has been granted exemptions from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2022, the Habitat collected unrelated business taxable income ("UBTI") and has prepared a Form 990-T to pay the related tax. However, no provision for income taxes is reflected in the financial statements.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Habitat may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Habitat and various positions related to the potential sources of UBTI. There were no unrecognized tax benefits identified or recorded as assets or liabilities for fiscal year 2022.

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

Expense Allocation

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

Donated Services

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

Transfer or Sale to Homeowners

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

Home Construction Costs

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

Compensated Absences

Employees of the Habitat are entitled to paid vacations, sick days, and personal days off, depending on job classification, length of service, and other factors. The accrued paid time off is included in salaries and wages expense. Employees earn paid time off according to a set schedule based on length of service, and a maximum of 40 hours can be carried over to the next anniversary year. However, the employee handbook states that whether the employee can receive the cash value of unused hours earned is up to the Habitat's discretion determined upon a variety of factors such as employee's departure, how much notice is given of the departure and any other considerations the Habitat deems significant. Given these facts, the Habitat has elected to accrue \$16,904 for the year ended June 30, 2022 to estimate for potential payouts.

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>2022</u>
Land	\$ 253,847
Buildings	1,373,421
Equipment	51,257
ReStore equipment	312,022
Leasehold improvements	83,196
Vehicles	<u>192,172</u>
	2,265,915
Less accumulated depreciation	<u>(1,061,283)</u>
Total property and equipment, net depreciation	<u>\$ 1,204,632</u>

Depreciation expense for the years ended June 30, 2022, was \$85,447.

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, 2022</u>	
	<u>Homes</u>	<u>Cost</u>
Homes under construction at beginning of year	4	\$ 1,622,520
Additional cost incurred during the year	-	1,117,135
New homes started during the year	7	421,919
Homes transferred during the year	<u>(2)</u>	<u>(406,189)</u>
Homes under construction at year-end	<u>9</u>	<u>\$ 2,755,385</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 \$657,868 as of June 30, 2022.

Inventory for the ReStore consists of items for resale which have been purchased by Habitat. All purchased inventory is valued at the lower of cost or market. The balance of inventory totaled \$202,382 as of June 30, 2022. Donated inventory for sale in the ReStore is no longer recorded in the financial statements, as most items become obsolete or resale for minimal profit.

6. SALES TO HOMEOWNERS

During the year ended June 30, 2022, two homes were sold to qualifying applicants. The resulting mortgages are non-interest bearing and the presentation of their book value has been discounted based upon the prevailing market rates for low-income housing at the inception of the mortgages. The discount rate for the year ended June 30, 2022, was 7.49%, and the discounts totaled \$176,787.

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, 2022, are as follows:

	<u>2022</u>
Mortgages receivable (at face value)	\$ 6,317,015
Unamortized discount on mortgages	<u>(3,787,006)</u>
Mortgages receivable, net of discount	\$ <u>2,530,009</u>

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

2023	\$ 409,963
2024	409,963
2025	409,963
2026	409,963
2027	409,963
Thereafter	<u>480,194</u>
Total	\$ <u>2,530,009</u>

Mortgages are considered delinquent when the monthly mortgage payment is at least 31 days past due. As of June 30, 2022, fourteen mortgages totaling \$67,402 were past due. The Habitat is in the process of making arrangements with the individual homeowners to bring their balance to current. All balances are believed to be collectible, and no allowance has been recognized.

Some of the homeowners who have mortgages with the Habitat have entered into a secondary loan agreement with the Texas Department of Housing and Community Affairs ("TDHCA") Texas Boot Strap Loan Program. The Habitat continues to collect and manage these mortgages, and then remits the amount collected to the agency. These amounts are reported as agency receivables and agency payables on the statement of financial position and normally do not have any effect on the change in net assets. As of June 30, 2022, the balance in the agency receivables is \$2,269,963 and agency payables account are \$2,264,781. Typically, the balance of the agency receivable equals the balance of the agency payable. However, during the 2019 fiscal year, one homeowner sold their home. While the Habitat wrote off the outstanding receivable from the homeowner, Habitat is still liable to TDHCA for the balance due to them from the homeowner.

During fiscal year 2012, three homeowners, and fiscal year 2013, one homeowner, also entered into secondary agreements with the Texas Department of Housing and Community Affairs Homebuyer Assistance Program. Similar as to their agreement with the TDHCA Texas Boot Strap Loan Program, Habitat continues to collect and manage these mortgages and then remits the amount collected to the agency. These amounts are reported as agency receivables and agency payables on the statement of financial position and do not have any effect on the change in net assets. As of June 30, 2022, the balances of the agency receivable were \$10,099 and payable were \$895.

8. LONG-TERM DEBT

Long-term debt, net of discounts, consists of the following notes as of June 30, 2022:

	<u>2022</u>
Notes payable to banks through the Texas Department of Housing and Community Affairs (TDHCA) in the original amounts of \$3,109,938 as of June 30, 2020 bearing interest ranging from 0% to 4.00%, discount calculated based on an imputed interest rate ranging between 7.38% and 8.48%, the rate provided annually by Habitat for Humanity International, resulting in a discount of \$646,293, as of June 30, 2020. The Habitat remits monthly payments of \$10,976, and the loans mature January 2023 through December 2045.	\$ 1,485,072
Line of credit to Legacy Texas Bank in the amount of \$100,000 due January 18, 2023; interest rate of 5.75%	73,872
Line of credit to North Dallas Bank & Trust in the amount of \$501,000 due April 16, 2023; interest rate of 3.5%	299,164
Line of credit with Independent Bank in the amount of \$100,000 due January 23, 2024; interest rate of 4.0%	42,639
Construction loan with Texas Bank in the amount of \$110,000 due on December 25, 2022; interest rate at 0%	46,633
Construction loan with Benchmark Bank in the amount of \$1,120,000 due on June 25, 2023; interest rate at 0%	311,853
HMS Flexcap note payable with Habitat for Humanity International due December 31, 2027; interest rate of 3.75%	<u>290,571</u>
Total outstanding balance	2,549,804
Less current installments	<u>(952,959)</u>
Total long-term debt	<u>\$ 1,596,845</u>

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

2023	\$ 952,959
2024	179,093
2025	177,242
2026	171,252
2027	165,298
Thereafter	<u>903,960</u>
Total	<u>\$ 2,549,804</u>

9. IN-KIND CONTRIBUTIONS

The Habitat receives in-kind contributions of land, materials and services used in the construction of its homes. The contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Habitat's capitalization policy. The total amount for in-kind contributions for the years ending June 30, 2022, was \$35,099.

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

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consisted of the following:

	<u>2022</u>
Temporarily restricted	
Net assets with donor restriction	\$ <u>288,429</u>

11. COMMITMENTS AND CONTINGENCIES

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

12. CONCENTRATION OF CREDIT RISK

The Habitat maintains its cash and cash equivalents balances in local financial institutions. All accounts for a single depositor are insured by the Federal Deposits Insurance Corporation up to \$250,000. As of June 30, 2022, and at various times during the year, the Habitat maintained cash balances at financial institutions in excess of the federally insured limits. Given the economic environment and risks in the banking industry, there is the risk that these deposits may not be readily available or covered by insurance.

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

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

13. REVENUE RECOGNITION

The Habitat earns revenue from a variety of sources. The Habitat's principal sources of revenue are grants, contributions, ReStore sales and sales to homeowners, as discussed above in note 2.

Sales to homeowners and ReStore sales are exchange transactions within the scope of and accounted for under Accounting Standards Codification ("ASC") 606. ASC 606 requires revenue to be recognized when the Habitat satisfies the related performance obligations by transferring a good or service to a customer through a 5-step process:

- 1) Identify the contract with the customer,
- 2) Identify the associated performance obligations,
- 3) Determine the transaction price,
- 4) Allocate the transaction price to the performance obligations, and
- 5) Recognize revenue when the performance obligations have been satisfied and the good or service has been transferred.

Sales to homeowners satisfy performance obligations at a point in time, on the date when the sale formally closes. ReStore sales also satisfy performance obligations at a point in time when control of the goods transfers to the customer at the point-of-sale.

Contributions and the composition of grants received by the Habitat are not exchange transactions and therefore, fall outside the scope of ASC 606. These revenue streams are recognized in accordance with ASC 958, Not-for-profit Entities.

14. ADVERTISING

The Habitat uses advertising to promote its program. Advertising expenses are expensed as incurred. For the years ended June 30, 2022, advertising expenses were \$71,271.

15. 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, 2022, Habitat contributed \$25,000 to Habitat International. In addition to these unrestricted contributions to Habitat International, Habitat also paid a support fee in the amount of \$25,000 for the year ended June 30, 2022. Habitat also has one loan with Habitat International as referenced in Note 8.

16. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Habitat's financial assets as of June 30, 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2022
Cash & cash equivalents	\$ 353,006
Restricted cash	171,870
Due from ReStore	24,912
Mortgages receivable, current portion	410,905
Contributions receivable	133,879
Other Receivables	<u>40,781</u>
Financial assets, at year-end	<u>1,135,353</u>
Less:	
Assets with donor restrictions	288,429
Assets with board designations	<u>8,161</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 838,763</u>

17. RELATED PARTIES

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

18. PRIOR PERIOD ADJUSTMENT

The June 30, 2021 net assets for the Habitat were decreased by \$301,463 in order to write off the estimated amounts of donated inventory for resale in the ReStore.

19. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 27, 2023, the issuance date of the report. No subsequent events requiring disclosure were noted.

**HABITAT FOR HUMANITY
OF COLLIN COUNTY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021 AND 2020**

WITH INDEPENDENT AUDITOR'S REPORT

HABITAT FOR HUMANITY OF COLLIN COUNTY

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1 – 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities.....	4
Statement of Functional Expenses Year Ended June 30, 2021	5
Statement of Functional Expenses Year Ended June 30, 2020	6
Statements of Cash Flows	7
Notes to Financial Statements.....	8 – 16



INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above presented fairly in all material respects, the financial position of Habitat for Humanity of Collin County as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston

NEW MEXICO | Albuquerque

Report on Summarized Comparative Information

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

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

Waco, Texas
February 18, 2022

THIS PAGE LEFT BLANK INTENTIONALLY

FINANCIAL STATEMENTS

HABITAT FOR HUMANITY OF COLLIN COUNTY**STATEMENTS OF FINANCIAL POSITION**

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 144,200	\$ 247,354
Restricted cash	117,201	115,993
Contributions receivable	114,389	99,114
Grants receivable	-	47,103
Inventory - ReStore	510,443	409,440
Inventory - land held for development	770,260	777,191
Non-interest bearing mortgages receivable, current portion	415,881	389,679
TDHCA Boot Strap agency receivables, current portion	141,534	132,534
Due from ReStore	17,779	12,197
Prepaid expenses	64,311	30,449
Other receivables	42,929	49,254
Total current assets	<u>2,338,927</u>	<u>2,310,308</u>
LONG-TERM ASSETS		
Property and equipment (net)	1,274,338	1,332,201
Contributions receivable	80,920	144,250
Non-interest bearing mortgages receivable, long-term portion	6,255,629	6,162,675
TDHCA Boot Strap agency receivables, long-term portion	2,256,618	2,172,118
HBA agency receivable	12,616	16,584
Discount on non-interest bearing mortgage	(3,964,141)	(3,869,377)
Construction in progress	1,622,521	1,426,160
Total long-term assets	<u>7,538,501</u>	<u>7,384,611</u>
Total assets	<u>\$ 9,877,428</u>	<u>\$ 9,694,919</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 208,958	\$ 254,211
Escrow-mortgage holders	126,755	122,951
Due to TDHCA Boot Strap, current portion	141,534	132,534
PPP loan	3,551	284,700
Line of credit	296,423	342,394
Notes payable, current portion (net of discount)	186,030	145,068
Total current liabilities	<u>963,251</u>	<u>1,281,858</u>
LONG-TERM LIABILITIES		
Due to TDHCA Bootstrap, long-term portion	2,257,221	2,172,589
Due to HBA	2,979	7,979
Notes payable, long-term portion (net of discount)	1,771,270	1,615,518
Total long-term liabilities	<u>4,031,470</u>	<u>3,796,086</u>
Total liabilities	<u>4,994,721</u>	<u>5,077,944</u>
NET ASSETS		
Without donor restriction	4,571,433	4,357,164
With donor restriction	311,274	259,811
Total net assets	<u>4,882,707</u>	<u>4,616,975</u>
Total liabilities and net assets	<u>\$ 9,877,428</u>	<u>\$ 9,694,919</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Without donor restriction	With donor restriction	2021 Total	2020 Total
REVENUE AND OTHER SUPPORT				
Grants	\$ 329,947	\$ 159,687	\$ 489,634	\$ 1,043,134
Contributions	250,402	308,531	558,933	661,014
Contributions - non cash	82,452	-	82,452	148,339
Donated materials	1,202,552	-	1,202,552	1,028,914
Discount amortization	358,809	-	358,809	205,921
Transfers to homeowners	1,096,716	-	1,096,716	892,856
ReStore sales	1,742,245	-	1,742,245	1,562,417
Gain on extinguishment of debt	281,149	-	281,149	-
Miscellaneous	56,955	-	56,955	79,151
Interest income	681	-	681	734
Net assets released from restrictions	<u>416,755</u>	<u>(416,755)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>5,818,663</u>	<u>51,463</u>	<u>5,870,126</u>	<u>5,622,480</u>
EXPENSES				
Home ownership program	2,350,851	-	2,350,851	1,941,623
ReStore program	2,667,805	-	2,667,805	2,660,997
Fundraising	278,850	-	278,850	222,891
Management and administrative	<u>306,888</u>	<u>-</u>	<u>306,888</u>	<u>278,712</u>
Total expenses	<u>5,604,394</u>	<u>-</u>	<u>5,604,394</u>	<u>5,104,223</u>
OTHER INCOME/(EXPENSES)				
Gain on disposition of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
CHANGE IN NET ASSETS	214,269	51,463	265,732	521,757
NET ASSETS, BEGINNING OF YEAR	<u>4,357,164</u>	<u>259,811</u>	<u>4,616,975</u>	<u>4,095,218</u>
NET ASSETS, END OF YEAR	<u>\$ 4,571,433</u>	<u>\$ 311,274</u>	<u>\$ 4,882,707</u>	<u>\$ 4,616,975</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Program Services		Support Services		Total
	Home Ownership	ReStore	Fundraising	Management and Administrative	2021
Bank charges	\$ 64	\$ -	\$ -	\$ 4,392	\$ 4,456
Conference, convention, meetings	807	150	891	184	2,032
Consulting	10,019	-	100	44	10,163
Contract labor	5,496	-	320	14,954	20,770
Credit card fees	1,179	29,436	6,254	1,179	38,048
Depreciation expense	15,598	70,608	-	4,138	90,344
Dues and subscriptions	5,245	1,702	4,478	7,631	19,056
Equipment lease	1,241	805	732	1,189	3,967
Fleet Expense	21,075	26,854	85	249	48,263
Insurance	19,704	33,531	200	4,210	57,645
Interest expense	-	-	-	41,983	41,983
Materials and supplies	1,008,816	1,390,507	-	-	2,399,323
Miscellaneous	-	-	-	573	573
Mortgage discount	453,582	-	-	-	453,582
Office expenses	6,021	16,756	1,455	10,019	34,251
Postage	498	486	945	2,913	4,842
Printing, promotions, and advertising	5,860	50,110	44,565	-	100,535
Professional fees	4,520	5,085	-	1,695	11,300
Program expenses	245,326	229	-	-	245,555
Rent - warehouse/Plano ReStore/storage	-	208,500	-	-	208,500
Repairs & Maintenance	4,196	35,987	-	5,557	45,740
Salaries and benefits	469,173	685,553	217,998	197,175	1,569,899
Telephone	5,743	11,427	827	4,381	22,378
HfH International tithe/SOSI fee	56,500	-	-	-	56,500
Utilities	10,188	100,079	-	4,422	114,689
Total expenses	\$ <u>2,350,851</u>	\$ <u>2,667,805</u>	\$ <u>278,850</u>	\$ <u>306,888</u>	\$ <u>5,604,394</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	Program Services		Support Services		Total
	Home			Management and	
	Ownership	ReStore	Fundraising	Administrative	2020
Bank charges	\$ 50	\$ 140	\$ -	\$ 3,373	\$ 3,563
Conference, convention, meetings	931	70	28	1,288	2,317
Consulting	12,824	-	-	458	13,282
Contract labor	23,751	50	-	1,911	25,712
Credit card fees	-	29,666	6,546	813	37,025
Depreciation expense	16,387	80,148	-	4,137	100,672
Dues and subscriptions	1,515	1,142	4,674	9,732	17,063
Equipment lease	1,354	278	799	1,156	3,587
Fleet Expense	28,697	29,988	-	821	59,506
Insurance	17,703	30,942	150	4,033	52,828
Interest expense	11	-	-	44,469	44,480
Materials and supplies	619,955	1,393,269	-	24	2,013,248
Miscellaneous	-	-	-	439	439
Mortgage discount	422,162	-	-	-	422,162
Office expenses	9,593	12,836	1,649	4,587	28,665
Postage	582	609	1,231	3,165	5,587
Printing, promotions, and advertising	2,983	53,052	30,718	836	87,589
Professional fees	4,480	5,040	-	1,680	11,200
Program expenses	221,997	365	450	307	223,119
Rent - warehouse/Plano ReStore/storage	-	205,149	-	-	205,149
Repairs & Maintenance	3,117	46,967	-	4,641	54,725
Salaries and benefits	488,594	662,668	174,423	181,212	1,506,897
Telephone	6,053	11,626	717	3,956	22,352
HfH International tithe/SOSI fee	47,500	-	-	-	47,500
Travel	567	953	1,506	1,022	4,048
Utilities	10,817	96,039	-	4,652	111,508
Total expenses	\$ <u>1,941,623</u>	\$ <u>2,660,997</u>	\$ <u>222,891</u>	\$ <u>278,712</u>	\$ <u>5,104,223</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 265,732	\$ 521,757
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation expense	90,344	100,672
Discount amortization-mortgages	(358,809)	(205,921)
Transfer to homeowners	(1,090,716)	(892,856)
Gain on the extinguishment of debt	(281,149)	-
Gain on the disposal of assets	-	(3,500)
Effect of changes in assets and liabilities:		
(Increase) decrease in inventories - (lots)	6,931	(46,835)
(Increase) decrease in inventories - (resale)	(101,003)	68,268
(Increase) decrease in contributions receivable	48,055	(2,420)
(Increase) decrease in grants receivable	47,103	(47,103)
(Increase) decrease in agency receivable	(900)	251,324
(Increase) decrease in other receivables	(33,119)	(26,371)
(Increase) decrease in homes under construction	(196,361)	(870,180)
Increase (decrease) in accounts payable and accrued expenses	(41,449)	7,286
Net cash used by operating activities	<u>(1,645,341)</u>	<u>(1,145,879)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of land, building and equipment	(32,481)	(6,607)
Proceeds on the sale of assets	-	3,500
Net loan proceeds	150,743	298,858
Mortgage payments received	<u>1,425,133</u>	<u>998,633</u>
Net cash provided by investing activities	<u>1,543,395</u>	<u>1,294,384</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(101,946)	148,505
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>363,347</u>	<u>214,842</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>261,401</u>	\$ <u>363,347</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Issuance of non-interest bearing mortgage loans	\$ 1,090,716	\$ 892,856
Discount on non-interest bearing mortgages loans	(453,582)	(422,162)
Transfers to homeowners subject to non-interest bearing mortgage loans	<u>\$ 637,134</u>	<u>\$ 470,694</u>
Cash paid for interest	\$ <u>41,983</u>	\$ <u>44,480</u>

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

HABITAT FOR HUMANITY OF COLLIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1. ORGANIZATION

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

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

The 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. The Habitat expects to continue to finance its operations through continuing contributions and mortgage receipts.

The 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 the Habitat's community programs.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Adoption of New Accounting Standard

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 to Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Habitat adopted the new standard effective July 1, 2020, the first day of the Habitat's fiscal year, using the modified retrospective approach.

Adoption of ASC 606 had no impact to the recognition of revenue in the Habitat's financial statements. The Habitat recognized no cumulative effect adjustment upon adoption. Adoption of the standard resulted in enhanced revenue-related disclosures that provide information with respect to the Habitat's analysis of certain contracts.

Although ASC 606 is not expected to have a material impact to the Habitat's ongoing net income, the Habitat implemented changes to its processes and procedures related to revenue recognition and the control activities within them.

Basis of Presentation

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Such net assets are available for any purpose consistent with the Habitat’s mission. Designations of net assets by the governing board do not have the same legal requirements as do restrictions of funds and are included in this category.

Net Assets With Donor Restrictions – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Habitat and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Habitat considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2021 and 2020.

Restricted Cash

As of June 31, 2021, restricted cash of \$117,201 consisted of \$115,965 restricted by donors for future builds and youth projects and \$1,236 designated by the Board of Directors for purposes of renovations and reserves. As of June 30, 2020, restricted cash of \$115,993 consisted of \$16,447 restricted by donors for future builds and youth projects and \$99,546 designated by the Board of Directors for purposes of renovations and reserves.

Contributions Receivable

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

Mortgages Receivable

Mortgages receivables consist of non-interest-bearing mortgages, which are secured by real estate and payable in monthly installments. The mortgages have an original maturity of 20 - 30 years. These mortgages have been discounted at various rates ranging from 7.23% to 8.78% 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 fair value at the date of the contribution. Included in land costs are any costs incurred in development. When revenue from the sale of a home is recognized, the corresponding costs are then expensed in the statement of activities as program services.

Support

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

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

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

Estimates

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

Income Taxes

The Habitat has been granted exemptions from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2021 and 2020, the Habitat collected unrelated business taxable income ("UBTI") and has prepared a Form 990-T to pay the related tax. However, no provision for income taxes is reflected in the financial statements.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Habitat may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Habitat and various positions related to the potential sources of UBTI. There were no unrecognized tax benefits identified or recorded as assets or liabilities for fiscal years 2021 and 2020.

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

Expense Allocation

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

Donated Services

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

Transfer or Sale to Homeowners

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

Home Construction Costs

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

Compensated Absences

Employees of the Habitat are entitled to paid vacations, sick days, and personal days off, depending on job classification, length of service, and other factors. The accrued paid time off is included in salaries and wages expense. Employees earn paid time off according to a set schedule based on length of service, and a maximum of 40 hours can be carried over to the next anniversary year. However, the employee handbook states that whether the employee can receive the cash value of unused hours earned is up to the Habitat's discretion determined upon a variety of factors such as employee's departure, how much notice is given of the departure and any other considerations the Habitat deems significant. Given these facts, the Habitat is not required to accrue paid time off in the financial statements but has elected to accrue \$23,381 and \$26,947 for the years ended June 30, 2021 and 2020, respectively.

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 GAAP. Accordingly, such information should be read in conjunction with Habitat's financial statements for the year ended June 30, 2020, 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>2021</u>	<u>2020</u>
Land	\$ 253,847	\$ 253,847
Buildings	1,365,321	1,365,321
Equipment	46,257	35,657
ReStore equipment	309,382	302,025
Leasehold improvements	83,196	83,196
Vehicles	<u>192,172</u>	<u>177,648</u>
	2,250,175	2,217,694
Less accumulated depreciation	<u>(975,837)</u>	<u>(885,493)</u>
Total property and equipment, net depreciation	\$ <u>1,274,338</u>	\$ <u>1,332,201</u>

Depreciation expense for the years ended June 30, 2021, and 2020 was \$90,344 and \$100,672, 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:

	June 30, 2021		June 30, 2020	
	Homes	Cost	Homes	Cost
Homes under construction at beginning of year	8	\$ 1,426,160	7	\$ 555,980
Additional cost incurred during the year	-	426,014	-	1,246,535
New homes started during the year	3	235,326	6	262,588
Homes transferred during the year	(7)	(464,979)	(5)	(638,943)
Homes under construction at year-end	<u>4</u>	<u>\$ 1,622,521</u>	<u>8</u>	<u>\$ 1,426,160</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 \$770,260 and \$777,191 as of June 30, 2021, and 2020, 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 \$510,443 and \$409,440 as of June 30, 2021, and 2020, respectively.

6. SALES TO HOMEOWNERS

During the year ended June 30, 2021, seven homes were sold to qualifying applicants. The resulting mortgages are non-interest bearing and the presentation of their book value has been discounted based upon the prevailing market rates for low-income housing at the inception of the mortgages. The discount rate for the year ended June 30, 2021, was 7.23%, and the discounts totaled \$453,582.

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

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, 2021, and 2020 are as follows:

	2021	2020
Mortgages receivable (at face value)	\$ 6,671,510	\$ 6,552,354
Unamortized discount on mortgages	(3,964,141)	(3,869,377)
Mortgages receivable, net of discount	<u>\$ 2,707,369</u>	<u>\$ 2,682,977</u>

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

2022	\$	415,881
2023		416,458
2024		415,470
2025		415,055
2026		415,055
Thereafter		<u>629,450</u>
Total	\$	<u>2,707,369</u>

Mortgages are considered delinquent when the monthly mortgage payment is at least 31 days past due. As of June 30, 2021, twenty-one mortgages totaling \$64,084 were past due. The Habitat is in the process of making arrangements with the individual homeowners to bring their balance to current. All balances are believed to be collectible and no allowance has been recognized.

Some of the homeowners who have mortgages with the Habitat have entered into a secondary loan agreement with the Texas Department of Housing and Community Affairs ("TDHCA") Texas Boot Strap Loan Program. The Habitat continues to collect and manage these mortgages, and then remits the amount collected to the agency. These amounts are reported as agency receivables and agency payables on the statement of financial position and normally do not have any effect on the change in net assets. As of June 30, 2021, and 2020, the balance in the agency receivables are \$2,398,152 and \$2,304,652 and agency payables account are \$2,398,755 and \$2,305,123, respectively. Typically, the balance of the agency receivable equals the balance of the agency payable. However, during the 2019 fiscal year, one homeowner sold their home. While the Habitat wrote off the outstanding receivable from the homeowner, Habitat is still liable to TDHCA for the balance due to them from the homeowner.

During fiscal year 2012, three homeowners, and fiscal year 2013, one homeowner, also entered into secondary agreements with the Texas Department of Housing and Community Affairs Homebuyer Assistance Program. Similar as to their agreement with the TDHCA Texas Boot Strap Loan Program, Habitat continues to collect and manage these mortgages and then remits the amount collected to the agency. These amounts are reported as agency receivables and agency payables on the statement of financial position and do not have any effect on the change in net assets. As of June 30, 2021, and 2020, the balances of the agency receivable were \$12,616 and \$16,584 and payable were \$2,979 and \$7,979, respectively.

8. LONG-TERM DEBT

Long-term debt, net of discounts, consists of the following notes as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Notes payable to banks through the Texas Department of Housing and Community Affairs (TDHCA) in the original amounts of \$3,109,938 as of June 30, 2021 bearing interest ranging from 0% to 4.00%, discount calculated based on an imputed interest rate ranging between 7.23% and 8.48%, the rate provided annually by Habitat for Humanity International, resulting in a discount of \$646,293, as of June 30, 2021. The Habitat remits monthly payments of \$11,018, and the loans mature January 2023 through December 2045.	\$ 1,613,092	\$ 1,740,366
Line of credit to Prosperity Bank in the amount of \$100,000 due January 18, 2023; interest rate of 6.75%	61,872	94,872
Line of credit to North Dallas Bank & Trust in the amount of \$400,000 due April 16, 2022; interest rate of 3.5%	169,912	185,789
Line of credit with Independent Bank in the amount of \$100,000 due January 23, 2022; interest rate of 4.0%.	64,639	61,733
U.S. Small Business Administration PPP Loan in the amount of \$284,700 with an interest rate of 1.0% due over two years if not forgiven.	3,551	284,700
HMS Flexcap note payable with Habitat for Humanity International due December 31, 2027; interest rate of 3.75%	337,288	-
Flexcap note payable with Habitat for Humanity International due December 31, 2021; interest rate of 5.5%	<u>6,920</u>	<u>20,220</u>
Total outstanding balance	2,257,274	2,387,680
Less current installments	(486,004)	(772,162)
Total long-term debt	<u>\$ 1,771,270</u>	<u>\$ 1,615,518</u>

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

2022	\$ 486,004
2023	180,553
2024	179,093
2025	177,242
2026	169,428
Thereafter	<u>1,064,954</u>
Total	<u>\$ 2,257,274</u>

The Habitat also took out a construction line of credit with Benchmark Bank during March 2021, in the amount of \$980,000 for construction projects. As of June 30, 2021, no money had been drawn on this line of credit.

9. IN-KIND CONTRIBUTIONS

The Habitat receives in-kind contributions of land, materials and services used in the construction of its homes. The contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Habitat's capitalization policy. The total amount for in-kind contributions for the years ending June 30, 2021, and 2020 were \$82,452 and \$148,339, respectively.

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

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consisted of the following:

	<u>2021</u>	<u>2020</u>
Temporarily restricted		
Net assets with donor restriction	\$ <u>311,274</u>	\$ <u>259,811</u>

11. COMMITMENTS AND CONTINGENCIES

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

12. CONCENTRATION OF CREDIT RISK

The Habitat maintains its cash and cash equivalents balances in local financial institutions. All accounts for a single depositor are insured by the Federal Deposits Insurance Corporation up to \$250,000. As of June 30, 2021, and 2020, and at various times during the year, the Habitat maintained cash balances at financial institutions in excess of the federally insured limits. Given the economic environment and risks in the banking industry, there is the risk that these deposits may not be readily available or covered by insurance.

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

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

13. REVENUE RECOGNITION

The Habitat earns revenue from a variety of sources. The Habitat's principal sources of revenue are grants, contributions, ReStore sales and sales to homeowners, as discussed above in note 2.

Sales to homeowners and ReStore sales are exchange transactions within the scope of and accounted for under ASC 606. ASC 606 requires revenue to be recognized when the Habitat satisfies the related performance obligations by transferring a good or service to a customer through a 5-step process:

- 1) Identify the contract with the customer,
- 2) Identify the associated performance obligations,
- 3) Determine the transaction price,
- 4) Allocate the transaction price to the performance obligations, and
- 5) Recognize revenue when the performance obligations have been satisfied and the good or service has been transferred.

Sales to homeowners satisfy performance obligations at a point in time, on the date when the sale formally closes. ReStore sales also satisfy performance obligations at a point in time when control of the goods transfers to the customer at the point-of-sale.

Contributions and the composition of grants received by the Habitat are not exchange transactions and therefore, fall outside the scope of ASC 606. These revenue streams are recognized in accordance with ASC 958, Not-for-profit Entities.

14. ADVERTISING

The Habitat uses advertising to promote its program. Advertising expenses are expensed as incurred. For the years ended June 30, 2021, and 2020, advertising expenses were \$100,535 and \$87,589, respectively.

15. 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, 2021, and 2020, Habitat contributed \$24,000 and \$30,000, respectively, to Habitat International. In addition to these unrestricted contributions to Habitat International, Habitat also paid a support fee in the amount of \$32,500 and \$17,500 for the years ended June 30, 2021, and 2020, respectively. The Habitat also has two loans with Habitat International as referenced in Note 8.

16. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Habitat's financial assets as of June 30, 2021, and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2021	2020
Cash & cash equivalents	\$ 144,200	\$ 247,354
Restricted cash	117,201	115,993
Due from ReStore	17,779	12,197
Mortgages receivable, current portion	415,881	389,679
Contributions receivable	195,309	243,364
Grants receivable	-	47,103
Other Receivables	<u>42,929</u>	<u>49,254</u>
Financial assets, at year-end	<u>933,299</u>	<u>1,104,944</u>
Less:		
Assets with donor restrictions	311,274	259,811
Assets with board designations	<u>1,236</u>	<u>99,546</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 620,789</u>	<u>\$ 745,587</u>

17. RELATED PARTIES

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

18. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 18, 2022, the issuance date of the report. No subsequent events requiring disclosure were noted.

THIS PAGE LEFT BLANK INTENTIONALLY



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

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

Person to Contact: #0196814

Ms. Benjamin

Employer Identification Number:

91-1914868

Group Exemption Number:

8545

Dear Sir or Madam:

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

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

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

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

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

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

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

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

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

Sincerely yours,



Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements