HABITAT FOR HUMANITY
OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

FINANCIAL REPORT

December 31, 2021

Pile CPAs

Integrity + Innovation since 1938

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Habitat for Humanity of Greater Indianapolis, Inc.
d/b/a Greater Indy Habitat for Humanity

Opinion

We have audited the financial statements of Habitat for Humanity of Greater Indianapolis, Inc. d/b/a Greater Indy Habitat for Humanity (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern for 12 months beyond the date of this report.

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.

Auditor's Responsibilities for the Audit of the Financial Statements - continued
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.

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 the Organization'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 the Organization'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.

Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Supplementary Information - continued

The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Pile CPAs

Indianapolis, Indiana
April 27, 2022

HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	2021	2020
ASSETS		
ASSETS		
Unrestricted cash	$ 10,796,977	$ 6,422,917
Cash limited as to use and timing	744,941	533,522
TOTAL CASH	11,541,918	6,956,439
Grants, sponsorships, and other receivables	1,074,405	472,264
Mortgage loans receivable, net	7,742,688	8,277,241
Inventory	331,646	293,887
Prepayments	184,081	128,361
Construction in progress	1,093,751	755,991
Land and homes available for resale and future builds	613,292	992,324
Property and equipment, net	3,657,439	4,235,659
Beneficial interest in assets held by others	117,137	92,007
Investment in joint venture (Note 7)	865,419	-
TOTAL ASSETS	$ 27,221,776	$ 22,204,173
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Mortgage service agreement, current portion	$ 25,523	$ 19,297
Notes payable, current portion	145,167	139,410
Accounts payable	293,882	339,286
Accrued expenses and other liabilities	145,435	116,051
Escrow liability, net	204,623	199,947
Deferred revenue	217,336	208,371
TOTAL CURRENT LIABILITIES	1,031,966	1,022,362
LONG-TERM LIABILITIES		
Mortgage service agreement, less current portion	870,018	663,432
Notes payable, less current portion and net of accumulated loan financing fees of $83,937 and $0, respectively	2,638,105	1,696,541
	3,508,123	2,359,973
NET ASSETS		
Without donor restrictions	22,468,268	18,714,831
With donor restrictions:		
Time restrictions	171,371	64,959
Perpetual in nature	42,048	42,048
	213,419	107,007
TOTAL NET ASSETS	22,681,687	18,821,838
TOTAL LIABILITIES AND NET ASSETS	$ 27,221,776	$ 22,204,173

See Notes to Financial Statements.

HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

STATEMENTS OF ACTIVITIES
Year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	$ 2,942,671	$ 96,283	$ 3,038,954
Private grants	869,384	-	869,384
In-kind contributions	433,238	-	433,238
Panel builds	110,050	-	110,050
	4,355,343	96,283	4,451,626
Home sales	2,774,948	-	2,774,948
ReStore income	3,793,233	-	3,793,233
	6,568,181	-	6,568,181
Mortgage loan discount amortization	585,773	-	585,773
Investment income gain (loss)	(11,766)	25,129	13,363
Gain on sale of mortgages	722,403	-	722,403
Gain on sale of property and equipment	1,816,244	-	1,816,244
Other income, net	87,777	-	87,777
Net assets released from restrictions	15,000	(15,000)	-
	3,215,431	10,129	3,225,560
TOTAL SUPPORT AND REVENUE	14,138,955	106,412	14,245,367
EXPENSES			
Program services	9,295,454	-	9,295,454
Supporting activities	1,090,064	-	1,090,064
TOTAL EXPENSES	10,385,518	-	10,385,518
CHANGE IN NET ASSETS	3,753,437	106,412	3,859,849
NET ASSETS			
Beginning of year	18,714,831	107,007	18,821,838
End of year	$ 22,468,268	$ 213,419	$ 22,681,687

See Notes to Financial Statements.

HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

STATEMENTS OF ACTIVITIES - continued
Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	$ 1,990,545	$ -	$ 1,990,545
Private grants	959,560	15,000	974,560
In-kind contributions	615,755	-	615,755
Panel builds	-	-	-
	3,565,860	15,000	3,580,860
Home sales	2,015,495	-	2,015,495
ReStore income	2,974,676	-	2,974,676
	4,990,171	-	4,990,171
Mortgage loan discount amortization	631,720	-	631,720
Investment income gain (loss)	328	8,170	8,498
Gain on sale of mortgages	1,486,753	-	1,486,753
Loss on sale of property and equipment	(1,001)	-	(1,001)
Other income, net	72,440	-	72,440
Net assets released from restrictions	218,678	(218,678)	-
	2,408,918	(210,508)	2,198,410
TOTAL SUPPORT AND REVENUE	10,964,949	(195,508)	10,769,441
EXPENSES			
Program services	7,787,284	-	7,787,284
Supporting activities	1,193,129	-	1,193,129
TOTAL EXPENSES	8,980,413	-	8,980,413
CHANGE IN NET ASSETS	1,984,536	(195,508)	1,789,028
NET ASSETS			
Beginning of year	16,730,295	302,515	17,032,810
End of year	$ 18,714,831	$ 107,007	$ 18,821,838

See Notes to Financial Statements.

HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31, 2021

	Program Services						Supporting Activities			
	Construction Program	Home-ownership Services	Volunteer Services	Home Repairs	ReStore Services	Total Program	Fundraising Resource Development	Mgmt. and General	Total Supporting	Total
Costs of homes	$ 2,786,981	$ -	$ -	$ -	$ -	$ 2,786,981	$ -	$ -	$ -	$ 2,786,981
Mortgage discount	1,308,006	-	-	-	-	1,308,006	-	-	-	1,308,006
Salaries and wages	494,257	231,579	61,454	2,239	1,777,805	2,567,334	294,105	270,852	564,957	3,132,291
Retirement	8,248	4,297	1,071	-	20,781	34,397	5,387	4,898	10,285	44,682
Travel, seminars, and meetings	2,044	3,881	-	-	41,889	47,814	2,832	18,315	21,147	68,961
Maintenance and utilities	108,494	-	-	-	201,755	310,249	-	44,042	44,042	354,291
Telephone and communications	8,124	5,171	1,376	-	34,882	49,553	6,632	5,417	12,049	61,602
Bank and credit card fees	-	22,279	-	-	52,084	74,363	16,793	9,313	26,106	100,469
Computer and technology	9,136	13,751	6,578	-	12,535	42,000	40,176	8,470	48,646	90,646
Advertising	-	20,564	-	-	21,592	42,156	-	-	-	42,156
Printing, publications, and postage	2,540	8,918	1,707	-	5,366	18,531	12,764	8,562	21,326	39,857
Fundraising and promotional events	-	6,415	-	-	5,915	12,330	160,191	-	160,191	172,521
Depreciation	75,167	-	-	-	105,023	180,190	-	31,770	31,770	211,960
Tithings to Habitat International	67,000	-	-	-	-	67,000	-	-	-	67,000
Professional fees	14,421	-	-	-	-	14,421	-	34,603	34,603	49,024
Indirect construction costs	185,285	-	21,198	-	13,441	219,924	11,000	855	11,855	231,779
Mortgage service expense	-	50,617	-	-	-	50,617	-	(6,221)	(6,221)	44,396
Interest	-	-	-	-	73,108	73,108	-	935	935	74,043
Contracted services	-	5,290	-	-	9,096	14,386	17,815	(586)	17,229	31,615
Miscellaneous	35,382	6,954	7,801	-	373,028	423,165	241	40,542	40,783	463,948
In-kind	527,610	-	-	-	-	527,610	-	-	-	527,610
Acquisition expense	-	-	-	-	-	-	-	-	-	-
Insurance	198,634	23,183	7,122	-	166,920	395,859	19,911	30,450	50,361	446,220
Repair expense	-	-	-	35,460	-	35,460	-	-	-	35,460
	$ 5,831,329	$ 402,899	$ 108,307	$ 37,699	$ 2,915,220	$ 9,295,454	$ 587,847	$ 502,217	$ 1,090,064	$ 10,385,518

See Notes to Financial Statements.

HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

STATEMENTS OF FUNCTIONAL EXPENSES - continued
Year ended December 31, 2020

	Program Services						Supporting Activities			
	Construction Program	Home-ownership Services	Volunteer Services	Home Repairs	ReStore Services	Total Program	Fundraising Resource Development	Mgmt. and General	Total Supporting	Total
Costs of homes	$ 1,668,533	$ -	$ -	$ -	$ -	$ 1,668,533	$ -	$ -	$ -	$ 1,668,533
Mortgage discount	872,796	-	-	-	-	872,796	-	-	-	872,796
Salaries and wages	572,056	235,602	84,171	179,783	1,625,734	2,697,346	516,620	240,829	757,449	3,454,795
Retirement	10,368	4,417	1,305	2,945	13,573	32,608	8,975	4,265	13,240	45,848
Travel, seminars, and meetings	3,028	3,993	210	610	33,979	41,820	3,316	14,549	17,865	59,685
Maintenance and utilities	95,802	3,366	-	1,278	166,056	266,502	-	35,816	35,816	302,318
Telephone and communications	9,879	5,192	3,458	3,757	33,261	55,547	11,340	4,927	16,267	71,814
Bank and credit card fees	-	21,030	-	-	42,599	63,629	16,836	12,220	29,056	92,685
Computer and technology	10,182	12,326	7,061	1,136	13,964	44,669	29,536	3,738	33,274	77,943
Advertising	-	17,303	-	-	19,580	36,883	-	-	-	36,883
Printing, publications, and postage	2,408	5,943	1,661	734	4,229	14,975	13,892	4,646	18,538	33,513
Fundraising and promotional events	-	3,766	-	-	3,156	6,922	99,170	-	99,170	106,092
Depreciation	98,267	-	-	-	94,400	192,667	-	31,658	31,658	224,325
Tithings to Habitat International	100,000	-	-	-	-	100,000	-	-	-	100,000
Professional fees	3,497	-	-	-	-	3,497	-	22,850	22,850	26,347
Indirect construction costs	231,631	-	12,719	11,773	15,713	271,836	4,400	1,140	5,540	277,376
Mortgage service expense	-	54,731	-	-	-	54,731	-	(42,013)	(42,013)	12,718
Interest	-	-	-	-	62,846	62,846	-	-	-	62,846
Contracted services	-	4,784	-	-	2,233	7,017	1,985	8,000	9,985	17,002
Miscellaneous	38,542	7,459	3,878	1,392	275,633	326,904	26,017	43,964	69,981	396,885
In-kind	471,308	-	-	-	36,240	507,548	-	900	900	508,448
Acquisition expense	-	-	-	-	3,067	3,067	-	12,675	12,675	15,742
Insurance	188,333	18,142	10,448	8,195	145,125	370,243	39,720	21,158	60,878	431,121
Repair expense	-	-	-	84,698	-	84,698	-	-	-	84,698
	$ 4,376,630	$ 398,054	$ 124,911	$ 296,301	$ 2,591,388	$ 7,787,284	$ 771,807	$ 421,322	$ 1,193,129	$ 8,980,413

See Notes to Financial Statements.

HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

STATEMENTS OF CASH FLOWS

Years ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,859,849	$ 1,789,028
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Gain) loss on disposal of property and equipment	(1,818,462)	1,192
(Gain) loss on sale of property	2,218	1,001
(Gain) loss on the sale of mortgages	(722,403)	(1,486,753)
Depreciation	211,960	224,325
Mortgage discount expense	1,308,006	872,796
Amortization of discount on mortgage loans receivable	(329,278)	(1,037,448)
Interest expense (amortization of loan financing fees)	234	-
Unrealized (gain) loss on beneficial interest	(25,130)	(8,170)
Donated housing supplies and property	(433,238)	(615,755)
(Increase) decrease in:		
Grants, sponsorships, and other receivables	(602,141)	838,784
Inventory	(5,575)	10,223
Prepayments	(55,720)	(35,296)
Increase (decrease) in:		
Accounts payable	(45,404)	(41,501)
Accrued expenses and other liabilities	38,349	19,570
Mortgage service agreement	212,812	396,430
Escrow liability	4,676	30,115
Net cash provided by operating activities	1,600,753	958,541
CASH FLOWS FROM INVESTING ACTIVITIES		
Collections of mortgage loans receivable	1,301,319	1,120,855
Purchases of property and equipment	(31,681)	(608,526)
Purchase of vacant lots	(119,999)	(617,127)
Construction in progress additions	(2,598,024)	(1,723,820)
Proceeds from sale of assets	2,222,948	-
Investment in joint venture	(865,419)	-
Net cash (used in) investing activities	(90,856)	(1,828,618)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the sale of mortgages	2,128,495	4,497,127
Proceeds from notes payable	1,086,497	571,535
Payments on notes payable	(139,410)	(59,884)
Net cash provided by financing activities	3,075,582	5,008,778
Increase in cash and cash equivalents	4,585,479	4,138,701

See Notes to Financial Statements.

HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.

STATEMENT OF CASH FLOWS - continued
Years ended December 31, 2021 and 2020

	2021	2020
CASH AND CASH EQUIVALENTS		
Beginning	6,956,439	2,817,738
Ending	$ 11,541,918	$ 6,956,439
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTVITIES		
Change in donated ReStore inventory	$ 32,184	$ 56,058
Donated vacant lots	-	176,600
Donated home and foreclosed homes available	143,126	12,124
Donated housing supplies	257,928	370,973
	$ 433,238	$ 615,755
Cash paid for interest	$ 73,614	$ 60,067

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Habitat for Humanity of Greater Indianapolis, Inc., d/b/a Greater Indy Habitat for Humanity, (the "Organization") was incorporated as a not-for-profit organization in 1987 under the laws of the State of Indiana and is an affiliate of Habitat for Humanity International, Inc. ("Habitat International"). The Organization is a nondenominational Christian organization whose purpose is to collaborate with low-income families and other community partners to provide home ownership opportunities and build communities of hope as an expression of God's love. We envision a world where everyone has a decent place to live. The Organization operates throughout Marion, Hendricks, Hamilton and Hancock County.

Although Habitat International assists with informational resources, training, publications and prayer support, the Organization is primarily and directly responsible for its own operations. Major sources of revenue for the Organization include contributions from the general public, ReStore income and sales of homes.

A summary of the Organization's significant accounting policies is as follows:

A. Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting.

B. Basis of Presentation

These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions in conformity with accounting principles generally accepted in the United States of America. This has been done by classification of fund transactions and balances into two categories of net assets:

Net Assets without Donor Restrictions: These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions: These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

C. Cash

The Organization maintains cash balances at two commercial banks. The Organization maintains its cash in banks accounts which, at times, may exceed federally insured limits. To date, there have been no losses on such accounts.

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

D. Inventory

Inventory consists of assorted building materials and supplies and is valued at cost using the specific identification method. Inventory also consists of donated items for sale at the Organization's various ReStores. ReStore inventory is valued based on an average month of ReStore sales.

E. Property and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. Donated property and equipment are recorded at fair market value as of the date received. Depreciation is provided utilizing the straight line method over the estimated useful lives from 3 to 40 years of the depreciable assets. Maintenance and repairs are charged to expense as incurred.

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying value may not be fully recoverable. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. During the years ended December 31, 2021 and 2020, there was no impairment loss recognized on long-lived assets.

F. Mortgage Loans Receivable

Mortgage loans receivable are mortgage notes entered into at rates substantially below market rates. These note are then discounted to net present value using implied year market interest rates. The discounts are recorded at the inception of the mortgage and amortized over the life of the contract. Interest accrued at stated rates and discount amortization is reported as amortization income in the period accrued or amortized.

G. Support and Revenue

The Organization receives support from private contributions and grants, and recognizes this support when cash or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions and grants recognized are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Restricted contributions received for which the restrictions are met in the same year are reported as net assets without donor restriction support by the Organization.

The value of donated materials and land is recorded at fair value at the date of the gift.

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

G. Support and Revenue - continued

Home sales are transfers to homeowners in exchange for a non-interest bearing mortgage receivable. The noninterest mortgages are discounted at various rates based upon prevailing market rates at the inception of the mortgages. Discounts are amortized over the lives of the mortgages.

ReStore income is derived from the sale of new and reclaimed building materials, furniture, appliances, and other home goods. Revenues are recognized by the Organization at the point of sale, which is when its performance obligation is satisfied (point in time).

H. Donated Services and Contributions

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills and are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

In addition to receiving contributions of service, the Organization receives in-kind contributions, primarily construction materials and parcels of land, from various donors. It is the policy of the Organization to record the estimated fair market value of certain in-kind donations as an expense in its statements of activities or as construction in progress in the statements of financial position and similarly increase contributions by a like amount. These amounts have been treated as non-cash transactions and excluded from the accompanying statements of cash flows.

A substantial number of volunteers have donated significant amounts of their time to the Organization's program services. While the Organization does not have a method to value volunteers' time on an hourly basis, it has reflected the increased value of installed materials versus uninstalled materials as an in-kind contribution.

I. Fundraising Activities

The Organization has an ongoing resource development program to secure contributions from corporations, churches, and individuals.

J. Advertising Expense

Advertising costs are expensed as incurred. Advertising expense was $42,156 and $36,884 for the years ended December 31, 2021 and 2020, respectively.

K. Sales Tax Collected

The State of Indiana imposes a sales tax on all of the Organization's ReStore sales. The Organization collects that sales tax from customers and remits the entire amount to the State. The Organization's accounting policy is to exclude the tax collected and remitted to the State from revenues and cost of sales.

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

L. Expense Allocation

Expenses have been classified as programing and support services based on the actual direct expenditures and cost allocation based on estimates of time and usage by Organization personnel and programs.

M. Tax Status

The Organization is exempt from federal and state income taxes on its related activities under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes has been made

The Organization files the required federal and state information returns. Whenever tax returns are filed, the filing Organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempts status and the taxability of any unrelated business income. The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities.

N. Use of Estimates

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

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Organization. Our concentrations due to grantor or contributor; concentrated revenue from particular programs, services or fund-raising events; and the market or geographic area in which the Organization conducts operations make it reasonably possible that we are vulnerable to the risk of a near-term severe impact.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

O. Subsequent Events

The Organization has evaluated subsequent events through April 27, 2022, which is the date the financial statements where available to be issued.

NOTE 2 RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

On August 28, 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, Fair Value Measurement (Topic 820), Changes to the Disclosure Requirements for Fair Value Measurement. The standard removes the following disclosure requirements from Topic 820, Fair Value Measurement: 1. The amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy. 2. The policy for timing of transfers between levels within the fair value hierarchy. 3. The valuation processes for Level 3 fair value measurements. 4. For nonpublic entities, the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. In addition and instead of a rollforward for Level 3 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities. 'The Organization adopted all applicable provisions of this standard for the year ending December 31, 2020 which did not have a material impact on the financial statements.

NOTE 3 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and corresponding lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either finance or operating, and this distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the entity for the year ending December 31, 2022. The Organization is currently in the process of evaluating the effect of adoption of this ASU on its financial statements.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard will improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. This standard will be effective for the organization for the year ending December 31, 2022. The Organization does not expect this ASU to have a significant impact on the Organization’s financial statements.

NOTE 4 INVENTORY

Inventory consists of the following at December 31:

	2021	2020
Construction materials and supplies	$ 18,154	$ 12,579
Restore inventory	313,492	281,308
	$ 331,646	$ 293,887

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2021	2020
Land	$ 604,550	$ 709,750
Buildings, warehouse, and improvements	3,591,442	4,289,628
Construction equipment	190,624	188,135
Office equipment	261,536	261,243
Vehicles	158,312	271,606
	4,806,464	5,720,362
Accumulated depreciation	(1,149,025)	(1,484,703)
	$ 3,657,439	$ 4,235,659

NOTE 6 LIQUIDITY AND AVAILABILITY

The Organization has diverse revenue streams that include contributions, income from ReStore operations, and sale of homes. In 2021, the Organization implemented a new strategic plan to direct focus and expend capital in key areas such as ReStore growth, land acquisition, and increasing housing solutions.

The Organization's financial health is monitored through monthly reporting to the Board of Directors. The Organization maintains an operating reserve and investment policy, gift acceptance policy, and mortgage leveraging policy to help ensure proper management of financial assets.

NOTE 6 LIQUIDITY AND AVAILABILITY - continued

The table below represents financial assets available for general expenditures within one year at December 31, 2021 and 2020:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 11,541,918	$ 6,956,439
Grants, sponsorships, and other receivables	1,074,405	472,264
Mortgage loans receivable, net	7,742,688	8,277,241
Prepayments	184,081	128,361
Beneficial interest in assets held by others	117,137	92,007
Total financial assets	20,660,229	15,926,312
Less amounts not available to be used within one year:		
Cash limited to as to use and timing	(744,941)	(533,522)
Beneficial interest in assets held by others	(117,137)	(92,007)
Estimated principal payments to be received after one year	(6,960,291)	(7,383,120)
Donor-imposed restrictions	(96,283)	(15,000)
Financial assets not available to be used within one year	(7,918,652)	(8,023,649)
Financial assets available to meet general expenditures within one year	$ 12,741,577	$ 7,902,663

NOTE 7 INVESTMENT IN JOINT VENTURE AND NMTC PROGRAM

The Organization, along with other Habitat affiliates, is participating in a joint venture to take advantage of New Market Tax Credit ("NMTC") financing. The NMTC Program permits corporate and individual taxpayers to receive a credit against federal income taxes for making qualified equity investments in qualified community development entities ("CDE").

In November 2021, the Organization invested $865,419 in the joint venture, HFHI Leverage Lender 2021, LLC consisting of cash and qualified investment properties. The investment represents 3.9815% ownership in the joint venture. The joint venture contributed its combined resources to Twain Investment Fund 544, LLC and USBCDC Investment Fund 369, LLC ("Investment Funds") which received additional investment from U.S. Bancorp Community Development Corporation ("Bank") as the federal tax credit investor under the NMTC Program.

As part of the NMTC Program, the Investment Fund invested in HFHI NMTC Sub-CDE IV, LLC a qualified CDE. The CDE is the conduit for accomplishing the NMTC Program specifics of constructing and selling qualified housing properties to low income residents. Under the CDE, the Organization was able to secure a 30-year loan in the amount of $1,053,601 to be used solely in accordance with NMTC Program compliance requirements.

NOTE 7 INVESTMENT IN JOINT VENTURE AND NMTC PROGRAM - continued

The loan accrues interest only for years 1 through 7 at a rate of .74%. Beginning in year 8 through year 30, the principal balance of the loan is reduced by a twenty-three-year amortization at the same rate of .74%. The Investment Fund may be subject to tax credit recapture if the NMTC Program compliance requirements are to met over a seven-year period. The CDE has the option to waive the debt in November 2028, so as to participate in the NMTC program as noted above.

As part of the NMTC Program, the Investment Fund invested in HFHI NMTC Sub-CDE V, LLC a qualified CDE. The CDE is the conduit for accomplishing the NMTC Program specifics of constructing and selling qualified housing properties to low income residents. Under the CDE, the Organization was able to secure a 30-year loan in the amount of $117,067 to be used solely in accordance with NMTC Program compliance requirements. The loan accrues interest only for years 1 through 7 at a rate of .74%. Beginning in year 8 through year 30, the principal balance of the loan is reduced by an twenty-three-year amortization at the same rate of .74%. The Investment Fund may be subject to tax credit recapture if the NMTC Program compliance requirements are to met over a seven-year period. The CDE has the option to waive the debt in November 2028, so as to participate in the NMTC program as noted above.

NOTE 8 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization maintains an Endowment Fund (the "Fund") with the Central Indiana Community Foundation ("CICF"). The primary purpose of the Fund is to provide support to the Organization to carry out its role and mission. All gifts, bequests and devises to this Fund shall be irrevocable once accepted by CICF. The Organization believes the fair vale of the future cash flows to be received from its beneficial interest in assets held by CICF approximates the fair value of the underlying assets held by CICF. The assets held at CICF are entirely comprised of pooled investment funds held and managed by CICF. Fair value is based on the net asset value per share as determined by CICF and provided to the Organization.

The Fund consists of equities, fixed income, venture capital and private equity, marketable alternatives, real assets, and cash equivalent funds. The investment is directed by CICF and the portfolio is designed to achieve returns consistent with CICF's adopted investment policies. The Organization is the only beneficiary of the investment earnings, which are distributed in accordance with the agreements between CICF and the Organization.

NOTE 9 FAIR VALUE MEASUREMENTS

The Organization utilizes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

NOTE 9 FAIR VALUE MEASUREMENTS - continued

The three levels of the fair value hierarchy are described below:

- **Level 1** Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- **Level 2** Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- **Level 3** Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are measured and reported on a fair value basis. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as level 3. The Organization does not have any significant level 3 assets or liabilities. During the years ended December 31, 2021 and 2020, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Beneficial interest in assets held by others : Determined by Organization's proportionate share of the CICF's pooled investment portfolio. The Organization does not receive a detailed listing of the portfolio's assets. The Organization uses the net asset value to determine the CICF valuation using the market approach.

Mortgage service agreement liability : Valued at the gross costs to service the mortgages less an estimated discount to present value at year-end.

Assets and liabilities measured at fair value as of December 31, 2021 and 2020 are summarized as follows:

	2021			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Beneficial interest in assets held by others	$ 117,137	$ -	$ 117,137	$ -
Mortgage service agreement liability	$ (895,541)	$ -	$ (895,541)	$ -

NOTE 9 FAIR VALUE MEASUREMENTS - continued

	2020			
	Fair Value	Level 1	Level 2	Level 3
Beneficial interest in assets held by others	$ 92,007	$ -	$ 92,007	$ -
Mortgage service agreement liability	$ (682,729)	$ -	$ (682,729)	$ -

NOTE 10 RETIREMENT PLAN

The Organization provides a simple IRA plan to eligible full-time employees. The Organization contributes 2% of annual compensation of each participant in the plan. Total employer contributions for the years ended December 31, 2021 and 2020 was $44,682 and $45,848, respectively.

NOTE 11 MORTGAGE LOANS RECEIVABLE

Mortgage loans receivable are non-interest bearing and have been discounted at a rate which approximates the average prevailing market rate for these loans at their inception. Discounts are amortized, using the effective interest method, over the lives of the mortgages at 4.5%. Mortgage loans are secured by related real estate. Every effort is made to assist homeowners who have become delinquent in their mortgage payments. However, foreclosure proceedings may be initiated and/or the Organization may accept back the deed in lieu of foreclosure when homeowner mortgage payments are deemed seriously delinquent. Properties acquired through foreclosure or received by accepting a deed in lieu of foreclosure may be refurbished in partnership with and sold to other families in need of decent, affordable housing. Homes available for sale are stated at the lower of cost or market. Management estimates an allowance for doubtful mortgage receivables based on an evaluation of current economic conditions, historical trends, and past experience with homeowners.

New mortgage loans are based on the appraised value of each home. Original mortgages range from $128,000 to $192,000. Mortgage terms range from 15 to 40 years.

Second mortgages are placed on the Organization's homes as needed to ensure affordability. Second mortgages are made up of the difference between the appraised value of the home and the first mortgage amount. It is the policy of the Organization not to recognize the second mortgages in their accounting records. However. the second mortgages are reduced, on a pro rata basis, over the life of the first mortgage and will only be due on demand upon the sale of the home or default on the mortgage to which they relate.

NOTE 11 MORTGAGE LOANS RECEIVABLE - continued

Mortgage loan receivables from homeowners that have filed for bankruptcy or where foreclosure proceedings have been filed are $40,287 and $73,066 at December 31, 2021 and 2020, respectively.

Other past due mortgage loans receivable from homeowners as of December 31 are as follows:

	1 - 60 Days Past Due	60 - 90 Days Past Due	+90 Days Past Due	Total
2021	$ 6,680	$ 8,956	$ 5,610	$ 21,246
2020	$ 6,722	$ 6,722	$ 5,442	$ 18,886

Mortgage loans receivable balances as of December 31 are as follows:

	2021	2020
Mortgage loans receivable	$ 12,037,440	$ 12,791,196
Less: mortgage discounts	(4,294,752)	(4,513,955)
Mortgage loans receivable, net	$ 7,742,688	$ 8,277,241

NOTE 12 SALE OF MORTGAGE RECEIVABLES

At times, the Organization will sell certain mortgage loans receivable to banks. The Organization receives from the bank proceeds for the aggregate principal balance of the mortgage loans receivable sold and recognizes a liability amount to the bank for the present value of the servicing costs over the life of the loan. The Organization then administers these loans through their original maturities on behalf of the respective bank. In the event that a loan is delinquent by more than 90 days, the Organization will replace the nonperforming loan with a substitute loan.

The Organization determines the fair value of the servicing obligation based on cash flow models that incorporate, among other things, assumptions including discount rates (see below). Accordingly, the Organization classifies the fair value portion of its mortgage service agreement liability as a Level 2 fair value measurement.

The following table summarizes data related to the sale of mortgage receivables for the year ended December 31:

	2021	2020
Cash proceeds from sale	$ 2,128,495	$ 4,497,127
Less: fair value of loans transferred	(1,187,060)	(2,571,930)
loan servicing obligation	(219,032)	(438,444)
Gain recognized on sale	$ 722,403	$ 1,486,753

NOTE 12 SALE OF MORTGAGE RECEIVABLES - continued

There were no delinquencies on the mortgage loans sold at December 31, 2021 and 2020. There were no credit losses during 2021 or 2020.

Assumptions as of sale date are as follows:

	2021	2020
Discount rate	4.5%	4.5%
Weighted-average life of loans	30 years	30 years
Annual service cost per loan	$ 627	$ 610

Key assumptions used in measuring the fair value of mortgage service agreement liability and the sensitivity of the current fair value to immediate 10% and 20% changes at December 31 are as follows:

	2021	2020
Discount rate	4.5%	4.5%
Effect of:		
10% adverse change	$ 107,167	$ 95,995
20% adverse change	144,143	124,453
Annual service costs per loan	627	610
Effect of:		
10% adverse change	10,578	1,234
20% adverse change	93,405	28,939

These sensitivities are hypothetical and should not be considered to be predictive of future performance. Changes in fair value generally cannot be extrapolated because the relationship of change in assumption to change in fair value may not be linear. Also, in this table, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated independently form any change in another assumption. In reality, changes in one factor may contribute to changes in another, which may magnify or counteract the sensitivities.

Future servicing liabilities are as follows at December 31:

	2021	2020
Less than one year	$ 65,122	$ 50,704
One to five years	325,611	253,520
More than five years	1,418,769	935,538
Total mortgage service guarantees	1,809,502	1,239,762
Less: discounts to present value (4.50%)	(913,961)	(557,033)
Net mortgage service guarantees	$ 895,541	$ 682,729

NOTE 13 ESCROW LIABILITY

At December 31, 2021 and 2020, the Organization maintained a bank account at a financial institution holding escrow payments for taxes and insurance made on behalf of homeowners. The account has been included in cash limited as to use and timing and a corresponding escrow balance of $183,482 and $176,872, respectively, has been recorded as a liability in the statements of financial position as of December 31, 2021 and 2020, respectively.

NOTE 14 LINE OF CREDIT

The Organization had a line of credit with a financial institution with a maximum debt facility of $250,000. Amounts borrowed were secured by a commercial security agreement securing all assets of the Organization. There were no borrowings on the line of credit in 2020. Interest was assessed at the prime rate. The line of credit was closed May 29, 2020.

On September 6, 2019, the Organization opened a construction line of credit with a second financial institution with a maximum debt facility of $250,000. Amounts borrowed were secured by a commercial security agreement securing all assets of the Organization. Interest is assessed at a rate of 3.89%. The line of credit matures on March 6, 2027.

On January 23, 2020, the Organization closed the $250,000 construction line of credit and opened a new construction line of credit with a maximum debt facility of $570,000. Amounts borrowed are secured by a commercial security agreement securing all assets of the Organization. Interest is assessed at a rate of 3.89%. the line of credit matures April 23, 2027. The line of credit was closed on June 10, 2020 and the outstanding balance was rolled into a long-term note payable.

On January 23, 2020, the Organization opened a line of credit with a financial institution with a maximum debt facility of $250,000. Amounts borrowed are secured by a commercial security agreement securing all assets of the Organization. Interest is assessed at 1.0% under the prime rate. There were no borrowings on the line of credit in 2021 and 2020. The line of credit matured on January 23, 2022 and is currently in the process of being extended.

NOTE 15 NOTES PAYABLE

Notes payable consist of the following at December 31:

	2021	2020
Installment note, payable $5,437 per month plus interest at 4.22% through March 2027, secured by building and land. The note was paid in full on January 21, 2022.	$ 844,609	$ 873,053
Installment note, payable $4,519 per month plus interest at 4.04% through January 2030, secured by building and land. The note was paid in full on January 21, 2022.	372,597	410,713
Installment note, payable $7,777 per month plus interest at 3.89% through September 2027, secured by building and land. The note was paid in full on January 21, 2022.	479,335	552,185
Notes payable due to a CDE (Note 7) with semi-annual interest only payments until 2028 at .7379%. Semi-annual payments of $62,224 are due starting November 5, 2029 through the maturity date of November 22, 2051. The loan is secured by substantially all the assets acquired by the Organization from the project loan proceeds. The CDE has the option to waive the debt in January 2029 so as to participate in the NMTC Program. Balance of $1,053,601 is reduced by unamortized loan costs of $83,937 as of December 31, 2021.	969,664	-
Notes payable due to a CDE (Note 7) with semi-annual interest only payments until 2028 at .7379%. Semi-annual payments of $6,921 are due starting November 5, 2029 through the maturity date of November 22, 2051. The loan is secured by substantially all the assets acquired by the Organization from the project loan proceeds. The CDE exercised the option to waive debt in January 2029 so as to participate in the NMTC Program.	117,067	-
	2,783,272	1,835,951
Less current maturities	(145,167)	(139,410)
	$ 2,638,105	$ 1,696,541

NOTE 15 NOTES PAYABLE - continued

Scheduled maturities as of December 31, 2021 are as follows:

2022	$ 145,167
2023	151,164
2023	157,245
2024	163,902
2025	170,672
Thereafter	2,079,059
	2,867,209
Less debt issuance costs	(83,937)
	$ 2,783,272

The installment note requires the Organization to maintain specified financial covenants. At December 31, 2021 and 2020, the Organization was in compliance with these covenants.

NOTE 16 OPERATING LEASES

The Organization leases office equipment under operating leases which expire at various dates through March 2025. Monthly payments under these leases total $453 per month. The Organization also leases trucks under operating leases which expire at various dates through November 2025. Monthly lease payments for the trucks total $5,139.

The Organization leases warehouse space in Marion County through April 2023. Monthly payments range from $8,284 to $9,323 over the life of the lease. The monthly payment includes common area maintenance charges. The Organization leases office and warehouse space in Hamilton County August 2025 with monthly payments ranging from $9,667 to $10,891.

Total lease expense included in the statements of activities was $355,336 and $305,153 for the years ended December 31, 2021 and 2020, respectively.

Future minimum lease payments under these obligations are as follows:

	Storage & Warehouse	Equipment	Trucks	Total
2022	$ 225,380	$ 5,436	$ 57,557	$ 288,373
2023	157,283	4,366	45,225	206,874
2024	123,234	2,868	37,073	163,175
2025	82,157	432	5,639	88,228
2026	-	-	-	-
	$ 588,054	$ 13,102	$ 145,494	$ 746,650

NOTE 17 RELATED PARTY TRANSACTIONS

The Organization remits annually a portion of its contributions to Habitat International. These funds are used to construct homes in economically depressed areas around the world. The Organization contributed $67,000 and $100,000 in 2021 and 2020, respectively.

During 2021 and 2020, the Organization paid $25,000 of annual affiliate fees to Habitat International.

Total amounts paid to Habitat International as of December 31, 2021 and 2020 was $92,000 and $125,000, respectively.

NOTE 18 NET ASSETS

Net assets consist of the following:

	2021	2020
Without donor restrictions:	$ 22,468,268	$ 18,714,831
With donor restrictions:		
Time restrictions:		
Household sponsorships - future builds	$ 96,283	$ 15,000
Beneficial interest in assets held by CICF	75,088	49,959
Perpetual in nature:		
Beneficial interest in assets held by CICF	42,048	42,048
	$ 213,419	$ 107,007

NOTE 19 PAYCHECK PROTECTION PROGRAM

In March 2020, Congress established the Paycheck Protection Program (“PPP”) to provide relief to small businesses during the coronavirus pandemic (“COVID-19”) as part of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The legislation authorized the Treasury to use the Small Business Association’s (“SBA’s”) 7(a) small business lending program to fund forgivable loans that qualifying businesses could spend to cover payroll, mortgage interest, rent, and utilities during the “Covered Period” defined as the 8-week period starting on the date the PPP loan proceeds are received. Upon meeting certain criteria as specified in the PPP program, the loans are eligible for partial or total forgiveness.

On June 5, 2020, the PPP Flexibility Act of 2020 (the "Act") was signed into law, giving borrowers flexibility with certain criteria under the PPP program including extension of the Covered Period to 24 weeks from 8 weeks, reduction to 60% of the payroll costs requirements (previously 75%), extension of the payment deferral period, extension of the full-time equivalent ("FTE") restoration deadline to December 31, 2020, and safe harbor provisions to remove the FTE reduction in forgiveness under limited circumstances.

NOTE 19 PAYCHECK PROTECTION PROGRAM - continued

In June 2020, the AICPA issued Technical Question and Answer ("TQA") 3200.18, Borrower Accounting for a Forgivable Loan Received Under the Small Business Administration Paycheck Protection Program. The TQA addresses accounting for nongovernmental entities that are not Not-For-Profits, i.e. business entities, that believe the PPP loan represents, in substance, a grant that is expected to be forgiven, it may account for the loan as a deferred income liability. The TQA further states that if such an entity expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents in substance, a grant that is expected to be forgiven, it may account for such PPP loans in accordance with FASB ASC 958-605 as a conditional contribution.

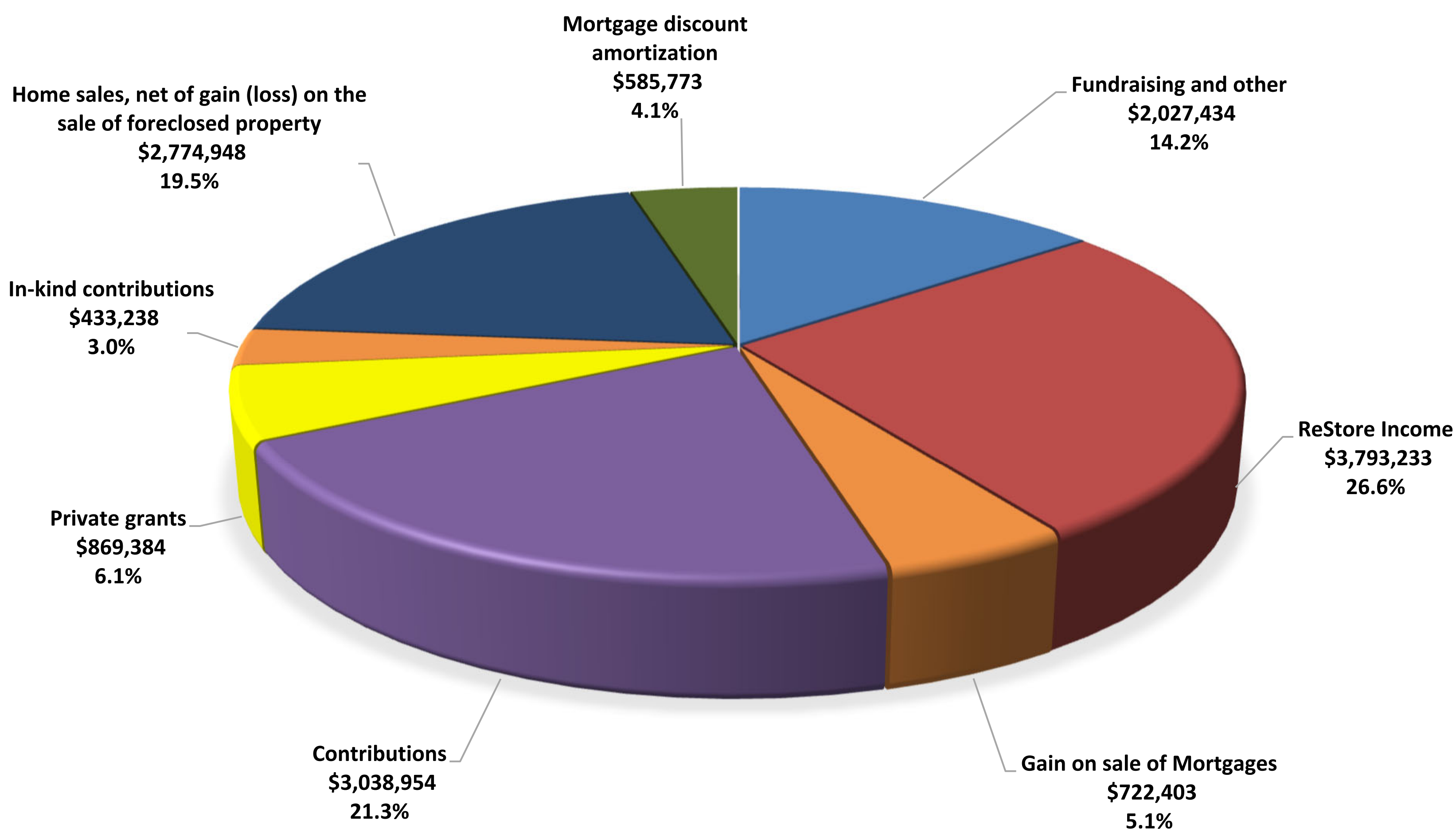
The Organization applied for and received proceeds of $520,900 through the PPP program on April 23, 2020, prior to the enactment of the Act. The loan was fully forgiven on November 16, 2020 and the proceeds were recorded as grant revenue as of December 31, 2020.

On February 1, 2021, the Organization received a second PPP loan for $518,167. The loan was fully forgiven on August 2, 2021 and the proceeds were recorded as grant revenue as of December 31, 2021.

HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

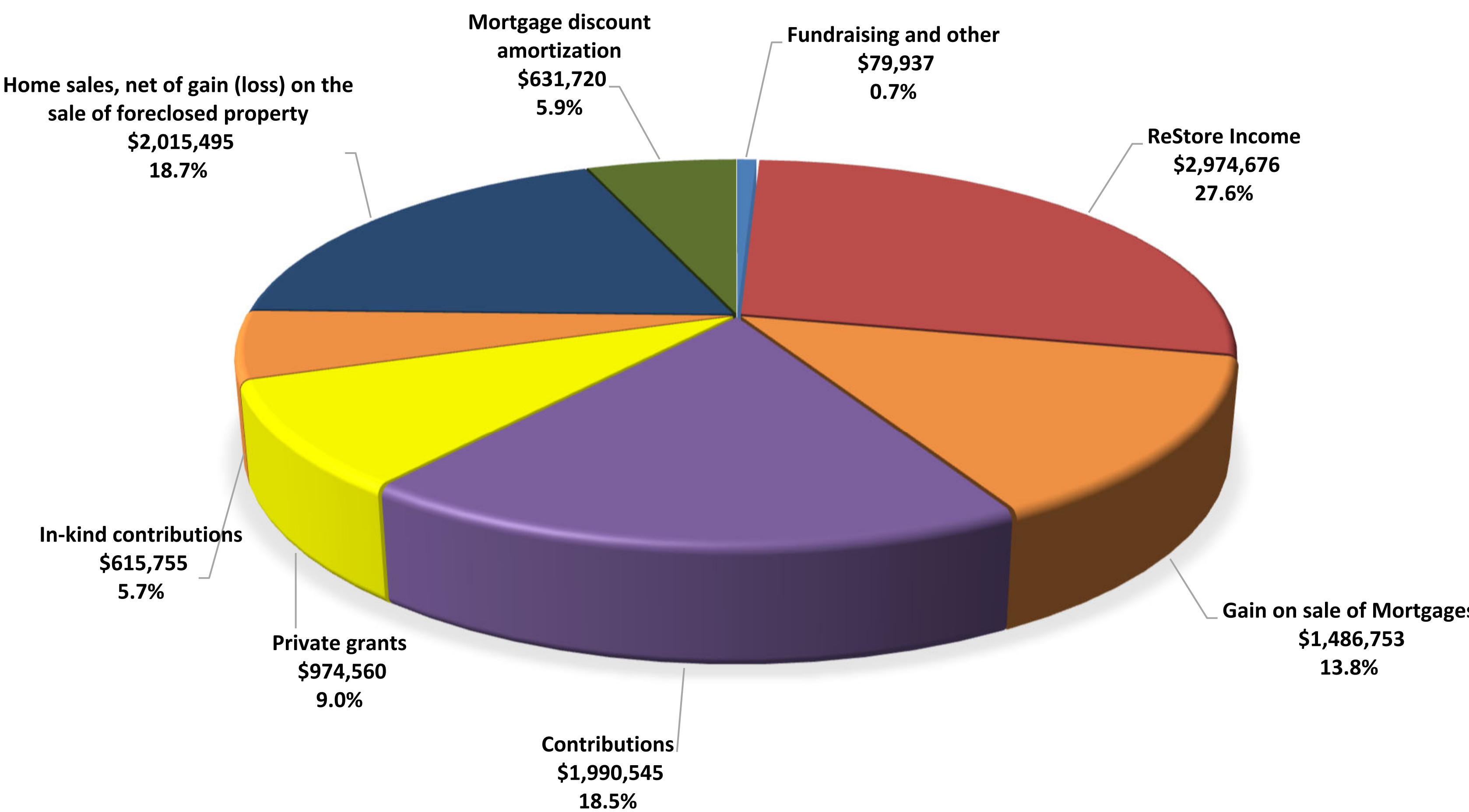
REVENUE GRAPHS

Year ended December 31, 2021
See Independent Auditor's Report



HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

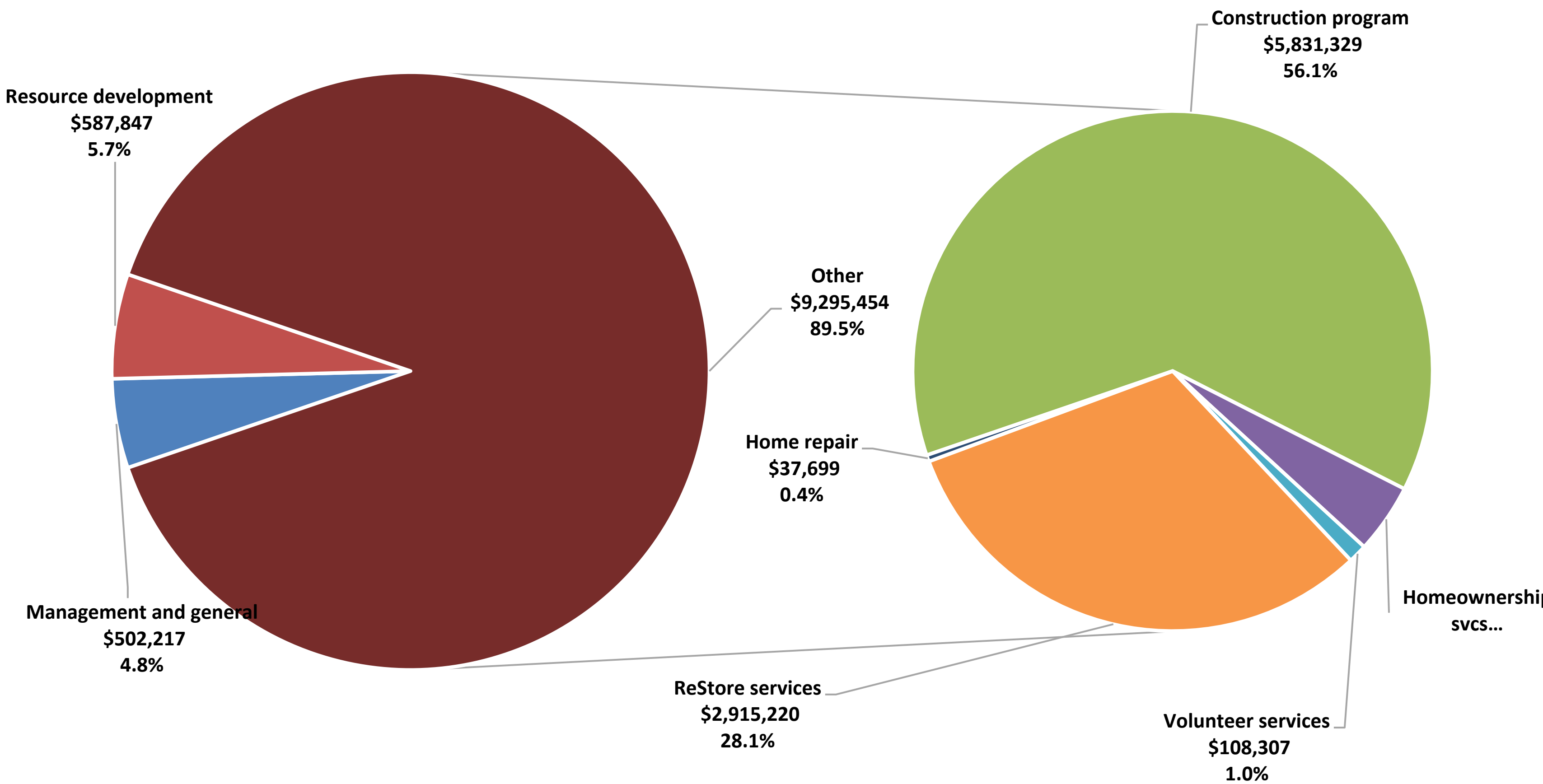
REVENUE GRAPHS - continued
Year ended December 31, 2020
See Independent Auditor's Report



HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

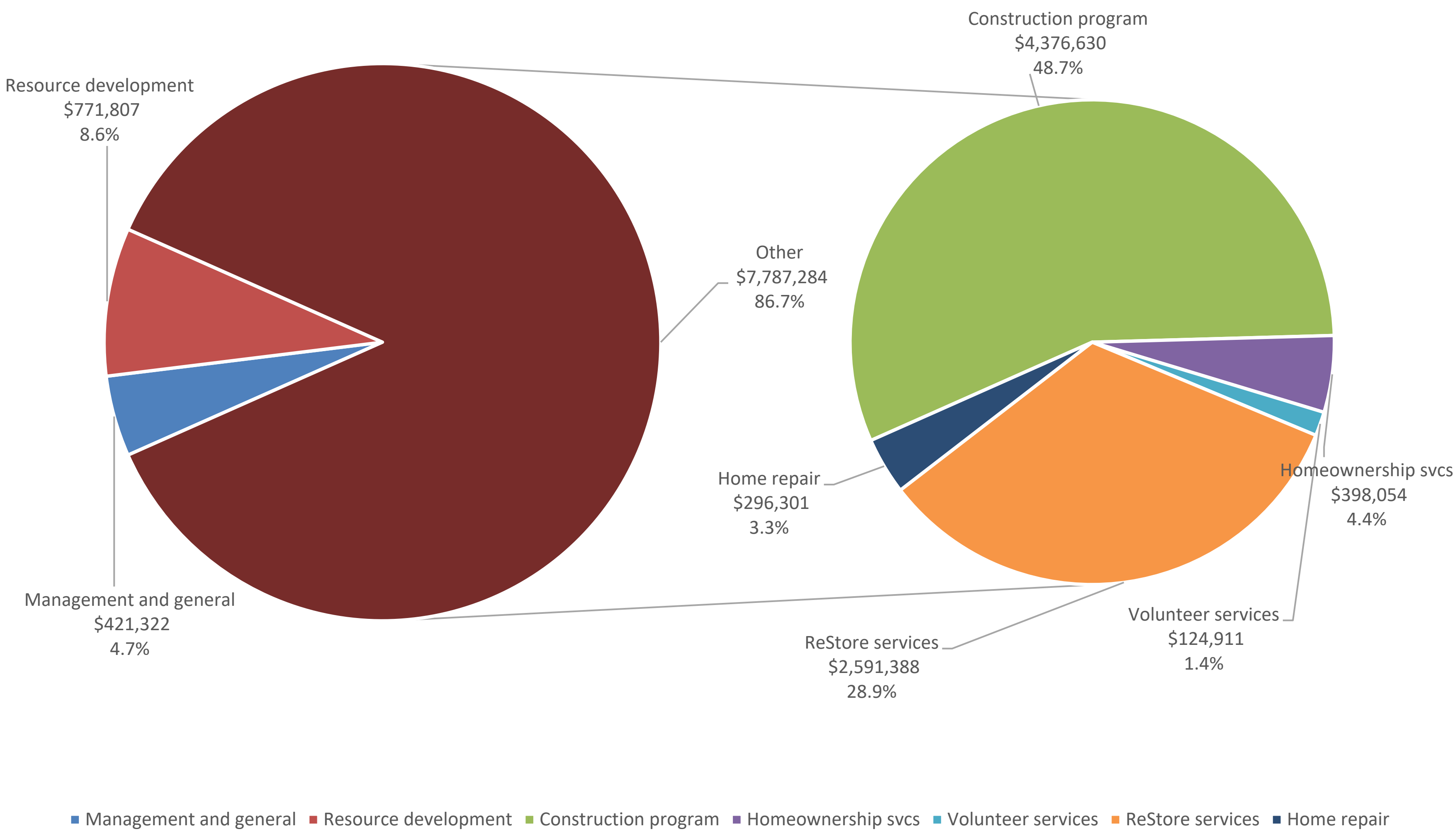
EXPENSE GRAPHS

Year ended December 31, 2021
See Independent Auditor's Report



HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

<u>EXPENSE GRAPHS</u> - continued
Year ended December 31, 2020
See Independent Auditor's Report



HABITAT FOR HUMANITY OF GREATER INDIANAPOLIS, INC.
d/b/a GREATER INDY HABITAT FOR HUMANITY

NUMBER OF HOUSES BUILT AND REHABBED (UNAUDITED)
Year ended December 31, 2021
See Independent Auditor's Report