Habitat for Humanity of La Plata County, Inc.

Financial Statements

June 30, 2020

(With Comparative Totals for June 30, 2019)

Habitat for Humanity® of La Plata County

WIPFLI

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Independent Auditor's Report

To the Board of Directors
Habitat for Humanity of La Plata County, Inc.
Durango, Colorado

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

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of La Plata County, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States.

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Report on Summarized Comparative Information

We have previously audited Habitat for Humanity of La Plata County, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wipfli LLP
Denver, Colorado

January 25, 2021

Habitat for Humanity of La Plata County, Inc.

Statements of Financial Position

June 30, 2020

(With Comparative Totals as of June 30, 2019)

ASSETS

	2020	2019
Current Assets:		
Cash and Cash Equivalents	$ 557,405	$ 168,372
Grants and Other Receivables	4,929	15,715
Current Portion of Mortgages Receivable - Net	20,901	21,343
ReStore Inventory	13,067	2,274
Home Construction-in-Progress	589,859	781,362
Total Current Assets	1,186,161	989,066
Property and Equipment - At Cost:		
Land - Outlet Store	410,000	410,000
Building - Outlet Store	2,041,428	2,016,428
Building Improvements - Outlet Store	73,865	73,865
Vehicles	48,559	48,559
Equipment and Furniture	40,314	40,314
	2,614,166	2,589,166
Less: Accumulated Depreciation	153,656	90,587
Property and Equipment - Net	2,460,510	2,498,579
Long-Term Assets:		
Long-Term Portion of Mortgages Receivable - Net	579,028	588,775
Deposits	2,400	66,485
Total Long-Term Assets	581,428	655,260
TOTAL ASSETS	$ 4,228,099	$ 4,142,905

See accompanying notes to financial statements.

Habitat for Humanity of La Plata County, Inc.

Statements of Financial Position (Continued)

June 30, 2020

(With Comparative Totals as of June 30, 2019)

LIABILITIES AND NET ASSETS	2020	2019
Current Liabilities:		
Accounts Payable	$ 19,184	$ 17,018
Notes Payable - Due Within One Year	33,760	59,863
Paycheck Protection Program Loan - Due Within One Year	23,485	-
Accrued Liabilities	9,917	8,281
Total Current Liabilities	86,346	85,162
Long-Term Liabilities:		
Notes Payable - Due After One Year	2,476,364	2,337,658
Paycheck Protection Program Loan - Due After One Year	29,915	-
Total Long-Term Liabilities	2,506,279	2,337,658
Total Liabilities	2,592,625	2,422,820
NET ASSETS		
Without Donor Restrictions	1,635,474	1,720,085
With Donor Restrictions	-	-
Total Net Assets	1,635,474	1,720,085
TOTAL LIABILITIES AND NET ASSETS	$ 4,228,099	$ 4,142,905

See accompanying notes to financial statements.

Habitat for Humanity of La Plata County, Inc.

Statements of Activities

For the Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Revenues and Support:				
Operating Revenues:				
Sales to Homeowners	$ 811,500	$ -	$ 811,500	$ 610,000
Mortgage Discount Amortization	77,777	-	77,777	41,269
Outlet Store Revenues	199,746	-	199,746	280,311
Proceeds from Forgivable Mortgages	-	-	-	48,400
Discount Earned on Early Mortgage Payoff	-	-	-	57,528
Miscellaneous	453	-	453	16,539
Total Operating Revenues	1,089,476	-	1,089,476	1,054,047
Support:				
Contributions	35,785	16,060	51,845	50,181
Grants	43,649	-	43,649	90,907
Donated Services and Materials	4,008	-	4,008	49,961
Special Events - Net of Direct Benefit to Donor	19,558	-	19,558	36,828
Net Assets Released from Restrictions	16,060	(16,060)	-	-
Total Support	119,060	-	119,060	227,877
Total Revenues and Support	1,208,536	-	1,208,536	1,281,924
Expenses:				
Program Services:				
Home Construction	951,565	-	951,565	848,150
Outlet Store	296,822	-	296,822	258,873
Total Program Services	1,248,387	-	1,248,387	1,107,023
Support Services:				
Management and General	32,038	-	32,038	26,448
Fundraising	12,722	-	12,722	17,533
Total Supporting Services	44,760	-	44,760	43,981
Total Expenses	1,293,147	-	1,293,147	1,151,004
Change in Net Assets	(84,611)	-	(84,611)	130,920
Net Assets - Beginning of Year	1,720,085	-	1,720,085	1,589,165
NET ASSETS - END OF YEAR	$ 1,635,474	$ -	$ 1,635,474	$ 1,720,085

See accompanying notes to financial statements.

Habitat for Humanity of La Plata County, Inc.

Statements of Functional Expenses

For the Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	Home Construction	Outlet Store	Management and General	Fundraising	Total 2020	Total 2019
Expenses						
Advertising, Printing, and Publication	$ 575	$ 5,507	$ 7	$ 95	$ 6,184	$ 6,256
Bank and Credit Card Fees	6,409	-	-	712	7,121	7,966
Conferences, Meals, and Entertainment	6,356	1,149	289	578	8,372	5,699
Construction Costs	584,617	-	-	-	584,617	416,968
Depreciation	15,768	31,534	15,767	-	63,069	28,938
Dues and Subscriptions	3,343	-	-	3,343	6,686	6,162
Education and Training	25	767	-	-	792	1,447
Employee Benefits	9,226	5,661	393	-	15,280	23,012
Insurance	8,769	15,364	959	201	25,293	18,871
Interest	20,417	59,893	-	-	80,310	27,777
Mortgage Discount	112,427	-	-	-	112,427	187,805
Office Expenses	6,101	21,212	301	315	27,929	33,469
Cost of Direct Benefit to Donors	-	-	-	16,005	16,005	22,700
Payroll Taxes	7,025	10,024	299	149	17,497	19,203
Professional Fees	54,827	-	2,886	-	57,713	19,867
Rent	-	2,270	-	-	2,270	59,317
Repairs and Maintenance	132	-	19	38	189	133
Salaries and Wages	94,164	131,047	7,859	4,311	237,381	246,952
Telephone and Utilities	8,146	12,394	1,982	881	23,403	27,245
Tithe	169	-	-	-	169	2,299
Vehicle Expenses	9,575	-	1,277	1,915	12,767	7,919
Volunteer and Event Expenses	3,494	-	-	184	3,678	3,699
Total Expenses by Function	951,565	296,822	32,038	28,727	1,309,152	1,173,704
Less: Expenses included with Revenues on the Statement of Activities						
Cost of Direct Benefit to Donor				(16,005)	(16,005)	(22,700)
Total	$ 951,565	$ 296,822	$ 32,038	$ 12,722	$ 1,293,147	$ 1,151,004

See accompanying notes to financial statements.

Habitat for Humanity of La Plata County, Inc.

Statements of Cash Flows

For the Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	2020	2019
Change in Cash and Cash Equivalents:		
Cash Flows From Operating Activities:		
Change in Net Assets	$ (84,611)	$ 130,920
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	63,069	28,938
Mortgage Loans Issued - Net of Discount to Net Present Value	(75,573)	(100,268)
Proceeds from Forgivable Mortgages	-	(48,400)
Discount Earned on Early Mortgage Payoff	(35,699)	(57,528)
Amortization of Discount on Mortgage Loans	(42,075)	(41,269)
Changes in Operating Assets and Liabilities:		
Grants and Other Receivables	10,786	(5,336)
Deposits	64,085	-
ReStore Inventory	(10,793)	853
Home Construction-in-Progress	191,503	133,395
Accounts Payable	2,166	(140,865)
Accrued Liabilities	1,636	3,368
Net Cash Flows From Operating Activities	84,494	(96,192)
Cash Flows From Investing Activities:		
(Purchase of) Property and Equipment	(25,000)	(1,369,028)
Mortgage Payments Received	163,536	53,418
Net Cash Flows From Investing Activities	138,536	(1,315,610)
Cash Flows From Financing Activities:		
Proceeds from Notes Payable	150,000	1,408,013
Proceeds from Paycheck Protection Program Loan	53,400	-
(Payments on) Notes Payable	(37,397)	(47,329)
Net Cash Flows From Financing Activities	166,003	1,360,684
Net Change in Cash and Cash Equivalents	389,033	(51,118)
Cash and Cash Equivalents - Beginning of Year	168,372	219,490
Cash and Cash Equivalents - End of Year	$ 557,405	$ 168,372
Supplemental Disclosure:		
Interest Paid	$ 80,310	$ 27,777

See accompanying notes to financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Organization

Habitat for Humanity of La Plata County, Inc. (the "Organization") is a non-profit, tax-exempt organization formed to construct and renovate homes with, and for, people in need. The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) of 1954, as amended; accordingly, a provision for income taxes has not been made. The Internal Revenue Service (IRS) has determined the Organization is not a private foundation.

The Organization operates a Habitat for Humanity ReStore (the "Outlet Store"), a retail operation, where home furnishings, appliances, and other miscellaneous items are donated and then sold to the community at reduced prices.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States (GAAP).

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. The prior year presentation does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Classification of Net Assets

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

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions: Net assets subject to donor or certain grantor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time, or other events specified by the donor. Other explicit 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, or when the stipulated purpose for which the resource was restricted has been fulfilled.

Note 1: Summary of Significant Accounting Policies (Continued)

Use of 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.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the IRC. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

In accordance with GAAP, an entity is required to disclose any material uncertain tax positions that management believes does not meet a "more-likely-than-not" standard of being sustained under an income tax audit and to record a liability for any such taxes including penalty and interest. Management of the Organization has not identified any uncertain tax positions that require the recording of a liability mentioned above or further disclosure.

Fair Value Measurements

The Organization's financial instruments include cash and cash equivalents, grants and other receivables, mortgages receivable, accounts payable, and short-term borrowings. The fair value of these financial instruments approximates their carrying amounts based on current market indicators, such as prevailing interest rates and their nearness to maturity.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

From time to time, the Organization may maintain cash balances in a financial institution in excess of the FDIC limit. To mitigate this exposure, the Organization chooses to maintain separate bank accounts for exclusive use with specific grants and programs.

ReStore Inventory

ReStore inventory is stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonable predictable cost of completion, disposal, and transportation.

Note 1: Summary of Significant Accounting Policies (Continued)

Home Construction-in-Progress

All costs incurred to acquire land held for development and all costs incurred in constructing a home are capitalized. These costs include donated goods and services associated with the individual project. These accumulated costs are not subject to depreciation.

During the year ended June 30, 2020, the Organization repurchased one home from an existing borrower for $160,580, which is included in construction-in-progress at June 30, 2020.

Mortgages Receivable

The Organization constructs homes to be sold with interest-free mortgages. These mortgages are discounted based upon the prevailing market interest rates at the inception of the mortgage. The rates determined by the IRS used to discount the mortgages funded for the years ended June 30, 2020 and 2019, were 7.38% and 7.66%, respectively. From time to time, the Organization may sell mortgages rather than hold them to term. In this situation, the gain or loss on the sale of mortgages is recorded in the year in which the mortgage is sold.

All mortgages receivable are collateralized by the respective homes sold. A committee of the Board meets together with management on a regular basis to review delinquent loans and to consider if any foreclosure proceedings should be initiated. Receivable balances are considered to be delinquent based on the contractual terms. The need for an allowance is based on past collection experience and on analysis of current mortgage receivable collectability. Management believes that the fair value of each underlying mortgaged property exceeds the value of the associated outstanding mortgage loan and, therefore, no allowance for uncollectible mortgages is recorded.

Property and Equipment

Property and equipment is carried at cost or fair market value at date of contribution. Property and equipment acquired with an estimated useful life in excess of one year is capitalized and depreciated using the straight-line method over the estimated useful lives of the assets.

Donations of assets are recorded at estimated fair market value. Long-lived assets are recorded without implying a time restriction, therefore increasing net assets without donor restrictions at the fair market value in the year which the assets are received.

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Lived Assets

The Organization reviews its long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Organization would recognize an impairment loss at that time. No impairment loss was recognized during the years ended June 30, 2020 and 2019.

Recognition of Revenue and Support

Operating Revenues: Revenue from operations is primarily derived from ReStore and home sales. Revenues from these sources is recognized when the services are provided in an amount that reflects the consideration that the Organization expects to be entitled to in exchange for those services. All revenues from contracts with customers is recognized at a point-in-time.

ReStore sales revenues are primarily from customers in Durango and surrounding communities, with payment due at the point of sale. The nature of these sales does not give rise to contract costs or any variable consideration or warranties.

Home sales are from qualified low-income individuals and families in the greater Durango, Colorado area. Homes are sold at the appraised or fair market value of the home and funded primarily through financing provided by the Organization or the U.S. Department of Agriculture Rural Housing Service. Home sales are recorded at the discounted value of payments to be received over the lives of the mortgage. Some qualified buyers may receive down payment assistance from other agencies to reduce their loan amount. The Organization recognizes revenue from home sales when a home closing occurs and title is transferred to the home buyer. The nature of these sales does not give rise to any other contract costs or variable considerations.

Contribution Revenues: Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Note 1: Summary of Significant Accounting Policies (Continued)

Recognition of Revenue and Support (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a 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.

Grant Revenues: Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards That Are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Donated Goods and Services

Donated services are recognized as contributions in accordance with GAAP for Not-for-Profit Organizations, if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided assistance with specific programs and fund-raising events throughout the year that were not recognized as contributions in the financial statements because the recognition criteria were not met.

Advertising and Promotion

Advertising and promotion related expenditures are expensed as incurred. Advertising costs totaled $6,184 and $6,256, respectively, during the years ended June 30, 2020 and 2019.

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The Statements of Functional Expenses reports certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include indirect costs, such as advertising, conferences, meals and entertainment, depreciation, dues and subscriptions, insurance, office expenses, rent, telephone and utilities, and vehicle expenses, which are allocated on the basis of estimated time and effort. Construction costs, interest, mortgage discount, and tithe are considered direct program expenses. Professional fees are considered direct program expenses, and management and general expenses.

Change in Accounting Policy

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue From Contracts with Customers (Topic 606). The amendments in this ASU, along with numerous clarifications and modifications, require an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted this guidance as of July 1, 2019. The adoption of this guidance had no effect on the Organization's recognition of revenues from contracts with customers.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in ASU No. 2018-08 assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, and in determining whether a contribution transaction is conditional. The Organization adopted this guidance as of July 1, 2019, with no effect on its recognition of contributions and grants received.

Recently Issued Accounting Pronouncements

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize on the statement of financial position a right-to-use asset and a lease liability for most lease arrangements with a term greater than one year. The new standard also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from the leases. ASU 2016-02 is effective for nonpublic companies for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the effect that ASU 2016-02 will have on its financial statements.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 25, 2021, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the Statement of Financial Position date, comprise the following:

Years Ended June 30, 2020 and 2019	2020	2019
Cash and Cash Equivalents	$ 557,405	$ 168,372
Grants and Other Receivables	4,929	15,715
Mortgages Receivable - Current	63,927	65,909
Total Financial Assets Available for General Expenditure	$ 626,261	$ 249,996

The Organization does not have a formal liquidity policy. The Organization invests its financial assets in a manner consistent with the concept of prudent money management, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Note 3: Property and Equipment

A summary of property and equipment, net of accumulated depreciation, is as follows:

Years Ended June 30, 2020 and 2019	2020	2019
Land - Outlet Store	$ 410,000	$ 410,000
Building - Outlet Store	1,938,873	1,990,576
Building Improvements - Outlet Store	91,934	73,248
Equipment and Furniture	19,703	24,755
Property and Equipment - Net	$ 2,460,510	$ 2,498,579

Depreciation expense charged to operations for the years ended June 30, 2020 and 2019, was $63,069 and $28,938, respectively.

Note 4: Mortgages Receivable

Mortgages receivable are as follows:

Years Ended June 30, 2020 and 2019	2020	2019
Mortgages Receivable at Face Value	$ 1,422,428	$ 1,397,967
Less: Unamortized Discount	822,499	787,849
Net Mortgages Receivable	599,929	610,118
Less: Current Portion - Net of Unamortized Discount	20,901	21,343
Long-Term Portion - Net of Unamortized Discount	$ 579,028	$ 588,775

The following are future maturities of mortgages receivable for the years ending June 30:

2021	$ 63,927
2022	61,576
2023	57,378
2024	56,389
2025	56,389
Thereafter	1,126,769
Total	$ 1,422,428

At June 30, 2020 and 2019, the Organization had 19 outstanding mortgages receivable, for both years, with applicable discount rates ranging from 7.38% to 8.34%. The discount rates are set by Habitat for Humanity International based on the annual simple average of the rates published by the IRS under 2011-5 Section 42(B)(2) for buildings placed into service during the period. The rate in effect at the time the loan is made is the rate that is used to discount the mortgage.

In addition to the reported mortgages receivable described above, an additional second lien is established at the closing of each home for the difference between the appraised value and the actual sales price of the home. The amount of the second lien is forgiven at the end of the term of the first mortgage; however, no amounts associated with the second lien are reflected in these financial statements. The second lien is collected only upon sale by the mortgagee. Proceeds from the collection of Forgivable Mortgages were $-0- and $48,400, for the years ended June 30, 2020 and 2019, respectively.

Note 5: Notes Payable

The Organization has the following notes payable:

Years Ended June 30, 2020 and 2019	2020	2019
United States Department of Agriculture (Interest only until March 1, 2019, then payable in monthly installments of $9,468, including interest at 3.375%; matures March 1, 2058; secured by a real estate deed of trust)	$ 2,357,585	$ 2,366,314
U.S. Small Business Administration (payable in monthly installments of $641, including interest at 2.75%, beginning in June 2021; matures June 2050; secured by essentially all assets of the Organization)	150,000	-
Others	2,539	31,207
	2,510,124	2,397,521
Less: Current Maturities Included in Current Liabilities	33,760	59,863
Notes Payable - Due After One Year	$ 2,476,364	$ 2,337,658

The following are future maturities of notes payable for the years ending June 30:

2021	$ 33,760
2022	36,045
2022	37,259
2023	38,513
2024	39,809
Thereafter	2,324,738
Total	$ 2,510,124

Note 6: Line-of-Credit

The Organization maintains a line-of-credit with Wells Fargo, N.A. in the amount of $60,000. The line bears interest at the prime rate plus 7.00% and is unsecured. The outstanding balance on this line at June 30, 2020 and 2019, was $-0-, for both years.

Note 7: Paycheck Protection Program Loan

On April 11, 2020, the Organization received a loan from the Small Business Administration (SBA) Paycheck Protection Program (PPP) for $53,400. The loan accrues interest at 1% with principal and interest payments due on the date the SBA remits the loan forgiveness amount to the lender. There are provisions under the PPP loan program where all or a portion of the loan may be forgiven based on certain requirements being met. As of June 30, 2020, the loan had not been forgiven.

Note 8: Net Assets With Donor Restrictions

The Organization receives contributions from various organizations and individuals which are restricted by the donor. At June 30, 2020 and 2019, Net Assets With Donor Restrictions total $-0-, for both years.

Note 9: Transactions with Habitat for Humanity International

The Organization voluntarily remits a portion of its contributions to Habitat for Humanity International on an annual basis. These funds are used to construct homes in economically depressed areas around the world. For the years ended June 30, 2020 and 2019, the Organization contributed $169 and $2,299, respectively, to Habitat International. This amount is included in Program Services in the Statements of Activities.

Note 10: Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a "pandemic." First identified in late 2019 and known now as COVID-19, the outbreak has impacted individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations.

COVID-19 will impact various segments of the Organization's fiscal 2021 operations and financial results. Management believes that the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.