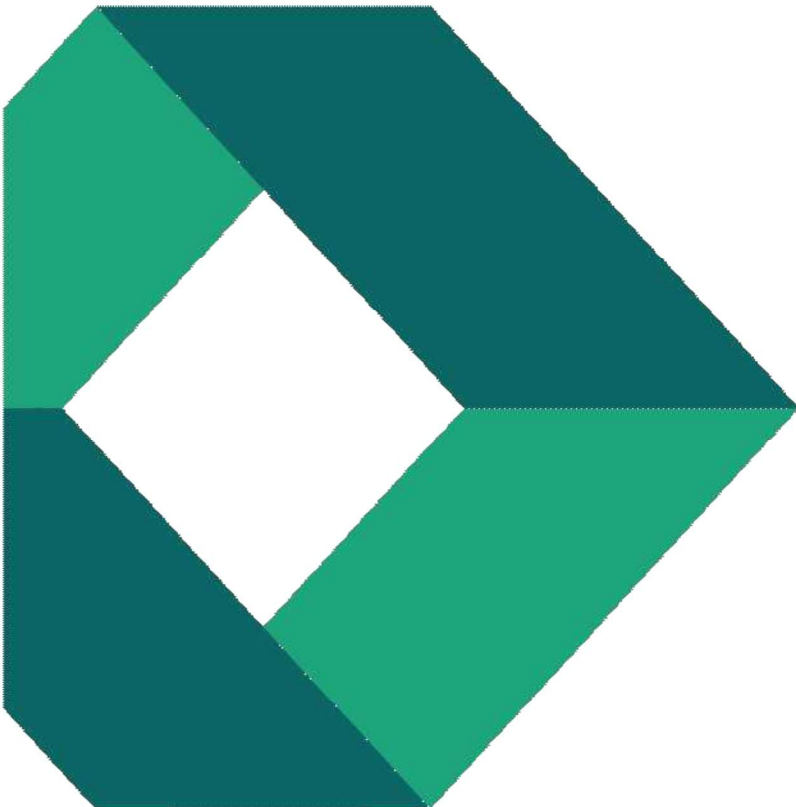


**Habitat for Humanity of East  
and Central Pasco County, Inc.  
(A Nonprofit Corporation)**

**Financial Statements  
For the Year Ended  
June 30, 2022**



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## Independent Auditors' Report

Board of Directors  
Habitat for Humanity of East and Central Pasco County, Inc.  
Dade City, FL 33525

### Opinion

We have audited the accompanying financial statements of Habitat for Humanity of East and Central Pasco County, Inc. ("Habitat for Humanity") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity 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. 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 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's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' 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 generally accepted auditing standards 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, including omissions, 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.

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In performing an audit in accordance with generally accepted auditing standards, 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'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'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.



Bodine Perry, PLLC  
Zephyrhills, Florida  
February 28, 2023



# Habitat for Humanity of East and Central Pasco County, Inc.

## Statement of Financial Position For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,613,886	\$ -	\$ 1,613,886
Escrow funds	68,026	-	68,026
Accounts receivable	315	-	315
Construction in progress	423,860	-	423,860
Inventory of lots for development	622,045	-	622,045
Current portion non-interest bearing mortgage loans	-	-	-
Thrift store inventory	9,780	-	9,780
Total Current Assets	2,737,912	-	2,737,912
<b>Non-current Assets</b>			
Non-interest bearing mortgage loans, less current portion	1,105,043	-	1,105,043
Discount on non-interest bearing mortgage loans	(587,095)	-	(587,095)
Total Non-current Assets	517,948	-	517,948
<b>Property and Equipment</b>			
Property and equipment	612,551	-	612,551
Land	50,975	-	50,975
Total Property and Equipment	663,526	-	663,526
Less accumulated depreciation	(246,416)	-	(246,416)
Net Property and Equipment	417,110	-	417,110
<b>Other Assets</b>			
Utility deposits	600	-	600
Total Assets	\$ 3,673,570	\$ -	\$ 3,673,570
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 21,230	\$ -	\$ 21,230
Note payable to PCCD	66,877	-	66,877
Escrow accounts	78,015	-	78,015
Current portion - mortgage and notes payable	14,051	-	14,051
Total Current Liabilities	180,173	-	180,173
<b>Long-term Liabilities</b>			
Mortgage payable, less current portion	159,731	-	159,731
Net Long-term Liabilities	159,731	-	159,731
<b>Net Assets</b>			
Without donor restrictions	3,333,666	-	3,333,666
With donor restrictions	-	-	-
Total Net Assets	3,333,666	-	3,333,666
Total Liabilities and Net Assets	\$ 3,673,570	\$ -	\$ 3,673,570

See Independent Auditors' Report and Notes to Financial Statements

# Habitat for Humanity of East and Central Pasco County, Inc.

## Statement of Activities and Changes in Net Assets For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>			
<b>Support</b>			
Contributions	\$ 81,796	\$ -	\$ 81,796
Grants	239,113	-	239,113
In-kind contributions	-	-	-
Transfers to homeowners	1,145,526	-	1,145,526
United Way contributions	10,000	-	10,000
Mortgage loan discount amortization	48,239	-	48,239
Restore revenue	846,683	-	846,683
<b>Total Support and Revenue</b>	<b>2,371,357</b>	<b>-</b>	<b>2,371,357</b>
<b>Revenue</b>			
Fund-raising receipts - other	47,806	-	47,806
Interest income	981	-	981
Other income	26,410	-	26,410
<b>Total Other Revenue</b>	<b>75,197</b>	<b>-</b>	<b>75,197</b>
<b>Total Support and Revenue</b>	2,446,554	-	2,446,554
<b>Expenses</b>			
Program Services			
Home construction and rehabilitation	1,430,678	-	1,430,678
ReStore	559,681	-	559,681
Management and general	46,007	-	46,007
Fund-raising	13,018	-	13,018
<b>Total Expenses</b>	<b>2,049,384</b>	<b>-</b>	<b>2,049,384</b>
Change in Net Assets	397,170	-	397,170
<b>Net Assets at Beginning of Year</b>	<b>2,936,496</b>	<b>-</b>	<b>2,936,496</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,333,666</b>	<b>\$ -</b>	<b>\$ 3,333,666</b>

See Independent Auditors' Report and Notes to Financial Statements

# Habitat for Humanity of East and Central Pasco County, Inc.

Statement of Functional Expenses  
For the Year Ended June 30, 2022

	Program Services			Support Services			Total Expenses
	House Construction and Rehabilitation	ReStore	Total Program Services	Fund Raising	Management and General	Total Support Services	
Salaries	\$ 325,989	\$ 292,154	618,143	-	30,000	30,000	648,143
Payroll taxes	25,827	23,189	49,016	-	2,369	2,369	51,385
Employee benefits	-	784	784	-	-	-	784
Grants	25,000	-	25,000	-	-	-	25,000
Office expenses	19,589	11,537	31,126	-	2,100	2,100	33,226
Occupancy	39,951	125,040	164,991	-	4,500	4,500	169,491
Travel	9,789	639	10,428	-	-	-	10,428
Interest	5,819	294	6,113	-	-	-	6,113
Accounting fees	11,997	-	11,997	-	3,600	3,600	15,597
Advertising and promotion	2,472	74	2,546	-	-	-	2,546
Insurance	29,674	21,174	50,848	-	-	-	50,848
Building material and lots	876,080	-	876,080	-	-	-	876,080
Books and subscriptions	15,890	434	16,324	-	-	-	16,324
Bank and merchant fees	155	19,224	19,379	-	-	-	19,379
Car and truck expense	5,702	9,275	14,977	-	-	2,000	16,977
Other	30,974	47,508	78,482	13,018	1,438	14,456	92,938
Depreciation expense	5,770	8,355	14,125	-	-	-	14,125
Legal fees	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 1,430,678</b>	<b>\$ 559,681</b>	<b>\$ 1,990,359</b>	<b>\$ 13,018</b>	<b>\$ 46,007</b>	<b>\$ 59,025</b>	<b>\$ 2,049,384</b>

See Independent Auditors' Report and Notes to Financial Statements

# Habitat for Humanity of East and Central Pasco County, Inc.

## Statement of Cash Flows For the Year Ended June 30, 2022

### Cash Flows from Operating Activities

Change in Net Assets	\$ 397,170
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	14,125
Transfer to homeowners	
Mortgage loan discounts	(48,239)
(Increase) decrease in:	
Notes receivable, net of discounts	1,082
Inventory	32,164
Construction in progress	(112,110)
Lots for development	-
Mortgage discounts	-
Mortgages receivable	194,587
Other assets	190
Increase (Decrease) in:	
Accounts payable and accrued expenses	2,035
Net Cash provided by Operating Activities	<u>481,004</u>

### Cash Flows from Investing Activities

Purchase of property and equipment	(15,527)
Proceeds from sale of assets	-
Net Cash used by Investing Activities	<u>(15,527)</u>

### Cash Flows from Financing Activities

Principal payments on long-term debt	(7,999)
Payments on line of credit	-
New borrowings on purchase of property and equipment	-
Net Cash used by Financing Activities	<u>(7,999)</u>

Net Increase (Decrease) in Cash 457,478

Beginning Cash Balance 1,224,434

Ending Cash Balance \$ 1,681,912

### Supplementary Cash Flow Disclosures

Other in-kind contributions	\$ 5,186
Interest paid during year	\$ 6,113

See Independent Auditors' Report and Notes to Financial Statements



# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note A - Summary of Significant Accounting Policies

### Nature of Organization

Habitat for Humanity of East and Central Pasco County, Inc., ("Habitat") (a Florida not-for-profit corporation) was created by way of merger of East Pasco Habitat for Humanity, Inc. and Habitat for Humanity of Central Pasco County, Inc. on April 14, 2010. The organization is an affiliate of Habitat for Humanity International, Inc. ("Habitat International"), a nondenominational Christian nonprofit organization whose purpose is to create decent, affordable housing for those in need, and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, publications, prayer support, and in other ways, Habitat is primarily and directly responsible for its own operations. The geographical area served by the organization covers central and eastern Pasco County and a portion of Hernando County, Florida.

East Pasco Habitat for Humanity, Inc. was originally incorporated in Florida on July 13, 1994, and Habitat for Humanity of Central Pasco County, Inc., was incorporated in Florida on December 3, 2001.

### Basis of Accounting and Presentation

The financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

*Net Assets without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate assets without donor restrictions for specific operational purposes from time to time.

*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 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. There are no temporarily or permanently restricted net assets with donor restrictions at June 30, 2022.

### Cash and Cash Equivalents

The organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds totaling \$931,212 were on deposit in excess of balances covered by FDIC at June 30, 2022.

### Mortgages Receivable

The mortgages receivable consists of non-interest-bearing mortgages which are secured by real estate and payable in monthly installments over the life of the mortgage. Escrow accounts are maintained for each homeowner (restricted bank account) to fund the annual insurance and property tax amounts owed on the respective properties. No allowance for uncollectible amounts is deemed necessary.

Fair value of these mortgages is estimated by discounting the future cash flows using current rate, when the mortgage is issued, at which similar loans would be made to borrowers with similar credit ratings for the same maturity period.

# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note A - Summary of Significant Accounting Policies (continued)

### Transfers to Homeowners

Transfers to homeowners are recorded at the gross amount of payments to be received by Habitat over the lives of mortgages. Non-interest-bearing mortgages are discounted for the current year based upon prevailing market rates at the inception of the mortgages. Discounts are amortized using the straight-line method over the lives of the mortgages.

In addition to the first mortgages, which are recorded as indicated, the organization also receives second or third mortgages and notes related to the transferred properties in an amount which approximates the excess of the fair market value of the homes over the actual amount to be repaid. As long as all terms and conditions related to the first mortgage are satisfied, this amount is forgiven annually based on the expected repayment terms of the first mortgage. No amounts for these second mortgages have been recorded on these financial statements.

### Home Construction Costs

Costs incurred in conjunction with home construction are expensed when the home is transferred to the owner.

Following is a summary of home building activity for 2022:

	<u>Number</u>	<u>Cost</u>
Homes under construction July 1, 2021	5	\$ 311,750
Plus new homes started and additional construction in 2022	12	667,943
Homes transferred to homeowners in 2022	6	<u>(555,833)</u>
Total homes under construction June 30, 2022	11	<u>\$ 423,860</u>

### ReStore Inventory

Inventory is comprised primarily of items donated to the organization to sell to the general public. The balance of inventory at June 30, 2022, is \$9,780 and represents the sales value of donated items, and the actual cost of any purchased items available for sale. The balance represents management's best estimate of actual items in the store's inventory at year end available for sale.

### Property and Equipment

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Acquisitions in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

### Donated Goods and Materials

The organization records the fair value of donated goods when there is an objective basis available to measure their values as contributions in-kind in the accompanying statement of activities.



# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note A - Summary of Significant Accounting Policies (continued)

### Revenue Recognition

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) met in the same reporting period, contributions are reported as net assets without donor restrictions in the accompanying statement of activities. Grants and contributions received are considered to be available for use unless specifically restricted by the grantor or donor. Amounts received that are designated for a future period or are restricted by the grantor or donor for specific purposes, are reported as restricted support. There are no net assets with donor restrictions at June 30, 2022.

The organization derived 36 percent of its revenues from ReStore sales in point-of-sale transactions. Revenues are recognized when control of goods or services is transferred to customers in an amount that reflects the consideration the organization expects to be entitled to receive in exchange for those goods and services.

ReStore income is generated through the sale of home furnishings, appliances, and other miscellaneous items that are donated or purchased and then sold at a reduced price. The transaction price is a fixed amount set by the organization, and the revenue is recognized at the time of sale as that is when the performance obligation is satisfied. If this source of income was drastically reduced or if the organization's facilities were damaged, it could have a significant effect on the activities and services of the organization.

Most not-for-profit organizations receive significant support from sources that are outside the scope of ASU (FASB ASC 606), including contributions, nonreciprocal grants and contracts and investment income.

### Functional Allocation of Expenses

The costs of providing services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services, support services, and fundraising functions. In addition, as the ReStore center has primarily been used for providing participants with clothing and household needs, the operating expenses of the ReStore have been allocated to program costs.

Habitat annually remits a portion of its contributions (excluding in-kind, designated and any restricted contributions) to Habitat International. These funds are used to construct homes in economically depressed areas around the world. For the year ended June 30, 2022, Habitat contributed \$25,000 to Habitat International. Such amount is included in program services expense in the Statements of Activities and Changes in Net Assets.

### Income Taxes

The organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code under a group exemption granted to Habitat International. Under these provisions, no tax is paid on income it receives as long as it maintains its tax-exempt status. Accordingly, no provision for income taxes is provided in the accompanying financial statements. The organization annually files Form 990 as required for not-for-profit organizations. These returns are subject to examination by the applicable taxing authorities for the three preceding years. In addition, the organization qualifies for the charitable contribution deduction under Section 170(8)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(A)(2).

Management of the organization considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the organization's status as a not-for-profit entity. Management believes that the organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. The organization's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note A - Summary of Significant Accounting Policies (continued)

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Donated Services/In-Kind Contributions

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. Volunteer provided services at the organization's ReStore throughout the year are not recognized as contributions in the financial statements since the recognition criteria are not met.

A substantial number of volunteers have donated significant hours to the Organization's program services and fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services (which include accounting and construction services) are reflected in the statement of activities at their fair value.

Materials and other assets received as donations, for use in home construction, are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

The organization operates a retail establishment called Habitat ReStore (ReStore) which sells, at retail, various remodeling and building supplies to the general public. The store is staffed principally by paid employees, but principally sells items donated to East Pasco Habitat for Humanity, Inc. Donations to Restore are not valued nor treated as inventory items used for financial reporting purposes in accordance with provisions of ASC 958-605-25-4. A major uncertainty about the existence of value precludes donated items from being recognized at time of donation.

## Note B - Cash Balances

The organization maintained cash balances as of June 30, 2022, as follows:

Cash and equivalents for general expenditures	\$	135,348
Escrow		68,026
Money Market		1,351,365
Construction		127,173
Total available for general expenditures	\$	<u>1,681,912</u>

All deposits are held in accounts in the name of the organization.



# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note C - Grant Revenues

The organization received the following grants during 2022:

Thrivent Grant	\$	163
United Way		10,000
Bank of America		1,000
Pasco County		8,328
Publix Supermarkets Charities, Inc.		25,000
Habitat of Humanity of Florida		4,622
Jarrett Ford		100,000
WREC		100,000
Total Grants	\$	<u>249,113</u>

## Note D - Liquidity and Availability of Financial Assets

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:

Cash and cash equivalents	\$	1,681,912
Less: restricted by donors with purpose and time restrictions		<u>-</u>
Total available for general expenditures	\$	<u>1,681,912</u>

# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note E - Fair Value Measurements

The Fair Value Measurements Topic of FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements.

The organization measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

### Level 1 Fair Value Measurements

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

### Level 2 Fair Value Measurements

Inputs in other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

### Level 3 Fair Value Measurements

Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The organization's significant financial instruments are cash, accounts receivable, accounts payable, deferred revenue, and other short-term assets and liabilities. For these financial instruments (Level 1), carrying values approximate fair value because of the short-term maturity of these instruments.

# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note F - Property and Equipment

The following is a summary of property and equipment, by function, as of June 30, 2022:

	<u>Estimated Useful Life</u>	
ReStore		
Furniture and Fixtures	7-15 yrs	\$ 23,911
Equipment	7-15 yrs	79,965
Improvements	5-40 yrs	14,987
Total Restore Property and Equipment		<u>118,863</u>
Administrative		
Furniture and Fixtures	7-15 yrs	23,298
Equipment	7-15 yrs	92,728
Improvements	5-40 yrs	9,828
Buildings	5-40 yrs	360,756
Land	-	50,975
Other	7-15 yrs	7,078
Total Administrative Property and Equipment		<u>544,663</u>
Total Property and Equipment		663,526
Less accumulated depreciation		(246,416)
Net Property and Equipment		<u>\$ 417,110</u>

Depreciation expense totaled \$14,125 for the year ended June 30, 2022.

## Note G - Line of Credit

The organization has an unsecured line of credit with the First National Bank of Pasco, with a maximum draw down of \$150,000. The interest rate is currently 4.25%, and amount outstanding as of June 30, 2022, was \$0.

## Note H - Long-term Debt

On April 7, 2015, FASB issued ASU 2015-03, ASC Subtopic 835-30, *Interest-Imputation of Interest*. Under this guidance, debt issuance costs related to a recognized long-term debt liability are presented in the balance sheet as a direct deduction from the debt liability and are amortized over the life of the associated bank debt. Thus, debt issuance costs related to long-term debt are netted against "Notes Payable" on the balance sheets. The organization reflects the amortization of debt issuance costs as interest expense. Interest expense related to the amortization of debt issuance costs was \$0 for the year ended June 30, 2022.

# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note H - Long-term Debt (continued)

Long-term debt consists of the following:

Mortgage Payable to First National Bank of Pasco secured by real estate; fixed interest rate of 5% with 60 monthly installments of \$703; and 59 payments beginning August 2023 with interest rate based on Index US Treasury securities with a maturity date of July 20, 2028	\$ 122,013
Note payable to First National Bank of Pasco secured by 2016 Isuzu van; fixed interest rate of 4.5% with monthly installments of \$747 with a maturity date of October 5, 2022.	2,963
Note payable to Pasco County Community Development Department secured by real estate; interest rate of 0% with monthly installments of \$483.35 with a maturity date of November 30, 2030.	48,806
Line of Credit with First National Bank of Pasco in the amount of \$150,000; interest rate of 4.25%.	<u>-</u>
Total long-term debt	173,782
Less: Current portion	<u>(14,051)</u>
Net long-term debt	<u><u>\$ 159,731</u></u>

Future maturities of long-term debt obligations at June 30, 2022, are as follows:

June 30,	2023	\$	14,051
	2024		8,249
	2025		8,372
	2026		8,501
	2027-2031		134,609
	Total		<u>\$ 173,782</u>

## Note I - Operating Lease Agreements

Habitat is obligated under non-cancellable operating leases for certain real property and equipment at June 30, 2022.

Habitat is obligated under a five-year lease agreement with Zephyrhills Mini Storage, Inc. to lease real property consisting of a ReStore location in Zephyrhills, Florida. The lease term began September 1, 2010, for five years, with an option to extend for an additional five years after the original lease term ended and an option to renew the lease after the lease ends. The lease was renewed November 1, 2020, for \$8,930 per month.



# Habitat for Humanity of East and Central Pasco County, Inc.

Notes to Financial Statements  
For the Year Ended June 30, 2022

## Note I - Operating Lease Agreements (continued)

Approximate future payments in connection with real property lease obligations are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	107,160
2024	107,160
2025	35,720
2026	-
Total	<u>\$ 250,040</u>

Habitat is obligated a under 48-month lease agreement for office equipment with Dex Imaging, LLC.

Approximate future payments in connection with equipment lease obligations are as follows:

<u>June 30,</u>	<u>Amount</u>
2023	2,460
2024	2,460
2025	2,460
2026	-
Total	<u>\$ 7,380</u>

## Note J - Subsequent Events

Management has evaluated subsequent events through February 28, 2023, the date the financial statements were available to be issued.

Beginning fiscal year 2022, the organization will no longer service the financing of new mortgages for home sales. New mortgages will be serviced by the USDA. Mortgage receivables currently held by the organization will continue to be serviced by Habitat for Humanity until paid in full.

According to Habitat's attorney, Habitat had two pending litigations as of June 30, 2021, regarding delinquent payments from previous homeowners. These litigations were settled during fiscal year 2022 in which delinquent accounts were paid in full.