

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

Financial Statements

For the Year Ended
June 30, 2024



DGPerry
CPAs + Advisors

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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, 2024, 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, 2024, 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 Auditors' 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 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 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.



DGPerry PLLC
Zephyrhills, Florida
October 10, 2024

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

Statement of Financial Position For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 2,028,043	\$ -	\$ 2,028,043
Escrow funds	38,278	-	38,278
Accounts receivable	920	-	920
Construction in progress	561,449	-	561,449
Inventory of lots for development	691,964	-	691,964
Thrift store inventory	59,591	-	59,591
Total Current Assets	3,380,245	-	3,380,245
Non-current Assets			
Non-interest bearing mortgage loans	932,079	-	932,079
Discount on non-interest bearing mortgage loans	(433,408)	-	(433,408)
Total Non-current Assets	498,671	-	498,671
Property and Equipment			
Property and equipment	680,636	-	680,636
Land	50,975	-	50,975
Total Property and Equipment	731,611	-	731,611
Less: accumulated depreciation	(297,572)	-	(297,572)
Net Property and Equipment	434,038	-	434,038
Other Assets			
Utility deposits	600	-	600
Operating lease right of use asset	135,446	-	135,446
Total Other Assets	136,046	-	136,046
Total Assets	\$ 4,449,000	\$ -	\$ 4,449,000

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

Statement of Financial Position For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued expenses	\$ 651	\$ -	\$ 651
877	66,877	-	66,877
Escrow accounts	47,400	-	47,400
Current portion - mortgage and notes payable	7,892	-	7,892
Current portion of operating lease liability	99,854	-	99,854
Total Current Liabilities	222,674	-	222,674
Long-term Liabilities			
Mortgage payable, less current portion	146,818	-	146,818
Operating lease liability	35,592	-	35,592
Net Long-term Liabilities	182,410	-	182,410
Net Assets			
Without donor restrictions	4,043,916	-	4,043,916
With donor restrictions	-	-	-
Total Net Assets	4,043,916	-	4,043,916
Total Liabilities and Net Assets	\$ 4,449,000	\$ -	\$ 4,449,000

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

Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Contributions	\$ 69,732	\$ -	\$ 69,732
Grants	408,238	-	408,238
In-kind contributions	-	-	-
Transfers to homeowners	2,113,556	-	2,113,556
United Way contributions	14,000	-	14,000
Mortgage loan discount amortization	40,321	-	40,321
Restore revenue	787,817	-	787,817
Total Support and Revenue	3,433,663	-	3,433,663
 Revenues			
Fund-raising receipts - other	33,173	-	33,173
Interest income	24,552	-	24,552
Other income	24,493	-	24,493
Total Other Revenue	82,218	-	82,218
Total Support and Revenue	3,515,882	-	3,515,882
 Expenses			
Program Services			
Home Construction and rehabilitation	2,297,926	-	2,297,926
ReStore	702,055	-	702,055
Management and general	69,438	-	69,438
Fund-raising	15,442	-	15,442
Total Expenses	3,084,862	-	3,084,862
Change in Net Assets	431,020	-	431,020
Net Assets at Beginning of Year	3,612,896	-	3,612,896
Net Assets at End of Year	\$ 4,043,916	\$ -	\$ 4,043,916

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

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services			Supporting Services			Total Expenses
	House Construction and Rehabilitation	ReStore	Total Program Services	Fund Raising	Management and General	Total Support Services	
Salaries	\$ 346,238	\$ 356,718	\$ 702,956	-	\$ 38,471	\$ 38,471	\$ 741,427
Payroll taxes	26,264	28,033	54,297	-	2,918	2,918	57,215
Employee Benefits	38,378	16,093	54,471	-	4,264	4,264	58,735
Grants	30,000	-	30,000	-	-	-	30,000
Office Expenses	79,009	39,202	118,211	-	8,779	8,779	126,990
Occupancy	8,797	104,780	113,577	-	-	-	113,577
Travel	42,248	2,527	44,775	-	1,404	1,404	46,179
Interest	7,765	-	7,765	-	-	-	7,765
Accounting Fees	25,735	-	25,735	-	-	-	25,735
Advertising and promotion	3,030	2,949	5,979	15,442	-	15,442	21,421
Insurance	36,764	22,700	59,464	-	-	-	59,464
Building materials and lots	1,567,078	-	1,567,078	-	-	-	1,567,078
Books and Subscriptions	33,272	1,929	35,201	-	-	-	35,201
Bank and merchant Fees	160	18,225	18,385	-	-	-	18,385
Car and Truck Expense	13,917	26,830	40,747	-	1,546	1,546	42,294
Other	12,490	71,980	84,470	-	-	-	84,470
Depreciation Expense	26,780	2,244	29,024	-	-	-	29,024
Legal Fees	-	7,845	7,845	-	12,056	12,056	19,901
Total Expenses	\$ 2,297,926	\$ 702,055	\$ 2,999,981	\$ 15,442	\$ 69,438	\$ 84,881	\$ 3,084,862

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

Statement of Cash Flows For the Year Ended June 30, 2024

Cash Flows from Operating Activities	
Change in net assets	\$ 431,020
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	29,024
Mortgage loan discounts	(40,321)
(Increase) decrease in operating assets:	
Notes receivable, net of discounts	210
Inventory	(445)
Construction in progress	343,621
Lots for development	117,720
Mortgages receivable	70,086
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(10,573)
Escrow accounts	(27,602)
Net Cash Provided (Used) by Operating Activities	<u>912,741</u>
Cash Flows from Investing Activities	
Purchases of property and equipment	<u>(26,785)</u>
Net Cash (Used) by Investing Activities	<u>(26,785)</u>
Cash Flows from Financing Activities	
Principal payments of long-term debt	<u>(7,997)</u>
Net Cash (Used) by Financing Activities	<u>(7,997)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	877,959
Cash and Cash Equivalents - Beginning of Year	<u>1,188,363</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 2,066,322</u></u>
Supplementary Cash Flow Disclosures	
Other in-kind contributions	<u>\$ -</u>
Restore merchandise donations	<u>\$ -</u>
Interest paid during year	<u><u>\$ 7,765</u></u>

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

Notes to Financial Statements
For the Year Ended June 30, 2024

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, 2024.

Recently Adopted Accounting Standards

Allowance for Credit Losses

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Codification (ASC) 326 Financial Instruments - Credit Losses which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to an expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses.

The organization carries no trade receivables but carries mortgages receivable. If a mortgage recipient defaults on a mortgage receivable, the property reverts to the organization and is placed back in inventory for sale. Therefore, no allowance for credit losses has been recognized.

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 \$1,441,397 were on deposit in excess of balances covered by FDIC at June 30, 2024.

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

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

Notes to Financial Statements
For the Year Ended June 30, 2024

Note A - Summary of Significant Accounting Policies (continued)

Mortgages Receivable (continued)

respective properties. No allowance for credit losses is deemed necessary as any property under default reverts to the organization.

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.

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 June 30, 2024:

	<u>Number</u>	<u>Cost</u>
Homes under construction July 1, 2023	16	\$ 905,070
Plus new homes started and additional construction in 2024	0	1,009,997
Homes transferred to homeowners in 2024	8	<u>(1,353,618)</u>
Total homes under construction June 30, 2024	8	<u>\$ 561,449</u>

ReStore Inventory

Habitat ReStore inventory includes donated and purchased household building materials, appliances, and furniture that are sold at the Habitat ReStore. Donated merchandise is stated at its estimated fair value which is determined based on its future economic benefit. Purchased merchandise is stated at the lower of cost or net realizable value with cost being determined by the first-in, first-out method. The balance of inventory at June 30, 2024, is \$59,591.

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 and changes in net assets.

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

Notes to Financial Statements
For the Year Ended June 30, 2024

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) and 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, 2024.

The organization derived 23 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, 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, 2024, Habitat contributed \$30,000 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, 2024

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.

Contributed land is used for the organization's mission. Construction commences upon the Organization's selecting homeowner candidates and receipt of required permits. Land is restricted to construct and sell to a homeowner candidate meeting certain eligibility requirements. Contributed land from various donors is recorded at their tax assessed just market value which approximates fair value. There was no land contributed during the year ended June 30, 2024.

The organization receives contributed merchandise for sale in the Habitat ReStore. These items are sorted, and those that can be renovated or reconditioned are processed by Organization employees for conversion to salable merchandise. Donated merchandise is recorded as contribution revenue and an increase in donated merchandise sold. The value of donated items at estimated fair value is based on the Organization's ultimate selling price. The items that cannot be renovated or reconditioned are sold as salvage. Proceeds from the sale of contributed non-financial assets are used to fund the Organization's programs.

Leases

The Organization leases shopping center space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the balance sheets.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Company uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and exclude lease incentives. Some leases may include one or more options to renew, with renewal terms that can extend the lease. The exercise of lease renewal options is at the Organizations' sole discretion. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if they have obtained substantially all the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The Organizations' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

Notes to Financial Statements
For the Year Ended June 30, 2024

Note B - Cash Balances

The organization maintained cash balances as of June 30, 2024, as follows:

Cash and equivalents for general expenditures	\$ 132,955
Escrow	38,278
Money Market	1,858,765
Construction	36,323
Total available for general expenditures	<u>\$ 2,066,321</u>

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

Note C - Grant Revenues

The organization received the following grants during June 30, 2024:

Thrivent Grant	\$ 133
FL Region Stellar Cares Grant	10,000
Publix Supermarkets Charities, Inc.	100,000
Greater Tampa Realtors	25,000
Pasco County	24,984
First National Bank	127,500
Jarrett Ford, Inc	126,000
Less: refunds and fees	(5,379)
Total Grants	<u>\$ 408,238</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	\$ 2,066,321
Less: restricted by donors with purpose and time restrictions	<u>-</u>
Total available for general expenditures	<u>\$ 2,066,321</u>

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

Notes to Financial Statements
For the Year Ended June 30, 2024

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, 2024

Note F - Property and Equipment

The following is a summary of property and equipment, by function, as of June 30, 2024:

	<u>Estimated Useful life</u>	
ReStore		
Furniture and fixtures	7-15 yrs	\$ 23,911
Equipment	7-15 yrs	42,715
Improvements	5-40 yrs	<u>30,962</u>
Total Restore Property and Equipment		97,589
Administrative		
Furniture and fixtures	7-15 yrs	23,298
Equipment	7-15 yrs	78,450
Improvements	5-40 yrs	22,973
Buildings	5-40 yrs	357,623
Other	7-15 yrs	100,702
Land	-	<u>50,975</u>
Total Administrative Property and Equipment		634,021
Total Property and Equipment		731,610
Less accumulated depreciation		<u>(297,572)</u>
Net Property and Equipment		<u>\$ 434,038</u>

Depreciation expense totaled \$29,024 for the year ended June 30, 2024.

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, 2024, was \$0.

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

Notes to Financial Statements
For the Year Ended June 30, 2024

Note H - Long-term Debt

Per agreement between Habitat and PCCD, the balance of \$66,877 of note payable to PCCD will be paid when the home is sold. The note is classified as short-term as it is anticipated that the home will sell in the short-term.

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.	\$ 117,504
Notes payable to Pasco County Community Development Department secured by real estate: interest rate of 0% with monthly instalments of \$483.35 with maturity date of November 30, 2030.	37,206
Line of Credit with First National Bank of Pasco in the amount of \$150,000; interest rate of 4.25%.	-
Total long-term debt	154,710
Less: Current portion	(7,892)
Net long term debt	\$ 146,818

Future maturities of long-term debt obligations at June 30, 2024, are as follows:

June 30,	2025	7,892	
	2026	8,039	
	2027	8,198	
	2028	8,367	
	2029	114,207	
	Thereafter	8,007	
		154,710	

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

Notes to Financial Statements
For the Year Ended June 30, 2024

Note I - Leases

Habitat is obligated under a five-year operating 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.

The components of lease expense for the year ended June 30, 2024, were as follows:

	<u>2024</u>
Operating lease cost	<u>\$ 107,160</u>

Future minimum lease payments under non-cancellable leases were as follows:

Years Ending June 30,	<u>Operating Leases</u>
2024	\$ 107,160
2025	<u>35,720</u>
Total future minimum lease payments	142,880
Less imputed interest	<u>(7,434)</u>
Total	<u>\$ 135,446</u>

Reported as of June 30, 2024	<u>Operating Leases</u>
Other current liabilities	\$ 99,854
Other long-term liabilities	<u>35,592</u>
	<u>\$ 135,446</u>

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

Notes to Financial Statements
For the Year Ended June 30, 2024

Note I - Leases (continued)

Other information related to leases for the year ended June 30, 2024, was as follows:

Supplemental Cash Flow information

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 107,160
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Right-of-use assets obtained in exchange for lease obligations

Operating leases	\$ 135,446
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Weighted Average Remaining Lease Term

Operating leases	2.26%
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Weighted Average Discount Rate

Operating leases	2.88%
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Note J - Commitments and Contingencies

The Organization is exposed to various unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Organization's financial position or the results of its operations.

Note K - Subsequent Events

The Organization has evaluated subsequent events through October 10, 2024, which is the date the financial statements were available to be issued.