

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.  
WARNER ROBINS, GEORGIA**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS  
JUNE 30, 2024**

**HUDGINS CONSULTING, LLC.  
131 THOMAS DRIVE  
AMERICUS, GEORGIA 31709**

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.  
WARNER ROBINS, GEORGIA**

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**HUDGINS CONSULTING, LLC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 825  
131 THOMAS DRIVE  
AMERICUS, GEORGIA 31709  
OFFICE: 229-380-0208  
FAX: 229-598-0207

Member of the American Institute of  
Certified Public Accountants

Member of the Georgia Society of  
Certified Public Accountants

**To the Board of Directors  
Houston County Habitat for Humanity, Inc.  
Warner Robins, Georgia**

**Independent Auditor's Report**

***Opinion***

We have audited the accompanying financial statements of Houston County Habitat for Humanity, Inc. (a nonprofit organization), which comprise of the statement of Financial Position as of June 30, 2024, and related statement of activities, 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 respective financial position of the Houston County Habitat for Humanity, Inc., as of June 30, 2024, and the respective changes in 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 Houston County Habitat for Humanity, Inc. and to meet our other ethical responsibilities in accordance with the relevant requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Management's Responsibilities for the Financial Statements***

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

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 Houston County Habitat for Humanity, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect material misstatements 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 made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identified and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and to 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 Houston County Habitat for Humanity, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Houston County Habitat for Humanity, Inc.'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.

*Hudgins Consulting, LLC.*

**HUDGINS CONSULTING, LLC.  
Americus, Georgia 31709  
November 29, 2024**

## **FINANCIAL STATEMENTS**

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**STATEMENT OF NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**ASSETS**

**Current Assets:**

Cash and cash equivalents	\$ 148,929
Restricted cash	36,579
Investments	716,108
Grant receivable	14,891
Inventory - restore	67,496
Inventory - building lots	71,000
Inventory - construction in progress	184,173
Mortgages receivable - current maturities	70,346
Total Current Assts	<u>1,309,522</u>

**Property and Equipment:**

Leasehold improvements	52,848
Right of use asset	1,176,646
Equipment	151,085
Less: accumulated depreciation	<u>(102,018)</u>
Net Property and Equipment	<u>1,278,561</u>

**Other Assets:**

Mortgages receivable, net of current maturities	<u>1,121,862</u>
Total Other Assets	<u>1,121,862</u>
Total Assets	<u><u>\$ 3,709,945</u></u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 102,724
Escrow payable	35,328
Current portion of finance lease	77,948
Current portion of notes payable	4,164
Total Current Liabilities	<u>220,164</u>

**Long Term Liabilities:**

Finance lease, net of current portion	1,098,698
Notes payable, net of current maturities	4,304
Total Long Term Liabilities	<u>1,103,002</u>
Total Liabilities	<u>1,323,166</u>

**Net Assets:**

Witout donor restrictions	2,386,779
With donor restrictions	<u>-</u>
Total Net Assets	<u>2,386,779</u>
Total Liabilities and Net Assets	<u><u>\$ 3,709,945</u></u>

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

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Unrestricted Net Assets</b>			
<b>Revenue and Support:</b>			
Contributions	\$ 161,757	\$ -	\$ 161,757
Grants and Contributions - Government	-	185,266	185,266
Board Contributions	3,208	-	3,208
Special Events	106,576	-	106,576
Sales to Homeowners (net mortgage discount)	211,138	-	211,138
Mortgage Discount Amortization	143,636	-	143,636
In-kind Revenue	86,079	-	86,079
Restore Sales	659,663	-	659,663
Interest Income	14,612	-	14,612
Other	2,741	-	2,741
Total Revenue and Support	<u>1,389,410</u>	<u>185,266</u>	<u>1,574,676</u>
<b>Expenses:</b>			
Program Services	1,056,975	185,266	1,242,241
Supporting Services	150,971	-	150,971
Fundraising	41,501	-	41,501
Total Expenses	<u>1,249,447</u>	<u>185,266</u>	<u>1,434,713</u>
Change in Net Assets	<u>139,963</u>	<u>-</u>	<u>139,963</u>
Net Assets - Beginning of Year	<u>2,246,816</u>	<u>-</u>	<u>2,246,816</u>
Net Assets - End of Year	<u>\$ 2,386,779</u>	<u>\$ -</u>	<u>\$ 2,386,779</u>

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

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Description :</u>	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	<u>Fundraising</u>	<u>Total</u>
Accounting and legal fees	\$ 1,120	\$ 7,840	\$ -	\$ 8,960
Advertising	-	-	7,640	7,640
Cost of construction	499,786	-	-	499,786
Depreciation	21,333	-	-	21,333
Insurance	7,365	819	819	9,003
International tithe	5,000	-	-	5,000
Memberships	12,302	-	-	12,302
Mortgage servicing	14,161	-	-	14,161
Office and technology	-	14,712	-	14,712
Other expenses	3,732	340	-	4,072
Payroll taxes	3,396	8,166	2,494	14,056
Postage	-	1,125	-	1,125
Rent	-	11,367	-	11,367
Repair and maintenance	7,161	-	-	7,161
Restore	542,492	-	-	542,492
Salaries and benefits	50,465	98,737	30,230	179,432
Special events	43,100	-	-	43,100
Taxes and licenses	150	-	-	150
Telephone	-	4,633	-	4,633
Training	3,112	30	-	3,142
Utilities	-	2,883	-	2,883
Vehicle Expense	14,986	-	-	14,986
Volunteer appreciation	8,108	-	-	8,108
Workers compensation	4,472	309	318	5,099
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 1,242,241	\$ 150,961	\$ 41,501	\$ 1,434,703
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The accompanying notes are an integral part of these financial statements.

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Cash Flows from Operating Activities:**

Reconciliation of Increase (Decrease) in Net Assets to	
Net Cash Provided by (Used for) Operating Activities:	\$ 139,963
Increase (Decrease) in Net Assets	
Adjustments to reconcile increase (decrease) in net assets	
to net cash provided by operating activities:	
Depreciation	21,333
(Increase) Decrease in investment	37,465
(Increase) Decrease in inventory	(63,796)
(Increase) Decrease in mortgage and accounts receivable	(151,908)
Increase (decrease) in accounts payable	57,712
Increase (decrease) in escrow payable	1,170
Total Adjustments	<u>(98,024)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>41,939</u></u>

**Cash Flows from Investing Activities:**

Purchase of leasehold improvements	<u>(16,111)</u>
Net Cash Provided by (Used for) Investing Activities	<u><u>(16,111)</u></u>

**Cash Flows from Financing Activities:**

Payment of Principal on Notes Payable	<u>(3,818)</u>
Net Cash Provided by (Used for) Financing Activities	<u><u>(3,818)</u></u>
Net Increase (Decrease) in Cash and Equivalents	22,010
Cash and Equivalents - Beginning of Year	163,498
Cash and Equivalents - End of Year	<u><u>\$ 185,508</u></u>

Classified as	
Cash and Cash Equivalents	\$ 148,929
Restricted Cash	36,579
Total Cash and Cash Equivalents	<u><u>\$ 185,508</u></u>

Supplemental Information, not cash transactions	
In-kind donations	\$ 86,079
Right of use and lease liability	1,176,646

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

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 – ORGANIZATION AND PURPOSE**

Houston County Habitat for Humanity, Inc. (Habitat) is an affiliate of Habitat for Humanity International, Inc., a not-for-profit organization, which serves individuals and families in need of decent affordable housing in Houston County, Georgia. Utilizing volunteer labor, Habitat builds homes and completes home repairs for low to moderate income families. Homeowners are issued no-interest mortgage obligations and are contractually required to repay their mortgages through monthly principal payments only. Habitat also serves as the escrow agent for collecting escrow payments from homeowners and paying real estate taxes and insurance premiums on behalf of the homeowners. Habitat is governed by a board of directors. The mission of Habitat is “Seeking to put God’s love into action, Habitat for Humanity brings people together to build homes, communities, and hope.”

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

The financial statements of Habitat have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**B. Basis of 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.
- *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. Donor 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.

**C. Cash and Cash Equivalents**

Houston County Habitat for Humanity, Inc. considers all highly liquid investments with original maturities up to three months to be cash equivalents. Cash in both the operating and escrow accounts are maintained in NCUA insured accounts at a Credit Union. At times, such amounts may exceed the NCUA insurance limits. Collection of mortgage payments from homeowners is considered an operating activity for the statement of cash flows which includes both the operating and escrow accounts.

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Support and Revenue**

Houston County Habitat's support is generated from sales of homes; collection of home mortgages; sales at the Restore; and charitable contributions from individuals, businesses and other organizations including grants from Habitat for Humanity International.

Contributions received are recorded as with donor restrictions or without donor restrictions. Gifts, bequests, and other promises or receipts restricted by donors as to use or time period are recorded as with donor restrictions until used in the manner designated. Donated property, equipment, and inventory are recorded at fair market value at the date received.

**E. Inventory**

Inventory consists of donated building supplies, appliances, and other home improvement items. Donated inventory is valued at its estimated fair value, based on its expected selling price, and determined by the weighted-average cost method.

Foreclosed homes acquired through or in lieu of loan foreclosure is refurbished for future qualified residents. The asset is initially recorded at the balance of the unpaid mortgage, and the unamortized discount is reclassified to income at date of foreclosure, because the earning process is considered complete. Costs of improvements are capitalized. On June 30, 2024, Houston County Habitat for Humanity, Inc. did not have any houses in this category.

**F. Property and Equipment**

Property and equipment acquisitions are recorded at cost, or donated, at fair market value on the date of the donation. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method over lives of 3 to 7 years.

**G. Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Actual results could differ from those estimates.

**H. Mortgages Receivable**

Mortgages receivables consist of noninterest-bearing mortgages which are secured by real estate and payable in monthly installments. All the mortgages have an original maturity of 20 to 25 years and arose in connection with Habitat's home building activities. These receivables have been discounted at interest rates ranging from 7.47 to 8.48 percent. Amortization of the mortgage discount is reflected in revenue and support on the statement of activities.

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

When homeowners become delinquent, Habitat makes every effort to assist them in making the back payments. When a homeowner is unable to clear the delinquency in a timely manner, Habitat may initiate foreclosure or deed in lieu of foreclosure. If Habitat acquires property through foreclosure or deed in lieu of foreclosure, Habitat will sell the property on the open market or refurbish the property and sell it to another partner family needing decent, affordable housing.

If Habitat acquires partner family properties through foreclosure or deed in lieu of foreclosure, the fair market value will exceed the mortgage value. Therefore, no allowance for doubtful accounts has been recorded. Costs related to foreclosure, recording the deed, or expenses to relocate the family are not significant.

**I. Mortgage Discount Amortization**

A substantial portion of Houston County Habitat's revenue is from amortization of discounts on mortgages. Mortgage payments are deposited to the escrow account, and the homeowner's mortgage balance is reduced for the principal portion. In accordance with generally accepted accounting principles, a percentage of the principal is considered imputed interest income. Annually, for financial statement reporting purposes the imputed interest amount of each mortgage is computed, and the mortgage discount account is reduced, and mortgage discount amortization revenue is recognized.

**J. Construction in Progress**

Houses #72, #74 and #75 are on the financial statement classified as construction in progress as of June 30, 2024.

**K. In-Kind Support**

The organization receives various types of in-kind support, including contributed services. Contributed professional services are recognized if (a) the services received, create, or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributions of tangible assets are recognized at fair market value when received. Any amounts reflected as in-kind support are offset by like amounts included in expenses. Additionally, the organization receives skilled, contributed time, which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**M. Income Taxes**

Houston County Habitat was added to the roster of exempt affiliates included in the group exemption letter issued to Habitat for Humanity International, Inc. under Section 501(c)(3) of the Internal Revenue Code effective August 1, 1995, and, as such, is not subject to federal or state income tax. The affiliates, however, are required to file their own separate Form 990, Return for Organization Exempt from Income Tax. Continued exemption from income taxes is dependent on Habitat's continued operation as a qualifying organization.

**N. Impairment Loss**

Generally accepted accounting principles require that if the undiscounted cash flows expected to be generated by an asset are less than it is carrying amount, an impairment charge should be recorded to write down the carrying amount of such asset to its fair value.

Houston Cony Habitat does not have a policy to regularly evaluate its assets for impairment loss, however, management does have an ongoing informal process to evaluate the condition of its assets and is prepared to adjust carrying value or to make improvements as deemed necessary.

**O. Fair Value of Financial Instruments**

Mortgage notes receivable is stated at their original value at the date of home sale, reduced by payments made and estimated unamortized discount which approximates fair value. Cash and cash equivalents, receivables, accounts payable, homeowner escrow accounts and loan closing costs, and notes payable are stated at cost which approximates fair value.

**NOTE 3 – CASH AND DEPOSITS**

As of June 30, 2024, cash consisted of deposits totaling \$148,926. Deposits are carried at cost and \$148,926 insured by the National Credit Union Administration (NCUA), and \$3 covered by the Federal Deposit Insurance Corporation.

**NOTE 4 – RESTRICTED CASH AND HOMEOWNER ESCROW**

Houston County Habitat for Humanity, Inc. has contracted with Affiliate Mortgage Services, Inc. to manage the Mortgages beginning in January 2024.

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

Together with principal payments on their mortgage, homeowners' monthly payments include an estimate for their property tax and insurance. Affiliate Mortgage Services, Inc., makes property tax and insurance payments on behalf of the homeowners when due.

On June 30, Affiliate Mortgage Services, Inc. held \$ 35,328 in escrow for mortgages.

Restricted cash on June 30, 2024, consists of homeowners' escrow deposits used to pay property taxes and insurance on the homeowners' residences plus escrow shortage retained by Affiliate Mortgage Services, Inc. As of June 30, 2024, escrow shortage retained is \$1,251.

Mortgage Escrow Balance	\$35,328
Fund retained for shortage	<u>1,251</u>
Restricted Cash held by Affiliate	<u><u>\$ 36,579</u></u>

**NOTE 5 – INVESTMENTS**

Investments consist of certificates of deposit purchased at different banks, each is less than \$250,000 and is covered by the Federal Deposit Insurance Corporation in full. The renewal terms are one year each.

**NOTE 6 – MORTGAGES RECEIVABLE**

All mortgage receivables are non-interest bearing and have been discounted at interest rates ranging from 7.47 to 8.48 percent. The 2024 discount amortization is \$80,499 and is reported in Revenue and Support on the Statement of Activities. All mortgages are secured by the property being purchased.

Yearly activity for mortgage receivable is as follows:

	<u>June 30, 2024</u>
Gross principal amount at beginning of year	1,846,805
Mortgage payments received	(220,977)
New mortgages home sales	<u>429,000</u>
Gross principal balances at end of year	2,054,828
Estimated discount for imputed interest	(862,620)
Net mortgages receivable, less imputed interest	<u><u>\$ 1,192,208</u></u>

**Maturities of first mortgages notes receivable are summarized as follows.**

Net Mortgage Receivable	
Estimated Maturities Due in next twelve months (July 1, 2024 - June 30, 2025)	\$ 70,346
Long term Balances due June 30, 2024 until maturity	<u>1,121,862</u>
Total Balance due June 30, 2024	<u><u>\$ 1,192,208</u></u>

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

On the statement of financial position, the current portion is reported as the gross amount of mortgage payments receivable in the next twelve months net of estimated discount. The long-term portion represents the payments due in periods of more than one year net of discount.

Future mortgage payments due and mortgage discounts

Year Ending	<u>Due</u>	<u>Mortgage Discount</u>	<u>Net Mortgage Receivable</u>
6/30/2025	158,189	87,843	70,346
6/30/2026	157,287	82,336	74,951
6/30/2027	151,450	76,678	74,772
6/30/2028	142,084	71,042	71,042
6/30/2029	125,444	66,168	59,276
6/30/2030	114,824	61,915	52,909
6/30/2031	114,824	57,767	57,057
6/30/2032	112,392	53,365	59,027
6/30/2033	107,142	48,926	58,216
6/30/2034	103,605	44,456	59,149
Thereafter	<u>767,587</u>	<u>212,124</u>	<u>555,463</u>
Total	<u>\$ 2,054,828</u>	<u>\$ 862,620</u>	<u>\$ 1,192,208</u>

**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2024, are as follows:

Leasehold improvements	\$ 52,848
Equipment	151,085
Less: accumulated depreciation	<u>(102,018)</u>
Net property and equipment	<u>\$ 101,915</u>

Depreciation expense for 2024 is \$21,333

**NOTE 8 – LEASE**

Leases In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

We adopted the standard effective June 30, 2024, and recognized and measured leases existing on June 30, 2024 (the beginning of the period of adoption) through a cumulative effect adjustment with certain practical expedients available. Lease disclosures for the year ending June 30, 2024, are made under prior lease guidance in FASB ASC 840. Total rent expense for 2024 is \$113,792.

We lease retail stores and office space. We determine if an arrangement is a lease at inception. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on our Statement of Net Assets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. As most of our leases do not provide an implicit rate, we use a risk-free rate based on the information available at commencement date in determining the present value of lease payments.

We have a finance lease for a commercial retail building. Our lease has a remaining lease term of ten years and eleven months to June 1, 2035. As of June 30, 2024, assets recorded under finance lease are \$1,176,646.

Future minimum lease payments under non-cancellable leases as of June 30, 2024, are as follows:

	<u>Finance Lease</u>
Year ending June 30,	
2025	\$ 124,274
2026	127,400
2027	129,800
2028	132,200
2029	134,600
Thereafter	<u>845,400</u>
Total future minimum lease payments	1,493,674
Less Imputed interest (4.449%)	<u>317,028</u>
Total	<u><u>\$ 1,176,646</u></u>
Reported as of June 30, 2024	
Current liability	\$ 77,948
Long-term liability	<u>1,098,698</u>
Total	<u><u>\$ 1,176,646</u></u>

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 – CLAIMS AND LITIGATION**

The organization is subject to various claims and litigation. As of the date of this report, management of the Organization is not aware of any pending litigation.

**NOTE 10 – GRANT**

**Community Development Block Grant**

On July 1, 2022, Houston County Habitat for Humanity entered into a grant agreement with the City of Warner Robins to assist in building homes for lower income citizens of Houston County. The grant consisted of Community Development Block Grants (CDBG) which was received by the City of Warner Robins, and a part of its CDBG was sub-recipient to Houston County Habitat for Humanity. The total grant was for \$150,000 and started on July 1, 2022, and was supposed to end on June 30, 2023. The grant had \$150,000 for building equipment, materials, utilities, and disposal fees, for three residential houses.

As of June 30, 2024, \$19,319 of the \$150,000 have not been used, and \$14,891 have been used but not paid and reported as grant receivable. The City of Warner Robins allowed \$19,319 to be used after June 30, 2024, fiscal year end date. These funds were used by August 8, 2024.

**Governor's Grant**

Houston County Habitat for Humanity was awarded in 2023, a \$220,000 grant from the Georgia Investment in Housing Grant Program to address homelessness and housing insecurity by repairing homes for low-income residents. During the current year \$54,585 has been spent and reimbursed for home repairs of low-income residents.

**NOTE 11 – NOTES PAYABLE**

During 2008 Houston County Habitat for Humanity acquired an interest-free loan from CB&T Bank secured by real estate collateral in Houston County, Georgia in the amount of \$76,835. Repayments of \$374 per month are made to the CB&T Bank. A total of \$ 8,468 remains to be repaid as of June 30, 2024.

The future scheduled maturities of total notes payable are as follows:

	<u>CB&amp;T Bank</u>
June 30,	
2025	4,164
2026	4,304
Total	<u>\$ 8,468</u>

**HOUSTON COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 – INCOME TAXES**

The organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the year ended June 30, 2024, the organization is taking the position that all income is derived as a result of its tax-exempt purpose and there is no income derived from unrelated business activities. As a result, no tax liability has been recorded. The organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The organization's Forms 990, Return of Organization Exempt from Income Taxes, for the years ending 2022, 2023, 2024, are subject to examination by the IRS, for three years after they were filed.

**NOTE. 13 – EVALUATION OF SUBSEQUENT EVENTS**

In preparing these financial statements, Houston County Habitat for Humanity, Inc. has evaluated events and transactions through November 29, 2024, which is the date the financial statements were available to be issued.