

**HABITAT FOR HUMANITY
CLARK & FLOYD, INDIANA, INC. -
NEW ALBANY, INDIANA**

FINANCIAL STATEMENTS

**YEARS ENDED
JUNE 30, 2025 AND 2024**

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.

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Independent Auditor's Report

Board of Directors
Habitat for Humanity Clark & Floyd Indiana, Inc.
New Albany, Indiana

Opinion

We have audited the accompanying financial statements of **Habitat for Humanity Clark & Floyd Indiana, Inc.** (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Habitat for Humanity Clark & Floyd Indiana, Inc.** as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Clark & Floyd Indiana, Inc.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Habitat for Humanity Clark & Floyd Indiana, Inc.**'s 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 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 Clark & Floyd Indiana, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Habitat for Humanity Clark & Floyd Indiana, 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.

Monroe Shine

New Albany, Indiana
May 8, 2026

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 247,464	\$ 205,200
Restricted cash	66,554	114,272
Mortgage receivables:		
Non-interest bearing mortgage loans	2,465,026	2,443,967
Less discounts on non-interest bearing mortgage loans	(1,199,195)	(1,195,415)
Net Mortgage Receivables	1,265,831	1,248,552
Prepaid expenses and other assets	20,550	26,706
Construction-in-progress	128,618	171,280
Land for housing development	6,800	6,800
Property and Equipment		
Land	4,000	4,000
Building and improvements	72,050	72,050
Equipment	18,271	18,271
	94,321	94,321
Less accumulated depreciation	51,869	47,949
Net Property and Equipment	42,452	46,372
TOTAL ASSETS	\$ 1,778,269	\$ 1,819,182
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 12,566	\$ 45,470
Escrow and other deposits	1,306	800
Payroll liabilities	3,146	2,053
Total Liabilities	17,018	48,323
Net Assets		
Without donor restrictions:		
Undesignated	1,701,273	1,562,576
Board designated for construction	59,978	107,681
	1,761,251	1,670,257
With donor restrictions	-	100,602
Total Net Assets	1,761,251	1,770,859
TOTAL LIABILITIES AND NET ASSETS	\$ 1,778,269	\$ 1,819,182

See notes to financial statements.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Grants	\$ 70,017	\$ 79,500	\$ 149,517	\$ 21,682	\$ 257,500	\$ 279,182
Transfers to homeowners	420,000	-	420,000	665,000	-	665,000
Mortgage discount amortization	192,552	-	192,552	76,017	-	76,017
Cash contributions	101,973	-	101,973	70,323	-	70,323
Special events, less costs of direct benefits to donors of \$28,717 in 2025 and \$3,209 in 2024	33,277	-	33,277	44,403	-	44,403
Home sales	-	-	-	46,936	-	46,936
Interest income	-	-	-	247	-	247
Rental income	-	-	-	6,392	-	6,392
In-kind contributions	20,472	-	20,472	23,477	-	23,477
Miscellaneous income	2,286	-	2,286	970	-	970
	<u>840,577</u>	<u>79,500</u>	<u>920,077</u>	<u>955,447</u>	<u>257,500</u>	<u>1,212,947</u>
Net assets released from restrictions	180,102	(180,102)	-	371,956	(371,956)	-
Total Support and Revenue	1,020,679	(100,602)	920,077	1,327,403	(114,456)	1,212,947
Expenses						
Program expenses	713,167	-	713,167	1,171,707	-	1,171,707
Administration	147,602	-	147,602	131,284	-	131,284
Fundraising	68,916	-	68,916	61,522	-	61,522
Total Expenses	<u>929,685</u>	<u>-</u>	<u>929,685</u>	<u>1,364,513</u>	<u>-</u>	<u>1,364,513</u>
Change in Net Assets	<u>90,994</u>	<u>(100,602)</u>	<u>(9,608)</u>	<u>(37,110)</u>	<u>(114,456)</u>	<u>(151,566)</u>
Net Assets at Beginning of Year	<u>1,670,257</u>	<u>100,602</u>	<u>1,770,859</u>	<u>1,707,367</u>	<u>215,058</u>	<u>1,922,425</u>
Net Assets at End of Year	<u>\$ 1,761,251</u>	<u>\$ -</u>	<u>\$ 1,761,251</u>	<u>\$ 1,670,257</u>	<u>\$ 100,602</u>	<u>\$ 1,770,859</u>

See notes to financial statements.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025				2024			
	<u>Program</u> <u>Expenses</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u> <u>Expenses</u>	<u>Program</u> <u>Expenses</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u> <u>Expenses</u>
Cost of construction	\$ 400,754	\$ -	\$ -	\$ 400,754	\$ 728,874	\$ -	\$ -	\$ 728,874
Discount on mortgages issued	237,711	-	-	237,711	374,060	-	-	374,060
Payroll expenses	63,018	52,404	64,936	180,358	55,058	50,506	57,671	163,235
Professional fees	-	29,383	-	29,383	-	20,454	-	20,454
Repairs and maintenance	2,000	10,705	-	12,705	-	2,808	-	2,808
Contract labor	-	12,568	-	12,568	-	15,538	-	15,538
Miscellaneous expenses	2,493	8,526	671	11,690	3,488	8,102	723	12,313
Dues and memberships	-	8,369	549	8,918	-	6,951	549	7,500
Insurance expense	804	6,708	-	7,512	544	8,367	-	8,911
Computer supplies	717	6,456	-	7,173	542	4,879	-	5,421
Advertising	-	1,766	2,760	4,526	-	1,650	2,579	4,229
Depreciation	854	3,066	-	3,920	730	2,621	-	3,351
Telephone and internet	-	3,291	-	3,291	-	2,911	-	2,911
Volunteers	2,114	1,057	-	3,171	421	210	-	631
Small tools	2,702	-	-	2,702	6,379	-	-	6,379
Utilities	-	2,225	-	2,225	-	4,730	-	4,730
Tithe	-	750	-	750	-	750	-	750
Office supplies	-	328	-	328	-	537	-	537
Construction supplies	-	-	-	-	1,611	-	-	1,611
Property taxes	-	-	-	-	-	270	-	270
Total Expenses	\$ 713,167	\$ 147,602	\$ 68,916	\$ 929,685	\$ 1,171,707	\$ 131,284	\$ 61,522	\$ 1,364,513

See notes to financial statements.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (9,608)	\$ (151,566)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,920	3,351
Mortgage discount amortization	(192,552)	(76,017)
Mortgage discounts issued	237,711	374,060
(Increase) decrease in assets:		
Mortgage loans receivable, net	(272,935)	(540,734)
Prepaid expenses and other current assets	6,156	(22,669)
Construction in progress	42,662	320,130
Increase (decrease) in liabilities:		
Accounts payable	(32,904)	(22,649)
Escrow deposits	506	(10,722)
Payroll liabilities	1,093	1,092
Net Cash Used In Operating Activities	(215,951)	(125,724)
INVESTING ACTIVITIES		
Purchase of property and equipment	-	(10,691)
Proceeds from mortgage notes receivable sold	210,497	-
Net Cash Provided By (Used In) Investing Activities	210,497	(10,691)
Net Decrease in Cash and Restricted Cash	(5,454)	(136,415)
Cash and Restricted Cash at Beginning of Year	319,472	455,887
Cash and Restricted Cash at End of Year	\$ 314,018	\$ 319,472
Cash and Restricted Cash		
Cash	\$ 247,464	\$ 205,200
Restricted cash	66,554	114,272
	\$ 314,018	\$ 319,472

See notes to financial statements.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) **SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Habitat for Humanity Clark & Floyd Indiana, Inc. (the “Organization”) is a not-for-profit corporation governed by its Board of Directors. The Organization is an affiliate of Habitat for Humanity International, Inc. (Habitat International). Habitat International is a nondenominational, non-profit organization whose purpose is to create decent and 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, and other support services, the Organization is directly responsible for its own operations. The Organization began operations in 1991 and has provided new or renovated homes for over 50 families.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization reports information regarding its financial position and activities in two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Contributions whose restrictions are met in the same period are treated as net assets without donor restrictions. The terms are defined below:

Net assets without donor restrictions – Net assets not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time.

Certain prior year accounts have been reclassified to conform with current year presentations.

Use of Estimates

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

Concentration of Credit Risk

The Organization maintains its cash and temporary cash investments at financial institutions. At times the balance may be in excess of federally insured limits. As of June 30, 2025, the Organization had \$17,738 in excess of insured balances. The Organization did not have any amounts in excess of federally insured limits as of June 30, 2024. The Organization believes it is not exposed to any significant credit risk on cash.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025 AND 2024

(1 - continued)

Revenue Recognition

Home sales represent the sale to qualified families of homes built in southern Indiana by the Organization. The home sales are financed by the Organization utilizing non-interest bearing 10 to 30 year mortgages due in monthly installments from the families. The mortgages are secured by the underlying real estate and are carried at the unpaid principal balances. The mortgages receivable are discounted at time of issuance using a reasonable rate as established annually by Habitat International. The financing discounts are amortized and reflected as revenue when mortgage payments are collected. The present value discount on mortgages for homes sold is shown as a discount on mortgages issued under program expenses. Revenue is recognized at a point in time as the homes are sold.

The Organization recognizes revenues from contracts at the closing of the sales using the deposit method. Revenues are reported at the estimated net realizable amounts for the home. During construction, all direct material and labor costs and those indirect costs related to acquisition and construction are capitalized, and all customer deposits are treated as liabilities. Capitalized costs are charged to earnings upon closing. Transaction prices vary according to type, level and volume of services rendered. Amounts are generally billed as services are rendered.

The Organization has determined that the nature, amount, timing, and uncertainty of contract revenues and cash flows are affected by the economy. In this industry, laws and regulations are complex and subject to interpretation and can also be subject to future government review and revision. The current level of the Organization's operations and program services may be impacted if funding is significantly decreased.

Cash, Restricted Cash, and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety days of purchase. At June 30, 2025 and 2024, there were no cash equivalents.

Restricted cash consists of cash required to be used or held for specific purposes, such as escrow balances and for home builds.

	<u>2025</u>	<u>2024</u>
Cash designated for home builds	\$ 59,978	\$ 107,681
Cash designated for escrow	6,576	6,591
	<u>\$ 66,554</u>	<u>\$ 114,272</u>

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025 AND 2024

(1 - continued)

Mortgages Receivable

Mortgages receivable are discounted at the time of issuance using a reasonable rate as established annually by Habitat International. The financing discounts are amortized and reflected as revenue when mortgage payments are collected. The present value discount on mortgages for homes sold is shown as a discount on mortgages issued under the program expenses.

Mortgages generally have two installment contracts, one for the amount normally repaid to the Organization, and a second that represents the enhanced market value of the house when compared to the sale price. The second mortgage becomes relevant if a homeowner defaults on the loan or the house is sold within the period of the note. These secondary mortgage events are deemed as unlikely to occur and are therefore not recorded as an asset. This practice encourages the homeowner to live in the house for longer periods of time, thus deterring the sale of the house solely to make a profit. Each year a family owns the home, the amount of the secondary mortgage is reduced, eventually to zero.

Due to the extensive selection process, the use of financial counseling, and the Organization's right of first refusal to buy back the property at its original purchase price or fair value (as determined by the Organization) from the homeowner should they choose to sell, management does not believe an allowance for expected credit losses is necessary.

Allowance for Expected Credit Losses

The Organization's allowance for expected credit losses is the amount considered adequate to absorb probable losses in the portfolio based on management's evaluations of the size and current risk characteristics of the mortgage notes receivable portfolio. Such evaluations consider historical information and experience with clients, and reasonable and supportable forecasts. Specific allowances for credit losses are established for large impaired notes on an individual basis. A note is considered impaired when, based on current information and events, it is probable that the Organization will be unable to collect the scheduled payments when due according to the contractual terms of the promissory note.

The specific allowances established for these loans are based on a thorough analysis of the most probable source of repayment, including the estimated fair value of the underlying collateral. General allowances are established for loans that can be grouped into pools based on similar characteristics. Management has evaluated their portfolio and has not recorded an allowance for credit losses as of June 30, 2025 and 2024.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025 AND 2024

(1 - continued)

Construction-in-Progress

Construction-in-progress represents costs incurred under construction for resale or pending finalization of related mortgage receivables. Construction-in-progress includes the cost of land, which is transferred to construction in progress from unimproved lots when it has been designated for a specific home build, as well as all direct material and labor at cost or fair value if contributed.

Homes to be Recycled

Homes to be recycled represent homes brought back into the Organization's records as a result of a foreclosure.

Land for Housing Development

Land is recorded at cost or fair value at the date it was contributed and includes survey and site development costs.

Building Supplies Inventory

Building materials consist of purchased and contributed items. Items which have been contributed are valued at fair value when received; only usable materials are valued.

Property and Equipment

The Organization records land, buildings and equipment at cost if purchased and at the estimated fair value at the date of acquisition if donated. Such donations are recorded as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. The Organization uses the straight-line method of computing depreciation at rates adequate to amortize the cost of the assets over their useful life. Building and improvements useful lives are five to thirty-nine years and equipment useful lives are five years.

Expenditures for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in operations for the year.

Escrow Deposits

Through the process of servicing the mortgage notes held by the Organization, the Organization holds funds on behalf of mortgagors to be used to pay for termite warranty, insurance and taxes. The funds received are held in a separate bank account.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general and fundraising expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025 AND 2024

(1 - continued)

Contributions

Contributions received are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions. The Organization recognizes all contributions as income in the period received. All contributions are considered available without restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met during the same period that the contribution is made are included in support without donor restrictions.

Contributions of noncash assets are recorded at their fair value at the date of donation.

Transfers to Homeowners

Transfers to homeowners represent the sale of houses built by the Organization through the use of seller financing. The resulting mortgages are non-interest bearing and have been discounted based upon prevailing market rates for low-income housing as annually determined by Habitat International.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. These expenses amounted to \$4,526 and \$4,229 for the years ended June 30, 2025 and 2024, respectively.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not considered a private foundation. Accordingly, the financial statements do not provide for income taxes.

The Organization has implemented the accounting guidance for uncertainty in income taxes. Using that guidance, tax positions initially are recognized in financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of June 30, 2025, the Organization has no uncertain tax positions that qualify for either recognition or disclosures in the financial statements.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025 AND 2024

(2) **LIQUIDITY**

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	<u>2025</u>	<u>2024</u>
Cash without restrictions	\$ 247,464	\$ 205,200
Mortgage receivables (current portion)	146,083	115,684
	393,547	320,884
Less: Net assets with donor restrictions	-	(100,602)
	\$ 393,547	\$ 220,282

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Accordingly, these assets are listed in the information above. Cash listed above does not include the balance of escrow deposits received from mortgagors, which are restricted for the payment of the mortgagors' termite warranty, insurance and taxes and are not available for general expenditures of the Organization. Cash listed above also does not include balances that are board designated or donor restricted for home construction. Mortgage receivables listed above represent the amount of principle payments contractually due within one year. The Organization maintains a \$150,000 line of credit at Wesbanco, as discussed in more detail in Note 4. At June 30, 2025 and 2024, \$150,000 remained available on the line of credit.

(3) **MORTGAGE RECEIVABLES AND UNAMORTIZED DISCOUNTS**

The Organization finances the sale of homes with non-interest-bearing mortgage loans secured by the homes and payable in monthly installments. The mortgage loans are discounted at rates between 7.23 percent and 8.14 percent. This rate is dependent upon the date of issuance of the loan and is determined annually by Habitat International. This discount is amortized monthly over the monthly repayment period for each loan, which is between 240 and 360 months.

The remaining balances, at face value, of the loans being held by imputed interest rates at June 30 are as follows:

	<u>2025</u>	<u>2024</u>
7.23% - 7.99%	\$ 1,404,172	\$ 1,757,485
8.00% - 8.14%	1,060,854	686,482
	\$ 2,465,026	\$ 2,443,967
	\$ 2,465,026	\$ 2,443,967

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025 AND 2024

(3 - continued)

Three homes were sold during the year ended June 30, 2025. Six homes were sold during the year ended June 30, 2024. The average mortgage for homes sold was \$140,000 and \$133,000 for the years ended June 30, 2025 and 2024, respectively. There were 34 loans outstanding for the years ended June 30, 2025 and 2024 with an average remaining balance of \$72,501 and \$71,881, respectively.

The loan activity for the year ended June 30, 2025 is as follows:

	Loans/ Payments at Face Value	Imputed Interest Discounted	Loans/ Payments at Present Value
Balance at June 30, 2024	\$ 2,443,967	\$ (1,195,415)	\$ 1,248,552
New loans made in 2025	420,000	92,983	512,983
Mortgages sold in 2025	(251,876)	140,948	(110,928)
Payments in 2025	(147,065)	(237,711)	(384,776)
Balance at June 30, 2025	<u>\$ 2,465,026</u>	<u>\$ (1,199,195)</u>	<u>\$ 1,265,831</u>

The loan activity for the year ended June 30, 2024 is as follows:

	Loans/ Payments at Face Value	Imputed Interest Discounted	Loans/ Payments at Present Value
Balance at June 30, 2023	\$ 1,903,233	\$ (897,372)	\$ 1,005,861
New loans made in 2024	665,000	76,017	741,017
Payments in 2024	(124,266)	(374,060)	(498,326)
Balance at June 30, 2024	<u>\$ 2,443,967</u>	<u>\$ (1,195,415)</u>	<u>\$ 1,248,552</u>

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025 AND 2024

(3 - continued)

Following is a schedule by years of maturity requirements on the mortgage loans as of June 30, 2025:

2026	\$ 146,083
2027	146,083
2028	143,206
2029	140,545
2030	132,361
Thereafter	<u>1,756,748</u>
	<u><u>\$ 2,465,026</u></u>

There were no foreclosures in the years ended June 30, 2025 or 2024. There were two significant delinquencies at June 30, 2025 and 2024.

(4) LINE OF CREDIT

The Organization has a line of credit secured by real estate with WesBanco for \$150,000, with an annually renewable maturity date. The interest rate charged on the line of credit as of June 30, 2025 and 2024 was 3.95%. There were no amounts drawn on the line of credit at June 30, 2025 and 2024.

(5) CONTINGENT LIABILITY

The Organization provides each homeowner with a warranty covering repair or replacement of certain items for a specified period of time. There were no expenditures under these warranties in the years ended June 30, 2025 or 2024. Management is not aware of any future expenses. As a result, no provision has been made in the financial statements for these warranties.

(6) RELATED PARTY RELATIONSHIPS

The Organization periodically requests and receives various awards from Habitat for Humanity of Indiana. There was \$6,402 of revenue recognized from Habitat for Humanity of Indiana for the year ended June 30, 2025. There was no revenue recognized from Habitat for Humanity of Indiana for the year ended June 30, 2024. For each of the years ended June 30, 2025 and 2024, the Organization paid dues of \$750 to Habitat for Humanity of Indiana.

The Organization annually remits a sustainability fee to Habitat International. For each of the years ended June 30, 2025 and 2024, the Organization paid \$7,500 for this sustainability fee. The Organization also remits a minimum of ten percent of its cash contributions (excluding cash restricted to local use and in-kind contributions) to Habitat International. These funds are used to construct homes in economically depressed areas around the world. For each of the years ended June 30, 2025 and 2024, the Organization contributed \$3,750 to Habitat International.

HABITAT FOR HUMANITY CLARK & FLOYD INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
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(7) NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets are restricted for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Spring Hill Station project	\$ -	\$ 88,102
Floyd County	-	12,500
	\$ -	\$ 100,602
	\$ -	\$ 100,602

(8) IN-KIND CONTRIBUTIONS

The Organization's policy related to in-kind donations is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair value.

The Organization received donated services with an estimated fair value of \$10,219 and \$23,080 for the years ended June 30, 2025 and 2024, respectively. These services were for legal services and the construction and renovation of homes and were valued using hours and rates provided by the specialists.

The Organization received materials with an estimated fair value of \$10,253 and \$397 for the years ended June 30, 2025 and 2024, respectively. These materials were for the construction and renovation of homes and were valued based on replacement costs for similar items.

All in-kind donations received by the Organization for the years ended June 30, 2025 and 2024 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

(9) SUBSEQUENT EVENTS

The Organization has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through May 8, 2026, the date these financial statements were available to be issued.