

***Habitat for Humanity of York County, Inc.***

***Financial Statements***

***Year Ended June 30, 2025***

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# ***Habitat for Humanity of York County, Inc.***

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**June 30, 2025**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Habitat for Humanity of York County, Inc.  
Rock Hill, South Carolina

### Opinion

We have audited the accompanying financial statements of Habitat for Humanity of York County, Inc. ("Habitat" - a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of York County, Inc. as of June 30, 2025, 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 of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Habitat for Humanity of York County, Inc. 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 of York County, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Habitat for Humanity of York County, Inc.  
Rock Hill, South Carolina

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 purposes of expressing an opinion on the effectiveness of Habitat for Humanity of York County, 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 of York County, 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.

*Report on Summarized Comparative Information*

We have previously audited Habitat's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Foard & Company, P.A.*  
November 10, 2025

**Habitat for Humanity of York County, Inc.**  
**Statement of Financial Position**  
**June 30, 2025, with prior year comparative totals**

	June 30,	
	2025	2024
<b>ASSETS</b>		
Cash	\$ 501,510	\$ 667,700
Receivables:		
Grants and contributions	189,257	206,475
Mortgages	821,024	891,295
Inventories:		
Land held for development	509,725	426,731
Construction in process	43,446	357,912
Homes held for resale	-	134,142
Resale store	105,421	109,777
Prepays	369	15,507
Investments	2,000,211	1,884,486
Operating lease right-of-use asset	70,907	168,665
Property and equipment (net of depreciation)	842,881	848,967
<b>TOTAL ASSETS</b>	<b>\$ 5,084,751</b>	<b>\$ 5,711,657</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 74,434	\$ 108,715
Payroll liabilities	58,169	54,026
Escrows	12,368	23,229
Right-of-use operating lease liability	70,907	168,665
Notes payable	418,622	430,811
<b>Total Liabilities</b>	<b>634,500</b>	<b>785,446</b>
Net Assets:		
Without Donor Restrictions:		
Undesignated	1,986,962	2,557,654
Designated for strategic initiatives and capital projects	2,034,357	2,308,133
<b>Total net assets without donor restrictions</b>	<b>4,021,319</b>	<b>4,865,787</b>
With donor restrictions	428,932	60,424
<b>Total Net Assets</b>	<b>4,450,251</b>	<b>4,926,211</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,084,751</b>	<b>\$ 5,711,657</b>

# **Habitat for Humanity of York County, Inc.**

## **Statement of Activities**

**Year Ended June 30, 2025, with prior year comparative totals**

	Year Ended June 30, 2025			2024 TOTALS
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<b><u>SUPPORT AND REVENUE</u></b>				
Grants	\$ -	\$ 693,536	\$ 693,536	\$ 724,718
Contributions	420,319	-	420,319	305,602
Donated goods and services	95,147	-	95,147	65,538
Sale of homes	1,039,878	-	1,039,878	295,566
Resale store	1,194,304	-	1,194,304	1,329,084
Mortgage loan discount amortization	71,199	-	71,199	64,637
Special events	23,548	-	23,548	38,068
Investment income	102,362	-	102,362	112,352
Other income	59,950	-	59,950	25,259
Net assets released from restrictions	325,028	(325,028)	-	-
<b><i>TOTAL</i></b>	<b><i>3,331,735</i></b>	<b><i>368,508</i></b>	<b><i>3,700,243</i></b>	<b><i>2,960,824</i></b>
<b><u>EXPENSES</u></b>				
Program Services:				
Construction	2,777,197	-	2,777,197	1,571,831
Resale store	1,094,021	-	1,094,021	1,216,118
Management and general	196,264	-	196,264	261,036
Fundraising	108,721	-	108,721	110,379
<b><i>TOTAL</i></b>	<b><i>4,176,203</i></b>	<b><i>-</i></b>	<b><i>4,176,203</i></b>	<b><i>3,159,364</i></b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b><i>(844,468)</i></b>	<b><i>368,508</i></b>	<b><i>(475,960)</i></b>	<b><i>(198,540)</i></b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b><i>4,865,787</i></b>	<b><i>60,424</i></b>	<b><i>4,926,211</i></b>	<b><i>5,124,751</i></b>
<b><i>NET ASSETS, ENDING</i></b>	<b><i>\$ 4,021,319</i></b>	<b><i>\$ 428,932</i></b>	<b><i>\$ 4,450,251</i></b>	<b><i>\$ 4,926,211</i></b>

# **Habitat for Humanity of York County, Inc.**

## **Statement of Functional Expenses**

**Year Ended June 30, 2025, with prior year comparative totals**

Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	TOTALS	2024
	Construction	ReStore		TOTALS	TOTALS
<b>PERSONNEL</b>					
Wages	\$ 681,371	\$ 447,127	\$ 102,271	\$ 52,528	\$ 1,283,297
Payroll taxes	54,857	36,568	8,193	1,761	101,379
Benefits	74,821	89,513	25,014	5,728	195,076
<b>Total</b>	<b>811,049</b>	<b>573,208</b>	<b>135,478</b>	<b>60,017</b>	<b>1,579,752</b>
					<b>1,513,254</b>
<b>OTHER EXPENSES</b>					
Cost of homes	1,092,951	-	-	-	1,092,951
Home repair	512,149	-	-	-	512,149
Supplies	41,230	7,789	3,396	12,919	65,334
Occupancy	22,955	259,323	1,138	609	284,025
Interest expense	10,542	9,167	1,754	210	21,673
Insurance	58,127	44,208	2,239	1,666	106,240
Mileage/Vehicle	34,262	11,304	1,474	338	47,378
Services	60,403	73,305	34,679	7,391	175,778
Dues and meetings	23,385	3,161	6,463	378	33,387
Equipment costs	16,964	11,290	4,031	323	32,608
Printing and postage	6,025	3,355	1,351	9,604	20,335
Tithe	18,800	-	-	-	18,800
Communications	10,678	10,869	1,007	735	23,289
Depreciation	50,261	28,788	1,342	783	81,174
Cost of goods sold	-	54,980	-	-	54,980
Marketing and other	7,416	3,274	1,912	13,748	26,350
<b>Total</b>	<b>1,966,148</b>	<b>520,813</b>	<b>60,786</b>	<b>48,704</b>	<b>2,596,451</b>
<b>TOTAL</b>	<b>\$ 2,777,197</b>	<b>\$ 1,094,021</b>	<b>\$ 196,264</b>	<b>\$ 108,721</b>	<b>\$ 4,176,203</b>
					<b>\$ 3,159,364</b>

# ***Habitat for Humanity of York County, Inc.***

## **Statement of Cash Flows**

**Year Ended June 30, 2025, with prior year comparative totals**

	Year Ended June 30,	
	2025	2024
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (475,960)	\$ (198,540)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation and amortization	81,174	75,624
Unrealized loss (gain) on change in value of investments	(60,802)	356
Donated land	(12,794)	(14,000)
Amortization of loan discount	(71,199)	(64,637)
Decrease (increase) in operating assets:		
Operating receivables	17,218	(97,261)
Inventories	382,764	(230,996)
Prepays	15,138	5,562
Increase (decrease) in operating liabilities:		
Payables	(34,281)	29,488
Payroll liabilities	4,143	9,780
Escrows	(10,861)	(9,890)
<b><i>Cash Flows from Operating Activities</i></b>	<b><i>(165,460)</i></b>	<b><i>(494,514)</i></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchases of investments	(1,279,222)	(1,894,000)
Proceed from sale of investments	1,224,299	2,141,000
Principal payments received from homeowners	141,470	150,656
Purchase of property and equipment	(75,088)	(29,480)
<b><i>Cash Flows from Investing Activities</i></b>	<b><i>11,459</i></b>	<b><i>368,176</i></b>
<b><u>FINANCING ACTIVITIES</u></b>		
Proceeds from notes payable	60,844	-
Principal payments on notes payable	(73,033)	(71,634)
<b><i>Cash Flows from Financing Activities</i></b>	<b><i>(12,189)</i></b>	<b><i>(71,634)</i></b>
<b><i>CHANGE IN CASH</i></b>	<b><i>(166,190)</i></b>	<b><i>(197,972)</i></b>
<b><i>CASH, BEGINNING</i></b>	<b><i>667,700</i></b>	<b><i>865,672</i></b>
<b><i>CASH, ENDING</i></b>	<b><i>\$ 501,510</i></b>	<b><i>\$ 667,700</i></b>

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# **Habitat for Humanity of York County, Inc.**

## **Notes to Financial Statements**

**June 30, 2025**

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### **NOTE 1 – NATURE OF OPERATIONS**

#### *Organization*

Habitat for Humanity of York County, Inc., (Habitat) is a South Carolina not-for-profit corporation that operates from facilities in Rock Hill, South Carolina. Habitat seeks to build homes, communities and hope within York County. Furthermore, Habitat strives to make decent housing a matter of conscience and action. Habitat is an affiliate of Habitat for Humanity International (HFH International).

#### *Purpose*

The purpose of Habitat is to create or preserve decent, affordable housing for those in need. Habitat builds homes that are sold to individuals at no profit, utilizing non-interest-bearing mortgages. The families are required to contribute 150 hours of “sweat equity” towards the construction of their home and other projects. Habitat repairs homes in partnership with homeowners with incomes under 60% and who pay a portion of repair costs and contribute sweat equity in accordance with their abilities.

#### *Funding sources*

Habitat is supported primarily through contributions, grants, and homeowner mortgage payments. In addition, Habitat operates two resale stores, which sell donated furniture and goods.

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

#### *Basis of accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in day-to-day operations and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives. Such amounts, if any, are reflected as designated net assets without donor restrictions in the accompanying statement of financial position.

*Net Assets With Donor Restrictions* - Net assets with donor restrictions consist of spendable and non-spendable amounts. Spendable amounts are subject to donor-imposed stipulations that may or will be met, either by actions of Habitat or the passage of time. When a restriction expires, that is when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reported in the statement of activities as net assets released from restrictions. Net assets were released during the year by payment for restricted purposes. Non-spendable amounts are subject to donor-imposed stipulations that they be maintained permanently by Habitat. During the year ended June 30, 2025, Habitat had no non-spendable net assets with donor restrictions.

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# **Habitat for Humanity of York County, Inc.**

## **Notes to Financial Statements**

**June 30, 2025**

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### Revenue recognition

Habitat's revenue from customers consists of home sales and repairs, and Habitat ReStore sales. Revenue is recorded based on transaction price, which is a fixed consideration. Habitat recognizes ReStore sales when control of the goods is passed to the customer, which typically occurs at the point of sale and is also when customer payment is collected. Habitat recognizes revenue from home sales when the title, possession and other attributes of ownership have been transferred to the buyer.

### Cash

Cash consists of cash on hand, cash in banks, and money market funds.

### Receivables

Grants and contributions receivable consist of unconditional promises to give. All amounts are expected to be collected in the subsequent fiscal year, so no present value discount has been provided. In addition, management has determined that no allowance for doubtful accounts is necessary based on an evaluation of the receivables, historical experience, and current and anticipated economic conditions. Conditional promises to give are not recorded until the conditions are substantially met. At June 30, 2025, Habitat had no conditional promises to give.

### Resale store inventory

Purchased inventory is recorded at cost, utilizing a first-in, first-out flow assumption, and was \$11,610 as of June 30, 2025. Habitat receives a large amount of furniture and other goods which are sold in its resale stores. Management has estimated that the value of this donated inventory at any given time approximates one month's sales and the balance at June 30, 2025, was \$93,811.

### Other inventory

Inventories also include land and construction in process, which are expected to be sold to homeowners and are carried on the books at cost or fair value when donated. Donated land is recorded at appraised value; however, if an appraisal was not available at the date of the contribution, it is recorded at the value used for assessing local property taxes. Costs benefiting all lots, including lots to be used in construction, are allocated between lots. Management has determined that lots carried on the books at \$28,000 are not currently buildable due to zoning or other issues. Construction in progress consists of costs related to construction, donated goods and services capitalized in construction and an overhead allocation based on construction expenses and salaries and wages.

### Functional allocation of expenses

Expenses that are inherently program, management and general, or fundraising, are charged directly to those functions. Facility costs are allocated based on the estimated square footage utilized by that function. All other expenses are allocated to program services, management and general, and fundraising based on management's estimates of time spent.

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# **Habitat for Humanity of York County, Inc.**

## **Notes to Financial Statements**

**June 30, 2025**

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### *Donated services and software*

Habitat pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Habitat with program services, management and general support, and fundraising efforts. Habitat depends on volunteers to construct homes, and the resale store utilizes a large number of volunteers for related functions. In accordance with accounting standards, the value of such services is not recorded in the financial statements unless the services require specialized skills or enhance the value of Habitat's assets. During the year, Habitat recognized services requiring specialized skills with an approximate value of \$9,846. In addition, Habitat also recognized donated software of \$27,170 which is used for construction management.

### *Escrows*

Escrows consist primarily of amounts received from new homeowners, which will be used to pay closing costs.

### *Property and equipment*

Property is recorded at cost if purchased or fair value if donated, subject to a \$2,500 capitalization policy. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation expense is recorded using the straight-line method of depreciation over the estimated useful lives of the assets, which range from three years for computers, five to ten years for furniture and equipment, and 30 to 40 years for buildings.

### *Federal income tax status*

Habitat is exempt from Federal income tax on its exempt function income under Internal Revenue Code Section 501(c)(3) under a group exemption letter granted to Habitat for Humanity International (HFHI), which is classified as other than a private foundation as defined by Section 509(a) of the Internal Revenue Code.

### *Cash flows*

Interest expense paid during the year ended June 30, 2025, amounted to \$21,674.

### *Leases*

Habitat has adopted Accounting Standards Update (ASU) 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. Habitat elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. Habitat determines if an arrangement is or contains a lease at inception. Leases are included in right of use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. Habitat does not report ROU assets and lease liabilities for its leases with a term of 12 months or less; rather they are reported as a lease expense on a straight-line basis over the lease term.

# **Habitat for Humanity of York County, Inc.**

## **Notes to Financial Statements**

**June 30, 2025**

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### Credit losses

On July 1, 2023, Habitat adopted ASU 2016-13 *Financial Instruments – Credit Losses* (Topic 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Habitat adopted ASC 326 and all related subsequent amendments thereto effective July 1, 2023, using the modified retrospective approach for its accounts receivable.

### Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Prior-year comparative totals

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with Habitat’s 2024 financial statements, from which the summarized information was derived. Also, certain prior-year amounts have been reclassified to conform to the current-year presentation.

## **NOTE 3 – INVESTMENTS**

Investments are reported at fair value and consist of nine certificates of deposit that bear interest at rates from 4.10% - 4.65% and mature at various times no later than May 2026.

Current accounting standards require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Habitat’s investments at year-end are classified as Level 1 assets.

# **Habitat for Humanity of York County, Inc.**

## **Notes to Financial Statements**

**June 30, 2025**

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### **NOTE 4 – PROPERTY AND EQUIPMENT**

#### *Balance at June 30, 2025*

Property and equipment used by Habitat in its operations consist of the following at June 30, 2025:

Buildings and improvements	\$ 878,877
Land	156,013
Furniture and equipment	219,275
Vehicles	<u>319,240</u>
<b>Total</b>	<b>1,573,405</b>
Less – accumulated depreciation	<u>730,524</u>
<b>PROPERTY AND EQUIPMENT, net</b>	<b>\$ 842,881</b>

### **NOTE 5 – MORTGAGES RECEIVABLE**

#### *Balances at June 30, 2025*

Mortgages receivable from homeowners do not bear interest. Therefore, these mortgages are carried on the books net of a discount for the present value of future payments. The rate of interest used to determine this discount is established annually by HFHI and was 8.01 percent for the current fiscal year. Management has adopted a policy to value all mortgages at the current year rate rather than the interest rate in effect for the year the home was sold to the homeowner.

Mortgage activity for the year ended June 30, 2025, was as follows:

	<u>Mortgages</u>	<u>Discount</u>
Mortgages receivable, beginning	\$ 1,580,959	\$ 689,664
Deduct:		
Payments received and amortization of discount	<u>141,470</u>	<u>71,199</u>
Mortgages receivable, ending	<u>\$ 1,439,489</u>	<u>\$ 618,465</u>

Management reviews the outstanding balances regularly for collectability to determine if an allowance for doubtful accounts is needed and has frequent communication with the homeowners and is able to identify collection problems. Because the mortgages are collateralized by the related homes, which are worth more than the discounted mortgage, management feels no allowance for uncollectible accounts is required at June 30, 2025. Payments of \$125,113 are expected in the fiscal year ending June 30, 2026.

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# **Habitat for Humanity of York County, Inc.**

## **Notes to Financial Statements**

**June 30, 2025**

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### **NOTE 6 – DEBT**

#### *Mortgage payable*

A mortgage note payable of \$319,971 is due to a local financial institution and is secured by Habitat's land, building, inventory and equipment. The note requires monthly payments of \$4,420, applied first to interest at 4.25 percent and then to principal, with all remaining balances due when the loan matures in May 2027.

#### *Truck note payable*

A note payable secured by a truck with a balance of \$51,202 is due to a local financial institution and is secured by the related vehicle. The note requires monthly payments of \$1,202, applied first to interest at 6.81 percent and then to principal.

#### *Truck note payable*

A note payable secured by a truck with a balance of \$17,802 is due to a local financial institution and is secured by the related vehicle. The note requires monthly payments of \$809, applied first to interest at 4.44 percent and then to principal.

#### *Truck note payable*

A note payable secured by a truck with a balance of \$29,618 is due to a local financial institution and is secured by the related vehicle. The note requires monthly payments of \$1,308, applied first to interest at 5.59 percent and then to principal.

#### *Maturities*

Future minimum payments of principal are due during the year ending June 30:

2026	\$ 74,993
2027	315,713
2028	12,898
2029	13,824
2030	1,194
<hr/>	
<b>TOTAL</b>	<b>\$ 418,622</b>

### **NOTE 7 – LEASES**

Habitat leases office facilities and equipment under various terms under long-term, non-cancelable operating lease and finance lease arrangements. The leases expire at various dates through 2027. An operating lease provides for increases in future minimum annual rental payments. The weighted-average discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term. The finance leases are interest-free and no provision for a discount has been recorded due to materiality. Operating leases with a term of 12 months or less are not recorded on the statement of financial position. The right-of-use assets and lease liabilities at June 30, 2025, are as follows:

# **Habitat for Humanity of York County, Inc.**

## **Notes to Financial Statements**

**June 30, 2025**

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### *Lease Assets – Classification in Statement of Financial Position*

Operating lease right-of-use	\$ 70,907
Finance lease right-of-use	<hr/> -
Total leased right-of-use assets	<hr/> \$ 70,907

### *Lease Liabilities – Classification in the Statement of Financial Position*

Operating lease liabilities	\$ 70,907
Finance lease liabilities	<hr/> -
Total lease liabilities	<hr/> \$ 70,907

### *Total lease costs for the year ended June 30, 2025, are as follows:*

Operating lease costs	\$ 99,156
Finance lease costs	<hr/> -
Total lease costs	<hr/> \$ 99,156

The weighted-average discount rate of operating leases is 3.16% and the weighted-average remaining lease term is .89 years.

The remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending June 30,	Operating Amounts
2026	\$ 68,474
2027	2,081
2028	<hr/> 1,387
Total lease payments	<hr/> 71,942
Less: imputed interest	<hr/> 1,035
Present value of liability	<hr/> \$ 70,907

## **NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at June 30, 2025:

Temporary in nature:

Purpose-restricted:

Specific builds	\$ 122,947
Disaster response	100,000
Financial literacy	68,000
Repairs	50,850
ABH	50,000
Volunteers	26,135
Advocacy	10,000

# **Habitat for Humanity of York County, Inc.**

## **Notes to Financial Statements**

**June 30, 2025**

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<u>Other</u>	1,000
<b><u>TOTAL</u></b>	<b>\$ 428,932</b>

## **NOTE 9 – CONCENTRATIONS OF RISK**

### Geographic area

Habitat operates in a small geographic area and is, therefore, sensitive to changes in the local economy.

### Cash and cash equivalents and certificate of deposit

Cash and cash equivalents held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Habitat occasionally maintains balances in excess of insured limits.

### Investments

Investments held in financial institutions are insured up to \$500,000 by the Securities Investor Protection Corporation (SIPC); however, this insurance does not cover the loss of value of the underlying assets. As noted above, Habitat maintains investments which are subject to fluctuations in market values, resulting in an exposure to a certain degree of investment risk.

## **NOTE 10 – RELATED PARTY TRANSACTIONS**

Habitat annually remits a portion of its contributions (excluding any in-kind contributions) to Habitat for Humanity International (HFHI). These funds are used to construct houses in economically depressed areas around the world. During the year, Habitat sent HFHI a tithe of \$18,000 and \$14,688 for its annual sustainability fee. Habitat also sent \$7,500 in dues to the South Carolina Association of Habitat Affiliates.

## **NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Habitat has \$815,880 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$501,510, receivables of \$189,257, which are expected to be collected during the year, and the \$125,113 portion of mortgages receivable that are due from homeowners in the next fiscal year. Financial assets of \$428,932 are subject to donor restrictions that they be utilized for a specific purpose. In addition, Habitat has investments of \$2,000,211 held for long-term purposes which could be utilized for cash flow needs. Habitat has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, Habitat invests cash in excess of daily requirements in short-term investments, primarily money market funds.

## **NOTE 12 – SUBSEQUENT EVENTS**

Habitat has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.