

Financial Statements

And

Independent Auditor's Report

As of June 30, 2025
and for the year ended
with summarized comparative information for
June 30, 2024

Habitat for Humanity of Utah County

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Habitat for Humanity of Utah County

Opinion

We have audited the accompanying financial statements of Habitat for Humanity of Utah County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, the related statements 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 financial position of Habitat for Humanity of Utah County 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 for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Utah County 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 Utah County's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 of Utah County'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 Utah County'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 for Humanity of Utah County's 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 9, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 in consistent, in all material respects, with the audited financial statements from which it has been derived.

Squire & Company, PC

Orem, Utah
February 17, 2026

Habitat for Humanity of Utah County

Statement of Financial Position
June 30, 2025
With Summarized Comparative Totals at June 30, 2024

	06/30/2025	06/30/2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 815,416	$ 976,933
Accounts receivable, including promises to give	11,779	5,850
Inventory	270,294	265,414
Prepaids	43,600	43,600
Investments, fair value	119,335	115,733
Current portion of notes receivable	2,432	2,432
Current portion of mortgages receivable	341,364	313,744
Current portion of discount on mortgages receivable	(254,570)	(233,849)
Total current assets	1,349,650	1,489,857
Equipment	208,517	163,313
Buildings	2,214,521	2,214,521
Accumulated depreciation	(934,284)	(888,386)
Net property and equipment	1,488,754	1,489,448
Construction in progress	1,321,269	1,738,143
Notes receivable, net of current portion	6,518	6,730
Mortgages receivable, net of current portion	6,686,430	6,125,592
Discount on mortgage receivables, net of current portion	(3,356,708)	(3,044,932)
Total assets	$ 7,495,913	$ 7,804,838
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 14,637	$ 36,612
Accrued payroll and benefits	57,482	38,134
Current portion of note payable	44,531	43,189
Total current liabilities	116,650	117,935
Note payable, net of current portion	825,468	869,036
Total liabilities	942,118	986,971
Net assets		
Without donor restrictions	6,549,795	6,813,867
With donor restrictions	4,000	4,000
Total net assets	6,553,795	6,817,867
Total liabilities and net assets	$ 7,495,913	$ 7,804,838

See accompanying notes to financial statements.

Habitat for Humanity of Utah County

Statement of Activities
Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	June 30, 2024			
	Without Donor Restrictions	With Donor Restrictions	06/30/2025 Total	06/30/2024 Total
REVENUES AND SUPPORT				
Revenues				
ReStore sales	$ 1,007,223	$ -	$ 1,007,223	$ 1,080,524
Home sales	346,059	-	346,059	387,554
Amortization of mortgage discount	236,445	-	236,445	247,895
Gain on early mortgage payoff	-	-	-	116,569
Other income	105,031	-	105,031	69,963
Net investment income	5,310	-	5,310	6,654
Interest income	7,863	-	7,863	2,365
Gain or loss on disposal of equipment	1,353	-	1,353	(2,833)
Total revenues	1,709,284	-	1,709,284	1,908,691
Support				
Contributed nonfinancial assets	1,062,483	-	1,062,483	895,771
Contributions	165,781	4,000	169,781	151,570
Net assets released from restrictions	4,000	(4,000)	-	-
Total support	1,232,264	-	1,232,264	1,047,341
Total revenues and support	2,941,548	-	2,941,548	2,956,032
EXPENSES				
Program services	2,933,101	-	2,933,101	2,615,047
Management and general	148,029	-	148,029	245,390
Fundraising	124,490	-	124,490	112,182
Total expenses	3,205,620	-	3,205,620	2,972,619
Change in net assets	(264,072)	-	(264,072)	(16,587)
Net assets, beginning of year	6,813,867	4,000	6,817,867	6,834,454
Net assets, end of year	$ 6,549,795	$ 4,000	$ 6,553,795	$ 6,817,867

See accompanying notes to financial statements.

Habitat for Humanity of Utah County

Statement of Functional Expenses
Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	June 30, 2025							
	Program Services			Support Activities				
	Affordable Housing	ReStore	Total	Management and General	Fundraising	Total	06/30/2025 Total	06/30/2024 Total
Salaries and wages	$ 133,825	$ 354,768	$ 488,593	$ 46,638	$ 78,732	$ 125,370	$ 613,963	$ 651,221
Payroll taxes	9,977	26,377	36,354	3,469	5,858	9,327	45,681	51,112
Employee benefits	17,574	43,433	61,007	3,939	11,717	15,656	76,663	131,341
Cost of ReStore inventory sold	-	975,284	975,284	-	-	-	975,284	996,251
Cost of homes sold	958,298	-	958,298	-	-	-	958,298	513,183
Depreciation	17,624	54,547	72,171	1,837	1,837	3,674	75,845	65,128
Professional fees	10,700	-	10,700	50,144	5,146	55,290	65,990	62,697
Insurance	23,655	30,935	54,590	2,846	7,425	10,271	64,861	91,953
Information technology	15,456	8,664	24,120	21,709	5,683	27,392	51,512	27,340
Supplies	41,129	5,070	46,199	857	236	1,093	47,292	58,461
Interest	5,225	29,859	35,084	1,120	1,120	2,240	37,324	35,803
Occupancy	4,260	31,122	35,382	652	652	1,304	36,686	127,771
Bank and merchant fees	119	30,370	30,489	1,036	-	1,036	31,525	44,955
Repair and maintenance	2,740	20,292	23,032	3,092	575	3,667	26,699	17,665
Habitat 2.0 fees	21,473	-	21,473	-	-	-	21,473	15,000
Vehicle	5,681	10,111	15,792	-	-	-	15,792	17,302
Food and beverage	4,038	4,281	8,319	2,454	2,395	4,849	13,168	6,312
Small equipment	7,041	4,042	11,083	271	240	511	11,594	5,243
Contract labor	10,165	1,400	11,565	-	-	-	11,565	27,956
Communication	3,693	4,457	8,150	607	1,022	1,629	9,779	8,340
Travel	818	-	818	5,850	187	6,037	6,855	1,119
Office	408	1,332	1,740	303	53	356	2,096	2,979
Training	1,094	561	1,655	82	150	232	1,887	221
Dues and fees	-	49	49	925	877	1,802	1,851	2,470
Advertising	602	95	697	110	585	695	1,392	4,222
Miscellaneous	63	394	457	88	-	88	545	2,574
Tithing	-	-	-	-	-	-	-	4,000
Total expenses	$ 1,295,658	$ 1,637,443	$ 2,933,101	$ 148,029	$ 124,490	$ 272,519	$ 3,205,620	$ 2,972,619

See accompanying notes to financial statements.

Habitat for Humanity of Utah County

Statement of Cash Flows
Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	06/30/2025	06/30/2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (264,072)	$ (16,587)
Items not requiring cash		
Mortgages receivable issued for home sales	(346,059)	(234,254)
Amortization of mortgage discounts	(236,445)	(247,895)
Gain on early mortgage payoff	-	(116,569)
Contributed construction in progress	(221,631)	(55,848)
Cost of homes sold	958,298	513,183
Depreciation	75,845	65,128
Gain or loss on disposal of equipment	(1,353)	2,833
Changes in		
Accounts receivable, including promises to give	(5,929)	1,829
Inventory	(4,880)	45,751
Prepaids	-	14,024
Security deposits	-	12,000
Accounts payable	(21,974)	36,612
Accrued payroll and benefits	19,348	(31,491)
Net cash used in operating activities	(48,852)	(11,284)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,602)	(4,803)
Principal payments on notes receivable	212	1,943
Payments on mortgages receivable	326,542	563,311
Purchases of property and equipment	(75,299)	(21,974)
Proceeds from sale of property and equipment	1,500	-
Purchases of construction in progress	(319,792)	(124,702)
Net cash provided by (used in) investing activities	(70,439)	413,775
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(42,226)	(43,747)
Net change in cash and cash equivalents	(161,517)	358,744
Cash and cash equivalents, beginning of year	976,933	618,189
Cash and cash equivalents, end of year	$ 815,416	$ 976,933
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 37,324	$ 35,803
Cash paid for income taxes	$ -	$ -

See accompanying notes to financial statements.

1. NATURE OF ORGANIZATION

Habitat for Humanity of Utah County (the "Organization") was incorporated under the laws of the State of Utah as a nonprofit corporation on December 5, 1991. The Organization is an affiliate of Habitat for Humanity International (Habitat International), a nondenominational Christian nonprofit organization with the purpose to create decent, affordable housing for those in need and to make decent shelters a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, and other services, the Organization is primarily and directly responsible for its own operations. Operations include building new homes, repairing housing stock, and providing advocacy and education. The Organization also operates a ReStore outlet, which sells primarily donated building materials and gently used household goods and appliances to the public. The Organization's primary sources of revenue include ReStore sales, home sales, and contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. At June 30, 2025, the Organization did not hold cash equivalents.

Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments and mortgages receivable. The Organization maintains its cash, cash equivalents, and investments in various financial institution accounts that, at times, may exceed federally insured limits. At June 30, 2025, cash balances in excess of federally insured limits totaled $559,470. These assets have been placed with high credit quality financial institutions and the Organization has not experienced, nor does it anticipate, any losses with respect to such accounts. The Organization also provides mortgage assistance to low-income individuals (defined as 30% to 60% of the area median income in Utah County). These mortgages receivable are a concentration of credit risk. However, they are secured by real estate.

Accounts Receivable

Accounts receivable are carried at their estimated collectable amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest. Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. An allowance for doubtful accounts related to accounts receivable has not been established at June 30, 2025 because management believes that all accounts receivable will be fully collectable.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. An allowance for doubtful promises has not been established at June 30, 2025 because management believes that all promises to give will be fully collectable.

Inventory

Inventory consists of building materials and household items available for sale through the Organization's ReStore outlet. Purchased inventory is recorded at the lower of cost or market using a first-in-first out method. Donated inventory is recorded at estimated fair market value.

Investments

Investments are initially recorded at cost, if purchased, or at fair value if donated. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, and investment management and custodial fees.

Fair Value Measurements

Assets recorded at fair value in the consolidated statement of financial position are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions, with highest priority given to quoted prices in active markets and lowest priority to an entity's assumptions. The Organizations group assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Other observable inputs including quoted prices for similar assets in active or non-active markets, or other observable inputs for the asset.
Level 3	Unobservable inputs that cannot be corroborated by observable market data, such as pricing models, discounted cash flow models, and similar techniques.

Mortgages Receivable

As part of its affordable housing program, the Organization provides mortgages to individuals purchasing the Organization's homes. Mortgages are non-interest-bearing, secured by real estate, and payable in monthly installments over the life of the mortgage. These mortgages have been discounted at prevailing market interest rates ranging from 6.25% to 8.01%. At June 30, 2025, the Organization held mortgages for 55 individuals. The average face amount and carrying amount of these loans at origination was $186,073 and $73,438, respectively. The difference between the face amount and carrying amount of these loans represented the mortgages receivable discount. At June 30, 2025 no mortgages receivable were considered by management to be impaired.

Property and Equipment

Property and equipment are recorded at cost at the date purchased or, if donated, at fair value at the date donated. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the respective assets or lease terms, which range from 5 to 40 years. Depreciation expense for the year ended June 30, 2025 was $75,845. Management reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

Construction in Process

Costs incurred in conjunction with home construction and major repair projects are capitalized in construction in progress and are expensed as the homes are sold or the major repair project is completed. Interest costs associated with home construction are capitalized and included in construction in progress. There was no capitalized interest during the year ended June 30, 2025.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported 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, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are considered net assets with donor restrictions until the asset is placed in service.

Revenue Recognition

Contributions – Contributions are recognized as support when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises are not recognized until the conditions on which they depend have been substantially met. Contributions are considered to be without donor restrictions unless restricted by the donor.

Contributed Nonfinancial Assets – Contributed goods, use of facilities, and services that either create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at fair value at the date of donation.

Program Service Revenue – Program service revenue consists of ReStore sales, home sales, amortization of mortgage discount, and other income. ReStore sales are recognized as revenue at the time of sale. Home sales are recognized as revenue when title transfers to the purchaser. Amortization of the mortgage discount is recognized according to the effective interest rate method over the life of each mortgage receivable.

Advertising Costs

Advertising costs are expensed when the advertising first takes place. Advertising expense for the year ended June 30, 2025 was $1,392.

Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2021.

Functional Allocation of Expenses

The cost of providing programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, benefits, and communications (which are allocated based on estimated time and effort) and occupancy, depreciation, interest, and insurance (which are allocated based on an analysis of square footage and estimated time and effort).

Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications

Certain items from June 30, 2024 have been reclassified to conform to the June 30, 2025 presentation.

3. LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet annual operating needs and other commitments. The following table reflects the Organization's financial assets available as of June 30, 2025 for general expenditure over the next twelve months.

Cash and cash equivalents	$ 815,416
Accounts receivable, including promises to give	11,779
Investments, fair value	119,335
Current portion of notes receivable	2,432
Current portion of non-interest-bearing mortgages receivable	341,364
Current portion of discounts on mortgages receivable	(254,570)
Current financial assets	1,035,756
Less those unavailable for general expenditures within One year, due to donor-imposed purpose restrictions	(4,000)
Total financial assets available to meet cash needs for general expenditure within one year	$ 1,031,756

4. ACCOUNTS RECEIVABLE, INCLUDING PROMISES TO GIVE

Accounts receivable, including promises to give at June 30, 2025 were as follows:

Promises to give	$ 4,000
Sales tax receivable	7,779
Total accounts receivable, including promises to give	$ 11,779

Accounts receivable, including promises to give, are expected to be collected in full within the next year. Therefore, management has determined that there is no allowance necessary.

5. NOTES RECEIVABLE

At June 30, 2025, the Organization held three unsecured, non-interest-bearing home repair notes receivable. The notes receivable maturities range from 2 to 8 years. Home repair notes receivable are not discounted by the Organization due to their small size. The following is a schedule of maturities of mortgages receivable at June 30, 2025:

Year ending June 30,	
2026	$ 2,432
2027	2,354
2028	1,160
2029	1,160
2030	510
Thereafter	1,334
Total	8,950
Current portion	(2,432)
Balance, net of current portion	$ 6,518

6. MORTGAGES RECEIVABLE

At June 30, 2025, the Organization held non-interest-bearing mortgages receivable. The mortgage loan maturities range from 6 to 30 years. These mortgages are secured by the underlying real estate that is located in Utah County, Utah. All mortgages are secured with a security interest and trust deed in each property. The fair value of the property used as collateral for each loan exceeds the value of any losses due to unpaid mortgages, should they occur.

Some mortgage loans also contain a recapture agreement whereby if the mortgagor sells a house before a prescribed time the mortgagor must pay a recapture amount to the Organization if the home sells for a price above the original loan amount. During the year ended June 30, 2025, there were no home sales subject to the recapture agreement.

Some home sales contained second mortgages which are generally not expected to be collected because they are forgivable unless the home is sold before a specified term. During the year ended June 30, 2025, two mortgage holders were required to repay their second mortgages.

Habitat International requires that local chapters discount certain non-interest-bearing loans at discount rates published by the IRS. The discount is recorded as an offset to the gross payments to be received from the loans and a corresponding charge to amortization of mortgages receivable discount, which is presented on the statement of activities. During the year ended June 30, 2025, the Organization issued two new mortgages.

The following is a schedule of maturities of mortgages receivable at June 30, 2025:

Year ending June 30,	Gross Maturity	Amortized Discount	Net Principal
2026	$ 341,364	$ (254,570)	$ 86,794
2027	341,364	(247,816)	93,548
2028	341,364	(240,533)	100,831
2029	341,364	(232,680)	108,684
2030	319,313	(205,103)	114,210
Thereafter	4,879,956	(2,175,180)	2,912,449
Total	7,027,794	(3,611,278)	3,416,516
Current portion	(341,364)	254,570	(86,794)
Balance, net of current portion	$ 6,686,430	$ (3,356,708)	$ 3,329,722

7. CONSTRUCTION IN PROGRESS

A summary of changes in construction in progress for the year ended June 30, 2025 is as follows:

	Home Construction	Building Lots	Total
June 30, 2024 balance	$ 26,304	$ 1,711,839	$ 1,738,143
Additions	541,424	-	541,424
Cost of homes sold	(516,010)	(442,288)	(958,298)
June 30, 2025 balance	$ 51,719	$ 1,269,551	$ 1,321,269

8. INVESTMENTS

The following is a summary of investments, fair value, at June 30, 2025:

	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	$ 119,335	$ -	$ -	$ 119,335

9. NOTE PAYABLE

At June 30, 2025, the Organization had the following note payable:

Mortgage payable to a financial institution requiring monthly payments of approximately $6,629 through May 2031 and a balloon payment of $579,969 in June 2031. The mortgage bears variable annual interest of the greater of 4.1% or 2.07% over the Federal Home Loan Bank of Des Moines Fixed Advance Rate for 5 Years, which was 4.1% at June 30, 2025. The mortgage is secured by the Organization's real property.	$ 869,999
Less current portion	(44,531)
Total note payable, net of current portion	$ 825,468

Future maturities of notes payable are as follows:

Year ending June 30,	
2026	$ 44,531
2027	43,289
2028	45,278
2029	47,358
2030	49,554
Thereafter	639,989
Total	$ 869,999

10. NET ASSETS WITH DONOR RESTRICTIONS

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

Subject to time restrictions	
Promises to give, the proceeds of which are restricted for home construction	$ 4,000

Net assets released from donor restrictions during the year ended June 30, 2025 consisted of the following:

Satisfaction of purpose restriction for home construction	$ 4,000

11. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended June 30, 2025, the Organization received the following contributed nonfinancial assets:

Goods	
ReStore inventory	$ 840,436
Affordable housing construction supplies	190,174
Specialized services	
Affordable housing construction services	31,873
	$ 1,062,483

ReStore inventory is sold by the Organization through its home improvement outlet. The fair market value of contributed inventory is estimated based on anticipated selling prices. Affordable housing construction supplies and services are used in critical home repair projects and to build housing inventory which is sold by the Organization through its affordable housing program. The fair market value of contributed construction supplies and services is estimated based on rates charged for similar products and services.

12. RETIREMENT PLAN

The Organization sponsors a SIMPLE IRA plan for its employees who meet eligibility requirements. Employees may defer any percentage of their compensation as contributions to the plan up to the statutory maximum allowed. The plan also provides for an employer discretionary match of up to 3% of participant compensation. During the year ended June 30, 2025, the Organization's matching contributions totaled $5,672.

13. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2025, the Organization paid Habitat for Humanity International $21,473 in affiliate fees.

14. COMMITMENTS AND CONTINGENCIES

The Organization provides a home warranty on each house that it sells. The warranty is limited and provides coverage on certain items for up to one year after the purchase date of the home. At June 30, 2025, the Organization had two active home warranty agreements. Liabilities associated with warranties are estimated to be immaterial to the overall financial condition of the Organization.

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

15. SUBSEQUENT EVENTS

Subsequent events were evaluated through February 17, 2026 which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.