

CHAFFEE COUNTY HABITAT FOR HUMANITY

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the year ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Chaffee County Habitat for Humanity

Opinion

We have audited the accompanying financial statements of Chaffee County Habitat for Humanity (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and 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 Chaffee County Habitat for Humanity as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chaffee County Habitat for Humanity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chaffee County Habitat for Humanity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Chaffee County Habitat for Humanity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chaffee County Habitat for Humanity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

 Alyson D. Raitt, CPA, PLLC

Leadville, Colorado
October 17, 2023

CHAFFEE COUNTY HABITAT FOR HUMANITY
STATEMENT OF FINANCIAL POSITION

As of June 30, 2023

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 224,943
Cash restricted for escrow	5,575
Grants Receivable	8,100
Current portion of non-interest bearing mortgages receivable, net of discount \$25,765	13,188
ReStore inventory	12,376
Prepaid expenses	5,561
Construction in progress	540,186
TOTAL CURRENT ASSETS	809,929
 NON-CURRENT ASSETS	
Property and equipment	
Building	593,791
Building improvement	117,861
Vehicles	45,054
Construction equipment	8,841
Office equipment	10,594
Land	128,264
Less: Accumulated depreciation	(180,851)
Net, property and equipment	723,554
Leased land	189,091
Non-interest bearing mortgages receivable, net of unamortized discount of \$360,792 and net of current portion	305,191
TOTAL NON-CURRENT ASSET	1,217,836
TOTAL ASSETS	\$ 2,027,765

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 15,354
Accrued payroll and related accrued expenses	56,053
Accrued expenses	1,945
Escrow payable	6,952
Current portion of note payable	28,187
Short-Term Loan	125,000
TOTAL CURRENT LIABILITIES	233,491
 LONG-TERM LIABILITIES	
Note payable, net of current portion	409,185
TOTAL LIABILITIES	642,676
 NET ASSETS	
Without donor restrictions	
With board designations	167,761
Without board designations	1,217,328
Total without donor restrictions	1,385,089
TOTAL NET ASSETS	1,385,089
TOTAL LIABILITIES AND NET ASSETS	\$ 2,027,765

CHAFFEE COUNTY HABITAT FOR HUMANITY
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and revenue			
Grants	\$ 0	\$ 23,000	\$ 23,000
Contributions	110,256	0	110,256
In-kind contributions	130,745	0	130,745
Event income	15,151	0	15,151
Sales of homes	428,250		428,250
Mortgage discount amortization	21,140	0	21,140
ReStore sales	209,852	0	209,852
Interest income	310	0	310
Rental income	3,925		3,925
Miscellaneous income	5,334	0	5,334
Net assets released from restrictions			
Satisfaction of program related restriction	<u>23,000</u>	<u>(23,000)</u>	<u>0</u>
Total support and revenue	947,963	0	947,963
Expenses			
Program services			
Home building and repairs	706,348	0	706,348
ReStore	220,229	0	220,229
Support services			
Management and general	95,632	0	95,632
Fundraising	<u>33,706</u>	<u>0</u>	<u>33,706</u>
Total expenses	<u>1,055,915</u>	<u>0</u>	<u>1,055,915</u>
Change in unrestricted net assets before gain	(107,952)	0	(107,952)
Gains			
Gain on disposition of asset	4,647	0	4,647
Gain on sale of mortgages	<u>45,499</u>	<u>0</u>	<u>45,499</u>
Total Gain	50,146	0	50,146
Change in unrestricted net assets after gain	(57,806)	0	(57,806)
Net assets at beginning of year	<u>1,442,895</u>	<u>0</u>	<u>1,442,895</u>
Net assets at end of year	<u>\$ 1,385,089</u>	<u>\$ 0</u>	<u>\$ 1,385,089</u>

See accompanying notes

CHAFFEE COUNTY HABITAT FOR HUMANITY
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Home Building and Repairs</u>	<u>ReStore</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 77,684	\$ 77,605	\$ 28,776	\$ 13,568	\$ 197,633
Payroll tax expense	5,740	5,893	2,294	990	14,917
Employee benefits	6,374	12,678	11,595	63	30,710
	<u>89,798</u>	<u>96,176</u>	<u>42,665</u>	<u>14,621</u>	<u>243,260</u>
Advertising	0	4,470	2,082	0	6,552
Cost of goods sold	412,532	57,234	0	0	469,766
Depreciation expenses	608	1,553	698	0	2,859
Dues and subscriptions	2,250	451	5,438	0	8,139
Facilities	24,537	36,050	1,653	0	62,240
HFHI tithe	5,000	0	0	0	5,000
Homeowner services	1,661	0	15	19	1,695
Insurance	404	539	5,795	0	6,738
Interest	6,828	9,213	440	0	16,481
Miscellaneous	350	0	1,157	0	1,507
Mortgage discount	139,473	0	0	0	139,473
Professional Fees	8,702	0	23,627	100	32,429
Processing fees	98	4,623	12	0	4,733
Small tools and supplies	4,204	1,921	6,678	18,610	31,413
Training and conferences	8,240	779	3,946	0	12,965
Vehicle expenses	478	6,412	0	0	6,890
Volunteer Expense	1,185	808	1,426	356	3,775
TOTAL EXPENSES	<u>\$ 706,348</u>	<u>\$ 220,229</u>	<u>\$ 95,632</u>	<u>\$ 33,706</u>	<u>\$ 1,055,915</u>

CHAFFEE COUNTY HABITAT FOR HUMANITY
STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

Cash flows from operating activities:	
Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$ (57,806)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	22,737
Gain on disposition of assets	(4,647)
Gain on sale of mortgages	72,834
(Increase) Decrease in grants receivable	(8,100)
(Increase) Decrease in ReStore inventory	693
(Increase) Decrease in prepaid expenses	(474)
(Increase) Decrease in construction in progress	(46,266)
Increase (Decrease) in accounts payable	14,096
Increase (Decrease) in accrued payroll and related expenses	9,873
Increase (Decrease) in sales tax payable	564
Increase (Decrease) in escrow payable	<u>(3,402)</u>
Net cash provided (used) by operating activities	102
Cash flows from investing activities:	
Purchase of fixed assets	(29,561)
Collection of principal on mortgages receivable	<u>21,117</u>
Net cash provided from investing activities	(8,444)
Cash flows from financing activities:	
Proceeds from sale of mortgages	(129,158)
Reduction on loan payable	<u>97,603</u>
Net cash provided (used) by financing activities	<u>(31,555)</u>
Net Increase in Cash	(39,897)
Cash and cash equivalents, at beginning of period	<u>270,415</u>
Cash and cash equivalents, at end of period	<u><u>\$ 230,518</u></u>
Cash paid for interest	<u><u>\$ 16,481</u></u>
Cash Reported on Statement of Financial Position	
Cash and Cash Equivalents - Unrestricted	\$ 224,943
Restricted Cash	5,575
Cash Reported Above	<u><u>\$ 230,518</u></u>

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Organization

Chaffee County Habitat for Humanity (the Organization) was incorporated in March, 2000 and is an affiliate of Habitat for Humanity International, Inc., (HFHI). HFHI and its affiliates are tax-exempt, not-for-profit ecumenical ministries whose mission is to provide low-income families with decent, affordable housing.

In fulfilling its mission, the Organization builds single family homes in Chaffee County, Colorado, sells them to low-income families (homeowners) and holds non-interest-bearing mortgages receivable with payments commensurate with the family's ability to pay. To qualify for the program, prospective homeowners must meet the following requirements:

- Need
 - Income – 30 to 60% AMI (Area Median Income from HUD figures)
 - Current living conditions are inadequate, substandard or not affordable
- Ability to pay the mortgage
 - The Organization determines an applicant's ability to pay a mortgage by looking at income (tax returns and pay stubs) plus credit history
 - Residents of Chaffee County – 1-year minimum residence or work history
- Willingness to partner
 - Complete sweat equity hours – 250 for single adult family, 500 for two-adult family (six hours completed in application process)
 - Prepare a plan and \$1,000 for closing costs
 - Have a home visit from the Family Selection Committee
 - Attend classes in home ownership, financial management and other areas
 - Participate in special events, publicity and special ceremonies

The Organization receives support from the local community by enlisting volunteer labor when practical and soliciting donations of land, building material, and cash necessary in its building efforts. The donations and the cash from the collection of mortgages receivable are used to continue building houses for those in need.

The Organization operates a resale store (ReStore). ReStore primarily sells construction related materials and household furnishing and receives substantially all its merchandise from donations.

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Receivables and Credit Policies

Accounts receivable are stated at unpaid balances and they consist primarily of utilities due from a tenant. There was no accounts receivable as of June 30, 2023. Management believes all receivables are collectible therefore allowance for uncollectible accounts is not used. Management uses the direct write off method to recognize bad debt expense for uncollectible accounts. After reasonable collection efforts are made by management past due accounts are written off. For the year ending June 30, 2023 there was no bad debt write off. The Organization has no policy to charge interest on late payments.

Receivables from contracts with customers are reported as accounts receivable in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management believes all receivables are collectible therefore allowance for uncollectible accounts is not used. Management uses the direct write off method to recognize bad debt expense for uncollectible accounts. After reasonable collection efforts are made by management past due accounts are written off. For the year ending June 30, 2023, there was no bad debt write off.

Mortgages Receivable

Sales of homes are recorded at the gross amount of payments to be received over the lives of the mortgages. These payments do not include interest. The mortgages have been discounted at interest rates ranging from 7.38% to 7.69% (weighted average of 7.61%) using the effective interest method over the lives of the mortgages. Mortgages are reported net of unamortized discount. The resulting carrying value of the mortgages receivable approximates fair value. Management believes all receivables are collectible and the fair market value of the homes exceed the related mortgage balances therefore allowance for uncollectible accounts is not used. Management uses the direct write off method to recognize bad debt expense for uncollectible accounts. After reasonable collection efforts are made by management past due accounts are written off. For the year ending June 30, 2023, there was no bad debt write off.

All homes sold are used as collateral for the related mortgages.

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Inventory

The Organization's inventory comprises merchandise held for sale in ReStore and is stated at the lower of cost or market determined by the first-in first-out method. The Organization's inventory also includes building material inventory.

Construction in progress

The Organization is in the process of building homes to provide additional affordable housing. All the costs of construction are being reported as construction in progress including interest, donated materials and construction related services, which is valued at fair market value, until the homes are complete and are ready to be sold to homeowners. Also, all costs are assigned to individual homes.

Property, Equipment, and Depreciation

Property and equipment are recorded at cost or at the estimated fair market value on the date of the donation. Property and equipment with a cost or estimated fair market value of \$1,000 or more is capitalized.

Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets:

Building and improvements	5-40 years
Furniture and equipment	3-10 years
Vehicles	5-7 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Building, building improvement and land shown on the Statement of Financial Position are the collateral of the note payable noted in Note F.

Leased Land

The Organization started to keep the titles to the land under the houses it sells to some of the homeowners. The annual lease payments are \$12 each homeowner and the lease term is 99 years. The lease may be extended for another 99 years with no option to purchase.

All the lease agreements contract includes management fee of \$228 per homeowner per year. The Organization has elected to apply the practical expedient that allows land leases and their associated management fees to be accounted for as a single combined operating lease

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

component. As result, the Organization presented land lease and management fees in the same line item in the statemen of activities for the year ended June 30, 2023.

Net Asset

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) 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets, if any, are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

A home is considered sold when a formal closing transaction has been finalized. At that time, a first non-interest-bearing mortgage is given to the homeowner based on the amount the homeowner is able to pay. The Organization records the revenue for the sale at the amount equal to the first mortgage net of imputed interest on the date of closing, resulting in no contract assets (unbilled receivables) or contract liabilities (advances or deposits). ReStore operates by selling donated goods and purchased merchandises to the public. All home sales and ReStore sales are transferred at a point in time.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional grants receivable, that is, those with a measurable performance or other barrier, and a right of return, if any, are not recognized until the conditions on which they depend have been substantially met.

Contributions are subject to 10% tithe to HFHI. The tithe is used to build homes abroad. Contributions which are restricted for local use, however, are not subject to the tithe.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred, and approximated \$6,552 during the year ended June 30, 2023.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and Effort
Utilities	Square Footage
Occupancy	Square Footage
Repair and Maintenance	Square Footage

Income Taxes

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grant receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from affiliates who shares our mission.

New Accounting Policies

In 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements.

The Organization elected not report Right-of-Use assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Organization also elected the practical expedient that permitted it to not reassess under the new standards its prior conclusion about lease identification, lease classification, and initial direct costs and the practical expedient to not separate lease and non-lease components for underlying land lease.

Because the Organization elected the practical expedient not to reassess lease identification, classification, and initial direct costs and there was no material lease as a lessee, the Organization assessed the effects of these new accounting policies on financial reporting to be not significant.

Also in 2023, the Organization adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires more prominent presentation of contributed nonfinancial assets and enhanced disclosures about the valuation of those contributions and their use in programs and other activities.

Subsequent Event

Subsequent events were evaluated through October 16, 2023, which is the date the financial statements were available to be issued.

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE B - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2023:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$224,943
Grants Receivable	8,100
Restricted Cash	<u>5,575</u>
Total Financial Assets	238,618
Less Amounts Not Available to be Used within One Year	
Net Assets with Donor Restrictions	0
Less Net Assets with Purpose Restrictions to be Met in Less Than a Year	<u>(0)</u>
	<u>0</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$238,618</u>

The organization has a Line of Credit Through High Country Bank of \$100,000 that is normally part of our development reserve and is available for emergency use. The Organization has established \$167,761 in reserve and it is reported as net assets with board designation on the statement of financial position.

NOTE C - RESTRICTED CASH

The Organization currently services the mortgages of the homes it sells. The Organization is required to keep the amounts received from homeowners for insurance and property taxes (escrow funds) in separate bank accounts. The amount of this restricted cash at June 30, 2023 was \$5,575 and it was reported on the statement of financial position.

NOTE D - MORTGAGES RECEIVABLE

At closing, a first non-interest-bearing mortgage is given to the homeowner based on the amount the homeowner is able to pay. The Organization holds 6 such mortgages as of June 30, 2023. If the fair value of the property is greater than the first mortgage, the Organization obtains a second mortgage for the difference of the sales price and the fair value. The second mortgage is to protect the value of the collateral and is not recorded in the books and records of the Organization. At the time the first mortgage is paid in full, the Organization cancels the second mortgage.

Mortgages are subject to foreclosure if a payment is 90 days or more past due and no revised payment plan has been approved by the Organization's Board of Directors. Homeowners that have not responded to prior notifications and are 120 days late may be presented to the Board for approval of the foreclosure. Foreclosure are only begun with the Board's approval. If

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approved, the homeowner's file is turned over to an attorney to send the official notice of default, which states that the homeowners has 30 days to cure the default.

The following schedule shows the past due principal payments only, as of June 30, 2023. These past due balances are based on the payments required by the mortgage and have not been reduced to reflect modifications made under payment plans.

	Number of mortgages with past due	Mortgage balance past due at 6-30-23	Past due amount at 6-30-23
6 months or more	1	\$103,954	\$822

There was no mortgage in foreclosure procedures as of June 30, 2023.

As of June 30, 2023, the estimated annual repayment amounts on these mortgages receival along with the unamortized discount were as follows:

For the year ending June 30,	Amount
2024	38,953
2025	38,953
2026	38,953
2027	38,953
2028	38,953
Thereafter	<u>510,171</u>
	704,936
Less: unamortized discount	<u>386,557</u>
Mortgages receivable, net	\$318,379
Less: current-portion	<u>13,188</u>
Non current mortgages receivable, net	<u>\$305,191</u>

NOTE E - SHORT-TERM LOAN

The Organization received short-term loan from Habitat for Humanity Colorado for the construction of a house that was sold during the year ended June 30, 2023. The interest rate is 2.75% and it is payable each month. The principle is payable on or before May 22, 2024 and it is collateralized with another house that the Organization owns and it is reported as a part of construction in progress on the statement of financial position.

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE F - NOTE PAYABLE

The Organization financed its purchase of the building they occupy with a note payable to a financial institution in March of 2016. The terms are listed below.

Variable interest rate which was 3.175% on June 30, 2023, based on the prime rate, due in monthly installments of \$3,492, including interest, through March 10, 2036, secured by a Deed of Trust and the land and buildings	\$437,372
Less: current portion	<u>(28,187)</u>
Long-term portion of Notes Payable	<u>\$409,185</u>

The future scheduled maturities of long-term debt are as follows:
Years ending June 30:

2024	\$ 28,187
2025	29,145
2026	30,098
2027	31,081
2028	32,070
Thereafter	<u>286,791</u>
Total	<u>\$ 437,372</u>

NOTE G – DONATED SERVICES AND IN-KIND CONTRIBUTIONS

For the years ended June 30, 2023, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

Land	\$64,505
Items to be sold at auction at fundraising event	5,629
Items to be sold at ReStore	44,995
Facility for fundraising event	8,300
Architect services	3,156
Construction labor	3,000
Advertising for fundraising event	<u>1,160</u>
Total	<u>\$130,745</u>

During the year ended June 30, 2023, the Organization received a donation of a parcel of land which was used for a house that was sold during the same year. The value was assess based on the Chaffee County assessor’s value.

Donated auction and ReStore items were valued at the sale price received during the auction on the day of event.

Contributed architect service and construction labor are provided by specially trained professionals. These services are used in program services and are recognized at fair value based on current rates for similar services.

CHAFFEE COUNTY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
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All gifts-in-kind received during the years ended June 30, 2023 were unrestricted.

NOTE H - COST OF HOMES

Year built	Total cost	Cost per Square foot
2002	\$75,236	\$64
2004	84,539	72
2005	81,750	66
2007	113,864	75
2009	237,000	100
2011	240,000	95
2012	111,211	103
2013	201,194	101
2014	290,000	135
2015	273,147	126
2016	301,644	142
2017	248,181	115
2018	150,605	193
2019	0	0
2020	145,894	139
2021	282,477	132
2022	0	0
2023	412,532	169