

**HABITAT FOR HUMANITY  
ST. TAMMANY WEST  
AND SUBSIDIARY**

Audits of Consolidated Financial Statements

June 30, 2025 and 2024

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## **Independent Auditor's Report**

To the Board of Directors  
Habitat for Humanity St. Tammany West and Subsidiary  
Mandeville, Louisiana

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Habitat for Humanity St. Tammany West and Subsidiary (HFHSTW), which comprise the consolidated statements of financial position as of June 30, 2025, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of HFHSTW as of June 30, 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of HFHSTW and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 HFHSTW'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HFHSTW'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 audits.

## **Prior Period Financial Statements**

The financial statements of HFHSTW, as of and for the year ended June 30, 2024, were audited by other auditors, whose report dated December 2, 2024, expressed an unmodified opinion on those financial statements. The summarized comparative information presented herein as of and for the year ended June 30, 2024 is, in our opinion, in all material respects, consistent with the audited financial statements from which it has been derived.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025 on our consideration of HFHSTW's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of HFHSTW's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HFHSTW's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Covington, LA  
December 16, 2025

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidated Statements of Financial Position**  
**June 30, 2025 and 2024**

|                                                                                 | 2025                | 2024                |
|---------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Assets</b>                                                                   |                     |                     |
| <b>Current Assets</b>                                                           |                     |                     |
| Cash and Cash Equivalents                                                       | \$ 988,416          | \$ 409,783          |
| Restricted Cash                                                                 | 327,849             | 231,494             |
| Receivable from Mortgagor                                                       | 69,741              | 204,418             |
| Mortgage Notes Receivable, Current Portion, Net                                 | 233,960             | 253,064             |
| Notes Receivable - Microfinance Fund                                            | 1,626               | 3,514               |
| Grants Receivable                                                               | -                   | 55,000              |
| Accounts Receivable                                                             | 60,058              | 61,019              |
| Inventory                                                                       | 47,865              | 12,301              |
| Other Assets                                                                    | 41,638              | 35,059              |
| Construction in Progress                                                        | 677,700             | 892,783             |
| <b>Total Current Assets</b>                                                     | <b>2,448,853</b>    | <b>2,158,435</b>    |
| <b>Property and Equipment</b>                                                   |                     |                     |
| Building and Improvements                                                       | 1,723,433           | 1,703,537           |
| Vehicles                                                                        | 151,177             | 151,177             |
| Office Furniture and Equipment                                                  | 139,614             | 139,614             |
|                                                                                 | 2,014,224           | 1,994,328           |
| Less: Accumulated Depreciation                                                  | (1,254,577)         | (1,175,725)         |
|                                                                                 | 759,647             | 818,603             |
| Land                                                                            | 320,345             | 320,345             |
| <b>Total Property and Equipment, Net</b>                                        | <b>1,079,992</b>    | <b>1,138,948</b>    |
| <b>Other Assets</b>                                                             |                     |                     |
| Long-Term Portion of Mortgage Notes Receivable,<br>Net of Unamortized Discounts | 1,250,059           | 1,459,930           |
| Land Held for Future Home Sites                                                 | 619,250             | 683,608             |
| Operating Lease Right-of-Use Assets                                             | 57,739              | 31,746              |
| Other                                                                           | 96,093              | 165,676             |
| <b>Total Other Assets</b>                                                       | <b>2,023,141</b>    | <b>2,340,960</b>    |
| <b>Total Assets</b>                                                             | <b>\$ 5,551,986</b> | <b>\$ 5,638,343</b> |

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

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidated Statements of Financial Position (Continued)**  
**June 30, 2025 and 2024**

|                                                       | 2025                | 2024                |
|-------------------------------------------------------|---------------------|---------------------|
| <b>Liabilities and Net Assets</b>                     |                     |                     |
| <b>Current Liabilities</b>                            |                     |                     |
| Accounts Payable                                      | \$ 150,336          | \$ 100,013          |
| Accrued Payroll and Other Expenses                    | 366,568             | 145,453             |
| Current Portion of Operating Lease Liabilities        | 24,464              | 20,658              |
| Current Maturities of Notes Payable                   | 375,222             | 28,383              |
| Line of Credit Payable                                | 300,263             | 250,000             |
| Deferred Revenue                                      | 10,760              | 10,760              |
| Escrow Deposits                                       | 340,583             | 381,085             |
| <b>Total Current Liabilities</b>                      | <b>1,568,196</b>    | <b>936,352</b>      |
| <b>Long-Term Liabilities</b>                          |                     |                     |
| Long-Term Portion of Operating Lease Liabilities, Net | 32,954              | 11,293              |
| Long-Term Portion of Notes Payable, Net               | -                   | 375,264             |
| <b>Total Long-Term Liabilities</b>                    | <b>32,954</b>       | <b>386,557</b>      |
| <b>Total Liabilities</b>                              | <b>1,601,150</b>    | <b>1,322,909</b>    |
| <b>Net Assets</b>                                     |                     |                     |
| Without Donor Restrictions                            | 3,950,836           | 4,315,434           |
| With Donor Restrictions                               | -                   | -                   |
| <b>Total Net Assets</b>                               | <b>3,950,836</b>    | <b>4,315,434</b>    |
| <b>Total Liabilities and Net Assets</b>               | <b>\$ 5,551,986</b> | <b>\$ 5,638,343</b> |

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

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidated Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2025**

|                                              | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|----------------------------------------------|-------------------------------|----------------------------|---------------------|
| <b>Revenues, Gains, and Support</b>          |                               |                            |                     |
| Sales of Houses                              |                               |                            |                     |
| Sales Revenue                                | \$ 1,573,533                  | \$ -                       | \$ 1,573,533        |
| Less: Mortgage Notes Receivable Discount     | (976,680)                     | -                          | (976,680)           |
| Amortization of Mortgage Notes               |                               |                            |                     |
| Receivable Discount                          | 229,523                       | -                          | 229,523             |
| ReStore Revenues                             | 1,057,157                     | -                          | 1,057,157           |
| Grants                                       | 960,341                       | -                          | 960,341             |
| Contributions                                | 88,422                        | -                          | 88,422              |
| Event Revenues                               |                               |                            |                     |
| Event Income                                 | 337,891                       | -                          | 337,891             |
| Event Expenses                               | (33,830)                      | -                          | (33,830)            |
| Contributed Nonfinancial Assets              | 84,150                        | -                          | 84,150              |
| Gain on Sale of Mortgages Receivable         | 1,267,478                     | -                          | 1,267,478           |
| Other Revenue                                | 483,471                       | -                          | 483,471             |
|                                              | <u>5,071,456</u>              | <u>-</u>                   | <u>5,071,456</u>    |
| <b>Net Assets Released from Restrictions</b> | <u>-</u>                      | <u>-</u>                   | <u>-</u>            |
| <b>Total Revenues, Gains, and Support</b>    | <u>5,071,456</u>              | <u>-</u>                   | <u>5,071,456</u>    |
| <b>Expenses and Losses</b>                   |                               |                            |                     |
| <b>Program Services</b>                      |                               |                            |                     |
| Housing                                      | 3,550,499                     | -                          | 3,550,499           |
| ReStore                                      | 1,114,709                     | -                          | 1,114,709           |
| <b>Supporting Services</b>                   |                               |                            |                     |
| Management and General                       | 436,023                       | -                          | 436,023             |
| Fundraising                                  | 334,823                       | -                          | 334,823             |
| <b>Total Expenses</b>                        | <u>5,436,054</u>              | <u>-</u>                   | <u>5,436,054</u>    |
| <b>Change in Net Assets</b>                  | <u>(364,598)</u>              | <u>-</u>                   | <u>(364,598)</u>    |
| <b>Net Assets, Beginning of Year</b>         | <u>4,315,434</u>              | <u>-</u>                   | <u>4,315,434</u>    |
| <b>Net Assets, End of Year</b>               | <u>\$ 3,950,836</u>           | <u>\$ -</u>                | <u>\$ 3,950,836</u> |

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

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidated Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2024**

|                                              | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|----------------------------------------------|-------------------------------|----------------------------|--------------|
| <b>Revenues, Gains, and Support</b>          |                               |                            |              |
| Sales of Houses                              |                               |                            |              |
| Sales Revenue                                | \$ 1,300,822                  | \$ -                       | \$ 1,300,822 |
| Less: Mortgage Notes Receivable Discount     | (934,489)                     | -                          | (934,489)    |
| Amortization of Mortgage Notes               |                               |                            |              |
| Receivable Discount                          | 139,255                       | -                          | 139,255      |
| ReStore Revenues                             | 1,148,337                     | -                          | 1,148,337    |
| Grants                                       | 1,643,897                     | -                          | 1,643,897    |
| Contributions                                | 130,547                       | -                          | 130,547      |
| Event Revenues                               |                               |                            |              |
| Event Income                                 | 305,080                       | -                          | 305,080      |
| Event Expenses                               | (26,739)                      | -                          | (26,739)     |
| Contributed Nonfinancial Assets              | 10,548                        | -                          | 10,548       |
| Gain on Sale of Mortgages Receivable         | 682,715                       | -                          | 682,715      |
| Other Revenue                                | 126,618                       | -                          | 126,618      |
|                                              | 4,526,591                     | -                          | 4,526,591    |
| <b>Net Assets Released from Restrictions</b> | 6,280                         | (6,280)                    | -            |
| <b>Total Revenues, Gains, and Support</b>    | 4,532,871                     | (6,280)                    | 4,526,591    |
| <b>Expenses and Losses</b>                   |                               |                            |              |
| <b>Program Services</b>                      |                               |                            |              |
| Housing                                      | 2,759,852                     | -                          | 2,759,852    |
| ReStore                                      | 1,025,164                     | -                          | 1,025,164    |
| <b>Supporting Services</b>                   |                               |                            |              |
| Management and General                       | 389,619                       | -                          | 389,619      |
| Fundraising                                  | 285,945                       | -                          | 285,945      |
| <b>Total Expenses</b>                        | 4,460,580                     | -                          | 4,460,580    |
| <b>Change in Net Assets</b>                  | 72,291                        | (6,280)                    | 66,011       |
| <b>Net Assets, Beginning of Year</b>         | 4,243,143                     | 6,280                      | 4,249,423    |
| <b>Net Assets, End of Year</b>               | \$ 4,315,434                  | \$ -                       | \$ 4,315,434 |

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

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended June 30, 2025**

|                                  | <b>Program Services</b> |                | <b>Total<br/>Program<br/>Services</b> | <b>Supporting Services</b>        |                    | <b>Total<br/>Supporting<br/>Services</b> | <b>Total</b> |
|----------------------------------|-------------------------|----------------|---------------------------------------|-----------------------------------|--------------------|------------------------------------------|--------------|
|                                  | <b>Housing</b>          | <b>ReStore</b> |                                       | <b>Management<br/>and General</b> | <b>Fundraising</b> |                                          |              |
| <b>Wages</b>                     | \$ 771,192              | \$ 505,765     | \$ 1,276,957                          | \$ 240,340                        | \$ 252,553         | \$ 492,893                               | \$ 1,769,850 |
| <b>Occupancy</b>                 |                         |                |                                       |                                   |                    |                                          |              |
| Interest                         | 41,477                  | 3,951          | 45,428                                | 508                               | 237                | 745                                      | 46,173       |
| Utilities                        | 16,294                  | 32,211         | 48,505                                | 5,625                             | 3,845              | 9,470                                    | 57,975       |
| Insurance                        | 47,687                  | 27,920         | 75,607                                | 9,198                             | 5,325              | 14,523                                   | 90,130       |
| Repairs and Maintenance          | 8,321                   | 51,208         | 59,529                                | 2,116                             | 125                | 2,241                                    | 61,770       |
| <b>Total Occupancy</b>           | 113,779                 | 115,290        | 229,069                               | 17,447                            | 9,532              | 26,979                                   | 256,048      |
| <b>Operating</b>                 |                         |                |                                       |                                   |                    |                                          |              |
| Direct Construction Costs        | 1,683,616               | -              | 1,683,616                             | -                                 | -                  | -                                        | 1,683,616    |
| Home Repair Costs                | 495,714                 | -              | 495,714                               | -                                 | -                  | -                                        | 495,714      |
| Cost of Goods Sold               | -                       | 53,724         | 53,724                                | -                                 | -                  | -                                        | 53,724       |
| Equipment and Supplies           | 118,971                 | 47,625         | 166,596                               | 5,117                             | 645                | 5,762                                    | 172,358      |
| Vehicle and Travel Costs         | 9,681                   | 11,720         | 21,401                                | 1,340                             | 995                | 2,335                                    | 23,736       |
| Other Operating Costs            | 57,972                  | 122,898        | 180,870                               | 30,667                            | 12,716             | 43,383                                   | 224,253      |
| <b>Total Operating</b>           | 2,365,954               | 235,967        | 2,601,921                             | 37,124                            | 14,356             | 51,480                                   | 2,653,401    |
| <b>Administrative</b>            |                         |                |                                       |                                   |                    |                                          |              |
| Payroll Taxes and Benefits       | 182,666                 | 84,735         | 267,401                               | 39,951                            | 50,542             | 90,493                                   | 357,894      |
| Professional Fees                | 105,241                 | 110,713        | 215,954                               | 97,643                            | 6,411              | 104,054                                  | 320,008      |
| <b>Total Administrative</b>      | 287,907                 | 195,448        | 483,355                               | 137,594                           | 56,953             | 194,547                                  | 677,902      |
| <b>Depreciation</b>              | 11,667                  | 62,239         | 73,906                                | 3,518                             | 1,429              | 4,947                                    | 78,853       |
| <b>Total Functional Expenses</b> | \$ 3,550,499            | \$ 1,114,709   | \$ 4,665,208                          | \$ 436,023                        | \$ 334,823         | \$ 770,846                               | \$ 5,436,054 |

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

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended June 30, 2024**

|                                  | <b>Program Services</b> |                     | <b>Total<br/>Program<br/>Services</b> | <b>Supporting Services</b>        |                    | <b>Total<br/>Supporting<br/>Services</b> | <b>Total</b>        |
|----------------------------------|-------------------------|---------------------|---------------------------------------|-----------------------------------|--------------------|------------------------------------------|---------------------|
|                                  | <b>Housing</b>          | <b>ReStore</b>      |                                       | <b>Management<br/>and General</b> | <b>Fundraising</b> |                                          |                     |
| <b>Wages</b>                     | \$ 779,020              | \$ 374,667          | \$ 1,153,687                          | \$ 237,791                        | \$ 182,439         | \$ 420,230                               | \$ 1,573,917        |
| <b>Occupancy</b>                 |                         |                     |                                       |                                   |                    |                                          |                     |
| Interest                         | 46,193                  | 4,304               | 50,497                                | 512                               | 256                | 768                                      | 51,265              |
| Utilities                        | 17,012                  | 27,776              | 44,788                                | 5,611                             | 3,944              | 9,555                                    | 54,343              |
| Insurance                        | 45,690                  | 18,371              | 64,061                                | 7,580                             | 4,511              | 12,091                                   | 76,152              |
| Repairs and Maintenance          | 7,779                   | 34,786              | 42,565                                | 1,530                             | 2,265              | 3,795                                    | 46,360              |
| <b>Total Occupancy</b>           | 116,674                 | 85,237              | 201,911                               | 15,233                            | 10,976             | 26,209                                   | 228,120             |
| <b>Operating</b>                 |                         |                     |                                       |                                   |                    |                                          |                     |
| Direct Construction Costs        | 1,363,043               | -                   | 1,363,043                             | -                                 | -                  | -                                        | 1,363,043           |
| Home Repair Costs                | 98,138                  | -                   | 98,138                                | -                                 | -                  | -                                        | 98,138              |
| Cost of Goods Sold               | -                       | 34,966              | 34,966                                | -                                 | -                  | -                                        | 34,966              |
| Equipment and Supplies           | 54,504                  | 37,409              | 91,913                                | 5,879                             | 1,745              | 7,624                                    | 99,537              |
| Vehicle and Travel Costs         | 11,775                  | 13,197              | 24,972                                | 8,018                             | 1,257              | 9,275                                    | 34,247              |
| Other Operating Costs            | 52,536                  | 122,021             | 174,557                               | 32,751                            | 22,097             | 54,848                                   | 229,405             |
| <b>Total Operating</b>           | 1,579,996               | 207,593             | 1,787,589                             | 46,648                            | 25,099             | 71,747                                   | 1,859,336           |
| <b>Administrative</b>            |                         |                     |                                       |                                   |                    |                                          |                     |
| Payroll Taxes and Benefits       | 176,773                 | 77,079              | 253,852                               | 36,764                            | 37,296             | 74,060                                   | 327,912             |
| Professional Fees                | 92,315                  | 219,158             | 311,473                               | 49,665                            | 28,814             | 78,479                                   | 389,952             |
| <b>Total Administrative</b>      | 269,088                 | 296,237             | 565,325                               | 86,429                            | 66,110             | 152,539                                  | 717,864             |
| <b>Depreciation</b>              | 15,074                  | 61,430              | 76,504                                | 3,518                             | 1,321              | 4,839                                    | 81,343              |
| <b>Total Functional Expenses</b> | <b>\$ 2,759,852</b>     | <b>\$ 1,025,164</b> | <b>\$ 3,785,016</b>                   | <b>\$ 389,619</b>                 | <b>\$ 285,945</b>  | <b>\$ 675,564</b>                        | <b>\$ 4,460,580</b> |

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

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended June 30, 2025 and 2024**

|                                                       | 2025               | 2024               |
|-------------------------------------------------------|--------------------|--------------------|
| <b>Cash Flows from Operating Activities</b>           |                    |                    |
| Change in Net Assets                                  | \$ (364,598)       | \$ 66,011          |
| Adjustments to Reconcile Change in Net Assets to      |                    |                    |
| Net Cash Used in Operating Activities                 |                    |                    |
| Depreciation and Amortization                         | 78,853             | 81,343             |
| Gain on Sale of Mortgage Notes Receivable             | (1,267,478)        | (682,715)          |
| (Increase) Decrease in Assets                         |                    |                    |
| Receivable from Mortgagor                             | 134,677            | 47,248             |
| Mortgage Notes Receivable                             | (632,019)          | (289,436)          |
| Notes Receivable - Microfinance Fund                  | 1,888              | 1,852              |
| Pledges Receivable                                    | -                  | 6,280              |
| Grants Receivable                                     | 55,000             | 155,961            |
| Accounts Receivable                                   | 961                | 245,184            |
| Inventory                                             | (35,564)           | 6,640              |
| Other Assets                                          | 63,004             | (3,890)            |
| Operating Right-of-Use Assets                         | 24,505             | 46,637             |
| Construction in Progress                              | 350,776            | (654,419)          |
| Increase (Decrease) in Liabilities                    |                    |                    |
| Accounts Payable                                      | 50,323             | (14,030)           |
| Accrued Payroll and Other Expenses                    | 221,115            | 3,104              |
| Operating Lease Liabilities                           | (25,031)           | (47,122)           |
| Escrow Deposits                                       | (40,502)           | 25,584             |
| <b>Net Cash Used in Operating Activities</b>          | <b>(1,384,090)</b> | <b>(1,005,768)</b> |
| <b>Cash Flows from Investing Activities</b>           |                    |                    |
| Purchases of Property and Equipment                   | (19,897)           | (31,077)           |
| Net Proceeds from Sale of Mortgage Notes Receivable   | 1,992,779          | 939,651            |
| Proceeds from Sale of Land Held for Future Home Sites | 261,404            | (72,500)           |
| Purchases of Land Held for Future Home Sites          | (197,046)          | 166,609            |
| <b>Net Cash Provided by Investing Activities</b>      | <b>2,037,240</b>   | <b>1,002,683</b>   |

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

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the Years Ended June 30, 2025 and 2024**

|                                                                        | 2025                | 2024              |
|------------------------------------------------------------------------|---------------------|-------------------|
| <b>Cash Flows from Financing Activities</b>                            |                     |                   |
| Proceeds from Line of Credit                                           | 727,276             | 725,000           |
| Repayments of Line of Credit                                           | (677,013)           | (475,000)         |
| Principal Payments on Notes Payable                                    | (28,425)            | (27,165)          |
| <b>Net Cash Provided by Financing Activities</b>                       | <b>21,838</b>       | <b>222,835</b>    |
| <b>Net Increase in Cash, Cash Equivalents, and Restricted Cash</b>     | <b>674,988</b>      | <b>219,750</b>    |
| <b>Cash, Cash Equivalents, and Restricted Cash, Beginning of Year</b>  | <b>641,277</b>      | <b>421,527</b>    |
| <b>Cash, Cash Equivalents, and Restricted Cash, End of Year</b>        | <b>\$ 1,316,265</b> | <b>\$ 641,277</b> |
| <b>Supplemental Disclosures of Cash Flow Information</b>               |                     |                   |
| Cash Paid During the Year for Interest                                 | \$ 46,173           | \$ 51,265         |
| Non-Cash Donations of Materials, Supplies, and Other                   | \$ 84,150           | \$ 10,548         |
| <b>Non-Cash Investing and Financing Activities</b>                     |                     |                   |
| Recognition of Right-of-Use Assets - Operating Leases                  | \$ 50,498           | \$ -              |
| Operating Lease Liabilities Arising from Obtaining Right-of-Use Assets | \$ 50,498           | \$ -              |
| Dation of Construction in Progress                                     | \$ 135,693          | \$ -              |

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

# HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

## Notes to Consolidated Financial Statements

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### Note 1. Summary of Significant Accounting Policies

#### **Organization and Purpose**

Habitat for Humanity St. Tammany West (HFHSTW) was founded as a non-profit corporation in 1981 as the 10<sup>th</sup> affiliate of Habitat for Humanity International and the first in the State of Louisiana. It's fully owned subsidiary, Community Partners Lending, Inc. (CPLI) was organized as a non-profit corporation in October 2023 for the purpose of operating as a Community Development Financial Institution (CDFI).

HFHSTW's programs include:

#### Home Construction and Rehabilitation

HFHSTW's purpose is to provide housing to low-income individuals and families in western St. Tammany Parish by identifying and acquiring potential home sites, constructing new homes, and repairing existing homes. These homes are sold to qualified family partners who contribute 300 to 400 hours of sweat equity to the building process. New home builds and repairs are funded through a combination of volunteer efforts, private donations, governmental and private grants, Habitat's Fund for Humanity, and various other financing vehicles.

Habitat's Fund for Humanity consists of non-interest-bearing mortgage notes receivable payments from existing homeowners (see Note 5). In effect, homeowners, when making monthly mortgage payments, are supporting the financing of construction of future homeowners.

#### Mortgage Financing

The homeowners purchase their homes via interest-free financing provided by HFHSTW. Mortgages are structured to be affordable based on the homeowner's income. HFHSTW funds these mortgages with assistance from governmental and private grants. HFHSTW organized a fully owned subsidiary, CPLI in 2024 as a CDFI in an effort to increase their ability to provide affordable real estate mortgage financing to low-income residents.

#### St. Tammany Homeownership Center (HOC)

In 2013, HFHSTW opened the HOC to provide financial literacy services, first-time homebuyer training, and home maintenance classes. The HOC is open to both HFHSTW homebuyers and to any first-time homebuyer in St. Tammany Parish. In 2020, the HOC was approved as a HUD local Housing Counseling Agency.

#### ReStore

HFHSTW also operates a 20,000+ square foot ReStore facility from which it primarily sells donated building materials and home furnishings to the public. The ReStore is a social enterprise which connects the mission of the affiliate with the market-driven approach of a business. The net cash flow from ReStore operations is used to fund a portion of the acquisition of the building sites and construction of homes referred to in the previous paragraphs.

# HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

## Notes to Consolidated Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of HFHSTW and CPLI, it's wholly-owned subsidiary. All material intercompany accounts and transactions have been eliminated.

#### **Basis of Accounting**

The consolidated financial statements of HFHSTW are prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when incurred.

#### **Basis of Presentation**

HFHSTW follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of HFHSTW and changes thereto are classified and reported as:

*Net Assets Without Donor Restrictions:* Net assets that are not subject to donor-imposed stipulations.

*Net Assets With Donor Restrictions:* Net assets subject to donor-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. There were no donor-imposed restrictions that are perpetual in nature as of June 30, 2025 and 2024. 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.

#### **Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates. Estimates are used primarily for the allowance for credit losses and discount on mortgage notes receivable.

#### **Cash and Cash Equivalents**

For the purposes of the consolidated statements of cash flows, HFHSTW considers all short-term highly liquid investments with an original maturity of one year or less from the date of acquisition to be cash equivalents.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Mortgage Notes Receivable**

Mortgage notes receivable consist of non-interest-bearing mortgage notes which are collateralized by real estate in the St. Tammany West area and payable in monthly installments over the life of the mortgage loans. Mortgage notes receivable are carried at unpaid principal balance, net of discounts, which represent the difference between the stated amount of the mortgage notes and the present value based on an imputed amount of interest and credit risk. The discounts are amortized over the lives of the mortgage notes.

The mortgage discount rates are set annually by Habitat for Humanity International. The discount rates are based on the Index of Applicable Federal Rates (AFR) Rulings for Low-Income Housing Tax Credits, as published by the Internal Revenue Service (IRS). In accordance with FASB ASC 326, *Financial Instruments - Credit Losses*, management uses a current expected credit loss (CECL) methodology in determining the measurement of credit losses on financial assets measured at amortized costs, including mortgage note receivables. CECL requires entities to measure expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts. The mortgage discount rate is adjusted for factors including current market conditions, economic uncertainty, and future forecasts annually. Management believes that the discount rate set by Habitat for Humanity International, as well as collateral values in excess of net mortgage notes, appropriately covers the risk of credit losses and as such, has not recorded an allowance for credit losses as of June 30, 2025 and 2024.

Mortgage notes receivables are considered past due if payments are more than 30 days late.

##### **Accounts Receivable**

Accounts receivable are stated at the amount HFHSTW expects to collect from outstanding balances. Accounts receivable primarily consists of mortgage remittances due from banks. All balances were deemed collectible as of June 30, 2025 and 2024.

##### **Inventory**

Inventory represents purchased goods to be sold in the ReStore operations, as well as purchased and in-kind building materials for use in the construction of homes. Gift in-kind inventory is recorded at the fair value on the date of receipt, and such items are expensed as program services expense when used, based on the specific identification method. Purchased inventory is recorded at the lower of cost or market determined by the specific identification method. As of June 30, 2025 and 2024, inventory totaled \$47,865 and \$12,301, respectively.

##### **Construction in Progress**

Construction in progress represents all direct material, labor, land, and infrastructure costs incurred to construct a home. Revenue is recognized under the full accrual method when a sale is consummated, and the homeowner is obligated under a mortgage. As of June 30, 2025 and 2024, construction in progress included \$535,199 and \$892,783 of new homes under construction, respectively.

# HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

## Notes to Consolidated Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **Property and Equipment**

Property and equipment consist of land, buildings and improvements, office furniture and equipment, and vehicles, and are stated at acquisition cost for purchased items or fair market value at date of donation for contributed items, net of accumulated depreciation. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets. Buildings are depreciated over 30 years. Other depreciable property and equipment are depreciated over five to twelve years. HFHSTW has established a policy capitalizing all expenditures for property and equipment in excess of \$5,000 with a useful life of five or more years. For the years ended June 30, 2025 and 2024, depreciation expense totaled \$78,853 and \$81,343, respectively.

#### **Land Held for Future Home Sites**

Land held for future home sites consists of purchased lots that will be used in future development of houses to be sold. The land is carried at the lower of cost or net realizable value and reclassified to construction in progress once construction has begun.

#### **Sale of Houses**

HFHSTW builds and sells houses to low-income individuals. Such revenues are recognized at the date of closing for the house as this is the point in time HFHSTW has determined to satisfy their performance obligation.

#### **ReStore Revenues**

HFHSTW has a resale store that sells primarily donated goods. ReStore sales revenue is not restricted and is recognized at the time the goods are sold.

#### **Grants**

Expense-driven grants are recognized as grant revenue within the consolidated statements of activities and changes in net assets when the qualifying expenses have been incurred and all other requirements have been met.

#### **Contributions**

Contributions are recognized when the donor makes an unconditional promise to give. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions were made. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Gifts of long-lived operating assets such as land, buildings, or equipment are reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Events Revenue**

Events revenue includes the cost of direct benefits to donors and contribution revenue. Direct benefits to donors for special events are generally received within the fiscal year the payments are received. If the direct benefits are received subsequent to the fiscal year end, revenue will be recognized in the period the benefits are received.

##### **Sale of Mortgage Notes Receivable**

HFHSTW sells existing mortgages to a third-party bank. Such revenues are recognized at the date of sale as this is the point in time HFHSTW has determined to satisfy their performance obligation.

##### **Contributed Services of Volunteers and Other Nonfinancial Contributions**

A substantial number of volunteers have given extensive amounts of time and services to HFHSTW. However, no amounts are reflected in the consolidated financial statements for such services as management feels that the requirements for recording contributed services have not been satisfied. Other contributed services that require specialized skills provided by individuals possessing those skills and otherwise needing to be purchased if not provided by donation are recognized as revenue and expense and totaled \$84,150 and \$5,148 for the years ended June 30, 2025 and 2024, respectively.

Donations of materials, supplies, and other nonfinancial contributions totaled \$-0- and \$5,400 for the years ended June 30, 2025 and 2024, respectively.

##### **Compensated Absences**

Accumulated paid time off is payable upon termination of employment and is accrued. HFHSTW's obligation as of June 30, 2025 and 2024 totaled \$85,524 and \$82,811, respectively, which is included in accrued payroll and other expenses on the consolidated statements of financial position.

##### **Income Taxes**

HFHSTW is a non-profit entity organized under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of Louisiana Revised Statute 47.121(5).

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. HFHSTW believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in interest expense.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Sales Tax**

The State of Louisiana (the State) and St. Tammany Parish impose a combined sales tax of 8.7% on all of HFHSTW sales to non-exempt customers. HFHSTW collects that sales tax from customers and remits the entire amount to the State. For the years ended June 30, 2025 and 2024, HFHSTW remitted state sales taxes totaling \$93,809 and \$97,839, respectively. Sales tax collected and paid is not reported as revenues and expenses on the consolidated statements of activities and changes in net assets.

##### **Leases**

HFHSTW determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) HFHSTW obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. HFHSTW also considers whether its service arrangements include the right to control the use of an asset.

HFHSTW recognizes most leases on its consolidated statements of financial position as right-of-use (ROU) assets representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition.

HFHSTW made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received.

To determine the present value of lease payments, HFHSTW made an accounting policy election available to non-public companies to utilize a risk-free rate, which is aligned with the lease term at the lease commencement date.

HFHSTW made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to HFHSTW, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

##### **Advertising Expense**

HFHSTW uses advertising to promote ReStore operations and fundraising activities. The costs of advertising are expensed as incurred. For the years ended June 30, 2025 and 2024, advertising costs totaled \$3,496 and \$3,101, respectively.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Functional Allocated Expenses

Expenses are summarized on a functional basis. The consolidated statements of functional expenses present the natural classification detail of expense by function. Salaries and related payroll expenses are allocated based upon the time spent for each function. Allocation of all other shared expenses is based upon management's estimates of the usage applicable to conducting various program or support activities. The other shared expenses that are allocated include utilities, insurance, telephone, rent, and interest.

#### Note 2. Liquidity and Availability

HFHSTW regularly monitors liquidity required to meet its operating needs and other contractual commitments. HFHSTW manages its cash available to meet general expenditures following the guiding principles of operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets.

In addition, HFHSTW maintains a line of credit as a source of liquidity if needed. See Note 6 for information about this line of credit. In addition to financial assets available to meet general expenditures over the next 12 months, HFHSTW operates with a budget to monitor resources and spending.

As of June 30, 2025 and 2024, financial assets available for general operating purposes within one year of the consolidated statement of financial position date consisted of the following:

|                                                 | 2025                | 2024              |
|-------------------------------------------------|---------------------|-------------------|
| Cash and Cash Equivalents                       | \$ 988,416          | \$ 409,783        |
| Mortgage Notes Receivable, Current Portion, Net | 226,028             | 253,064           |
| Grants Receivable                               | -                   | 55,000            |
| Accounts Receivable                             | 60,058              | 61,019            |
| <b>Total</b>                                    | <b>\$ 1,274,502</b> | <b>\$ 778,866</b> |

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 3. Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows as of June 30, 2025 and 2024:

|                                     | 2025                | 2024              |
|-------------------------------------|---------------------|-------------------|
| Cash and Cash Equivalents           | \$ 891,666          | \$ 409,783        |
| Restricted Cash - Expense Reserve   | 938                 | 938               |
| Restricted Cash - Microfinance Fund | 56,069              | 53,889            |
| Restricted Cash - Escrow Deposits   | 270,842             | 176,667           |
| <b>Total</b>                        | <b>\$ 1,219,515</b> | <b>\$ 641,277</b> |

HFHSTW services the mortgages on the homes it sells. Restricted cash for escrow deposits as of June 30, 2025 and 2024 was \$270,842 and \$176,667, respectively. Due to a reduction in property insurance providers in Louisiana, insurance premiums have increased, resulting in a deficit in many homeowner's escrow accounts due to fixed monthly payments. The sum of homeowner accounts with deficit escrow as of June 30, 2025 and 2024 was \$69,741 and \$204,418, respectively. These amounts are presented as a receivable from the mortgagor on the consolidated statements of financial position. There is a contra-liability account on the books that cancels out the cash and receivable balances, resulting in no actual outstanding liability or asset for HFHSTW.

During the year ended June 30, 2016, HFHSTW participated in a New Markets Tax Credit (NMTC) transaction. Upon commencement of the transaction, HFHSTW established an expense reserve fund to pay Habitat for Humanity International for servicing, compliance, and consulting fees related to the NMTC transaction. The balance of the expense reserve as of June 30, 2025 and 2024 was \$938.

During the year ended June 30, 2018, HFHSTW created a Microfinance Fund, used to make short-term, low-interest loans to HFHSTW homeowners in need of critical home repairs. The balance of the Microfinance Fund as of June 30, 2025 and 2024 was \$56,069 and \$53,889, respectively.

#### Note 4. Concentration of Credit Risk

HFHSTW builds and rehabilitates homes in the St. Tammany West area. As a result, all of the mortgage notes receivable from homeowners are concentrated as to geographic risk. Also, all homes built are transferred to low-income families, which can represent a credit risk.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 4. Concentration of Credit Risk (Continued)

HFHSTW maintains cash balances at several local financial institutions where the funds are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. As of June 30, 2025, HFHSTW had cash deposits in excess of the insured limits of \$524,883.

#### Note 5. Mortgage Notes Receivable

HFHSTW sells its completed homes to individual and family partners in exchange for a mortgage note (see Note 9) secured by the residence with typical repayment terms over 15 to 40 years and bearing -0-% interest. As of June 30, 2025 and 2024, HFHSTW held 85 and 90 non-interest-bearing loans, respectively, with none pledged to secure certain notes payable.

During the year ended June 30, 2025, HFHSTW sold 10 of its loans (\$1,985,534 gross carrying value) to a financial institution. During the year ended June 30, 2024, HFHSTW sold 6 of its loans (\$1,015,321 gross carrying value) to a financial institution. The sales prices were 100% of face value. The loans are considered to be delinquent after 90 days of non-payment of principal. HFHSTW will repurchase or replace any delinquent loans if those loans are called by the financial institution. HFHSTW has retained servicing of these loans, which is performed by a third-party financial institution. During the year ended June 30, 2025 and 2024, one delinquent loan was repurchased and replaced.

As of June 30, 2025 and 2024, a summary of the mortgage notes receivable was:

|                                       | 2025                | 2024                |
|---------------------------------------|---------------------|---------------------|
| Mortgage Notes Receivable             | \$ 2,686,240        | \$ 3,435,536        |
| Unamortized Discount                  | (1,202,221)         | (1,722,542)         |
| <b>Mortgage Notes Receivable, Net</b> | <b>\$ 1,484,019</b> | <b>\$ 1,712,994</b> |
| Current Portion                       | \$ 233,960          | \$ 253,064          |
| Long-Term                             | 1,250,059           | 1,459,930           |
| <b>Total</b>                          | <b>\$ 1,484,019</b> | <b>\$ 1,712,994</b> |

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 5. Mortgage Notes Receivable (Continued)

As of June 30, 2025, contractual maturities of mortgage notes receivable were as follows:

| <b>Year Ending<br/>June 30,</b> | <b>Amount</b>              |
|---------------------------------|----------------------------|
| 2026                            | \$ 233,960                 |
| 2027                            | 230,685                    |
| 2028                            | 225,457                    |
| 2029                            | 218,150                    |
| 2030                            | 198,269                    |
| Thereafter                      | <u>1,579,719</u>           |
| <b>Total</b>                    | <u><u>\$ 2,686,240</u></u> |

#### Note 6. Line of Credit

In February 2013, HFHSTW obtained a line of credit at a financial institution with a floating interest rate of the Wall Street Journal Prime Rate, 7.5% and 8.5% as of June 30, 2025 and 2024, respectively, with an original maturity date of February 19, 2014. This line of credit has been renewed annually and has a current maturity date of December 13, 2027. Borrowings under the line are collateralized by certain assets of HFHSTW. The maximum borrowing limit is \$950,000. There was an outstanding balance on this line of credit at June 30, 2025 and 2024 of \$275,000 and \$250,000, respectively (see Note 7).

In December 2024, HFHSTW obtained a line of credit at a financial institution with a floating interest rate of the Wall Street Journal Prime Rate, 7.5% as of June 30, 2025, with an original maturity date of December 12, 2026. Borrowings under the line are collateralized by certain assets of HFHSTW. The maximum borrowing limit is \$247,500. There was an outstanding balance on this line of credit at June 30, 2025 of \$25,263 (see Note 7).

For the years ended June 30, 2025 and 2024, interest expense on the line of credit totaled \$30,241 and \$34,162, respectively.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 7. Notes Payable

As of June 30, 2025 and 2024, HFHSTW had the following notes payable:

|                                                                                                                                                                                                                                        | 2025        | 2024              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|
| Note payable to Home Bank. The note is due in 59 equal installments of \$3,686 and one balloon payment estimated at \$366,763. The note bears interest at 4% and is secured by ReStore real estate. The note matures in November 2025. | \$ 375,222  | \$ 403,647        |
| Line of credit payable to Home Bank. Payable in interest only installments at rate of 7.50% at June 30, 2025. Remaining principal and interest due in full upon maturity on December 13, 2027.                                         | 275,000     | 250,000           |
| Line of credit payable to Home Bank. Payable in interest only installments at rate of 7.50% at June 30, 2025. Remaining principal and interest due in full upon maturity on December 12, 2026.                                         | 25,263      | -                 |
|                                                                                                                                                                                                                                        | 675,485     | 653,647           |
| Less: Current Portion                                                                                                                                                                                                                  | (675,485)   | (278,383)         |
| <b>Long-Term Portion</b>                                                                                                                                                                                                               | <b>\$ -</b> | <b>\$ 375,264</b> |

Future principal payments to be made on both the line of credit and note payable totaling \$675,485 are due during fiscal year 2026.

Total interest expense for the above note payable totaled \$15,932 and \$17,065 for the years ended June 30, 2025 and 2024, respectively. The carrying value of the ReStore real estate securing the note payable was \$1,007,265 and \$1,047,897 at June 30, 2025 and 2024, respectively.

#### Note 8. Net Assets With Donor Restrictions and Net Assets Released from Restrictions

As of June 30, 2025 and 2024, HFHSTW has no net assets with donor restrictions. Net assets released from restrictions for the years ended June 30, 2025 and 2024 totaled \$-0- and \$6,280, respectively, and relate to expiration of time restrictions on pledges receivable.

#### Note 9. Sales of Houses

HFHSTW charges no interest on the mortgage notes receivable from its partner families. The mortgages are recorded net of a discount to present value, considering both the time value of money and the historic credit risk associated with HFHSTW's homeowners. The result is a significant non-cash reduction of revenue. The discount is then amortized as interest income over the life of the mortgage as principal payments are collected.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 9. Sales of Houses (Continued)

For the years ended June 30, 2025 and 2024, the following amounts are included in the consolidated statements of activities and changes in net assets:

|                                          | 2025              | 2024              |
|------------------------------------------|-------------------|-------------------|
| <b>Sales of Houses</b>                   |                   |                   |
| Sales Income                             | \$ 1,573,533      | \$ 1,300,822      |
| Mortgage Discount Expense                | (976,680)         | (934,489)         |
| <b>Sales of Houses, Net of Discount</b>  | <b>\$ 596,853</b> | <b>\$ 366,333</b> |
| <b>Income from Discount Amortization</b> | <b>\$ 229,523</b> | <b>\$ 139,255</b> |

#### Note 10. Contributed Nonfinancial Assets

For the years ended June 30, 2025 and 2024, the following nonfinancial assets were contributed and recognized within the consolidated statements of activities and changes in net assets:

|              | 2025          | 2024             |
|--------------|---------------|------------------|
| Materials    | \$ -          | \$ 5,400         |
| Services     | 84,150        | 5,148            |
| <b>Total</b> | <b>84,150</b> | <b>\$ 10,548</b> |

HFHSTW recognized contributed nonfinancial assets within revenue including contributed land, materials, and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Materials were used in the Housing program. In valuing materials HFHSTW estimated the fair value based upon current prices of similar materials.

Contributed services recognized are comprised of advertising, technology, real estate, and general labor services. Contributed services are valued and are reported at the estimated fair value in the consolidated financial statements based on current rates for similar services.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 11. Retirement Plan

HFHSTW adopted a defined contribution plan, which allows eligible participating employees to contribute by salary reduction pursuant to Section 401(k) of the IRC. The plan allows HFHSTW to contribute a discretionary amount on a uniform basis to all participants, 50% of a participant's contribution up to 3% of compensation. HFHSTW's contribution to the plan totaled \$23,563 and \$17,103 for the years ended June 30, 2025 and 2024, respectively.

#### Note 12. Leases

HFHSTW leases real estate, including office and warehouse space, and equipment under operating lease agreements that have initial terms ranging from 36 to 60 months. Some leases include one or more options to renew, generally at HFHSTW's sole discretion, with renewal terms that can extend the lease term up to two years. In addition, certain leases contain termination options, where the rights to terminate are held by either HFHSTW, the lessor or both parties.

These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that HFHSTW will exercise that option. HFHSTW's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Operating lease cost was \$64,610 and \$71,956 for the years ended June 30, 2025 and 2024, respectively.

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized on the consolidated statement of financial position are as follows:

At June 30, 2025, the weighted-average remaining lease term and weighted-average discount rate for HFHSTW's operating leases is 2.5 years and 4.17%, respectively. At June 30, 2024, the weighted-average remaining lease term and weighted-average discount rate for HFHSTW's operating leases is 1.9 years and 3.70%, respectively.

#### Note 13. Related-Party Transactions

HFHSTW annually remits a portion of its contributions without donor restrictions (excluding in-kind contributions) to Habitat for Humanity International. These funds are used to construct homes in economically depressed areas around the world. HFHSTW contributed \$12,000 for the years ended June 30, 2025 and 2024 to Habitat for Humanity International, which is included in other operating costs on the consolidated statements of functional expenses.

## HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY

### Notes to Consolidated Financial Statements

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#### Note 14. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 16, 2025, and determined the following event requires disclosure:

HFHSTW and Washington Habitat for Humanity entered into a Consolidation Agreement in which both organizations agree to consolidate their operations effective August 11, 2025 or at such time as the consolidation is approved by Habitat for Humanity International. Under the Consolidation Agreement, HFHSTW is the acquirer of Washington and Washington becomes a wholly-owned subsidiary of HFHSTW, the name of HFHSTW will change to Habitat for Humanity Northshore, and all administrative and organizational functions of Washington will become the responsibility of HFHSTW.

On November 26, 2025, the note payable to Home Bank was renewed in the amount of \$365,517. The loan bears interest at 7%, matures in November 2030 and is secured by Restore real estate.

No further events occurring after December 16, 2025 have been evaluated for inclusion in these consolidated financial statements.

## **SUPPLEMENTARY INFORMATION**

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidating Statement of Financial Position**  
**June 30, 2025**

|                                                                                 | HFHSTW              | CPLI              | Eliminations | Consolidated        |
|---------------------------------------------------------------------------------|---------------------|-------------------|--------------|---------------------|
| <b>Assets</b>                                                                   |                     |                   |              |                     |
| <b>Current Assets</b>                                                           |                     |                   |              |                     |
| Cash and Cash Equivalents                                                       | \$ 891,666          | \$ 96,750         | \$ -         | \$ 988,416          |
| Restricted Cash                                                                 | 327,849             | -                 | -            | 327,849             |
| Receivable from Mortgagor                                                       | 69,741              | -                 | -            | 69,741              |
| Mortgage Notes Receivable, Current Portion, Net                                 | 226,028             | 7,932             | -            | 233,960             |
| Notes Receivable - Microfinance Fund                                            | 1,626               | -                 | -            | 1,626               |
| Accounts Receivable                                                             | 60,058              | -                 | -            | 60,058              |
| Inventory                                                                       | 47,865              | -                 | -            | 47,865              |
| Other Assets                                                                    | 41,638              | -                 | -            | 41,638              |
| Construction in Progress                                                        | 677,700             | -                 | -            | 677,700             |
| Due from CPLI, Net                                                              | 39,877              | (39,877)          | -            | -                   |
| <b>Total Current Assets</b>                                                     | <b>2,384,048</b>    | <b>64,805</b>     | <b>-</b>     | <b>2,448,853</b>    |
| <b>Property and Equipment</b>                                                   |                     |                   |              |                     |
| Building and Improvements                                                       | 1,723,433           | -                 | -            | 1,723,433           |
| Vehicles                                                                        | 151,177             | -                 | -            | 151,177             |
| Office Furniture and Equipment                                                  | 139,614             | -                 | -            | 139,614             |
|                                                                                 | 2,014,224           | -                 | -            | 2,014,224           |
| Less: Accumulated Depreciation                                                  | (1,254,577)         | -                 | -            | (1,254,577)         |
|                                                                                 | 759,647             | -                 | -            | 759,647             |
| Land                                                                            | 320,345             | -                 | -            | 320,345             |
| <b>Total Property and Equipment, Net</b>                                        | <b>1,079,992</b>    | <b>-</b>          | <b>-</b>     | <b>1,079,992</b>    |
| <b>Other Assets</b>                                                             |                     |                   |              |                     |
| Long-Term Portion of Mortgage Notes Receivable,<br>Net of Unamortized Discounts | 1,208,322           | 41,737            | -            | 1,250,059           |
| Land Held for Future Home Sites                                                 | 619,250             | -                 | -            | 619,250             |
| Operating Lease Right-of-Use Assets                                             | 57,739              | -                 | -            | 57,739              |
| Other                                                                           | 96,093              | -                 | -            | 96,093              |
| <b>Total Other Assets</b>                                                       | <b>1,981,404</b>    | <b>41,737</b>     | <b>-</b>     | <b>2,023,141</b>    |
| <b>Total Assets</b>                                                             | <b>\$ 5,445,444</b> | <b>\$ 106,542</b> | <b>\$ -</b>  | <b>\$ 5,551,986</b> |

See independent auditor's report.

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidating Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2025**

|                                                       | HFHSTW              | CPLI              | Eliminations | Consolidated        |
|-------------------------------------------------------|---------------------|-------------------|--------------|---------------------|
| <b>Liabilities and Net Assets</b>                     |                     |                   |              |                     |
| <b>Current Liabilities</b>                            |                     |                   |              |                     |
| Accounts Payable                                      | \$ 150,336          | \$ -              | \$ -         | \$ 150,336          |
| Accrued Payroll and Other Expenses                    | 363,040             | 3,528             | -            | 366,568             |
| Current Portion of Operating Lease Liabilities        | 24,464              | -                 | -            | 24,464              |
| Current Maturities of Notes Payable                   | 375,222             | -                 | -            | 375,222             |
| Line of Credit Payable                                | 300,263             | -                 | -            | 300,263             |
| Deferred Revenue                                      | 10,760              | -                 | -            | 10,760              |
| Escrow Deposits                                       | 340,583             | -                 | -            | 340,583             |
| <b>Total Current Liabilities</b>                      | <b>1,564,668</b>    | <b>3,528</b>      | <b>-</b>     | <b>1,568,196</b>    |
| <b>Long-Term Liabilities</b>                          |                     |                   |              |                     |
| Long-Term Portion of Operating Lease Liabilities, Net | 32,954              | -                 | -            | 32,954              |
| <b>Total Liabilities</b>                              | <b>1,597,622</b>    | <b>3,528</b>      | <b>-</b>     | <b>1,601,150</b>    |
| <b>Net Assets</b>                                     |                     |                   |              |                     |
| Without Donor Restrictions                            | 3,847,822           | 103,014           | -            | 3,950,836           |
| With Donor Restrictions                               | -                   | -                 | -            | -                   |
| <b>Total Net Assets</b>                               | <b>3,847,822</b>    | <b>103,014</b>    | <b>-</b>     | <b>3,950,836</b>    |
| <b>Total Liabilities and Net Assets</b>               | <b>\$ 5,445,444</b> | <b>\$ 106,542</b> | <b>\$ -</b>  | <b>\$ 5,551,986</b> |

See independent auditor's report.

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Consolidating Statement of Financial Position**  
**June 30, 2025**

|                                                       | HFHSTW              | CPLI              | Eliminations    | Consolidated        |
|-------------------------------------------------------|---------------------|-------------------|-----------------|---------------------|
| <b>Revenues, Gains, and Support</b>                   |                     |                   |                 |                     |
| Sales of Houses                                       |                     |                   |                 |                     |
| Sales Revenue                                         | \$ 1,573,533        | \$ -              | \$ -            | \$ 1,573,533        |
| Less: Mortgage Notes Receivable Discount              | (961,408)           | (15,272)          | -               | (976,680)           |
| Amortization of Mortgage Notes<br>Receivable Discount | 229,378             | 145               | -               | 229,523             |
| ReStore Revenues                                      | 1,057,157           | -                 | -               | 1,057,157           |
| Grants                                                | 860,341             | 100,000           | -               | 960,341             |
| Contributions                                         | 88,422              | 65,747            | (65,747)        | 88,422              |
| Event Revenues                                        |                     |                   |                 |                     |
| Event Income                                          | 337,891             | -                 | -               | 337,891             |
| Event Expenses                                        | (33,830)            | -                 | -               | (33,830)            |
| Contributed Nonfinancial Assets                       | 84,150              | -                 | -               | 84,150              |
| Gain on Sale of Mortgages Receivable                  | 1,267,478           | -                 | -               | 1,267,478           |
| Net Realized Gain on NMTC Sub-CDE I, LLC              | -                   | -                 | -               | -                   |
| Other Revenue                                         | 483,471             | -                 | -               | 483,471             |
| <b>Total Revenues, Gains, and Support</b>             | <b>4,986,583</b>    | <b>150,620</b>    | <b>(65,747)</b> | <b>5,071,456</b>    |
| <b>Expenses and Losses</b>                            |                     |                   |                 |                     |
| <b>Program Services</b>                               |                     |                   |                 |                     |
| Housing                                               | 3,568,140           | 48,106            | (65,747)        | 3,550,499           |
| ReStore                                               | 1,114,709           | -                 | -               | 1,114,709           |
| <b>Supporting Services</b>                            |                     |                   |                 |                     |
| Management and General                                | 436,023             | -                 | -               | 436,023             |
| Fundraising                                           | 334,823             | -                 | -               | 334,823             |
| <b>Total Expenses</b>                                 | <b>5,453,695</b>    | <b>48,106</b>     | <b>(65,747)</b> | <b>5,436,054</b>    |
| <b>Change in Net Assets</b>                           | <b>(467,112)</b>    | <b>102,514</b>    | <b>-</b>        | <b>(364,598)</b>    |
| <b>Net Assets, Beginning of Year</b>                  | <b>4,314,934</b>    | <b>500</b>        | <b>-</b>        | <b>4,315,434</b>    |
| <b>Net Assets, End of Year</b>                        | <b>\$ 3,847,822</b> | <b>\$ 103,014</b> | <b>\$ -</b>     | <b>\$ 3,950,836</b> |

See independent auditor's report.

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Schedule of Compensation, Benefits, and Other Payments to**  
**Agency Head**  
**For the Year Ended June 30, 2025**

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Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees to be reported as a supplemental report within the financial statement or local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

**Agency Head**

Terri Gage, President/CEO

| <b>Purpose</b>                         | <b>Amount</b> |
|----------------------------------------|---------------|
| Salary                                 | \$2,266       |
| Benefits - Insurance                   | \$438         |
| Benefits - Retirement                  | \$0           |
| Benefits - Other                       | \$0           |
| Car Allowance                          | \$0           |
| Vehicle Provided by Government         | \$0           |
| Per Diem                               | \$0           |
| Reimbursements                         | \$0           |
| Travel                                 | \$0           |
| Registration Fees                      | \$0           |
| Conference Travel                      | \$0           |
| Continuing Professional Education Fees | \$0           |
| Housing                                | \$0           |
| Unvouchered Expenses                   | \$0           |
| Special Meals                          | \$0           |

See independent auditor's report.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Board of Directors  
Habitat for Humanity St. Tammany West and Subsidiary

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Habitat for Humanity St. Tammany West and Subsidiary (HFHSTW) which comprise the consolidated statement of financial position as of June 30, 2025, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December XX, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered HFHSTW's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of HFHSTW's internal control. Accordingly, we do not express an opinion on the effectiveness of HFHSTW's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

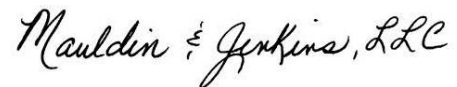
**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether HFHSTW's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Covington, LA  
December 16, 2025

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2025**

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**Part I - Summary of Auditor's Results**

Financial Statements

- |                                                                                |               |
|--------------------------------------------------------------------------------|---------------|
| 1. Type of auditors' report issued:                                            | Unmodified    |
| 2. Internal control over financial reporting and compliance and other matters: |               |
| a. Material weaknesses identified?                                             | No            |
| b. Significant deficiencies identified?                                        | None Reported |
| 3. Noncompliance material to the financial statements noted?                   | No            |

Federal Awards

Not applicable.

**Part II - Financial Statement Findings**

None noted.

**HABITAT FOR HUMANITY ST. TAMMANY WEST AND SUBSIDIARY**  
**Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2025**

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None noted.