



PIEDMONT HABITAT FOR HUMANITY, INC.

**Financial Statements
For the years ended
June 30, 2025 and 2024**

Not-for-Profit Corporation
501(c)3





PIEDMONT HABITAT FOR HUMANITY, INC.

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Piedmont Habitat For Humanity, Inc.
Farmville, VA

Report on the Financial Statements

We have audited the accompanying financial statements of Piedmont Habitat For Humanity, Inc. (the "Organization") which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Davidson Doyle & Hilton, CPAs

Lynchburg, Virginia
January 31, 2026





PIEDMONT HABITAT FOR HUMANITY, INC.
Statements of Financial Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash	\$ 288,795	\$ 195,369
Accounts receivable	9,822	7,730
Grants receivable	14,500	29,150
Mortgages receivable, current portion	69,301	74,684
Pledges receivable, current portion	11,000	11,045
Prepaid expenses	-	10,495
Total current assets	<u>393,418</u>	<u>328,473</u>
Property and equipment		
Furniture and equipment	14,693	14,693
Vehicle	8,826	16,526
Leasehold improvements	9,166	24,099
	<u>32,685</u>	<u>55,318</u>
Less accumulated depreciation	<u>21,194</u>	<u>29,956</u>
Total property and equipment	<u>11,491</u>	<u>25,362</u>
Operating lease right-of-use assets, net	<u>12,740</u>	<u>12,598</u>
Other assets		
Land and property held for construction	1,595,694	1,189,006
Homes under construction	104,201	9,253
Mortgages receivable, less current maturities net of unamortized discounts of \$359,763 and \$401,055, respectively	503,192	564,708
Pledges receivable, less current maturities net of unamortized discounts of \$50 and \$198, respectively	4,951	14,802
Total other assets	<u>2,208,038</u>	<u>1,777,769</u>
Total assets	<u>\$ 2,625,687</u>	<u>\$ 2,144,202</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 4,396	\$ 15,329
Credit card liabilities	1,675	352
Payroll liabilities	1,197	4,289
Deferred revenue	3,000	2,500
Notes payable, current	-	9,958
Related party notes, current	-	110,000
Operating lease obligations, current	12,740	12,598
Total current liabilities	<u>23,008</u>	<u>155,026</u>
Non-current liabilities		
Notes payable, non-current	-	19,745
Total non-current liabilities	<u>-</u>	<u>19,745</u>
Net assets		
Without donor restrictions	2,181,783	1,453,013
With donor restrictions	420,896	516,418
Total net assets	<u>2,602,679</u>	<u>1,969,431</u>
Total liabilities and net assets	<u>\$ 2,625,687</u>	<u>\$ 2,144,202</u>



See notes to financial statements.



PIEDMONT HABITAT FOR HUMANITY, INC.
Statement of Activities
Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 48,748	\$ 12,339	\$ 61,087
In-kind contributions	31,203	-	31,203
Grants	17,699	893,495	911,194
Discount income (loss)	43,581	-	43,581
Home sales	537,072	-	537,072
Brush with kindness	1,537	-	1,537
Restore sales	44,105	-	44,105
Special events, net of expenses \$12,306	30,624	5,000	35,624
Total public support	<u>754,569</u>	<u>910,834</u>	<u>1,665,403</u>
Other revenue (loss)			
Interest income	77	-	77
Rental income	6,330	-	6,330
Realized gains (losses)	(2,335)	-	(2,335)
Other income	41,838	-	41,838
Total other revenue (loss)	<u>45,910</u>	<u>-</u>	<u>45,910</u>
Net assets released from restriction	<u>1,006,356</u>	(<u>1,006,356</u>)	<u>-</u>
Total public support and revenue (loss)	<u>1,806,835</u>	(<u>95,522</u>)	<u>1,711,313</u>
Expenses			
Program services	932,316	-	932,316
Management and general	95,329	-	95,329
Fund raising	50,420	-	50,420
Total expenses	<u>1,078,065</u>	<u>-</u>	<u>1,078,065</u>
Increase (decrease) in net assets	728,770	(95,522)	633,248
Net assets at beginning of year	\$ <u>1,453,013</u>	\$ <u>516,418</u>	\$ <u>1,969,431</u>
Net assets at end of year	\$ <u>2,181,783</u>	\$ <u>420,896</u>	\$ <u>2,602,679</u>





PIEDMONT HABITAT FOR HUMANITY, INC.
Statement of Activities
Year ended June 30, 2024

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	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 62,334	\$ 10,294	\$ 72,628
In-kind contributions	25,455	-	25,455
Grants	4,050	475,223	479,273
Discount income (loss)	(74,575)	-	(74,575)
Home sales	690,300	-	690,300
Brush with kindness	6,526	-	6,526
Restore sales	207,731	-	207,731
Special events, net of expenses \$11,220	22,924	5,000	27,924
Total public support	<u>944,745</u>	<u>490,517</u>	<u>1,435,262</u>
Other revenue			
Interest income	48	-	48
Rental income	6,973	-	6,973
Other income	13,032	-	13,032
Total other revenue (loss)	<u>20,053</u>	<u>-</u>	<u>20,053</u>
Net assets released from restriction	<u>567,828</u>	(<u>567,828</u>)	<u>-</u>
Total public support and revenue	<u>1,532,626</u>	(<u>77,311</u>)	<u>1,455,315</u>
Expenses			
Program services	1,284,623	-	1,284,623
Management and general	95,464	-	95,464
Fund raising	53,144	-	53,144
Total expenses	<u>1,433,231</u>	<u>-</u>	<u>1,433,231</u>
Increase (decrease) in net assets	<u>99,395</u>	(<u>77,311</u>)	<u>22,084</u>
Net assets at beginning of year	\$ <u>1,353,618</u>	\$ <u>593,729</u>	\$ <u>1,947,347</u>
Net assets at end of year	\$ <u>1,453,013</u>	\$ <u>516,418</u>	\$ <u>1,969,431</u>



See notes to financial statements.



PIEDMONT HABITAT FOR HUMANITY, INC.
Statement of Functional Expenses
Year ended June 30, 2025

	Program Service Expenses	Management And General Expenses	Fund Raising Expenses	Total
Cost of home sales	\$ 625,933	\$ -	\$ -	\$ 625,933
Salaries	209,585	9,806	35,717	255,108
Professional fees	-	42,373	-	42,373
ReStore expense	23,004	-	-	23,004
Insurance	11,172	11,172	-	22,344
Rent expense	5,747	11,238	4,840	21,826
Taxes and licenses	9,690	2,423	-	12,113
Tithes to Habitat for Humanity International, Inc.	10,560	-	-	10,560
Miscellaneous	4,547	3,637	909	9,093
Office expense	2,411	3,214	2,410	8,035
Employee benefits	6,020	250	1,247	7,517
Telephone	3,674	3,674	-	7,348
Brush with Kindness program	5,562	-	-	5,562
Dues & Subscriptions	5,180	-	-	5,180
Utilities	2,060	2,061	-	4,121
Depreciation	-	4,036	-	4,036
Advertising	898	-	2,094	2,992
Interest expense	2,554	-	-	2,554
Computer expense	693	924	693	2,310
Fundraising expenses	-	-	2,093	2,093
Other program expense	1,167	-	-	1,167
Volunteer expense	1,080	-	-	1,080
Postage & shipping	324	325	162	811
Conferences & Meetings	344	86	144	574
Travel	111	110	110	331
Total functional expenses	\$ 932,316	\$ 95,329	\$ 50,420	\$ 1,078,065





PIEDMONT HABITAT FOR HUMANITY, INC.
Statement of Functional Expenses
Year ended June 30, 2024

	<u>Program Service Expenses</u>	<u>Management And General Expenses</u>	<u>Fund Raising Expenses</u>	<u>Total</u>
Cost of home sales	\$ 792,495	\$ -	\$ -	\$ 792,495
Salaries	293,749	17,378	28,300	339,427
ReStore expense	59,201	-	-	59,201
Rent expense	29,437	10,054	8,959	48,450
Professional fees	-	36,827	-	36,827
Taxes and licenses	23,946	5,987	-	29,933
Interest expense	28,698	-	-	28,698
Tithes to Habitat for Humanity International, Inc.	17,320	-	-	17,320
Insurance	8,130	8,129	-	16,259
Fundraising expenses	-	-	7,964	7,964
Employee benefits	6,372	347	992	7,711
Miscellaneous	3,111	2,488	622	6,221
Office expense	1,782	2,376	1,782	5,940
Brush with Kindness program	5,880	-	-	5,880
Utilities	2,656	2,657	-	5,313
Depreciation	-	5,222	-	5,222
Telephone	2,495	2,494	-	4,989
Advertising	1,262	-	2,944	4,206
Conferences & Meetings	1,943	486	810	3,239
Dues & Subscriptions	2,250	-	-	2,250
Computer expense	659	879	660	2,198
Volunteer expense	1,677	-	-	1,677
Other program expense	1,420	-	-	1,420
Travel	83	83	83	249
Postage & shipping	57	57	28	142
Total functional expenses	\$ 1,284,623	\$ 95,464	\$ 53,144	\$ 1,433,231



See notes to financial statements.



PIEDMONT HABITAT FOR HUMANITY, INC.
Statements of Cash Flows
Years ended June 30, 2025 and 2024

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	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 633,248	\$ 22,084
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	4,036	5,222
Realized loss on sale of fixed assets	2,335	-
Mortgage discount income (loss)	(43,433)	74,822
Pledge discount	(148)	(247)
(Increase) decrease in:		
Accounts receivable	(2,092)	2,213
Grants receivable	14,650	(2,150)
Mortgage receivable	110,332	71,586
Pledge receivable	10,044	12,865
Prepaid expenses	10,495	(7,648)
Land and property held for construction	(406,688)	287,270
Homes under construction	(94,948)	50,690
Increase (decrease) in:		
Accounts payable	(10,933)	(7,098)
Credit card payables	1,323	(4,274)
Payroll liabilities	(3,092)	(1,821)
Deferred revenue	500	2,500
Net cash provided by operating activities	<u>227,330</u>	<u>506,014</u>
Cash flows from investing activities		
Sale and disposal of property and equipment	<u>7,500</u>	<u>-</u>
Net cash provided by investing activities	<u>7,500</u>	<u>-</u>
Cash flows from financing activities		
Proceeds (payments) on notes payable	(29,703)	(27,620)
Proceeds (payments) on lines of credit	-	(20,008)
Proceeds (payments) on related party notes	(110,000)	(476,200)
Net cash used in financing activities	<u>(139,703)</u>	<u>(523,828)</u>
Net increase (decrease) in cash and cash equivalents	93,426	(17,814)
Cash and cash equivalents at beginning of year	<u>195,369</u>	<u>213,183</u>
Cash and cash equivalents at end of year	\$ <u>288,795</u>	\$ <u>195,369</u>
Cash consists of:		
Cash, unrestricted	235,629	61,228
Cash, restricted	<u>53,166</u>	<u>134,141</u>
Total	<u>288,795</u>	<u>195,369</u>
Cash flow supplemental information:		
Interest paid	\$ <u>2,554</u>	\$ <u>28,698</u>



See notes to financial statements.



PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 – Nature of activities and significant accounting policies

Nature of activities

Piedmont Habitat For Humanity, Inc., (the “Organization”), was incorporated on December 20, 1990, as a non-stock not-for-profit Virginia corporation. Although the organization is an affiliate of Habitat for Humanity International, Inc., (“Habitat International”), Piedmont Habitat For Humanity is primarily and directly responsible for its own operations. As a Christian housing ministry, the organization’s primary purpose is to provide decent and affordable housing to low-income individuals in the town and surrounding areas of Farmville, Virginia through the sale of homes, at cost, and the provision of interest-free financing. A store to sell items for building or furnishing a home at reduced costs is also a part of the mission.

A summary of the Organization’s significant accounting policies follows:

Basis of Accounting

The financial statements of the Organization are prepared under the accrual method of accounting in accordance with generally accepted accounting principles in the United States.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions- Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions- Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that the resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue recognition

The Organization recognizes revenues from the sale and renovation of homes as well as the sale of home materials from the store during the year in which control of the homes or home materials are transferred to the buyers. The performance obligation of program services is simultaneously received and consumed by the buyers, therefore, the revenue is recognized at the time of the events. All amounts received prior to the event are deferred to the applicable period. Incidental items that are immaterial in the context of the contract are recognized as expenses.

The Organization has significant financing components as payment is received through mortgages. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year.

The Organization accounts for contributions in accordance with FASB ASC 958-605, Accounting for Contributions Received and Contributions Made. In accordance with FASB ASC 958-605, contributions are recorded with or without donor restricted support depending on the existence and/or nature of any donor restrictions. The Organization recognizes contributions when cash, securities, other assets; or an unconditional promise to give are received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions upon which they depend have been met.

Gifts of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.





PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 – Nature of activities and significant accounting policies (continued)

Revenue recognition (continued)

Gifts of property and equipment are presented as unrestricted support 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 and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Home reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions are recorded as of the date cash or unconditional promises to give are received. Contributions other than cash are recorded at the estimated fair market values on the date of the contribution.

Cash and cash equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid debt investments purchased with maturity of three months or less to be cash equivalents. The Organization maintains substantially all of its cash with one financial institution and, at times, may maintain balances, which are in excess of the federally insured limits (FDIC). Management of the Organization believes the risk of loss resulting from uninsured balances is immaterial.

Pledges Receivable

Pledges receivable are reviewed by management periodically and any that are considered to be uncollectible are expensed at that time. Recoveries of accounts previously charged off are credited to income in the year received. During the years ended June 30, 2025 and 2024, \$45 and \$680 in pledges were written-off, respectively.

Leases

The Organization accounts for leases in accordance with FASB ASC 842. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization evaluates new and modified leases using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization recognizes a lease liability and right-of-use (ROU) asset at the commencement date of the lease. Beginning July 1, 2022, operating lease ROU assets and related current and long-term portions of operating lease liabilities have been presented in the balance sheet.

A lease liability is measured based on the present value of its future lease payments. Variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Organization determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, an operating ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for operating lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are subsequently measured throughout the lease term at cost, net of accumulated amortization. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset. Interest expense and amortization expense are recorded in the statement of income for finance leases.





PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 – Nature of activities and significant accounting policies (continued)

Leases (continued)

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Property and equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated furniture and equipment at the date of gift is similarly capitalized. Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is recognized primarily on the straight-line method over the estimated useful lives as follows:

<u>Classification</u>	<u>Estimated Useful Life</u>
Leasehold improvements	15 years
Furniture and equipment	5-7 years
Vehicle	3-5 years

Advertising

The Organization expenses advertising costs as such costs are incurred.

Income Taxes

No provision for income taxes has been made in the financial statements because the Organization is a not-for-profit corporation as described in Section 501 (c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC.

The Financial Accounting Standards Board ASC 740-10 prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization’s financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2025 and 2024. Fiscal years ending on or after June 30, 2022 remain subject to examination by federal and state tax authorities.

Functional allocation of expenses

Costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services using estimated percentages established by management.

Estimates

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





PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 – Nature of activities and significant accounting policies (continued)

Non-financial Contributed Assets and Services

Donations of property and equipment are recorded as support at their estimated fair value at the time of donation. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions. Material donations of services requiring specific expertise are recorded as support at their estimated fair value at the date of donation. No amounts have been reflected in the accompanying financial statements for other donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time on behalf of the organization.

Homes Under Construction

Costs incurred in connection with home construction are capitalized until the completion and subsequent sale of each home.

Mortgages

Mortgages receivable consist of non-interest bearing mortgage notes issued in order to finance the sale of fully constructed homes to eligible individuals. The mortgages are collateralized by real estate and are payable in monthly installments over the life of the mortgage. Because the mortgages bear no interest, they are discounted to their present value at the time of issuance. The discount rate currently utilized is 8.01% and 8.02% for 2025 and 2024, respectively. The resulting discount is amortized, using the interest method, over the life of the mortgage and is reflected in the accompanying statement of activities as mortgage discount income. If the mortgage is satisfied prior to maturity, any remaining unamortized discount is also reflected as mortgage discount income in the year of satisfaction. Mortgages receivable are presented net of any discount in the accompanying financial statements.

Mortgages receivable are considered past due in accordance with the terms of the mortgage agreements and efforts are made to assist homeowners who have become delinquent in their mortgage payments. However, foreclosure proceedings may be initiated and/or the organization may accept back the deed in lieu of foreclosure where homeowner mortgage payments are deemed seriously delinquent. Properties acquired through foreclosure or accepting a deed in lieu of foreclosure may be sold directly on the open market or refurbished in partnership with and sold to other families in need of decent and affordable housing. The organization did not acquire any homes through foreclosure during the years ended June 30, 2025 and 2024.

All homes sold after 1999 have been encumbered by a second, third, or fourth deed of trust note which is payable only upon the sale or default by the homeowner. The note balance is to be forgiven ratably over a period of 15 to 25 years. Because of the contingent nature of the collectability of the second, third, and fourth deed of trust notes, they will be recorded on the organization's books only if they become enforceable.

Note 2 – Cash Balances

The Organization maintains its cash balances at one financial institution. The accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times the cash balances may exceed the federally insured limits (FDIC). Management does not believe that there is a risk of loss based on the history of the accounts.





PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 3 – Pledges receivable

The Organization has pledges receivable due in future years. The pledges have been discounted using a rate of 1% as of June 30, 2025 and 2024.

Year	Face Value	Present Value Discount	2025 Discounted Pledges	2024 Discounted Pledges
2025	\$ -	\$ -	\$ -	\$ 11,045
2026	11,000	-	11,000	9,901
2027	5,000	49	4,951	4,901
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
	<u>\$ 16,000</u>	<u>\$ 49</u>	<u>\$ 15,950</u>	<u>\$ 25,847</u>
Allowance for losses			<u>-</u>	<u>-</u>
Net pledges receivable			<u>\$ 15,950</u>	<u>\$ 25,847</u>





PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 4 – Financing Receivables

The Organization has financed receivables with a total outstanding balance of \$932,256 and \$1,040,447 at June 30, 2025 and 2024, respectively. The following is an analysis of the recorded investment in financing receivables at June 30, 2025 and 2024:

	2025	2024
Mortgage to individual, 30 yr term, due 2047	\$ 96,107	\$ 100,493
Mortgage to individual, 30 yr term, due 2045	100,755	103,241
Mortgage to individual, 30 yr term, due 2049	90,924	94,686
Mortgage to individual, 30 yr term, due 2045	76,903	80,669
Mortgage to individual, 20 yr term, due 2041	73,500	78,750
Mortgage to individual, 30 yr term, due 2042	49,426	52,633
Mortgage to individual, 30 yr term, due 2043	49,359	52,089
Mortgage to individual, 30 yr term, due 2041	41,827	44,363
Mortgage to individual, 29 yr term, due 2042	41,009	43,213
Mortgage to individual, 30 yr term, due 2041	38,037	40,461
Mortgage to individual, 30 yr term, due 2041	-	35,119
Mortgage to individual, 30 yr term, due 2039	30,864	33,053
Mortgage to individual, 30 yr term, due 2039	29,323	31,510
Mortgage to individual, 30 yr term, due 2039	29,818	32,369
Mortgage to individual, 20 yr term, due 2033	25,836	29,099
Mortgage to individual, 30 yr term, due 2047	31,686	32,299
Mortgage to individual, 30 yr term, due 2039	21,268	23,460
Mortgage to individual, 30 yr term, due 2037	24,520	26,680
Mortgage to individual, 25 yr term, due 2031	13,362	15,999
Mortgage to individual, 15 yr term, due 2033	13,840	15,645
Mortgage to individual, 25 yr term, due 2031	11,061	13,072
Mortgage to individual, 25 yr term, due 2031	10,156	11,948
Mortgage to individual, 20 yr term, due 2029	8,689	10,432
Mortgage to individual, 20 yr term, due 2023	10,154	11,450
Mortgage to individual, 20 yr term, due 2025	-	8,144
Mortgage to individual, 20 yr term, due 2025	4,515	5,815
Mortgage to individual, 20 yr term, due 2025	3,251	5,310
Mortgage to individual, 20 yr term, due 2027	6,066	6,866
Mortgage to individual, 20 yr term, due 2027	-	1,579
Gross receivables	932,256	1,040,447
Unamortized discounts	359,763	401,055
Total, net	\$ 572,493	\$ 639,392

Discount rates of 8.01% and 8.02% were used for the years ending June 30, 2025 and 2024, respectively.





PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 4 – Financing Receivables (continued)

Financed receivable maturities at June 30, 2025 are as follows:

Year Ending	Amount
2026	\$ 69,301
2027	62,897
2028	60,312
2029	57,803
2030	57,803
Thereafter	624,140
	\$ 932,256

Note 5 – Non-financial contributed assets and services

The Organization received the following non-financial contributions for the years ended June 30, 2025 and 2024:

	2025	2024
Building:		
Supplies	\$ 1,611	\$ -
Services	2,500	4,600
Land	24,000	18,480
Fundraising Expense	3,050	2,375
Other supplies	42	-
	\$ 31,203	\$ 25,455

The contribution of land is valued at the assessed tax value. The contributed supplies and goods are valued at the cost if they had to be purchased if not donated. Donated services are recognized in the financial statement only if they create or enhance nonfinancial assets or if they require specialized skills and would typically need to be purchased is not provided by donation. Donated services are valued at the cost if they had to be purchased if not donated.

Note 6 – Notes Payable

The Organization’s notes payables as of June 30, 2025 and 2024 are as follows:

	2025	2024
VHDA loan, 3% interest rate, payable in monthly installments of \$221.12 including interest due December 2026	\$ -	\$ 3,162
VHDA loan, 3% interest rate, payable in monthly installments of \$841.11 including interest due December 2027	-	26,541
Related party, 4.25% interest rate, payable in monthly installments of \$389.58 interest only with principal due August 2024	-	110,000
	-	139,703
Less Current Portion	\$ -	\$ 119,958
Long-term Portion	\$ -	\$ 19,745





PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 6 – Notes Payable (continued)

Future maturities of long-term notes payable are as follows:

2026	\$		-
2027			-
2028			-
2029			-
2030			-
Thereafter			-
	\$		-
			-

Note 7 – Retirement plan

The Organization adopted a SIMPLE IRA plan effective May 1, 2020. The SIMPLE IRA plan covers all employees. A matching contribution will be made up to a limit of 3% of compensation for the calendar year. As of June 30, 2025 and 2024 employer retirement contributions were \$6,837 and \$6,553, respectively.

Note 8 – Line of Credit

The Organization had a \$50,000 line of credit with a local community bank that matured September 1, 2023 and was not renewed. The interest rate was prime plus 1.50% and was payable monthly. The balance was \$-0- at June 30, 2024.

Note 9 – Additional Deeds of trust Notes

As discussed in Note 1, homes sold after 1999 have been encumbered by either a second, third, or fourth deed of trust notes which are payable only upon the sale or default by the homeowner. The outstanding balance of these deeds of trust notes was \$1,303,516 and \$1,295,795 as of June 30, 2025 and 2024, respectively. As discussed in Note 1, these notes have not been recorded due to the contingent nature of the collectability.

Note 10 – Transactions with Habitat International

The Organization remits a portion of its contributions, excluding in-kind contributions, to Habitat International on an annual basis. These funds are used to construct homes in economically depressed areas around the world. The organization contributed \$10,560 and \$17,320 to Habitat International for 2025 and 2024, respectively.

Note 11 –Leases

The Organization has obligations as a lessee for office space and retail space with initial noncancelable terms in excess of one year. Generally, the office space and retail space leases have an initial term of 20 months. The Organization classifies these leases as operating leases, except for any leases that meet the FASB ASC 842 criteria to be classified as a finance lease. Renewal and termination options that the Organization is not reasonably certain to exercise are not included in determining the lease term, and associated payments under these options are excluded from lease payments used to determine the lease liabilities.

Payments due under lease contracts are fixed payments. The Organization’s office and retail space leases require it to make variable payments for the Organization’s proportionate share of the buildings’ property taxes and insurance. These variable lease payments are not included in lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred.





PIEDMONT HABITAT FOR HUMANITY, INC.
Notes to Financial Statements
June 30, 2025 and 2024

Note 11 –Leases (continued)

The components of lease cost and income statement caption allocation for the year ended June 30, 2025, are as follows:

	Income statement caption(s)	2025
Operating lease cost	General and administrative expenses	\$ <u>14,314</u>
Total operating lease cost		<u>14,314</u>
Variable lease cost	General and administrative expenses	<u>8,012</u>
Total variable lease cost		<u>8,012</u>
Total lease cost		\$ <u><u>21,826</u></u>

Other information related to leases as of or for the year ended June 30, 2025 are as follows:

Weighted-average remaining lease term (years)	
Operating leases	1.08 years
Weighted-average discount rate	
Operating leases	4.25%

Supplemental cash flow information for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows – operating leases	13,814
Right-of-use assets obtained in exchange for lease liabilities	
Operating leases	23,073
Reductions to right-of-use assets resulting from reduction to lease liabilities	
Operating leases	13,551

Maturities of operating and finance lease liabilities (in millions) as of June 30, 2025, were as follows:

Year Ending	Operating leases
2026	\$ 12,054
2027	1,004
2028	-
2029	-
2030	-
Thereafter	<u>-</u>
Total lease payments	<u>13,058</u>
Less: present value adjustment	<u>(318)</u>
Present value of lease liabilities	\$ <u><u>12,740</u></u>





PIEDMONT HABITAT FOR HUMANITY, INC.
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June 30, 2025 and 2024

Note 12 –Leases (continued)

The rent expense under operating leases for the year ending June 30, 2025 was \$21,826. The rent expense for the year ending June 30, 2024 was \$48,450.

Note 13 – Related Party

During the year ended June 30, 2023, the Organization received a note from a related party. The funds from the note were used for the development of real estate. The note was in the amount of \$110,000 with a 9-month term and 4.25% interest and was from a parent organization. In August 2023, the maturity date was amended to August 5, 2024. The balance of the note was \$0- and \$110,000 as of June 30, 2025 and 2024, respectively.

Note 14 – Net assets with donor restrictions

Net assets with donor restrictions as of June 30, 2025 and 2024 consisted of the following:

	2025	2024
Donor Restricted		
Land held for construction	\$ 337,280	\$ 327,280
Cash	53,166	134,141
Grants Receivable	14,500	29,150
Pledges Receivable	15,950	25,847
Total donor restricted	\$ 420,896	\$ 516,418

Note 15 – Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing decent and affordable housing to low-income individuals as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization aims to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization’s cash and shows positive cash generated by operations for fiscal year 2025.

As of June 30, 2025, the following financial assets could readily be made available to meet general expenditures:

Cash and cash equivalents, unrestricted	\$	235,629
Accounts receivable		9,822
Mortgages receivable		69,301
Pledges receivable		11,000
Grants receivable		14,500
	\$	340,252

Note 16 – Subsequent Events

The Organization has evaluated subsequent events through January 31, 2026, the date the audit report was made available. No events requiring disclosure have been noted.

