

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY**  
**CHEBOYGAN COUNTY, MICHIGAN**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY**

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**Dan Smith & Company, PC**  
**Certified Public Accountants**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Cheboygan County Habitat for Humanity  
Cheboygan, MI 49721

**Opinion**

We have audited the accompanying financial statements of Cheboygan County Habitat for Humanity (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cheboygan County Habitat for Humanity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cheboygan County Habitat for Humanity's ability to continue as a going concern for a reasonable period of time.

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



**Dan Smith & Company, PC**  
**Gaylord, MI**

**October 15, 2024**

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

|  | <b>2024</b>  |
|--|--------------|
| <b>ASSETS</b>                                |              |
| <b>Current assets</b>                        |              |
| Cash   | \$ 50,980    |
| Accounts Receivable                          | 19,327       |
| Grants Receivable                            | 64,160       |
| Inventory                                    | 45,331       |
| Homes Available for Sale                     | 404,476      |
| Construction in Progress                     | 83,029       |
| Prepaid expenses                             | 6,590        |
|  | 673,893      |
| <b>Property, plant and equipment</b>         |              |
| Fixed assets                                 | 478,742      |
| Accumulated depreciation                     | (215,484)    |
|  | 263,258      |
| <b>Other assets</b>                          |              |
| Mortgages Receivable (Note 4)                | 100,635      |
| Home & Lot Inventory (Note 5)                | 102,920      |
| Home Repair Receivable                       | 52,153       |
| Land Contract Receivable                     | 2,150        |
|  | 257,858      |
| Total Assets                                 | \$ 1,195,009 |
| <b>LIABILITIES AND NET ASSETS</b>            |              |
| <b>Current liabilities</b>                   |              |
| Accounts Payable                             | \$ 10,124    |
| Accrued Liabilities                          | 5,672        |
| Accrued Wages                                | 6,657        |
| Deferred Grant Income                        | 50,000       |
| Note Payable - ReStore Truck Current Portion | 11,978       |
| CNB Line of Credit                           | 75,000       |
| Melvin Line of Credit                        | 400,000      |
|  | 559,431      |
| <b>Noncurrent liabilities</b>                |              |
| Note Payable - ReStore Truck                 | 42,422       |
|  | 601,853      |
| <b>NET ASSETS:</b>                           |              |
| Without Donor Restrictions                   | 525,027      |
| With Donor Restrictions                      | 68,129       |
|  | 593,156      |
| <b>TOTAL NET ASSETS</b>                      | 593,156      |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>      | \$ 1,195,009 |

See accompanying notes to the financial statements.

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

|                                       | 2024                          |                            |            |
|---------------------------------------|-------------------------------|----------------------------|------------|
|                                       | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total      |
| <b>SUPPORT &amp; REVENUES:</b>        |                               |                            |            |
| <b>SUPPORT:</b>                       |                               |                            |            |
| Contributions                         | \$ 221,204                    | \$ 23,076                  | \$ 244,280 |
| Grants                                | -                             | 221,376                    | 221,376    |
|                                       |                               |                            |            |
| <b>TOTAL SUPPORT</b>                  | 221,204                       | 244,452                    | 465,656    |
| <b>REVENUE:</b>                       |                               |                            |            |
| Fundraisers                           | 10,327                        | -                          | 10,327     |
| Home Repair Sales                     | 31,260                        | -                          | 31,260     |
| ReStore Revenue                       | 158,870                       | -                          | 158,870    |
| Miscellaneous                         | 2,048                         | -                          | 2,048      |
| Net assets released from restrictions | 176,323                       | (176,323)                  | -          |
|                                       |                               |                            |            |
| <b>TOTAL REVENUE</b>                  | 378,828                       | (176,323)                  | 202,505    |
|                                       |                               |                            |            |
| <b>TOTAL SUPPORT &amp; REVENUE</b>    | 600,032                       | 68,129                     | 668,161    |
|                                       |                               |                            |            |
| <b>EXPENSES:</b>                      |                               |                            |            |
| ReStore                               | 222,685                       | -                          | 222,685    |
| Program Services                      | 274,796                       | -                          | 274,796    |
| Management & General                  | 125,548                       | -                          | 125,548    |
| Fundraising                           | 33,409                        | -                          | 33,409     |
|                                       |                               |                            |            |
| <b>TOTAL EXPENSES</b>                 | 656,438                       | -                          | 656,438    |
|                                       |                               |                            |            |
| <b>(LOSS) FROM OPERATIONS</b>         | (56,406)                      | 68,129                     | 11,723     |
|                                       |                               |                            |            |
| Loss on Sale of Garage                | (25,724)                      | -                          | (25,724)   |
|                                       |                               |                            |            |
| <b>CHANGE IN NET ASSETS</b>           | (82,130)                      | 68,129                     | (14,001)   |
|                                       |                               |                            |            |
| <b>NET ASSETS - July 1, 2023</b>      | 607,157                       | -                          | 607,157    |
|                                       |                               |                            |            |
| <b>NET ASSETS - JUNE 30, 2024</b>     | \$ 525,027                    | \$ 68,129                  | \$ 593,156 |

See accompanying notes to the financial statements.

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

|                           | ReStore           | Program<br>Services | Management<br>And General | Fundraising      | Total             |
|---------------------------|-------------------|---------------------|---------------------------|------------------|-------------------|
| Payroll Expenses          | \$ 116,808        | \$ 133,341          | \$ 65,123                 | \$ 16,445        | \$ 331,717        |
| Construction Costs        | -                 | 88,446              | -                         | -                | 88,446            |
| Comm. Found. Contribution | -                 | 23,505              | -                         | -                | 23,505            |
| Office and Supplies       | 7,377             | 4,016               | 14,379                    | 1,304            | 27,076            |
| Insurance                 | 10,063            | 10,063              | 5,032                     | -                | 25,158            |
| ReStore Expenses          | 21,363            | -                   | -                         | -                | 21,363            |
| Advertising               | 5,904             | 2,094               | 4,138                     | 1,324            | 13,460            |
| Vehicle                   | 7,469             | -                   | -                         | -                | 7,469             |
| Depreciation              | 21,429            | -                   | 4,134                     | -                | 25,563            |
| Special Event             | -                 | -                   | -                         | 4,487            | 4,487             |
| Travel                    | 276               | 5,754               | 6,855                     | -                | 12,885            |
| Accounting Fees           | 1,517             | 1,517               | 1,517                     | 1,517            | 6,068             |
| Contract Services         | 4,474             | -                   | 500                       | -                | 4,974             |
| Utilities                 | 4,486             | -                   | 2,274                     | -                | 6,760             |
| Telephone/Internet        | 2,707             | 120                 | 4,701                     | 1,420            | 8,948             |
| Supplies                  | 3,865             | 133                 | 1,313                     | -                | 5,311             |
| Printing                  | 252               | -                   | 473                       | 5,073            | 5,798             |
| Repairs and Maintenance   | 6,778             | -                   | 3,849                     | -                | 10,627            |
| Trash and Recycle         | 2,810             | 300                 | 977                       | -                | 4,087             |
| Contingency               | -                 | -                   | -                         | 89               | 89                |
| Postage and Shipping      | 346               | 254                 | 484                       | 1,550            | 2,634             |
| Tithe                     | -                 | 1,500               | -                         | -                | 1,500             |
| Interest                  | 3,980             | -                   | 3,803                     | -                | 7,783             |
| Dues and Subscriptions    | 338               | 250                 | 952                       | -                | 1,540             |
| Miscellaneous             | 443               | 3,503               | 5,044                     | 200              | 9,190             |
| <b>Total Expenses</b>     | <b>\$ 222,685</b> | <b>\$ 274,796</b>   | <b>\$ 125,548</b>         | <b>\$ 33,409</b> | <b>\$ 656,438</b> |

See accompanying notes to the financial statements.

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024**

|   | <b>2024</b> |
|---|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                |             |
| Change in Net Assets  | \$ (14,001) |
| Adjustments for Non-Cash Expense:                           |             |
| Depreciation  | 25,563      |
| Changes in Operating Assets and Liabilities:                |             |
| (Increase) in Accounts Receivable                           | (82,457)    |
| Decrease in Mortgages Receivable                            | 20,276      |
| (Increase) in Home Repair Receivable                        | (13,446)    |
| (Increase) in Homes Available for Sale                      | (404,476)   |
| Decrease in Construction in Progress                        | 74,991      |
| (Increase) in Inventory                                     | (1,871)     |
| Decrease in Home & Lot Inventory                            | 8,806       |
| Decrease in Land Contract Receivable                        | 1,275       |
| Decrease in Prepaid Expenses                                | 8,521       |
| (Decrease) in Accounts Payable                              | (3,960)     |
| Increase in Accrued Expenses                                | 7,365       |
| Increase in Deferred Grant Income                           | 50,000      |
| Net cash provided by (used in) operating activities         | (323,414)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                |             |
| ReStore Truck Purchase                                      | (64,419)    |
| Net cash (used) in investing activities                     | (64,419)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                |             |
| Repayment of Long-Term Debt                                 | (17,224)    |
| Proceeds from Truck Note Payable                            | 64,669      |
| Proceeds from Lines of Credit                               | 343,000     |
| Net cash provided by (used in) financing activities         | 390,445     |
| <b>Net increase (decrease) in cash and cash equivalents</b> | 2,612       |
| <b>Beginning Cash, cash equivalents and restricted cash</b> | 48,368      |
| <b>Ending Cash, cash equivalents and restricted cash</b>    | \$ 50,980   |

See accompanying notes to the financial statements.



**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**Entity.** Cheboygan County Habitat for Humanity (CCHFH) was formed in March 1994. Habitat is an affiliate of Habitat for Humanity International, Inc., a nondenominational Christian nonprofit organization whose purpose is to create decent, affordable housing for those in need and to make decent shelter a matter of conscience with people everywhere. Although Habitat for Humanity International assists with information resources, training, publications, prayer support and other ways, CCHFH is primarily and directly responsible for its own operations.

**Basis of Accounting.** These financial statements were prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Cash and Cash Equivalents.** For purposes of these financial statements, cash and cash equivalents consist of demand deposits in banks and cash on hand.

**Inventory.** Inventory consists of goods ready for resale. A small portion of inventory that is purchased is maintained at cost. The remaining inventory is calculated from a formula based on the average sales over the past fiscal year. The total Restore inventory by visual observation is material in value but is not counted.

**Construction in Progress.** Construction in progress represents portions of project work that is uncompleted at year end.

**Mortgages Receivable.** Mortgages receivables consist of non-interest-bearing mortgages, which are secured by real estate and payable in monthly installments over the life of the mortgage. Generally accepted accounting principles require disclosure of fair market value in the case of noninterest bearing financial instruments. However, these disclosures are optional when the Organization's assets are under \$100,000,000, it is not publicly traded, and the financial instruments are not derivative in nature. Therefore, the Organization has chosen to show these non-interest-bearing mortgages at face value.

**Property and Equipment.** Property and equipment are recorded at acquisition cost, including costs necessary to get the asset ready for its intended use. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets, ranging from five to thirty-nine years.

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions.** The Organization has adopted FASB ASU 958-210 related to contributions. Contributions received are recorded as net assets without donor restriction or net assets with donor restrictions depending upon the existence or nature of any donor restrictions. Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value.

The Organization receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. In addition, the Organization receives support without donor restrictions; such support has historically represented some of the annual program fundings needs. Income from the ReStore sales is unrestricted and used for general expenditures as they are received.

**Donated Services.** A significant number of volunteers have made significant contributions of their time to the programs of the Organization. The value of their time has not been reflected in the financial statements.

**Functional Allocation of Expenses.** The costs of providing the 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 benefited. The expenses that are allocated include compensation, which is allocated on the basis of estimates of time and effort. Telephone and internet are allocated based on 50% costs to ReStore and 50% to Management. Vehicle insurance is allocated 100% to the ReStore. The remaining insurance including Worker's Compensation, Property and Liability is allocated 40% to ReStore, 40% program and 20% Management. Utilities, including garbage, and building improvements are allocated 70% ReStore and 30% Management. Accounting costs are allocated 25% to each function.

**Income Taxes.** The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Contributions to the Organization are deductible by the donor. The Organization is not considered a private foundation within the meaning of Section 501 (a) and qualify for deductible contributions as provided in Section 170 (b) (1) (A) (vi).

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

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 2: CASH AND CASH EQUIVALENTS**

The Organization maintains cash balances at financial institutions in Cheboygan County. In the case of deposits, this is the risk that in the event of a bank failure, the Organization’s deposits may not be recoverable. As of June 30, 2024, \$0 of the Organizations bank balance of \$52,025 was exposed to custodial credit risk because of being uninsured and uncollateralized.

Cash and Cash equivalents are stated at cost, which approximates market value and consists of:

|          |              |
|----------|--------------|
|          | <u>Total</u> |
| Checking | \$ 50,983    |

**NOTE 3: LIQUIDITY AND AVAILABILITY**

The Organization manages its cash available to meet general expenditures following three guiding principles:

1. Operating within a prudent range of financial soundness and stability,
2. Maintaining adequate liquid assets, and
3. Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

The table below presents financial assets available for general expenditures within one year.

| <u>Financial Assets and Year – End</u>               | <u>June 30, 2024</u> |
|--|----------------------|
| Cash and Cash Equivalents                            | \$ 50,980            |
| Accounts receivable                                  | 83,487               |
| Prepaid Expenses                                     | 6,590                |
| Current Portion of Mortgage & Home Repair Receivable | 25,447               |
| Net Working Capital                                  | <u>166,504</u>       |
| Less: Amount with Donor Restrictions                 | (68,129)             |
| Financial Assets Available to Meet Cash Needs        | <u>\$ 98,375</u>     |

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4: MORTGAGES RECEIVABLE**

Habitat sells homes to program participants in exchange for mortgage notes with no interest. These notes are generally payable to Habitat over 20 years, and are shown on the Statement of Financial Position at face value.

At June 30, 2024, mortgages receivable was held on five homes. The following is a summary of mortgage transactions:

|                             |    |          |
|-----------------------------|----|----------|
| Balance as of July 1, 2023  | \$ | 120,911  |
| New Mortgages               |    | 0        |
| Payments                    |    | (20,276) |
| Balance as of June 30, 2024 | \$ | 100,635  |

**NOTE 5: HOME AND LOT INVENTORY**

During the year ended June 30, 2024, one new lot was obtained and two lots were added to "Homes Available for Sale" by Habitat for Humanity. At year end, the Organization maintained seven lots in their inventory.

Properties and values are as follows:

|                              |  |           |
|------------------------------|--|-----------|
| Timberline Drive             |  | \$9,400   |
| Sutherland Property          |  | 19,267    |
| Stempky Street               |  | 30,000    |
| Western Avenue               |  | 15,046    |
| Garfield Avenue              |  | 5,553     |
| Casey Drive                  |  | 11,493    |
| Will Drive                   |  | 12,161    |
| Total Home and Lot Inventory |  | \$102,920 |

**NOTE 6: LAND CONTRACT RECEIVABLE**

A lot owned by Habitat for Humanity was sold on land contract in fiscal year 2023. The James Street Lot was purchased by Habitat for \$8,000 and sold for \$5,000, taking a \$3,000 loss. The land contract agreement was for \$1,500 down payment and \$25/week thereafter. The total \$5,000 will be paid off during fiscal year 2026. The remaining portion to be paid at June 30, 2024 was \$2,150.

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 7: PROPERTY AND EQUIPMENT**

The capital asset activity of the Organization is as follows:

|                          | <u>July 1, 2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2024</u> |
|--------------------------|---------------------|------------------|------------------|----------------------|
| Land                     | \$ 25,000           | \$ -             | \$ -             | \$ 25,000            |
| Building & Improvements  | 329,505             | -                | -                | 329,505              |
| Machinery & Equipment    | 59,818              | 64,419           | -                | 124,237              |
|                          | <u>414,323</u>      | <u>64,419</u>    | <u>-</u>         | <u>478,742</u>       |
| Accumulated Depreciation | (189,921)           | (25,563)         | -                | (215,484)            |
|                          | <u>\$ 224,402</u>   | <u>\$ 38,856</u> | <u>\$ -</u>      | <u>\$ 263,258</u>    |

The Organization purchased a 2024 Truck for the ReStore at the beginning of the fiscal year. Depreciation expense for all assets for the year ended June 30, 2024 was \$25,563.

**NOTE 8: BUILDING MORTGAGE**

The Organization paid off their long-term mortgage on their building during the fiscal year ending June 30, 2024.

**NOTE 9: LINES OF CREDIT**

In fiscal year 2024, the Organization utilized their remaining portion of their \$400,000 line of credit from the individual who donated the land (Will Drive) in Indian River, Michigan. CCHFH has an agreement with this individual, that once the homes are sold on this property, the line of credit will be paid off. The interest rate on this line of credit is 4.5% per annum, however, the individual did not charge any interest to the Organization during this fiscal year. The Organization anticipates selling two homes (Will Drive Lot 13 and 14) in fiscal year 2025 in order to pay off this line of credit.

The Organization also took a \$75,000 line of credit with Citizens National Bank throughout the fiscal year. This line of credit has a variable interest rate, with a maximum of 25%, but not less than 5%.

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 10: NOTE PAYABLE – RESTORE TRUCK**

The Organization has a long-term note payable at June 30, 2024 on their ReStore Truck purchased in July 2023. The loan is from Citizens National Bank bearing interest at 7.00 %.

|                                     |                      |
|-------------------------------------|----------------------|
|                                     | <u>June 30, 2024</u> |
| Citizens National Bank Loan         | \$ 54,400            |
| Less: Current Portion               | <u>(11,978)</u>      |
| Long-term Debt, Net Current Poriton | <u>\$ 42,422</u>     |

Scheduled principal maturities of long-term debt for the years succeeding June 30, 2024 are summarized here:

| <u>Year</u> | <u>Amount</u>    |
|-------------|------------------|
| 2025        | \$ 11,978        |
| 2026        | 12,845           |
| 2027        | 13,773           |
| 2028        | <u>15,804</u>    |
|             | <u>\$ 54,400</u> |

**NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS**

The Organization held \$68,129 in net assets with donor restrictions at June 30, 2024. This includes \$50,000 restricted for the Wolverine home repair, along with \$18,129 in the repair fund for humanity.

**NOTE 12: TEMPORARILY RESTRICTED ASSETS**

In compliance with Michigan Public Act 173, CCHFH now uses Affiliate Mortgage Services to service all self-financed Habitat mortgages on the home it sells as well as maintaining and managing the escrow accounts used for insurance and property taxes on the home. Mortgage payments are temporarily restricted to “Fund for Humanity” to help build more homes in Cheboygan County. Affiliate Mortgage Services send reports to update weekly and monthly.

**NOTE 13: STATEMENT OF CASH FLOWS INFORMATION**

Cash paid for interest during the twelve months ended June 30, 2024 is \$7,783.

**CHEBOYGAN COUNTY HABITAT FOR HUMANITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 14: HOMES AVAILABLE FOR SALE AND UNDER CONSTRUCTION**

As of June 30, 2024, there were two builds on Will Drive in Indian River completed during the year and are available for sale. The Organization is hoping to sell these properties in fiscal year 2025.

There was one rehab home started in June 2024, on a home that was donated to the Organization. The value of the home not attached to any land, has been estimated by management to be approximately \$50,000, which is included in the "Statement of Activities" under "Contributions". Additional costs for this construction in progress at June 30, 2024, included insignificant amounts for surveys and other fees. The Organization plans to complete this project in fiscal year 2025.

**NOTE 15: TRANSFERS TO HOMEOWNERS**

Transfers to homeowners are recorded at the gross mortgage amount less a down payment received. There were no homes sold during fiscal year 2024.

**NOTE 16: COMMUNITY FOUNDATION FUND**

The Organization holds a "Homeownership Fund" with the Community Foundation for Northeast Michigan, a nonprofit organization whose mission is to fulfill the charitable goals of donors and address the current and future needs of their communities. The total year-end value of the Homeownership Fund at June 30, 2024 was \$128,106, with a spendable balance of \$103,525. During the fiscal year, the Organization received contributions from community members in the amount of \$23,076 that were then contributed by the Organization to the Homeownership Fund, as restricted by the donors. Further, the Organization received a \$10,000 contribution from the fund.

**NOTE 17: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 15, 2024, the date on which the financial statements were available to be issued.