

Financial Statements
June 30, 2025

Lake Agassiz Habitat for Humanity, Inc.

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Independent Auditor's Report

The Board of Directors of
Lake Agassiz Habitat for Humanity, Inc.
Moorhead, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lake Agassiz Habitat for Humanity, Inc. (Habitat), which comprise the statement of financial position as of June 30, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of Habitat as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Habitat 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities of the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Eide Bailly LLP

Omaha, Nebraska
January 16, 2026

Lake Agassiz Habitat for Humanity, Inc.

Statement of Financial Position - Assets

June 30, 2025

Assets

Current Assets

Cash and cash equivalents	\$ 1,473,345
Other receivables	3,594
Investments	15,040
ReStore inventory	61,784
Prepaid expenses	17,375
Current portion of non-interest bearing mortgages receivable	<u>190,476</u>

Total current assets	<u>1,761,614</u>
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Mortgages Receivable

Non-interest bearing mortgages receivable	4,193,340
Less Discounts on non-interest bearing mortgages receivable	(1,774,772)
Current portion	<u>(190,476)</u>

Net non-interest bearing mortgages receivable	<u>2,228,092</u>
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Property and Equipment

Trailer and tools	53,700
Office equipment	16,853
Build trucks	27,726
Land	85,000
Restore building and improvements	<u>778,327</u>

Property and equipment, cost	961,606
Less accumulated depreciation	<u>(378,394)</u>

Total property and equipment	<u>583,212</u>
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Other Assets

House projects in process	<u>1,006,400</u>
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Total assets	<u><u>\$ 5,579,318</u></u>
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Lake Agassiz Habitat for Humanity, Inc.
Statement of Financial Position - Liabilities and Net Assets
June 30, 2025

Liabilities and Net Assets

Current Liabilities

Current maturities of long-term debt	\$ 19,180
Line of credit payable	1,000
Accounts payable	132,922
Other accrued liabilities	<u>79,451</u>

Total current liabilities 232,553

Long-Term Liabilities

Refundable advance	509,113
Long-term debt, net of current maturities and unamortized debt issuance costs	<u>374,071</u>

Total liabilities 1,115,737

Net Assets

Without donor restrictions	
Undesignated	2,671,622
Invested in property and equipment	583,212
Board designated for house projects in process	<u>1,006,400</u>

4,261,234

With donor restrictions 202,347

Total net assets 4,463,581

Total liabilities and net assets \$ 5,579,318

Lake Agassiz Habitat for Humanity, Inc.

Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions	\$ 458,765	\$ -	\$ 458,765
Grants	200,475	-	200,475
ReStore	622,200	-	622,200
Less direct costs	(622,200)	-	(622,200)
Net ReStore	-	-	-
Transfers to homeowners	223,823	-	223,823
In-kind contributions	627,493	-	627,493
Mortgage receivable discount amortization	208,509	-	208,509
Loss on disposal of assets	(171,671)	-	(171,671)
Other	94,512	-	94,512
Fundraising	150,886	-	150,886
Less fundraising expenses	(4,518)	-	(4,518)
Net fundraising	146,368	-	146,368
Net assets released from restrictions			
Program restrictions	45,308	(45,308)	-
Total revenues, gains and other support	1,833,582	(45,308)	1,788,274
Expenses			
Program services	1,110,646	-	1,110,646
Management and general	413,215	-	413,215
Fundraising	117,833	-	117,833
Total expenses	1,641,694	-	1,641,694
Change in Net Assets	191,888	(45,308)	146,580
Net Assets, Beginning of Year	4,069,346	247,655	4,317,001
Net Assets, End of Year	\$ 4,261,234	\$ 202,347	\$ 4,463,581

Lake Agassiz Habitat for Humanity, Inc.
Statement of Functional Expenses
Year Ended June 30, 2025

	Supporting Services			Total
	Program Services	Management & General	Fundraising	
Projects completed	\$ 609,000	\$ -	\$ -	\$ 609,000
Costs paid (payments received) on behalf of homeowners	(208,845)	-	-	(208,845)
Wages and benefits	487,291	207,821	117,833	812,945
Telephone and internet	9,598	724	-	10,322
Utilities	30,747	777	-	31,524
Repairs and maintenance	20,941	2,915	-	23,856
Property taxes	11,036	279	-	11,315
Office supplies and materials	11,459	1,800	-	13,259
Printing	6,786	1,666	-	8,452
Insurance	23,257	432	-	23,689
Bank charges	15,230	2,440	-	17,670
Dues and subscriptions	3,269	6,140	-	9,409
Professional development	1,430	1,662	-	3,092
Professional fees	-	90,880	-	90,880
Postage and delivery	1,491	382	-	1,873
Tithe	10,000	-	-	10,000
Rent	-	33,190	-	33,190
Marketing	17,680	3,944	-	21,624
Fundraising expense	-	-	4,518	4,518
Travel and entertainment	5,688	9,179	-	14,867
Interest and amortization	12,589	10,385	-	22,974
Volunteer recognition	5,378	-	-	5,378
Miscellaneous	20,763	25,082	-	45,845
Cost of goods sold - donated inventory	-	-	-	-
Cost of goods sold - ReStore	622,200	-	-	622,200
Total expenses before depreciation	1,716,988	399,698	122,351	2,239,037
Depreciation	15,858	13,517	-	29,375
	1,732,846	413,215	122,351	2,268,412
Less Expenses Included with Revenues on the Statement of Activities				
Cost of goods sold - donated inventory	-	-	-	-
Cost of goods sold - ReStore	(622,200)	-	-	(622,200)
Special event expense	-	-	(4,518)	(4,518)
Total expenses included in the expense section on the statement of activities	\$ 1,110,646	\$ 413,215	\$ 117,833	\$ 1,641,694

Lake Agassiz Habitat for Humanity, Inc.

Statement of Cash Flows
Year Ended June 30, 2025

Operating Activities	
Change in net assets	\$ 146,580
Adjustments to reconcile the change in net assets to net cash from operating activities	
Depreciation	29,375
Interest expense attributable to amortization of debt issuance costs	2,824
Amortization of mortgage receivable discounts	(208,509)
Transfers to homeowners	(223,823)
Unrealized gain on investment	(2,513)
Changes in assets and liabilities	
ReStore inventory	(61,784)
Prepaid expenses	(15,469)
Other receivables	(3,594)
House projects in process	(121,231)
Other accrued liabilities	34,765
Accounts payable	25,714
Refundable advance	70,000
Net Cash used for Operating Activities	<u>(327,665)</u>
Investing Activities	
Purchase of property and equipment	(4,300)
Payments received on mortgage loans	410,014
Net Cash from Operating Activities	405,714
Financing Activities	
Proceeds from advances on line of credit	379,680
Payments on advances from line of credit	(409,680)
Payment of contract for deed	(30,000)
Principal payments on long-term debt	(19,957)
Net Cash used for Financing Activities	<u>(79,957)</u>
Net Change in Cash and Cash Equivalents	(1,908)
Cash and Cash Equivalents at Beginning of Year	<u>1,475,253</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,473,345</u>

Lake Agassiz Habitat for Humanity, Inc.

Statement of Cash Flows
Year Ended June 30, 2025

Supplemental Disclosure of Cash Flow Information

Cash payments for interest	<u>\$ 20,150</u>
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Supplemental Disclosure of Noncash Investing and Financing Activities

Issuance of mortgages receivable	\$ 609,000
Less mortgage discount	<u>(385,177)</u>

Amount transferred to the homeowner	<u>\$ 223,823</u>
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Note 1 - Principal Activity and Significant Accounting Policies**Organization**

Lake Agassiz Habitat for Humanity, Inc. (Habitat) is an affiliate of Habitat for Humanity International. The purpose of Habitat is to assist people in need of adequate housing through the purchase, remodeling, or construction of various housing units, and subsequent sale of those units to individuals who meet certain criteria.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Financial Instruments and Credit Risk

Habitat maintains cash in various deposit accounts and keeps the balances below federally insured limits using ICS sweep accounts. Daily balances in the accounts are “swept” into the ICS sweep accounts and, when funds are required for payments or withdrawals, monies are “swept” into the deposit accounts to cover these withdrawals. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2025, Habitat had approximately \$0 in excess of FDIC-insured limits.

Receivables

Mortgages receivable are stated at the principal amount less the discount. Mortgages receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in mortgage receivable discount amortization revenue in the statement of activities. They are collateralized by real estate and are non-interest bearing. Payments of mortgages receivable are applied to the unpaid principal amount. Management determines an allowance for credit loss as determined necessary.

Allowance for Credit Losses (ACL) – Mortgage Receivable

The ACL for mortgages receivable is a valuation allowance for the current expected credit losses on Habitat’s mortgages receivable that is deducted from the amortized cost basis to present the net amount expected to be collected. Mortgages receivable are charged-off against the allowance when management believes the collectability is unlikely. Subsequent recoveries, if any, are credit to the ACL. Management estimates the allowance over the mortgages receivable entire contractual term, adjusted for expected prepayments when appropriate. The allowance estimate considers relevant, available information from internal and external sources relating to past events, current conditions, and reasonable supporting forecasts. As of June 30, 2025, the allowance for credit loss was \$0.

Inventory

Habitat operates a thrift store known as ReStore. Habitat accepts donations of household goods and supplies from individuals and businesses and then sells the items to the general public at thrift store prices. Materials donated for resale in the ReStore are valued based on net realizable value when they are placed for sale. The value of inventory as of 6/30/25 is determined using an estimate of average sales subsequent to year end.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is included in other revenue in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty-nine years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. Habitat has determined there is no impairment of property and equipment as of June 30, 2025.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable estimate of the effective interest method. Debt issuance costs are included within long-term debt on the statement of financial position. Amortization of debt issuance costs is included in interest and amortization in the financial statements.

Valuation of House Projects

In the absence of an independent market appraisal, house projects in process are reported in these financial statements at cost. It is part of Habitat's program to sell these projects for an amount that considers the income of the purchaser, and within an interest-free mortgage contract. As such, the discounted selling price of each individual project may be less than its final cost. Cost paid on behalf of homeowners relates to projects where the discounted selling price is less than the final cost. In certain agreements, Habitat retains the right to receive payments on second mortgages upon the sale of the house within a specified time period. Habitat received \$45,874 on second mortgages for the year ended June 30, 2025.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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 has designated, from net assets without donor restrictions, net assets for House Projects in Process.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Habitat reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Habitat recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is 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 on which they depend have been met. Habitat's grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2025, conditional contributions totaling \$509,113, for which amounts had been received in advance, have been recognized as a refundable advance in the accompanying financial statements. At June 30, 2025, contributions of \$175,000, have not been recognized on the accompanying statement of activities because the matching condition on which it depends has not yet been met as of year-end.

Transfers to homeowners are recorded based on a gross selling price, less a discount applied to the price based on an imputed rate of interest. Non-interest-bearing mortgages have been discounted at various rates ranging from 3.25% to 8.00% based upon prevailing market rates at the inception of the mortgages. Discounts are amortized using the effective interest method over the lives of the mortgages.

For performance obligations related to the sale of ReStore products control transfers to the customer at a point in time. Habitat's principal terms of sale are FOB shipping point and FOB destination and Habitat transfers control and records revenue for product sales either upon shipment or delivery to the customer, respectively.

Donated Services and In-Kind Contributions

In-kind contributions include donated professional services, donated property, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 8). Habitat sells donated inventory in their ReStore but does not sell any other donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation, and Habitat records donated professional services at the respective fair values of the services received.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, office expenses, interest, insurance, and other administrative costs, which are allocated on the basis of estimates of time and effort.

Advertising and Marketing Costs

Advertising and marketing costs of \$21,624 for the year ended June 30, 2025, are expensed as incurred.

Sales Tax

Habitat has customers in states and municipalities in which governmental units impose a sales tax on certain sales. Habitat collects those sales taxes from its certain customers and remits the entire amount to various governmental units. Habitat's accounting policy is to exclude the tax collected and remitted from revenue and cost of revenue.

Income Taxes

Habitat is organized as a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Sections 509(a)(1). Habitat is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Habitat is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Habitat has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The entity believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The entity would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

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 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 and those differences could be material.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2025</u>
Cash and cash equivalents	\$ 1,473,345
Other receivables	3,594
Investments	15,040
Current portion of non-interest bearing mortgage receivable	<u>190,476</u>
	<u>\$ 1,682,455</u>

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds.

Habitat has a line of credit available to draw upon up to a maximum of \$200,000 at an interest rate of 9.00%.

Note 3 - Mortgages Receivable

It is Habitat's policy to sell projects to individuals under payment terms that require no interest. Generally accepted accounting principles require that in such case the gross amount to be collected is reduced by a "discount", which represents the unstated interest therein. As payments are received on the contracts, Habitat amortizes to income portion of the discount. At June 30, 2025, Habitat had 45 mortgage loans outstanding totaling \$4,193,340. Interest on the loans has been imputed at 3.25% to 8.00%.

Projects closed during the year ending June 30:

	<u>2025</u>
Total Selling Price of the Project	\$ 609,000
Less Discount to present value	<u>(385,177)</u>
Estimated value of sales transaction	<u><u>\$ 223,823</u></u>

Mortgage receivable maturities are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ 190,476
2027	192,743
2028	192,743
2029	192,743
2030	192,743
Thereafter	<u>3,231,892</u>
	<u><u>\$ 4,193,340</u></u>

Note 4 - Contract for Deed

During 2024, Habitat entered into a contract for deed agreement with an unrelated third party. Under the terms of the agreement, Habitat has purchased property for \$45,000. The amount will be paid in annual installments of \$15,000 plus accrued interest. Interest will accrue at a rate of 4.50% annually. At the end of the term, Habitat will have title to the property. During 2025, Habitat paid off the entire outstanding balance of the contract for deed. As of June 30, 2025, Habitat owed \$0 on the contract for deed.

Note 5 - Notes Payable and Long-Term Debt

Habitat has a revolving line of credit with a bank. Borrowing on the line of credit is limited to \$200,000, and bears interest at a rate of prime plus 0.50% (8.00% as of June 30, 2025). The line of credit expires in January 2026. Habitat had an outstanding balance on the line as of June 30, 2025 of \$1,000. The line of credit is unsecured.

Long-term debt consists of the following at June 30, 2025:

0% note payable to third party (imputed interest rate of 3.752%) due in monthly installments of \$1,972, to December 2050, secured by certain mortgage receivables	\$ 363,304
Unamortized debt issuance costs, based upon an effective interest rate of 2.79%	<u>(44,126)</u>
	<u>319,178</u>
0% note payable to third party (imputed interest rate of 4.698%) due in monthly installments of \$1,199, including interest, to November 2036, secured by certain mortgage receivables	84,128
Unamortized debt issuance costs, based upon an effective interest rate of 3.56%	<u>(10,055)</u>
	<u>74,073</u>
	393,251
Less current maturities	<u>(19,180)</u>
	<u>\$ 374,071</u>

Long-term debt maturities are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ 19,180
2027	18,318
2028	19,093
2029	19,902
2030	20,745
Thereafter	350,194
Unamortized debt issuance costs	<u>(54,181)</u>
	<u>\$ 393,251</u>

Note 6 - Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that Habitat can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, Habitat develops inputs using the best information available in the circumstances.

Common stocks are classified within Level 1 as they have readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis as of June 30, 2025:

June 30, 2025	<u>Total</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Observable (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Operating Investments				
Common stock	<u>\$ 15,040</u>	<u>\$ 15,040</u>	<u>\$ -</u>	<u>\$ -</u>

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

Subject to the Passage of Time

Contributions not restricted by donors, but which are
unavailable for expenditure until due

\$ 202,347

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2025:

Satisfaction of Purpose Restriction
Building project

\$ 27,208

Expiration of Time Restrictions

18,100

\$ 45,308

Note 8 - Donated Professional Services and Materials

Donated professional services and materials are as follows for the year ending June 30, 2025:

<u>Non-Financial Contributions Category</u>	<u>Type of Contributions for Beneficiaries</u>	<u>Valuation Method</u>	<u>Monetized or Utilized</u>	<u>Amount</u>
Inventory	Various products sold through ReStore	Sales price of donated item	Utilized	\$ 618,863
Construction	Various products and services relating to the construction of houses.	Prices of identical or similar products, services and experiences	Monetized and Utilized	<u>8,630</u>
				<u>\$ 627,493</u>

All gifts in-kind received during the year ended June 30, 2025 were without donor restrictions and were for program expenditures with the exception of professional services, which were expended for management and general purposes.

Note 9 - Employee Benefits

Effective March 1, 2018, Habitat sponsored a Simple IRA plan (the Plan) qualified under IRC Section 403(b) covering substantially all employees. The plan provides that employees may voluntarily contribute up to the maximum contribution allowed by the IRS. Employer contributions are matched for each employee contribution for the first 4% of contributions made. During the year ended June 30, 2025, Habitat had contributions to the plan of \$18,594.

Note 10 - Subsequent Events

Habitat has evaluated subsequent events through January 16, 2026, the date which the financial statements were available to be issued. On August 20, 2025, Lake Agassiz Habitat for Humanity Inc executed a \$550,000 loan agreement with Midwest Bank, secured by an assignment of deposit account and subject to covenants regarding account maintenance, financial reporting, and limitations on additional indebtedness. The loan carries an annual fixed interest rate of 5.75% and matures February 20, 2026. No adjustments to the financial statements are required as a result of this event.