

Alachua Habitat for Humanity, Inc.

Financial Statements
And
Independent Auditors' Report

June 30, 2013 and 2012

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Kattell and Company, P.L.

Serving the Nonprofit Community

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Alachua Habitat for Humanity, Inc.

Report on the Financial Statements.

We have audited the accompanying financial statements of Alachua Habitat for Humanity, Inc. (the Corporation), which comprise the statements of financial position as of June 30, 2013 and 2012, 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.

Auditors' 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 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 the Corporation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Kattell and Company, P.L.

October 31, 2013
Gainesville, Florida

"Not everything that counts can be counted, and not everything that can be counted counts."

-Albert Einstein

Statements of Financial Position
June 30, 2013 and 2012
Achua Habitat for Humanity, Inc.

	<u>2013</u>	<u>2012</u>
Assets		
Cash – Operating	\$ 352,671	\$ 115,301
Cash – Escrow	--	123,184
Inventory – Resale Center	23,400	18,000
Accounts Receivable	7,465	3,648
Grants Receivable	6,250	1,576
Deposits – AmeriNational	71,411	--
Prepaid Expenses	4,859	--
Construction in Progress	223,168	254,641
Mortgage Notes Receivable, Net	1,448,008	1,446,767
Property and Equipment, Net	337,585	345,382
Land Held for Future Use	<u>529,522</u>	<u>522,722</u>
Total Assets	<u>\$ 3,004,339</u>	<u>\$ 2,831,221</u>
Liabilities and Net Assets		
Liabilities:		
Line of Credit	\$ 46,212	\$ 79,000
Accounts Payable	15,276	1,156
Accrued Expenses	15,956	15,675
Deposits Held	5,672	2,670
Mortgage Escrow	<u>71,411</u>	<u>88,573</u>
Total Liabilities	154,527	187,074
Net Assets:		
Unrestricted	2,635,942	2,594,034
Temporarily Restricted	<u>213,870</u>	<u>50,113</u>
Total Net Assets	<u>2,849,812</u>	<u>2,644,147</u>
Total Liabilities and Net Assets	<u>\$ 3,004,339</u>	<u>\$ 2,831,221</u>

See accompanying notes.

Statement of Activities
For the Year Ended June 30, 2013
Alachua Habitat for Humanity, Inc.

	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Contributions:			
Individuals	\$ 33,945	\$ 75,000	\$ 108,945
Businesses	31,715	72,685	104,400
Foundations	61,915	5,305	67,220
Churches	--	43,921	43,921
Women's Build	--	22,411	22,411
United Way	37,737	--	37,737
Signature Event	28,766	--	28,766
In Kind – Land & Equipment	12,000	--	12,000
In Kind – Supplies	7,415	--	7,415
Other	13,389	--	13,389
Interest Income	95,019	--	95,019
Government Grants:			
CDBG – HOME	3,168	--	3,168
Capacity Building	23,292	--	23,292
Sales – Resale Center	365,480	--	365,480
Sale of Homes	302,648	--	302,648
Other Support and Revenue	24,508	--	24,508
Satisfaction of Program Restrictions	55,565	(55,565)	--
Total Support and Revenue	1,096,562	163,757	1,260,319
Expenses:			
Program:			
ReStore	265,756	--	265,756
Home Ownership	591,459	--	591,459
Management and General	123,914	--	123,914
Fundraising	73,525	--	73,525
Total Expenses	1,054,654	--	1,054,654
Change in Net Assets	41,908	163,757	205,665
Net Assets, Beginning of Year	2,594,034	50,113	2,644,147
Net Assets, End of Year	\$ 2,635,942	\$ 213,870	\$ 2,849,812

See accompanying notes.

Statement of Activities
For the Year Ended June 30, 2012
Alachua Habitat for Humanity, Inc.

	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Contributions:			
Individuals	\$ 36,480	\$ 8,036	\$ 44,516
Businesses	32,994	79,325	112,319
Foundations	2,025	75,050	77,075
Churches	2,781	605	3,386
Women's Build	--	16,916	16,916
United Way	34,351	--	34,351
Signature Event	20,786	--	20,786
In Kind – Land & Equipment	21,000	--	21,000
In Kind – Supplies	5,224	--	5,224
Other	--	6,203	6,203
Interest Income	101,764	--	101,764
Government Grants:			
CDBG – HOME	15,832	--	15,832
Tax Increment Finance	47,841	--	47,841
Sales – Resale Center	281,328	--	281,328
Sale of Homes	133,457	--	133,457
Insurance Proceeds Revenue	69,442	--	69,442
Other Support and Revenue	15,853	--	15,853
Satisfaction of Program Restrictions	231,533	(231,533)	--
Total Support and Revenue	1,052,691	(45,398)	1,007,293
Expenses:			
Program:			
ReStore	185,734	--	185,734
Home Ownership	448,638	--	448,638
Management and General	75,112	--	75,112
Fundraising	50,117	--	50,117
Total Expenses	759,601	--	759,601
Change in Net Assets	293,090	(45,398)	247,692
Net Assets, Beginning of Year	2,300,944	95,511	2,396,455
Net Assets, End of Year	\$ 2,594,034	\$ 50,113	\$ 2,644,147

See accompanying notes.

Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012
Alachua Habitat for Humanity, Inc.

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 205,665	\$ 247,692
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Donated Land Held for Future Use	(12,000)	(3,000)
Donated ReStore Truck	--	(4,500)
Depreciation	13,897	12,985
Changes in:		
Inventory – Resale Center	(5,400)	(4,490)
Accounts Receivable	(3,817)	(3,648)
Grant Receivable	(4,674)	8,424
Deposits – Amerinational	(71,411)	--
Prepaid Expenses	(4,859)	--
Construction in Progress	31,473	(155,789)
Mortgage Notes Receivable	(1,241)	(28,170)
Accounts Payable	14,120	(3,066)
Accrued Expenses	281	7,398
Deposits Held	3,002	1,920
Mortgage Escrow Funds Held	(17,162)	4,949
Net Cash Provided by Operating Activities	147,874	80,705
Cash Flows From Investing Activities:		
Purchases of Fixed Assets	(6,100)	--
Sale of Land Held for Future Use	5,200	14,600
Cash Flows From Investing Activities	(900)	14,600
Cash Flows From Financing Activities:		
Payments on Line of Credit	(32,788)	(150,386)
Borrowings Under Line of Credit	--	14,000
Net Cash Used in Financing Activities	(32,788)	(136,386)
Net Change in Cash	114,186	(41,081)
Cash, Beginning of Year	238,485	279,566
Cash, End of Year	\$ 352,671	\$ 238,485
Reconciliation to Cash Reported on the Statement of Financial Position		
Cash – Operating	\$ 352,671	\$ 115,301
Cash – Escrow	--	123,184
Total Cash – Statement of Cash Flows	\$ 352,671	\$ 238,485
Supplemental Disclosures		
Cash Paid for Interest	\$ 3,349	\$ 6,758
The Corporation took a deed in lieu of foreclosure which simultaneously increased Construction in Progress and decreased Mortgage Notes Receivable.	\$ --	\$ 42,481

See accompanying notes.

Statement of Functional Expenses
For the Year Ended June 30, 2013
Alachua Habitat for Humanity, Inc.

	Program Services		Supporting Activities		Total
	ReStore	Home Ownership	Management and General	Fundraising	
Salaries and Benefits	\$ 170,989	\$ 133,455	\$ 62,557	\$ 50,045	\$ 417,046
Advertising	7,747	--	642	--	8,389
Automobile Expenses	10,764	2,706	3,181	--	16,651
Supplies & Equipment	9,462	7,385	3,462	2,770	23,079
Bad Debt Expense	--	15,668	--	--	15,668
Bank/Credit Card Fees	5,705	--	196	--	5,901
Insurance	9,435	7,364	3,452	2,760	23,011
Repairs & Maintenance	9,429	7,359	3,450	2,760	22,998
Office Expenses	3,691	2,881	8,406	1,080	16,058
Occupancy	25,356	1,260	14,664	--	41,280
Cost of Homes Sold	--	248,743	--	--	248,743
Credit Checks	--	613	--	--	613
Community Awareness	--	90	--	--	90
Payments to Affiliates	--	5,221	1,687	--	6,908
Professional Services	3,463	2,788	8,900	--	15,151
Mortgage Servicing Fees	--	15,189	--	--	15,189
Printing & Duplication	--	--	40	6,539	6,579
Penalties & Fees	--	--	31	--	31
Postage & Shipping	1,089	850	398	318	2,655
Meeting Expenses	--	2,711	2,056	910	5,677
Training Expenses	--	250	5,358	142	5,750
Interest Expense	--	--	3,349	--	3,349
Depreciation	5,698	4,447	2,085	1,667	13,897
Grants/Assistance to Individuals-					
Mortgage Discount	--	127,629	--	--	127,629
Specific Assistance	--	4,850	--	--	4,850
Miscellaneous	2,928	--	--	--	2,928
Signature Event Expenses	--	--	--	4,534	4,534
Total Expenses	\$ 265,756	\$ 591,459	\$ 123,914	\$ 73,525	\$1,054,654

See accompanying notes.

Statement of Functional Expenses
For the Year Ended June 30, 2012
Alachua Habitat for Humanity, Inc.

	Program Services		Supporting Activities		Total
	ReStore	Home Ownership	Management and General	Fundraising	
Salaries and Benefits	\$ 112,282	\$ 135,106	\$ 46,981	\$ 27,640	\$ 322,009
Advertising	4,852	--	40	--	4,892
Automobile Expenses	6,957	2,750	1,737	404	11,848
Supplies & Equipment	5,884	7,895	579	1,395	15,753
Bank/Credit Card Fees	4,263	--	50	--	4,313
Insurance	6,942	5,181	1,496	880	14,499
Repairs & Maintenance	2,317	4,627	247	145	7,336
Office Expenses	3,865	4,651	1,617	952	11,085
Occupancy	22,439	1,784	974	--	25,197
Cost of Homes Sold	--	155,226	--	--	155,226
Cost of Rehabilitation	--	64,927	--	--	64,927
Credit Checks	--	554	--	--	554
Community Awareness	--	497	--	--	497
Payments to Affiliates	--	4,466	--	--	4,466
Professional Services	2,425	--	9,099	--	11,524
Printing & Duplication	--	1,046	40	5,022	6,108
Penalties & Fees	--	--	17	--	17
Postage & Shipping	1,269	1,526	531	312	3,638
Meeting Expenses	--	384	812	2,441	3,637
Training Expenses	--	--	1,817	--	1,817
Interest Expense	--	6,758	--	--	6,758
Depreciation	4,371	5,259	2,279	1,076	12,985
Grants/Assistance to Individuals-					
Mortgage Discount	--	41,389	--	--	41,389
Specific Assistance	--	2,989	--	--	2,989
Miscellaneous	7,868	1,623	6,796	1,606	17,893
Signature Event Expenses	--	--	--	8,244	8,244
Total Expenses	\$ 185,734	\$ 448,638	\$ 75,112	\$ 50,117	\$ 759,601

See accompanying notes.

Notes to Financial Statements
June 30, 2013 and 2012
Alachua Habitat for Humanity, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Alachua Habitat for Humanity, Inc. (the Corporation), a not-for-profit corporation, provides affordable housing to low-income families in the Alachua County area. Qualified families have demonstrated need, an ability to repay an interest-free mortgage, character, and willingness to volunteer 400 hours of their time. The Corporation also has a resale center which sells donated items to the public.

Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, the Corporation qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation. The Corporation is operated exclusively for charitable, scientific and educational purposes. The Corporation holds no uncertain tax positions and, therefore, has no policy for evaluating them. The Corporation's Form 990, *Return of Organization Exempt from Income Taxes*, is subject to examination by the IRS, generally for three years after the date filed.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with standards applicable to voluntary health and welfare organizations.

Use of 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 reported period. Actual results could differ from those estimates.

Cash

The Corporation considers all checking and savings accounts to be cash. The Corporation had \$74,214 and \$0 of deposits in excess of amounts insured by the Federal Deposit Insurance Corporation at June 30, 2013 and June 30, 2012, respectively.

Inventory – Resale Center

All items sold in the resale center are donated to the Corporation. Donated items are valued at their fair value at the time of contribution and are typically sold or otherwise disposed of shortly after being donated.

Construction in Progress

Construction in progress consists of the accumulated costs of and the estimated fair value of materials contributed to the construction of single-family houses. The single-family homes will be sold to qualified persons as part of the Corporation's home ownership program.

Land Held for Future Use

Land held for future use is comprised of purchased and contributed lots held for future development or sale to qualified persons. Additionally, land held for future use represents development costs incurred for infrastructure for the Celebration Oaks residential subdivision in Alachua County. The lots owned by the Corporation will be used to build single-family houses for qualified persons.

Notes to Financial Statements
June 30, 2013 and 2012
Alachua Habitat for Humanity, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

Property, plant and equipment are valued at cost when purchased, or at fair value at the time of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis. Estimated useful lives range from three to seven years for equipment and thirty years for buildings. The Corporation's policy is to capitalize items with a cost or estimated fair value greater than \$1,000.

Management reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is measured by comparing the carrying amount of the asset to the sum of expected future cash flows (undiscounted and without interest charges) resulting from use of the asset and its eventual disposition.

Advertising

The Corporation expenses advertising costs as they are incurred.

Concentration

The Corporation relies heavily on donations from individuals, churches, and organizations from the North Central Florida area.

Net Assets

The Corporation's net assets, the excess of assets over liabilities, are reported in three mutually exclusive classes:

Permanently Restricted – Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions, which do not expire by passage of time or cannot be fulfilled by actions of the Corporation. The Corporation does not have any permanently restricted net assets.

Temporarily Restricted – Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions, which expire by passage of time or are fulfilled by actions of the Corporation.

Unrestricted – Those net assets that are neither permanently or temporarily restricted.

Revenue Recognition

Contributions. Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded at their estimated fair values. The Corporation reports gifts of cash and other assets 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. However, contributions that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the same fiscal year in which the contributions are recognized.

Contributed Services. Contributions of services are recognized when received if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Notes to Financial Statements
June 30, 2013 and 2012
Alachua Habitat for Humanity, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Revenue Recognition (continued)

Government Grants – Government grants consist primarily of a cost reimbursement contract. Revenues are recognized when the Corporation incurs allowable costs. The Corporation reports grants receivable to the extent that funding is received after allowable costs are incurred.

Donated Materials – Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt.

Inventory – Resale Center – The Corporation operates a thrift shop where donated household furniture, clothing and other goods are held for resale. Items donated are reflected as resale center sales in the statement of activities or as inventory on the statement of financial position.

Imputed Interest on Mortgages – The Corporation sells the homes it builds and takes a mortgage note receivable with zero percent interest. The Corporation imputes interest at a market rate by computing a discount on the note when signed. As payments are received, a portion of the payment is credited to interest income using the effective interest method of discount amortization.

Functional Expenses

Direct expenses are assigned to the various functional categories based on the purpose achieved by each expense. Indirect expenses are allocated to more than one functional category in accordance with an estimate of the relative benefit received by the expenses. Indirect expenses consist mainly of certain personnel and occupancy costs. Expenses are classified in the following functional categories:

ReStore. The Corporation owns and operates a resale store, which provides discounted building supplies and furnishings to low income families to enable them to better maintain their homes. This operation provides a vehicle for accepting, distributing and selling donated goods. Also, revenue from the store generates financial resources for funding programs.

Home Ownership – The Corporation builds new homes that are made available for sale to eligible home buyers. The Corporation facilitates a loan program that is available to eligible home buyers to finance the purchase of their home.

Management and General – These expenses include the costs of operations which do not relate specifically to other functional categories, but benefit all functions indirectly.

Fundraising – These expenses include the costs of fundraising efforts.

NOTE 2 – MORTGAGE ESCROW DEPOSITS

At June 30, 2012, the Corporation held \$123,184 of escrow funds in a separate bank account. These escrow funds were received along with mortgage payments and were held to pay property taxes, property insurance and certain maintenance on some of the mortgaged homes.

In September 2012, the Corporation contracted with AmeriNational to service its mortgages. Under the agreement, AmeriNational collects mortgage payments and administers the escrow funds on behalf of the Corporation. Funds previously held in escrow by the Corporation have been transferred to AmeriNational. The amount held by AmeriNational at June 30, 2013 was \$71,411.

Notes to Financial Statements
June 30, 2013 and 2012
Alachua Habitat for Humanity, Inc.

NOTE 3 – INVESTMENT PROPERTIES

The Corporation's home ownership program includes the acquisition and development of properties. The following represents the Corporation's investment in these properties:

	2013	2012
Construction in Progress	\$ 223,168	\$ 254,641
Purchased Land Parcels	\$ 350,418	\$ 350,418
Donated Land Parcels	179,104	172,304
Total Land Held for Future Use	\$ 529,522	\$ 522,722

Construction in Progress – Includes the construction costs of nine properties at June 30, 2012 and ten properties at June 30, 2013.

Purchased Land – Includes the costs incurred to purchase parcels of land.

Donated Land – Includes the fair value of donated parcels as measured on the date of donation.

NOTE 4 – MORTGAGE NOTES RECEIVABLE

The Corporation provides interest-free mortgage loans on single-family houses that are sold to qualified buyers as part of the Home Ownership program. When the purchase of a home is closed, the Corporation computes the net present value of the expected future cash flows of the loan. The difference between the face amount of the loan and the net present value is recorded as a discount and as Grants/Assistance to Individuals – Mortgage Discount expense.

These notes are discounted by imputing a rate of interest that is estimated to be the prevailing market rate of interest at the time the loan is closed. Discounts are amortized using the effective interest method over the term of the mortgages. Discount amortization is reported as Interest Income in the Statement of Activities.

The majority of the mortgages have an original maturity of twenty to thirty years, although some are longer. No allowance for uncollectible accounts is considered necessary due to collateralization of loans by single-family houses. Management estimates that the value of the houses is sufficient to adequately collateralize the receivables. For this reason, the amount and impact of impaired loans is not considered material to the financial statements. Future assessments of the allowance for uncollectible loans is dependent on the real estate sector of Alachua County, Florida.

In addition, at the closing date, all homebuyers sign a second mortgage with the Corporation for the difference between the market value and the purchase price (the Corporation sells its homes at its cost, not to exceed market value. As a result, the purchase price is always equal to or less than market value.) The second mortgage is forgiven in a variety of ways, including either on a periodic basis over a period of time, or at the conclusion of the first mortgage. If the homeowner sells the home during the period the second mortgage is being forgiven, the homeowner must pay the difference between the original amount of the second mortgage and the portion forgiven to the Corporation. The Corporation does not report revenue and a related asset at the time of sale since historical data indicates that the likelihood of future receipts from these second mortgages is remote.

Notes to Financial Statements
June 30, 2013 and 2012
Achua Habitat for Humanity, Inc.

NOTE 4 – MORTGAGE NOTES RECEIVABLE (concluded)

Mortgage notes receivable and the related discounts are as follows:

	<u>2013</u>	<u>2012</u>
Mortgage notes receivable	\$ 2,511,642	\$ 2,477,791
Discount at 6.5%	<u>(1,063,634)</u>	<u>(1,031,024)</u>
Net	<u>\$ 1,448,008</u>	<u>\$ 1,446,767</u>

Changes in the discount are as follows:

	<u>2013</u>	<u>2012</u>
Discount, Beginning of Year	\$ 1,031,024	\$ 1,091,399
Discount on Homes Sold	127,629	41,389
Amortization	<u>(95,019)</u>	<u>(101,764)</u>
Discount, End of Year	<u>\$ 1,063,634</u>	<u>\$ 1,031,024</u>

Mortgages receivable are expected to be received as follows:

	<u>2013</u>	<u>2012</u>
Less than 1 year	\$ 181,288	\$ 167,443
1 to 5 years	760,041	772,264
6 to 10 years	637,894	657,968
11 to 15 years	444,724	462,634
16 to 20 years	281,459	251,521
21 to 25 years	158,054	132,503
25 to 30 years	<u>48,182</u>	<u>33,458</u>
Total	<u>\$ 2,511,642</u>	<u>\$ 2,477,791</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 45,000	\$ 45,000
Building and Improvements	449,565	449,565
Furniture, Fixtures, and Equipment	31,279	40,500
Accumulated Depreciation	<u>(188,259)</u>	<u>(189,683)</u>
Net Property and Equipment	<u>\$ 337,585</u>	<u>\$ 345,382</u>

NOTE 6 – LINE OF CREDIT

The Corporation entered into a line of credit agreement with a bank for a maximum amount of \$400,000. Monthly payments of interest are due at a fixed interest rate of 5%. The line of credit expires October 2013. The line of credit is collateralized by the Corporation's mortgage notes receivable.

Notes to Financial Statements
June 30, 2013 and 2012
Achua Habitat for Humanity, Inc.

NOTE 7 – DEPOSITS HELD

The Corporation collects deposits which are applied towards future home purchases. At June 30, 2013 and 2012, the Corporation held \$5,672 and \$2,670, respectively.

NOTE 8 – HOMES SALES

The Corporation sold three homes during the year ended June 30, 2013 and two during the year ended June 30, 2012. A comparison of sales and cost of sales related to these transactions follows:

	<u>2013</u>	<u>2012</u>
Home Sales Revenues	\$ 302,648	\$ 133,457
Cost of Home Sales	<u>(248,743)</u>	<u>(164,875)</u>
Net Gain on Home Sales	<u>\$ 53,905</u>	<u>\$ (31,418)</u>

Sales revenues were comprised of the following:

	<u>2013</u>	<u>2012</u>
Mortgage Loans	\$ 278,978	\$ 123,957
Cash	<u>23,670</u>	<u>9,500</u>
Home Sales Revenues	<u>\$ 302,648</u>	<u>\$ 133,457</u>

NOTE 9 – DONATED SERVICES

The Corporation received over 24,470 hours in 2013 and 13,800 hours in 2012 of donated services that supported program services, including volunteering in the ReStore and construction of homes. The Corporation also received over 240 hours in 2013 and 260 hours in 2012 of volunteer time from its board members. These donations supported the general and administrative activities of the Corporation. At \$18.89 per hour, this amounts to \$462,238 in 2013 and \$265,593 in 2012 of additional contributions and expenses. This hourly rate is the estimated value per hour of volunteer time for Florida as provided by Independent Sector, www.independentsector.org/volunteer_time.

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of donations received where the donors have restricted the gift for the construction costs of a particular house. These amounts are purpose restricted and are expected to be used by the Corporation in the subsequent year.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Corporation made contributions as a tithe of \$6,908 and \$4,466 in 2013 and 2012 respectively to Habitat for Humanity International, a worldwide organization with whom the Corporation is affiliated.

NOTE 12 – SUBSEQUENT EVENTS

The Corporation has evaluated events and transactions for potential recognition or disclosure through October 31, 2013, which is the date the financial statements were available to be issued.