Habitat for Humanity of Greater Newburgh, Inc.

Report to the Board of Directors

June 30, 2023

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

March 19, 2024

Board of Directors
Habitat for Humanity of Greater Newburgh, Inc.
125 Washington Street
Newburgh, NY 12550

We are pleased to present this report related to our audit of the financial statements of Habitat for Humanity of Greater Newburgh, Inc. (the "Organization") as of and for the year ended June 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Organization's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Organization.

Sincerely,
RBT CPAs, LLP

Rebecca Reynolds, CPA, MBA

Rebecca J. Reynolds, CPA, MBA
Partner

Contents

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance)* require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated October 20, 2023. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication dated October 20, 2023 regarding the planned scope and timing of our audit and identified significant risks.
Accounting Policies and Practices	**Preferability of Accounting Policies and Practices** Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. **Adoption of, or Change in, Accounting Policies** Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Organization. The Organization adopted ASU 2016-02 Leases, as of July 1, 2022. **Significant or Unusual Transactions or Policies** We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. **Management's Judgments and Accounting Estimates** Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.
Basis of Accounting	The financial statements were prepared on the assumption that the Organization will continue as a going concern.
Audit Adjustments	A summary of audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the Organization are shown in the attached Summary of Recorded Audit Adjustments.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Area	Comments
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Letters Communicating Internal Control Deficiency and Suggestions to Management	We have separately communicated the internal control deficiency and management suggestions over financial reporting identified during our audit of the financial statements, and this communication is attached as Exhibit A.
Newly Issued FASB Standards	Newly issued FASB standards are attached as Exhibit B.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the Organization, including the representation letter provided to us by management, are attached as Exhibit C.

Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. Management may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Organization's June 30, 2023 financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Allowance for Doubtful Accounts Receivable	Management reviews accounts receivable to specifically identify amounts due that would be uncollectible.	Estimated amounts are decided upon by Habitat for Humanity of Greater Newburgh based on management's judgment regarding collectability. Management had determined that no allowance for doubtful accounts was necessary as of June 30, 2023.	Allowance estimate appears reasonable based on the history of collections of significant receivables after the balance sheet date.
Present Value	The Organization records contributions receivable net of a present value adjustment.	Calculated using the long-term applicable federal rate compounding annually as of June 30, 2023.	The present value estimate appears reasonable based on the consistent application of the long-term federal rate and RBT recalculation.
Restore Inventory	Management has estimated inventory values based on the sales from the six week period subsequent to fiscal year end.	Management has determined that on average, most inventory items are turned over within six weeks of receipt.	Inventory appears reasonable based on the Restore Sales that occurred within six weeks after June 30, 2023.
Discount on Mortgage Receivables	Management records a discount on mortgage receivables of 7% for all mortgages.	Management has determined that it is not appropriate to revalue the discount rate each year since the Organization no longer issues mortgages.	Discount appears reasonable after review of receivable balances and recalculation.

Summary of Recorded Audit Adjustments

Management corrected the following material misstatements that were identified as a result of our audit procedures

	Net Effect-Increase (Decrease)				
Description	Assets	Liabilities	Equity	Revenue	Expense
Income Statement Effect				$ 91,979	$ 15,972
Balance Sheet Effect	$ 92,296	$ 17,087	$ (798)		

The amounts above reflect the net increase/(decrease) to the indicated account classes as a result of 12 entries proposed during our audit procedures and 2 entries provided by the Organization after the audit began. These entries have been reviewed and accepted by Robin Sattin, Finance Manager.

Exhibit A - Letters Communicating Internal Control Deficiency and Suggestions to Management

RBT
LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

March 19, 2024

Board of Directors
Habitat for Humanity of Greater Newburgh, Inc.
125 Washington Street
Newburgh, NY 12550

In planning and performing our audit of the financial statements of Habitat for Humanity of Greater Newburgh, Inc. (the "Organization") as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Management suggestions are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the Organization's practices and procedures.

rbtcpas.com

11 Racquet Road
Newburgh, NY 12550

P.O. Box 757
2215 Rt. 9W
Lake Katrine, NY 12449

4071 Route 9, Stop 1
Hudson, NY 12534

2678 South Road
Suite 101
Poughkeepsie, NY 12601

P.O. Box 209
51 Sullivan Street
Wurtsboro, NY 12790

590 Madison Avenue
21st Floor
New York, NY, 10022

We consider the following matter to be a control deficiency that is less than significant:

Accounts Payable

During the audit, RBT noted that the Accounts Payable balance did not tie to the Accounts Payable detail report. Per discussion with management, this is due in part to the fact that entries can be back dated up to 12 months in the accounting system. Additionally, RBT noted that the credit card payable account did not tie to the expenses incurred before year-end on the credit card statement. RBT also noted there is no review of expense items posted into accounting system. RBT recommends that invoices posted to ComputerEase are reviewed by the Finance Manager or Executive Director to ensure that invoices are not incorrectly back dated. RBT also recommends that a reconciliation is performed between the credit card statements and the accounting system. A reconciliation between the Accounts Payable detail report and the trial balance should also be performed.

We consider the following to be management suggestions:

Documented Reviews

During the audit, RBT noted there has been turnover in finance staff. RBT recommends that controls are continued and all deposits, invoices, journal entries and payroll transactions are reviewed and documented as such to ensure appropriate coding and recording as well as to act as an additional fraud deterrent.

Revenue Classification

During the audit, RBT noted that revenue received for special events and fundraisers was recorded as donation revenue. RBT recommends that this revenue is recorded in a separate account for special event income, since the funds received do not represent donations and since the Form 990 requires these revenues to be reported separately.

Grant Awards and Documentation

During the audit, RBT noted that all grant documentation was either not maintained or was not readily available or accessible. RBT recommends that all grant awards, applications and deposits received are maintained as supporting documentation to prove that they are recorded in the correct period and that any restrictions are noted and followed.

Property, Plant and Equipment

During the audit, RBT noted that the property, plant and equipment listing is not reviewed by the Executive Director. RBT recommends that the listing is reviewed at least annually to ensure all additions and disposals are captured.

Cash Controls

During the audit, RBT noted that checks written from the Walden Savings account were handwritten and that checks over $5,000 did not have dual signatures. RBT did note that this was during the time when the position of Executive Director was vacant. RBT recommends that cash controls are followed for all accounts and that all checks are printed from the system.

Pledges

During the audit, RBT noted that pledge receivables had not been reconciled for year end. RBT recommends that pledges receivable are reviewed and reconciled promptly at year end for proper recording and for review of any allowances or write offs. The pledge schedule should be updated regularly and should include short-term and long term amounts and the year in which the pledges are expected to be collected, amounts collected, past due amounts and open balances.

*Disaster Recovery Plan

During the audit, RBT noted that there is no formal disaster recovery plan in the event of an emergency. RBT recommends that the Organization create a formal written policy for ongoing operations in the event of an emergency that outline critical IT functions and networks and outlines steps necessary to restart, reconfigure and recover critical systems and networks to minimize any negative effects on operations and downtime after a disaster.

Those comments denoted by an "*" are substantially unchanged from our 2022 letter and continue to be applicable.

This communication is intended solely for the information and use of management, the Board of Directors and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

RBT CPAs, LLP

Rebecca Reynolds, CPA, MBA

Rebecca J. Reynolds, CPA, MBA
Partner

Exhibit B - Newly Issued FASB Standards

Effective for December 31, 2023 Financials- Adoption Required

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-13, Financial Instruments Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, in June 2016. It is effective for fiscal years beginning after December 15, 2022 for nonpublic entities. Early application is permitted.

The ASU requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to the techniques will change to reflect the full amount of expected credit losses. Organizations will continue to use judgment to determine which loss estimation method is appropriate for their circumstances.

The ASU requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. Additionally, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

This ASU will primarily impact the way that the Organization calculates the allowance for doubtful accounts by requiring use of forward-looking information. Additional disclosures describing the methods used to calculate the allowance will also be required.

Exhibit C - Significant Written Communications Between Management and Our Firm

March 19, 2024

RBT CPAs, LLP
11 Racquet Road
P.O. Box 10009
Newburgh, NY 12552-0009

This representation letter is provided in connection with your audit of the financial statements of Habitat for Humanity of Greater Newburgh which comprise the statement of financial position as June 30, 2023 and 2022 and the related statements of activities, statements of functional expenses, and cash flows for the years then ended and the related notes to the financial statements for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

We confirm, to the best of our knowledge and belief, that as of March 19, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated October 20, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have informed you of all leases to which we are a party.
9. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

10. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
    b. Additional information that you have requested from us for the purpose of the audit.
    c. Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
    d. Minutes of the meetings of stockholders, directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.

11. All transactions have been recorded in the accounting records and are reflected in the financial statements.

12. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

13. We have disclosed to you any allegations of fraud or suspected fraud of which we are aware, affecting the Organization's financial statements involving:

    a. Management.

    b. Employees who have significant roles in the internal control.

    c. Others where the fraud could have a material effect on the financial statements.

14. We have disclosed to you any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, regulators, or others.

15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

16. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.

17. We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.

18. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize, and report financial data

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

21. With respect to supplementary information presented in relation to the financial statements as a whole:

    a. We acknowledge our responsibility for the presentation of such information.

    b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.

    c. The methods of measurement or presentation have not changed from those used in the prior period.

Habitat for Humanity of Greater Newburgh

Robin Sattin
Finance Manager

Jill Rothschild
Executive Director

125 Washington Street, Newburgh, NY 12550 tel (845) 568-6035 fax (845) 568-5632 info@habitatnewburgh.org habitatnewburgh.org

FINANCIAL REPORT

Audited

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

June 30, 2023

Audited for:
Board of Directors
Habitat for Humanity of Greater Newburgh, Inc.

Audited by:
RBT CPAs, LLP
2678 South Road
Poughkeepsie, NY 12601
(845) 485-5510

TABLE OF CONTENTS

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Habitat for Humanity of Greater Newburgh, Inc.
125 Washington Street
Newburgh, NY 12550

Opinion

We have audited the financial statements of Habitat for Humanity of Greater Newburgh, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022 and the changes in its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 for twelve months from the report date.

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 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 the Organization'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 the Organization'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.

RBT CPAs, LLP

Poughkeepsie, NY
March 19, 2024

STATEMENTS OF FINANCIAL POSITION

As of June 30	2023	2022
ASSETS		
Current Assets:		
Cash and Equivalents (Note 3)	$ 1,219,696	$ 1,856,082
Equity Investments (Note 4)	-	18,890
Accounts Receivable (Note 6)	170,240	100,944
Pledges Receivable - Current (Note 7)	252,677	86,446
Inventory	75,379	86,676
Current Portion of Mortgage Loans Receivable (Note 9)	114,031	127,335
Construction in Progress (Note 10)	2,107,707	1,306,652
Security Deposit	8,000	8,000
Prepaid Expenses	40,622	27,858
Total Current Assets	3,988,352	3,618,883
Property, Plant and Equipment:		
Buildings	1,487,067	1,474,717
Machinery and Equipment	26,739	26,739
Vehicles	151,417	72,402
	1,665,223	1,573,858
Less: Accumulated Depreciation	748,541	696,753
Total Net Property, Plant and Equipment	916,682	877,105
Other Assets:		
Mortgage Loans Receivable - Net of Current Portion (Note 9)	553,582	692,408
Pledges Receivable - Net of Current Portion (Note 7)	154,318	255,628
Escrow Deposits	1,350	-
Total Other Assets	709,250	948,036
Total Assets	$ 5,614,284	$ 5,444,024

See Notes to Financial Statements.

		2023		2022
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	**$**	**239,836**	$	43,121
Credit Card Payable		**16,921**		5,210
Sales Tax Payable		**4,565**		5,051
House Deposits		**10,800**		2,250
Deferred Revenue (Note 13)		**279,081**		141,554
Refundable Advances (Note 14)		**-**		224,873
Total Current Liabilities		**551,203**		422,059
Long-Term Liabilities:				
Long-Term Debt - Net of Current Portion (Note 12)		**57,875**		-
Net Assets:				
Without Donor Restrictions:				
Reserve for House Completion (Note 19)		**1,580,067**		1,101,585
Undesignated		**3,187,080**		3,663,752
With Donor Restrictions (Note 20)		**238,059**		256,628
Total Net Assets		**5,005,206**		5,021,965
Total Liabilities and Net Assets	**$**	**5,614,284**	$	5,444,024

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contributions	$ 462,326	$ 220,517	$ 682,843
Grants	358,873	150,000	508,873
Contributed Non-Financial Assets (Note 18)	690,462	-	690,462
ReStore Sales	643,903	-	643,903
Neighborhood Revitalization	-	32,741	32,741
Transfers to Homeowners (Net of Discounts)	184,987	-	184,987
Mortgage Loan Discount Amortization	117,094	-	117,094
Miscellaneous Income	68,023	-	68,023
Net Investment Results	11,367	-	11,367
	2,537,035	403,258	2,940,293
Net Assets Released From Restrictions	421,827	(421,827)	-
Total Revenues, Gains and Other Support	2,958,862	(18,569)	2,940,293
Expenses:			
Program	1,400,188	-	1,400,188
ReStore	1,088,985	-	1,088,985
Management and General	187,094	-	187,094
Fundraising	280,785	-	280,785
Total Expenses	2,957,052	-	2,957,052
Change in Net Assets	1,810	(18,569)	(16,759)
Net Assets - Beginning	4,765,337	256,628	5,021,965
Net Assets - Ending	$ 4,767,147	$ 238,059	$ 5,005,206

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contributions	$ 2,567,702	$ 256,787	$ 2,824,489
Grants	428,500	-	428,500
Contributed Non-Financial Assets (Note 18)	671,348	-	671,348
ReStore Sales	634,334	-	634,334
Neighborhood Revitalization	500	-	500
Transfers to Homeowners (Net of Discounts)	481,358	-	481,358
Mortgage Loan Discount Amortization	65,478	-	65,478
Miscellaneous Income	2,442	-	2,442
Paycheck Protection Program Loan Forgiveness (Note 15)	183,761	-	183,761
Employee Retention Credit Income	85,633	-	85,633
Net Investment Results	(573)	-	(573)
	5,120,483	256,787	5,377,270
Net Assets Released From Restrictions	180,580	(180,580)	-
Total Revenues, Gains and Other Support	5,301,063	76,207	5,377,270
Expenses:			
Program	1,384,436	-	1,384,436
ReStore	1,046,191	-	1,046,191
Management and General	216,068	-	216,068
Fundraising	253,152	-	253,152
Total Expenses	2,899,847	-	2,899,847
Change in Net Assets	2,401,216	76,207	2,477,423
Net Assets - Beginning	2,364,121	180,421	2,544,542
Net Assets - Ending	$ 4,765,337	$ 256,628	$ 5,021,965

See Notes to Financial Statements.

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023		Program	ReStore	Management and General	Fundraising	Total Expenses
Payroll	B	$ 589,211	$ 209,464	$ 83,047	$ 127,195	$ 1,008,917
Employee Benefits	B	118,858	44,868	17,025	26,074	206,825
Payroll Tax Expense	B	48,087	18,223	6,895	10,560	83,765
Compensation and Related Expenses		756,156	272,555	106,967	163,829	1,299,507
Building Materials and Supplies	D	329,259	643,802	-	-	973,061
Communications	C	10,000	-	725	396	11,121
Professional Fees	A	1,574	-	16,300	2,976	20,850
Advertising	A	750	448	-	-	1,198
Bank Charges	A	-	13,097	1,783	4,160	19,040
Family Services	A	5,175	-	-	-	5,175
Dues and Subscriptions	C	18,109	-	-	11,558	29,667
Travel	A	5,187	524	4,699	-	10,410
Home Warranty Repairs	A	471	-	-	-	471
Utilities	C	24,145	14,634	3,017	3,017	44,813
Insurance	C	21,373	15,631	-	-	37,004
Office Expense	D	50,608	11,424	6,579	6,073	74,684
Development	A	100	-	-	12,099	12,199
Volunteer Services	A	8,604	353	-	-	8,957
Rent	A	-	92,851	-	-	92,851
Americorps	A	12,380	-	-	-	12,380
Tithe to HFHI	A	36,423	-	-	-	36,423
Vehicle Expense	A	16,414	12,903	-	-	29,317
Repairs and Maintenance	C	59,664	4,549	1,451	245	65,909
Event Expense	A	-	-	-	76,432	76,432
Neighborhood Revitalization Initiative	A	43,796	-	-	-	43,796
Total Expenses Before Depreciation		1,400,188	1,082,771	141,521	280,785	2,905,265
Depreciation	D	-	6,214	45,573	-	51,787
Total Expenses		$ 1,400,188	$ 1,088,985	$ 187,094	$ 280,785	$ 2,957,052

Method of Allocation:

- **A** Direct Expense
- **B** Estimated Time and Effort
- **C** Historical Average Based Percentages
- **D** Combination of A&C

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022		Program	ReStore	Management and General	Fundraising	Total Expenses
Payroll	B	$ 434,954	$ 200,386	$ 93,385	$ 74,866	$ 803,591
Employee Benefits	B	95,391	40,150	20,669	15,324	171,534
Payroll Tax Expense	B	37,406	18,577	7,763	6,212	69,958
Compensation and Related Expenses		567,751	259,113	121,817	96,402	1,045,083
Building Materials and Supplies	D	410,702	634,351	275	-	1,045,328
Communications	C	5,490	-	510	193	6,193
Professional Fees	A	2,364	-	17,982	295	20,641
Advertising	A	1,858	1,725	-	-	3,583
Bank Charges	A	-	12,422	1,572	3,730	17,724
Family Services	A	8,909	-	-	-	8,909
Dues and Subscriptions	C	17,021	-	179	10,181	27,381
Travel	A	13,108	207	1,670	51	15,036
Utilities	C	18,658	15,241	2,332	2,332	38,563
Insurance	C	15,503	5,009	5,243	2,052	27,807
Office Expense	D	37,461	15,418	5,273	5,020	63,172
Development	A	1,000	-	-	87,138	88,138
Volunteer Services	A	6,558	685	-	-	7,243
Rent	A	-	88,154	-	-	88,154
Americorps	A	3,992	-	-	-	3,992
Tithe to HFHI	A	251,294	-	-	-	251,294
Vehicle Expense	A	9,348	8,312	-	-	17,660
Repairs and Maintenance	C	3,514	100	1,189	465	5,268
Event Expense	A	-	-	-	45,293	45,293
Neighborhood Revitalization Initiative	A	9,905	-	-	-	9,905
Interest Expense	A	-	68	19,442	-	19,510
Total Expenses Before Depreciation		1,384,436	1,040,805	177,484	253,152	2,855,877
Depreciation	D	-	5,386	38,584	-	43,970
Total Expenses		$ 1,384,436	$ 1,046,191	$ 216,068	$ 253,152	$ 2,899,847

Method of Allocation:

A Direct Expense
B Estimated Time and Effort
C Historical Average Based Percentages
D Combination of A&C

STATEMENTS OF CASH FLOWS

For the Years Ended June 30	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	$ (16,759)	$ 2,477,423
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by/(Used in) Operating Activities:		
Depreciation	51,787	43,970
Gain on Sale of Investment	(906)	-
Unrealized Loss	282	1,414
Mortgage Loan Discount Amortization	(117,094)	(65,478)
Paycheck Protection Program Loan Forgiveness	-	(183,761)
Non-Cash Income Earned on Other Assets	-	(374)
Change in Working Capital Components:		
(Increase)/Decrease in:		
Accounts Receivable	(48,196)	(5,160)
Grants Receivable	(21,100)	(2,900)
Pledges Receivable	(64,921)	(70,106)
Inventory	11,297	(4,168)
Prepaid Expenses	(12,764)	5,322
Non-Interest Bearing Mortgage Loans	269,224	159,807
Construction in Progress	(801,055)	(459,154)
Escrow Deposits	(1,350)	-
Increase/(Decrease) in:		
Accounts Payable	196,715	12,547
House Deposits	8,550	(750)
Credit Card Payable	11,711	1,263
Sales Tax Payable	(486)	651
Deferred Revenue	137,527	(81,101)
Refundable Advances	(224,873)	-
Total Adjustments	(605,652)	(647,978)
Net Cash Provided by/(Used in) Operating Activities	(622,411)	1,829,445
Cash Flows from Investing Activities		
Property, Plant and Equipment Additions	(91,364)	-
Proceeds from Sale of Investments	19,514	-
Net Cash Provided by/(Used in) Investing Activities	(71,850)	-
Cash Flows from Financing Activities		
Proceeds from Long Term Debt	57,875	-
Principal Payments on Long Term Debt	-	(444,920)
Net Cash Provided by/(Used in) Financing Activities	57,875	(444,920)
Net Increase/(Decrease) in Cash and Equivalents	(636,386)	1,384,525
Cash and Equivalents - Beginning	1,856,082	471,557
Cash and Equivalents - Ending	$ 1,219,696	$ 1,856,082
Cash Paid for Interest	$ -	$ 19,510

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Nature of Business:

Habitat for Humanity of Greater Newburgh, Inc. (the “Organization”) is a New York not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The Organization was incorporated on July 27, 1999. The Organization is an affiliate of Habitat for Humanity International, Inc. ("HFHI"), a nondenominational Christian non-profit 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 International assists with information resources, training, publications, payer support, and in other ways, the Organization is primarily and directly responsible for its own operations. This geographic area of the Organization encompasses Eastern Orange County. Presently, the Organization is rebuilding homes in the City of Newburgh.

2. Summary of Significant Accounting Policies:

Basis of Accounting

The Organization uses the accrual method of accounting which recognizes income when it is earned and expenses as they are incurred.

Pervasiveness of Estimates

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

Restricted Assets

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

Functional Allocation of Expenses

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management. The methods of these allocations are disclosed on the statement of functional expenses.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including receivables and payables arising in the ordinary course of business, approximate fair value due to the short maturity of these instruments.

The fair value of the Organization’s investment in marketable securities represents the estimated amount the Organization would receive if it were to sell the investments. See Note 5 for additional disclosures on the fair value of the investments.

Subsequent Events

Management has evaluated subsequent events from June 30, 2023 through March 19, 2024, the date on which the financial statements were available to be issued.

Cash and Cash Equivalents

The Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Equity securities are stated at fair value and unrealized holding gains and losses are included in the change in net assets.

Accounts Receivable

The Organization provides for bad debts using the reserve method; however, accounts receivable are already shown at their net realizable value after any necessary write-offs. The balance is stated at the amount management expects to collect. At June 30, 2023 and 2022, management determined that no allowance for doubtful accounts was necessary. Accounts receivable at July 1, 2022 and 2021 totaled $100,944 and $92,884, respectively.

2. Summary of Significant Accounting Policies (continued):

Inventory
The Organization's inventory consists of home goods that are donated to the Organization and resold at the ReStore (the Organization's thrift store). Inventory is stated at the lower of cost (specific identification) or net realizable value.

Property, Plant and Equipment
Property, plant, and equipment are stated at cost. In the case of donated assets, fixed assets are stated at fair market value at the date of receipt. Depreciation is computed principally by the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years. Additions, improvements and expenditures for repairs and maintenance that are over $5,000 and significantly extend the economic life of the asset are capitalized. Any immaterial amounts or amounts incurred as recurring expenditures are charged to expense.

Compensated Absences
Employees of the Organization are generally entitled to paid vacation depending on length of service and other factors. It is impractical to estimate the amount of compensation to accrue for future absences. Therefore, no accrual for unused vacation days is provided at the balance sheet dates. The Organization's policy is to recognize the costs of compensated absences when the employees are paid for such absences.

Deferred Revenue
Deferred revenue represents payments received in advance of services being provided or obligations being met. All amounts received in advance are deferred until services are rendered.

Advertising Expenses
Advertising expenses are charged against income as incurred and totaled $1,198 and $3,583 for the years ended June 30, 2023 and 2022, respectively.

Revenue Recognition
During the year ended June 30, 2023, the Organization derived approximately 71% of its revenue from non-exchange contracts and 29% from exchange contracts recognized at a point in time.

During the year ended June 30, 2022, the Organization derived approximately 79% of revenues from non-exchange contracts and 21% of revenue from exchange contracts recognized at a point in time.

Non-exchange revenue is recognized in the period set forth in the grant or contract. Donations are recognized when they are received and restricted if donor restrictions exist.

Customer Types
The customers for transactions for revenue recognized at a point in time consist of home buyers, ReStore customers and special events attendees.

Revenue from grants and contributions are received from federal, State and local sources, as well as private foundations and donors.

Performance Obligations
A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

The Organization’s performance obligations include providing move-in ready single-family homes and providing antique, new and gently used building materials, furniture, housewares, and kitchen appliances for purchase at their ReStore location in Newburgh, New York.

2. Summary of Significant Accounting Policies (continued):

Transaction Price

The transaction price of a contract is comprised of the following: (1) fixed cash consideration due from the customer; plus (2) estimated cash variable consideration due from the customer; plus (3) noncash consideration due from the customer; minus (4) estimated cash or noncash consideration payable to the customer; minus (5) contingent amounts, unless no revenue reversal is probable (i.e., constraint); plus or minus (6) any financing component. The Organization's contracts do not include any noncash or financing elements.

Home prices are determined at fair market value and adjusted for subsidies provided by Habitat for Humanity based on the home buyer's income.

ReStore items are sold at 50-90% off retail prices as inventory is 100% donated or salvaged. The ReStore's purpose is to provide low-cost materials and furnishings as part of the Organization's mission.

Disaggregation of Revenue

For the Years Ended June 30		**2023**		2022
Non-Exchange Contracts	**$**	**2,083,931**	$	4,261,578
Performance Obligations Satisfied at a Point in Time		**856,362**		1,115,692
Total	**$**	**2,940,293**	$	5,377,270

Income Taxes

The Organization files an annual Form 990 as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. As such, no federal or New York State taxes are paid by the Organization. The Organization has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi).

The Organization adopted the provisions of accounting principles generally accepted in the United States of America regarding accounting for uncertain tax positions. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that would require adjustment to the financial statements in order to comply with the provisions of this guidance. With few exceptions, the Organization is not subject to income tax examinations by the U.S. federal, state or local tax authorities for fiscal years prior to 2020.

Reclassification of Amounts

Certain amounts for the year ended June 30, 2022 have been reclassified to conform with the presentation of amounts for the year ended June 30, 2023. There is no effect on the 2022 results from operations.

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification ASC 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet for all leases, including operating leases. The Organization adopted the new standard effective July 1, 2022, and has elected not to apply ASC 842 requirements to immaterial leases. Since the Organization does not have any material operating leases as of June 30, 2023, the adoption of ASC 842 did not have a material impact on its financial reporting.

3. Cash and Cash Equivalents:

Cash and cash equivalents consisted of the following:

As of June 30		**2023**		2022
Cash and Equivalents	**$**	**1,204,536**	$	1,853,332
Escrow		**14,660**		2,250
Petty Cash		**500**		500
	$	**1,219,696**	$	1,856,082

4. Investment in Equity Securities:
The following is a summary of the Organization's investment in equity securities:

	Cost	Gross Unrealized Gain	Gross Unrealized (Loss)	Fair Market Value
As of June 30		2022		
Stocks	$ 10,991	$ 944	$ -	$ 11,935
Mutual Funds	7,617	-	(662)	6,955
	$ 18,608	$ 944	$ (662)	$ 18,890

5. Fair Value Measurements:
The estimated carrying and fair values of the Organization's financial instruments are as follows:

As of June 30	**2023**		2022	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Stocks	-	-	$ 10,991	$ 11,935
Mutual Funds	-	-	7,617	6,955
	$ -	**$ -**	$ 18,608	$ 18,890

The fair value of the securities is based on quoted market rates.

Accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the hierarchy are described below:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

To determine the appropriate levels, the Organization performed a detailed analysis of the assets and liabilities that are subject to fair value measurement in accordance with accounting principles generally accepted in the United States of America.

	June 30, 2022			
	Total	Level 1	Level 2	Level 3
Stocks	$ 11,935	$ 11,935	$ -	$ -
Mutual Funds	6,955	6,955	-	-
	$ 18,890	$ 18,890	$ -	$ -

Equity securities are valued at the closing price reported on the active market on which the individual security is traded.

6. Accounts Receivable:
Accounts receivable consisted of the following:

As of June 30	**2023**	2022
Accounts Receivable	**$ 111,240**	$ 63,044
Grants Receivable	**59,000**	37,900
	$ 170,240	$ 100,944

7. Pledges Receivable:
Pledges reveivable consisted of the following:

As of June 30		**2023**		2022
With Donor Restrictions	$	414,787	$	364,033
Less: Present Value Adjustment		7,792		21,959
Net Pledges Receivable		406,995		342,074
Less: Current Portion		252,677		86,446
Long-Term Portion	$	154,318	$	255,628

Amounts Due in:		
Less than one year	$	252,677
More than one year		154,318
	$	406,995

*Rates used were based on IRS long-term Applicable Federal Rate of 3.79% and 3.11% as of June 30, 2023 and 2022, respectively.

8. Mortgage Loan Administration:
The Organization's mortgage loans are currently managed by Walden Savings Bank, an experienced loan servicer providing the tasks of payment collection, processing and remittance, delinquency notices, escrow administration, 1098 reporting, and other back-office functions necessary in effectively administering a loan. The Organization records principal payments and escrow deficits when they are receivable or payable to Walden Savings Bank.

9. Mortgage Loans Receivable:
The various mortgage loans receivable consist of non-interest bearing mortgage loans to homeowners which are secured by real estate and payable in monthly installments over the lives of the respective mortgages. These non-interest bearing mortgages are recorded at their net realizable value and have been discounted based upon a 7% rate at the inception of each mortgage. Utilizing the effective interest method, this discount is recognized as interest income over the term of the mortgage. The homeowners' monthly mortgage payments go into a revolving fund for the Organization that is used to build more houses.

In addition, a second lien is placed against the home that is equal to the difference between the cost of construction and the appraised value and/or the difference between the sales price and the mortgage. Repayment of the second lien is only required in the event of a resale or refinance, and is forgiven by 10% a year. All proceeds from the second mortgage realization are recorded as income in the period collected

Certain funds provided by local government or institutional investors would be required to be repaid to the donating government or institution in the event the project for which the funds were provided is sold by the homeowner within a specified time period, between 5 and 30 years. These contingent obligations of the homeowners range from approximately $5,000 to $65,000 and are documented in the form of silent second, third trust deeds, mortgages and deed restrictions.

As of June 30		**2023**		2022
0.00% mortgage receivable, due in monthly payments of $170, through April 2024, collateralized by real estate	**$**	**5,512**	$	7,107
0.00% mortgage receivable, due in monthly payments of $212, through May 2024, collateralized by real estate		**7,031**		9,006
0.00% mortgage receivable, due in monthly payments of $250, through September 2025, collateralized by real estate		**9,502**		11,756
0.00% mortgage receivable, due in monthly payments of $295, through June 2026, collateralized by real estate		**-**		14,040
0.00% mortgage receivable, due in monthly payments of $262, through June 2024, collateralized by real estate		**5,173**		7,857
0.00% mortgage receivable, due in monthly payments of $411, through March 2026, collateralized by real estate		**24,647**		26,218

9. Mortgage Loan Receivable (continued):

0.00% mortgage receivable, due in monthly payments of $289, through June 2026, collateralized by real estate	**13,992**	16,586
0.00% mortgage receivable, due in monthly payments of $147, through March 2022, collateralized by real estate	**832**	1,803
0.00% mortgage receivable, due in monthly payments of $246, through November 2031, collateralized by real estate	**31,647**	32,354
0.00% mortgage receivable, due in monthly payments of $186, through January 2024, collateralized by real estate	**5,096**	7,042
0.00% mortgage receivable, due in monthly payments of $301, through April 2025, collateralized by real estate	**13,924**	16,467
0.00% mortgage receivable, due in monthly payments of $355, through August 2026, collateralized by real estate	**18,173**	21,049
0.00% mortgage receivable, due in monthly payments of $248, through November 2031, collateralized by real estate	**31,916**	32,630
0.00% mortgage receivable, due in monthly payments of $355, through May 2026, collateralized by real estate	**21,756**	24,181
0.00% mortgage receivable, due in monthly payments of $195, through March 2022, collateralized by real estate	**-**	4,699
0.00% mortgage receivable, due in monthly payments of $262, through June 2023, collateralized by real estate	**4,940**	7,640
0.00% mortgage receivable, due in monthly payments of $378, through March 2031, collateralized by real estate	**50,735**	51,681
0.00% mortgage receivable, due in monthly payments of $265, through September 2024, collateralized by real estate	**6,136**	8,780
0.00% mortgage receivable, due in monthly payments of $339, through August 2027, collateralized by real estate	**22,426**	24,826
0.00% mortgage receivable, due in monthly payments of $201, through October 2025, collateralized by real estate	**7,952**	9,743
0.00% mortgage receivable, due in monthly payments of $234, through October 2031, collateralized by real estate	**29,952**	30,692
0.00% mortgage receivable, due in monthly payments of $355, through December 2027, collateralized by real estate	**22,878**	25,440
0.00% mortgage receivable, due in monthly payments of $276, through March 2031, collateralized by real estate	**36,877**	37,585
0.00% mortgage receivable, due in monthly payments of $408, through February 2026, collateralized by real estate	**23,953**	26,807
0.00% mortgage receivable, due in monthly payments of $362, through April 2025, collateralized by real estate	**16,476**	19,799
0.00% mortgage receivable, due in monthly payments of $234, through April 2024, collateralized by real estate	**2,926**	5,638
0.00% mortgage receivable, due in monthly payments of $335, through January 2026, collateralized by real estate	**19,401**	21,959
0.00% mortgage receivable, due in monthly payments of $454, through February 2031, collateralized by real estate	**-**	61,953

9. Mortgage Loan Receivable (continued):

0.00% mortgage receivable, due in monthly payments of $200, through June 2031, collateralized by real estate	**28,570**	28,570
0.00% mortgage receivable, due in monthly payments of $268, through April 2025, collateralized by real estate	**12,175**	14,448
0.00% mortgage receivable, due in monthly payments of $262, through May 2023, collateralized by real estate	**4,707**	7,423
0.00% mortgage receivable, due in monthly payments of $315, through May 2027, collateralized by real estate	**20,486**	27,906
0.00% mortgage receivable, due in monthly payments of $290, through October 2031, collateralized by real estate	**36,988**	37,841
0.00% mortgage receivable, due in monthly payments of $151, through December 2031, collateralized by real estate	**19,902**	20,038
0.00% mortgage receivable, due in monthly payments of $192, through August 2022, collateralized by real estate	**-**	568
0.00% mortgage receivable, due in monthly payments of $311, through April 2031, collateralized by real estate	**42,176**	42,930
0.00% mortgage receivable, due in monthly payments of $193, through March 2024, collateralized by real estate	**5,610**	7,459
0.00% mortgage receivable, due in monthly payments of $369, through July 2032, collateralized by real estate	**51,414**	52,278
0.00% mortgage receivable, due in monthly payments of $179, through January 2027, collateralized by real estate	**11,732**	14,944
	667,613	819,743
Less: Current Receivable	**114,031**	127,335
Long-Term Portion	**$ 553,582**	$ 692,408

Aggregate maturities required on notes receivable at June 30, 2023 are due in future years as follows:

2024	$ 114,031
2025	107,110
2026	95,665
2027	86,944
2028	76,063
Thereafter	583,984
	1,063,797
Less: Unamortized Discount	396,184
Net Mortgage Receivable	$ 667,613

10. Construction In Progress

Construction in progress of all projects includes all direct costs for land, materials and professional services and the estimated or actual fair market value of donated items such as land, material and professional services. All direct recorded costs of individual projects are transferred to construction costs when the title transfers to the homeowner.

Construction in progress consisted of the following:

As of June 30	**2023**	2022
Construction in Progress	**$ 2,107,707**	$ 1,306,652

11. Line of Credit:
The Organization's line of credit consisted of the following:

As of June 30, 2023	Authorized	Outstanding
Line of Credit with M&T Bank payable with an interest rate of 8.25%	**$ 300,000**	**$ -**

As of June 30, 2022	Authorized	Outstanding
Line of Credit with M&T Bank payable with an interest rate of 3.25%	$ 300,000	$ -

12. Long-Term Debt:
The Organization's long-term debt, and collateral pledged thereon, consisted of the following:

As of June 30	**2023**	2022
0.00% note payable, due in monthly payments of $351, beginning January 2025 through December 2028.	**$ 16,875**	$ -
0.00% note payable, due in full April 2025.	**41,000**	-
Total	**57,875**	-
Less: Current Maturities	**-**	-
Long-Term Portion	**$ 57,875**	$ -

Aggregate maturities required on long-term debt at June 30, 2023 are due in future years as follows:

2024	$ -
2025	43,106
2026	4,212
2027	4,212
2028	4,212
Thereafter	2,133
	$ 57,875

13. Deferred Revenue:
The Organization receives in-kind contributions of building materials and contributed services meeting the IRS requirements for recognition. These goods and services are identified to a specific housing project, recorded as deferred revenue of $118,310 and $31,408 as of June 30, 2023 and 2022, respectively.

The Organization also received development assistance from the Newburgh Community Land Bank to assist with lead and asbestos abatement. These funds are identified to specific housing projects, recorded as Deferred Development Assistance and recognized at the time of the house sale. The deferred development assistance funds totaled $110,146 as of June 2023 and 2022.

The Organization also received assistance from the U.S. Department of Housing and Urban Development pursuant to the Self-Help Homeownership Opportunity Program for the purpose of constructing houses. These funds are identified to specific housing projects, recorded as deferred revenue of $50,625 as of June 30, 2023.

14. Refundable Advances:
The County of Orange, Office of Community Development, the U.S. Department of Housing and Urban Development Neighborhood Stabilization Program, and the Affordable Housing Corporation have provided funds to the Organization for the construction of various projects. These funds were recorded as refundable advances. These grants will only be repayable by the Organization in the event of non-compliance with any of the provisions of the agreement prior to transfer of the liability to the homeowner at closing. The nature of these grants is not fully realizable until the final recording after the closing and transfer of title to the homeowner. Refundable advances totaled $224,873 as of June 30, 2022. In June 2023, the Organization was notified all funds associated with the activities have been drawn down and disbursed and no sale proceeds are due to the County. The Organization recognized the full amount as unrestriced grant revenues for the year ended June 30, 2023.

15. Paycheck Protection Program Loan:
During March 2021, the Organization received a second PPP loan of $183,761. The Organization received full forgiveness of this loan in October of 2021. As such, the amount was recorded as income for the year ended June 30, 2022.

16. Operating Leases:
The Organization leases retail space under a one-year lease with Brian Jo Lynn Holding Corp. The lease term is from October 2021 to September 2022 at a base rate of $60,000 per year ($5,000 per month) plus an allocation of taxes and utilities. The lease was renewed for October 2022 to September 2023 at a base rate of $66,000 per year ($5,500 per month) plus an allocation of taxes and utilities. The Organization also leases office equipment with lease expirations through June 2027.

The total minimum commitment at June 30, 2023, under the leases mentioned above, is due as follows:

2024	$	20,884
2025		4,384
2026		2,467
2027		2,068
	$	29,803

For the space leases mentioned above, the total rent expense included in the statements of activities was $92,851 and $88,154 for the years ended June 30, 2023 and 2022, respectively. The total equipment lease expenses were $4,694 and $6,068 for the years ended June 30, 2023 and 2022, respectively.

17. Related Party Transactions:
The Organization remits a portion of its contributions without donor restrictions (excluding in-kind contributions) to the HFHI in the form of a tithe. For the years ended June 30, 2023 and 2022, the Organization tithed $36,423 and $251,294, respectively.

The Organization paid a U.S. Stewardship and Organizational Sustainability fee of $7,500 to HFHI during each of the years ended June 30, 2023 and 2022.

The Organization paid a Supporting Affiliate fee of $5,000 to Habitat for Humanity of NYS during each of the years ended June 30, 2023 and 2022.

The Organization paid architectural and engineering fees to the firm of one of its board members totaling $56,100 for the year ended June 30, 2023.

18. Contributed Non-Financial Assets:
Contributed nonfinancial assets, also known known as gifts in kind, are reported separate from contributions of cash and other financial assets on the Statement of Activities.

Contributed non-financial assets consisted of the following:

	Monetized/Utilized	Valuation Method		Amount
For the Year Ended June 30		**2023**		
Bank Safe Deposit Box	Utilized	Invoice	**$**	**226**
Furniture	Utilized	Invoice		**8,780**
Tools	Utilized	Invoice		**1,915**
Coffee Break Supplies	Utilized	Invoice		**3,079**
Water	Utilized	Invoice		**50**
Auction Items	Monetized	Invoice		**15,600**
Re-Store Donations - Resale Items	Monetized	FMV		**634,304**
Construction and Labor	Monetized	FMV		**26,508**
Total			**$**	**690,462**
For the Year Ended June 30		2022		
Construction in Progress	Utilized	Invoice	$	226
Coffee Break Supplies	Utilized	Invoice		43
Software	Utilized	Invoice		335
Hotspots	Utilized	Invoice		181
Employee Training	Utilized	Invoice		795
Re-Store Donations - Resale Items	Monetized	FMV		638,519
Construction and Labor	Monetized	FMV		31,249
Total			$	671,348

19. Reserve for House Completion - Board Designation:
The Organization reserves a portion of its net assets for the completion of projects that are currently in progress. As of June 30, 2023 and 2022, the value of this Board designation was $1,580,067 and $1,101,585, respectively.

20. Net Assets with Donor Restrictions:
Net assets with donor restrictions consisted of the following:

As of June 30		2023		2022
Time Restrictions:				
Pledges, Net of Current Portion	**$**	**154,318**	$	255,628
Dyson Foundation Grant		**75,000**		-
Purpose Restrictions:				
Homeowners Insurance Policy Claims		**1,000**		1,000
Neighborhood Revitalization		**7,741**		-
	$	**238,059**	$	256,628

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by the donors as follows:

For the Years Ended June 30:		2023		2022
Time Restrictions:				
Pledges, Net of Current Portion	**$**	**321,827**	$	102,374
Dyson Foundation Grant		**75,000**		75,000
Purpose Restrictions:				
Strategic Planning		**-**		2,925
Cleaning and Personal Protective Equipment		**-**		281
Neighborhood Revitalization		**25,000**		-
	$	**421,827**	$	180,580

21. Retirement Plan:
The Organization established a 401(k) retirement savings plan (tax deferred annuity) in December 2014 for its employees. The Organization makes its employees aware of the plan, withholds voluntary contributions from paychecks and remits the contributions to an independent trustee. Each participant may contribute his or her eligible compensation on a pretax basis to the plan up to a maximum allowed by the IRC. The Organization contributed $0 to the plan for the years ended June 30, 2023 and 2022.

22. Concentration of Credit Risk:
The Organization maintains its cash and equivalents in accounts whose balances may exceed federally insured limits. The Organization has not experienced any losses to date resulting from this policy.

23. Liquidity and Availability of Financial Resources:

The following reflects the Organization's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

As of June 30		**2023**		2022
Financial Assets at Year-End				
Cash and Cash Equivalents	**$**	**1,219,696**	$	1,856,082
Equity Securities		**-**		18,890
Accounts Receivable		**170,240**		100,944
Pledges Receivable		**406,995**		342,074
Mortgage Loans Receivable, Current Portion		**114,031**		127,335
Total Financial Assets at Year-End		**1,910,962**		2,445,325
Less: those unavailable for General Expenditures within one year, due to:				
Donor Restrictions		**238,059**		256,628
House Deposits		**10,800**		2,250
Total Unavailable for General Expenditures within one year		**248,859**		258,878
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	**$**	**1,662,103**	$	2,186,447

At June 30, 2023, the Organization had $1,662,103 of financial assets available for general expenditure, representing approximately seven months of general expenditures. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization maintains a line of credit in the amount of $300,000 (Note 11), that can be drawn upon with Board approval. Management has determined this level of liquidity to be sufficient.

24. Economic Dependency:
The Organization received approximately 37% of its operating revenue, $2,005,750, from a single private donor for the year ended June 30, 2022.

25. Subsequent Events:
Subsequent to June 30, 2023, a human rights complaint was filed against the Organization. As the complaint is in the early stages, no legal counsel has been retained and no assessment of liability is available at this time.