

FINANCIAL REPORT
Audited
Habitat for Humanity of Greater Newburgh, Inc.
June 30, 2025

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

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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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Habitat for Humanity of Greater Newburgh, Inc. as of June 30, 2025 and 2024, 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.

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 Habitat for Humanity of Greater Newburgh, Inc. 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 within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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

April 16, 2026

Habitat for Humanity of Greater Newburgh, Inc.

Statements of Financial Position

As of June 30, 2025 and 2024

	Note	2025	2024
Assets			
Current Assets			
Cash and cash equivalents	3	\$ 1,005,944	\$ 1,192,093
Grant receivables		124,472	71,900
Pledges receivable - current	4	120,945	224,192
Accounts receivable		55,488	42,218
Inventories		92,317	97,822
Prepaid expenses		21,319	79,193
Current portion of mortgage loans receivable	5	87,034	93,732
Security deposits		8,000	8,000
Construction in progress	6	2,026,160	2,055,815
Total current assets		3,541,679	3,864,965
Property, plant, and equipment			
Buildings and improvements		1,487,067	1,487,067
Machinery and equipment		26,739	26,739
Vehicles		155,939	147,838
Accumulated depreciation		(856,212)	(800,187)
Total property, plant, and equipment		813,533	861,457
Other Assets			
Mortgage loans receivable - net of current portion	5	440,101	515,393
Pledges receivable	4	96,652	189,222
Total other assets		536,753	704,615
Total assets		\$ 4,891,965	\$ 5,431,037
Liabilities and net assets			
Liabilities			
Current liabilities			
Accrued expenses	7	\$ 53,879	\$ 10,806
Trade accounts payable		108,820	307,224
Current portion of long - term debt	9	4,212	2,106
House deposits		11,000	15,250
Deferred revenue	10	377,690	194,374
Total current liabilities		555,601	529,760
Noncurrent liabilities			
Long-term debt, net of current portion	9	82,257	92,669
Total liabilities		637,858	622,429
Net assets			
Net assets without donor restrictions:			
Board designated	14	3,048,142	3,490,069
Undesignated		933,297	832,672
Net assets with donor restrictions	13	272,668	485,867
Net assets		4,254,107	4,808,608
Total liabilities and net assets		\$ 4,891,965	\$ 5,431,037

See accompanying notes to financial statements.

Habitat for Humanity of Greater Newburgh, Inc.

Statements of Activities

For the years ended June 30, 2025 and 2024

	Note	Without Donor Restriction	With Donor Restriction	2025
Support and revenues:				
Contribution revenue		\$ 691,999	\$ 80,500	\$ 772,499
Grants		152,075	80,000	232,075
Contributed non-financial assets	15	802,827	-	802,827
ReStore sales		663,155	-	663,155
Transfers to homeowners (net of discounts)		789,295	-	789,295
Mortgage loan discount		(10,726)	-	(10,726)
Miscellaneous income		22,893	-	22,893
Special event income		255,500	-	255,500
Net investment results		37,751	-	37,751
Rental income		13,301	-	13,301
Net assets released from restriction		373,699	(373,699)	-
Total support and revenues		3,791,769	(213,199)	3,578,570
Expenses:				
Program		2,038,100	-	2,038,100
ReStore		1,180,615	-	1,180,615
Management and general		413,491	-	413,491
Fundraising		500,865	-	500,865
Total expenses		4,133,071	-	4,133,071
Changes in net assets		(341,302)	(213,199)	(554,501)
Net assets at beginning of year		4,322,741	485,867	4,808,608
Net assets at end of year		\$ 3,981,439	\$ 272,668	\$ 4,254,107

See accompanying notes to financial statements.

Habitat for Humanity of Greater Newburgh, Inc.

Statements of Activities

For the years ended June 30, 2025 and 2024

	Note	Without Donor Restriction	With Donor Restriction	2024
Support and revenues:				
Contribution revenue		\$ 236,467	\$ 52,725	\$ 289,192
Grants		119,643	385,000	504,643
Contributed non-financial assets	15	850,804	-	850,804
ReStore sales		717,170	-	717,170
Neighborhood revitalization		-	31,010	31,010
Transfers to homeowners (net of discounts)		921,555	-	921,555
Mortgage loan discount		84,742	-	84,742
Miscellaneous income		72,799	-	72,799
Special event income		247,405	-	247,405
Net investment results		42,502	-	42,502
Rental income		6,509	-	6,509
Net assets released from restriction		473,604	(473,604)	-
Total support and revenues		3,773,200	(4,869)	3,768,331
Expenses:				
Program		2,235,451	-	2,235,451
ReStore		1,204,596	-	1,204,596
Management and general		299,320	-	299,320
Fundraising		304,572	-	304,572
Total expenses		4,043,939	-	4,043,939
Changes in net assets		(270,739)	(4,869)	(275,608)
Net assets at beginning of year		4,593,480	490,736	5,084,216
Net assets at end of year		\$ 4,322,741	\$ 485,867	\$ 4,808,608

See accompanying notes to financial statements.

Habitat for Humanity of Greater Newburgh, Inc.

Statements of Functional Expenses

For the years ended June 30, 2025 and 2024

	Program	ReStore	Management and General	Fundraising	2025
Salaries and wages	\$ 477,164	\$ 245,414	\$ 178,458	\$ 173,533	\$ 1,074,569
Payroll taxes and benefits	144,949	74,549	54,210	52,714	326,422
Building materials and supplies	945,718	659,741	-	-	1,605,459
Communications	12,055	3,982	3,522	1,814	21,373
Professional fees	21,484	4,108	133,426	21,541	180,559
Advertising	1,237	454	-	-	1,691
Bank charges	170	15,708	5,689	6,377	27,944
Family services	7,815	-	-	-	7,815
Dues and subscriptions	6,702	899	546	2,355	10,502
Travel	1,060	864	9,732	10	11,666
Home warranty expense	2,033	-	-	-	2,033
Utilities	37,222	23,183	1,093	-	61,498
Insurance	26,540	17,406	5,510	1,374	50,830
Office expense	35,170	15,021	6,673	17,791	74,655
Development	4,799	60	2,858	8,419	16,136
Volunteer services	5,742	-	737	74	6,553
Rent	-	94,902	-	-	94,902
Americorps	16,950	-	-	-	16,950
Tithe to HFHI	88,079	-	-	-	88,079
Vehicle expense	21,481	10,414	65	-	31,960
Repairs and maintenance	34,519	4,867	62	-	39,448
Event expense	-	-	-	204,504	204,504
Neighborhood revitalization	115,555	-	-	-	115,555
Depreciation	31,656	9,043	10,467	4,859	56,025
Bad debt expense	-	-	-	5,500	5,500
Interest expense	-	-	443	-	443
Total expenses	\$ 2,038,100	\$ 1,180,615	\$ 413,491	\$ 500,865	\$ 4,133,071

See accompanying notes to financial statements.

Habitat for Humanity of Greater Newburgh, Inc.

Statements of Functional Expenses

For the years ended June 30, 2025 and 2024

	Program	ReStore	Management and General	Fundraising	2024
Salaries and wages	\$ 727,433	\$ 219,369	\$ 113,850	\$ 125,857	\$ 1,186,509
Payroll taxes and benefits	205,483	68,262	32,459	28,271	334,475
Building materials and supplies	1,046,779	715,150	-	-	1,761,929
Communications	8,045	384	-	1,871	10,300
Professional fees	6,971	-	29,018	4,784	40,773
Advertising	-	153	-	1,220	1,373
Bank charges	-	16,202	3,448	8,046	27,696
Family services	14,717	-	-	-	14,717
Dues and subscriptions	18,987	4,747	-	16,086	39,820
Travel	6,607	1,996	11,917	-	20,520
Home warranty expense	2,866	-	-	-	2,866
Utilities	25,109	17,304	2,094	2,094	46,601
Insurance	26,198	17,971	-	-	44,169
Office expense	51,234	18,587	7,685	5,123	82,629
Development	-	-	-	15,243	15,243
Volunteer services	4,662	4,134	-	-	8,796
Rent	-	94,392	-	-	94,392
Americorps	15,820	-	-	-	15,820
Tithe to HFHI	50,700	-	-	-	50,700
Vehicle expense	20,800	17,458	-	-	38,258
Repairs and maintenance	-	1,886	50,225	-	52,111
Event expense	-	-	-	95,977	95,977
Neighborhood revitalization	3,040	-	-	-	3,040
Depreciation	-	6,601	48,624	-	55,225
Total expenses	\$ 2,235,451	\$ 1,204,596	\$ 299,320	\$ 304,572	\$ 4,043,939

See accompanying notes to financial statements.

Habitat for Humanity of Greater Newburgh, Inc.

Statements of Cash Flows

For the years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (554,501)	\$ (275,608)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	56,025	55,225
Loss on sale of investment	-	41
Mortgage loan discount amortization	10,726	(84,742)
Present value adjustment	(9,040)	6,636
(Increase) decrease in operating assets:		
Grant receivables	(52,572)	66,110
Pledges receivable	204,857	(13,055)
Accounts receivable	(13,270)	69,022
Inventory	5,505	(22,443)
Prepaid expenses	57,874	(38,571)
Non-interest bearing mortgage loans	71,264	143,230
Construction in progress	29,655	51,892
Escrow deposits	-	1,350
Increase (decrease) in operating liabilities:		
Accrued expenses	43,073	(10,680)
Trade accounts payable	(198,404)	67,388
House deposits	(4,250)	4,450
Deferred revenue	183,316	(84,707)
Total adjustments to reconcile change in net assets to net cash provided by operating activities	384,759	211,146
Net cash used in operating activities	(169,742)	(64,462)
Cash flows from investing activities		
Purchases of investments	-	(1,203)
Purchases of property, plant, and equipment	(8,101)	-
Proceeds from sale of investments	-	1,162
Net cash used in investing activities	(8,101)	(41)
Cash flows from financing activities		
Draw on line of credit	50,000	-
Payments on line of credit	(50,000)	-
Proceeds from long term debt	32,800	77,900
Principal payments on long term debt	(41,106)	(41,000)
Net cash provided by (used in) financing activities	(8,306)	36,900
Net decrease in cash and cash equivalents	(186,149)	(27,603)
Cash and cash equivalents at beginning of year	1,192,093	1,219,696
Cash and cash equivalents at end of year	\$ 1,005,944	\$ 1,192,093

Supplemental cash flow information

Interest paid	\$ 443	\$ -
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See accompanying notes to financial statements.

Habitat for Humanity of Greater Newburgh, Inc.

Notes to the Financial Statements

For the years ended June 30, 2025 and 2024

1. Nature of Organization

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. The geographic service area of the organization is the greater Newburgh, NY area where the organization is constructing new homes for first time homeownership.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

b. Use 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 period. Actual results could differ from those estimates.

c. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

The Organization maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 for each institution. The Organization's cash balances at times exceeded federally insured limits. The Organization has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents. At June 30, 2025, the Organization's cash accounts exceeded federally insured limits by approximately \$650,000.

d. Grants Receivable

Grants receivable include revenues that have been recognized, but not yet received and are carried at the fair value the Organization expects to receive, net of any allowance for uncollectible amounts. An allowance for uncollectible grants receivable is estimated by the Organization based on factors such as the collectability of receivables with similar risk characteristics on a pooled basis. The Organization writes off uncollectible receivables against the allowance when the likelihood of collection is remote.

Habitat for Humanity of Greater Newburgh, Inc.
Notes to the Financial Statements
For the years ended June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (continued):

e. Contributions Receivable

Unconditional written promises to give (contributions) are recognized as an asset and contribution revenue in the period received. Promises to give are recorded at net realizable value and are discounted at an appropriate rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible promises to give is estimated by the Organization based on factors such as the collectability of receivables with similar risk characteristics on a pooled basis. Conditional promises to give are recognized when the conditions on which they depend, which consist of both a barrier and a right of return or release, are met.

f. Receivables and Credit Losses

The Organization offsets gross trade accounts receivable with an allowance for credit losses. The allowance for credit losses is the Organization's best estimate of the amount of probable credit losses in the Organization's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Grants receivable are shown at their net realizable value after any necessary write-offs. Pledges receivable are shown at their net realizable value adjusted for present value. Accounts receivable is stated at the amount management expects to collect. At June 30, 2025 and 2024, management determined that no allowance for credit losses was deemed necessary.

g. Mortgage Receivables

Mortgage receivables are recorded as of the date of title transfer and are non-interest bearing. As a result, mortgage receivables are recorded at the gross amount less a discount based on the prevailing market rates at the inception of the mortgages. Amortization of the loan discounts is recognized over the life of the mortgage. Mortgage receivables are secured by the related property.

The Organization follows policies and procedures that are consistent with those of Habitat International to work with partner families who are past due on their payment obligations. Since the fair market value of the secured property exceeds the value of receivables and Habitat would recover the property upon default of the mortgage, management has determined that no allowance for credit losses was necessary as of June 30, 2025 and 2024.

Habitat for Humanity of Greater Newburgh, Inc.

Notes to the Financial Statements

For the years ended June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (continued):

h. Inventories

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

i. Property, Plant, and Equipment

Property, plant, and equipment is recorded at cost. Expenditures for additions, improvements, and other enhancements to property, plant, and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property, plant, and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in results of operations.

In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. Property, plant, and equipment is depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of an asset. The estimated useful lives for each major depreciable classification of property, plant, and equipment are as follows: buildings and improvements: 5 - 39 years, machinery, equipment and vehicles: 3 - 5 years. The Organization's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of the Organization's assets. 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.

j. Net Assets

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

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors (the Board). Net assets without donor restrictions include net assets designated by the Board for specific purposes.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. All net assets restricted by donors as to either timing or purpose of the related expenditures are accounted for in net assets with donor restrictions. 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.

Habitat for Humanity of Greater Newburgh, Inc.
Notes to the Financial Statements
For the years ended June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (continued):

k. Revenue Recognition

During the year ended June 30, 2025, the Organization derived approximately 57% of its revenue from non-exchange contracts and 43% from exchange contracts recognized at a point in time.

During the year ended June 30, 2024, the Organization derived approximately 55% of its revenue from non-exchange contracts and 45% 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.

The Organization recognizes revenue when goods or services promised are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services by following a five-step process: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as the Organization satisfies a performance obligation, as further described below. Revenue subject to variability is constrained to an amount which will not result in a significant reversal in future periods when the contingency that creates variability is resolved.

Revenue Recognition Process

Identify the Contract with a Customer

Revenues from non-exchange contracts are received from federal, State, and local sources, as well as private foundations and donors. Revenues from exchange contracts recognized at a point in time are received from home buyers, ReStore customers, and special event attendees.

Identify the Performance Obligations in the Contract

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 materials, furniture, housewares, and kitchen appliances for purchase at their ReStore location in Newburgh, New York, and holding special events.

Habitat for Humanity of Greater Newburgh, Inc.

Notes to the Financial Statements

For the years ended June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (continued):

k. Revenue Recognition (continued):

Determine the 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.

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.

Recognize Revenue when or as the Organization Satisfies a Performance Obligation

Revenue from the sale of homes, sale of ReStore inventory, and from special event attendance are recognized at a point in time, which is typically at the time of sale or event attendance.

l. Contributions and Grants

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a 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.

Grants - Grants are deemed to be nonexchange (nonreciprocal) transactions and fall under the contribution accounting guidance. Under this guidance, revenue related to conditional grants and contracts is recorded when the conditions are met. Certain grants are on a cost reimbursement basis and require the Organization to incur eligible expenses prior to the release of funds. The Organization reports these grants as changes in net assets without donor restrictions. Unexpended amounts received but not yet earned are reported as deferred revenue.

Contributed Nonfinancial Assets - Contributed nonfinancial assets are recorded at fair value at the date of donation. Contributions of services are reported as revenue only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. See Note 15 for additional disclosure.

Habitat for Humanity of Greater Newburgh, Inc.

Notes to the Financial Statements

For the years ended June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (continued):

m. Functional Allocation of Expenses

The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statement of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of program services and supporting activities. The methods of these allocations are based on estimated time and effort, historical average based percentages, and a combination thereof.

n. Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$1,691 and \$1,373 in 2025 and 2024, respectively.

o. Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status, identify and report unrelated business income, and determine its filing and tax obligations in jurisdictions for which it has nexus. As of June 30, 2025 and 2024, the Organization believes that it has not generated any unrelated business taxable income.

Generally, the Organization is no longer subject to U.S. federal, state, and local or non-U.S. income tax examinations by tax authorities for years before 2022.

p. Leases

The Organization follows the requirements of ASC 842, Leases. The Organization has elected not to capitalize immaterial leases.

q. Subsequent Events

The Organization's management evaluated events that occurred after June 30, 2025 through April 16, 2026, the date when the financial statements were available to be issued.

Habitat for Humanity of Greater Newburgh, Inc.
Notes to the Financial Statements
For the years ended June 30, 2025 and 2024

3. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30:

	2025	2024
Cash	\$ 83,768	\$ 444,457
Escrow	12,500	15,250
Petty cash	477	692
Board designated cash	909,199	731,694
Total cash and cash equivalents	\$ 1,005,944	\$ 1,192,093

4. Pledges Receivable

Pledges receivable consisted of the following:

As of June 30	2025	2024
With Donor Restrictions - Time Restricted	\$ 222,985	\$ 427,842
Less: present value adjustment*	5,388	14,428
Net pledges receivable	217,597	413,414
Less: current portion	120,945	224,192
Long term portion	\$ 96,652	\$ 189,222

Net pledges receivable as of June 30, 2025 are due in the future years as follows:

Amounts due in:	
Less than one year	\$ 120,945
One to five years	96,652
	\$ 217,597

*Rates used were based on IRS long-term Applicable Federal rate of 4.77% as of June 30, 2025.

Habitat for Humanity of Greater Newburgh, Inc.
Notes to the Financial Statements
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5. Mortgage Loans Receivable

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.

The various mortgage loans receivable consist of non-interest bearing mortgage loans to homeowners that 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. The homeowner's 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.

Mortgage loans receivables as of June 30 are as follows:

	2025	2024
0.00% mortgage receivable, due in monthly payments of \$170, through April 2026, collateralized by real estate	\$ 1,772	\$ 3,814
0.00% mortgage receivable, due in monthly payments of \$212, through June 2026, collateralized by real estate	2,623	5,165
0.00% mortgage receivable, due in monthly payments of \$250, through July 2026, collateralized by real estate	3,712	6,281
0.00% mortgage receivable, due in monthly payments of \$289, through April 2028, collateralized by real estate	9,463	13,227
0.00% mortgage receivable, due in monthly payments of \$147, through July 2028, collateralized by real estate	6,513	8,634
0.00% mortgage receivable, due in monthly payments of \$246, through June 2043, collateralized by real estate	53,182	56,148
0.00% mortgage receivable, due in monthly payments of \$186, through January 2026, collateralized by real estate	1,269	3,509
0.00% mortgage receivable, due in monthly payments of \$301, through December 2027, collateralized by real estate	9,019	12,634

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

5. Mortgage Loans Receivable (continued):

0.00% mortgage receivable, due in monthly payments of \$355, through June 2028, collateralized by real estate	12,822	17,081
0.00% mortgage receivable, due in monthly payments of \$248, through May 2043, collateralized by real estate	52,939	56,273
0.00% mortgage receivable, due in monthly payments of \$355, through August 2029, collateralized by real estate	17,248	21,989
0.00% mortgage receivable, due in monthly payments of \$262, through January 2025, collateralized by real estate	-	1,950
0.00% mortgage receivable, due in monthly payments of \$378, through April 2045, collateralized by real estate	89,979	94,539
0.00% mortgage receivable, due in monthly payments of \$265, through September 2024, collateralized by real estate	-	669
0.00% mortgage receivable, due in monthly payments of \$339, through July 2030, collateralized by real estate	20,652	24,714
0.00% mortgage receivable, due in monthly payments of \$201, through February 2027, collateralized by real estate	4,125	6,542
0.00% mortgage receivable, due in monthly payments of \$234, through March 2043, collateralized by real estate	49,584	52,637
0.00% mortgage receivable, due in monthly payments of \$276, through January 2045, collateralized by real estate	64,950	68,267
0.00% mortgage receivable, due in monthly payments of \$408, through May 2037, collateralized by real estate	9,342	14,390
0.00% mortgage receivable, due in monthly payments of \$335, through April 2039, collateralized by real estate	15,433	19,525
0.00% mortgage receivable, due in monthly payments of \$200, through April 2044, collateralized by real estate	99,092	99,092
0.00% mortgage receivable, due in monthly payments of \$268, through September 2027, collateralized by real estate	7,023	10,323
0.00% mortgage receivable, due in monthly payments of \$262, through January 2025, collateralized by real estate	-	1,806
0.00% mortgage receivable, due in monthly payments of \$315, through March 2030, collateralized by real estate	18,381	21,866
0.00% mortgage receivable, due in monthly payments of \$290, through January 2043, collateralized by real estate	60,897	64,661
0.00% mortgage receivable, due in monthly payments of \$151, through November 2044, collateralized by real estate	54,803	36,941

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

5. Mortgage Loans Receivable (continued):

	2025	2024
0.00% mortgage receivable, due in monthly payments of \$311, through October 2045, collateralized by real estate	75,492	79,795
0.00% mortgage receivable, due in monthly payments of \$193, through December 2025, collateralized by real estate	-	3,452
0.00% mortgage receivable, due in monthly payments of \$369, through January 2047, collateralized by real estate	96,316	100,006
0.00% mortgage receivable, due in monthly payments of \$179, through April 2031, collateralized by real estate	12,672	14,637
Total mortgage receivable	849,303	920,567
Less: current receivable	87,034	93,732
Present value adjustment	322,168	311,442
Loans and notes receivable, net	\$ 440,101	\$ 515,393

Aggregate maturities required on notes receivable at June 30, 2025 are due in future years as follows:

2026	\$ 87,034
2027	77,706
2028	66,243
2029	53,869
2030	45,845
Thereafter	518,606
	\$ 849,303

6. Construction In Progress

Construction in progress consists of homes under construction for resale and 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 recorded as construction costs when the title transfers to the homeowner.

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

7. Accrued Expenses

Accrued expenses consisted of the following at June 30:

	2025	2024
Credit card payable	\$ 8,195	\$ 4,999
Sales tax payable	4,862	5,807
Wages payable	40,822	-
Total	\$ 53,879	\$ 10,806

8. Revenue from Contracts with Customers

The Organization disaggregates revenue from reciprocal contracts by types of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. The following tables disaggregate revenue from contracts with customers for the years ended June 30:

	2025	2024
Non-exchange contracts	\$ 1,987,617	\$ 2,040,388
Performance obligations satisfied at a point in time	1,539,901	1,678,891
Income not subject to ASC 606	51,052	49,052
Total support and revenues	\$ 3,578,570	\$ 3,768,331

Contract assets consisted of the following:

Beginning Balances as of July 1	2024	2023
Gross trade receivables	\$ 8,526	\$ 3,291
Mortgage receivables, net of discounts	609,125	667,613
Total support and revenues	\$ 617,651	\$ 670,904

Habitat for Humanity of Greater Newburgh, Inc.
Notes to the Financial Statements
For the years ended June 30, 2025 and 2024

9. Debt

The Organization's long-term debt, and collateral pledged thereon, consisted of the following at June 30:

	2025	2024
0.00% note payable, due in monthly payments of \$351, beginning January 2025 through December 2028.	\$ 14,769	\$ 16,875
0.00% note payable, due in full April 2042, collateralized by designated real properties.	71,700	77,900
Total long-term debt	86,469	94,775
Less: current maturities	4,212	2,106
Net long-term debt	\$ 82,257	\$ 92,669

The aggregate amounts of principal maturities and sinking fund requirements of long-term debt outstanding at June 30, 2025 are as follows:

Year	Future Payments
2026	\$ 4,212
2027	4,212
2028	4,212
2029	2,133
Thereafter	71,700
Total long-term debt	\$ 86,469

Line of Credit

The Organization has a \$300,000 revolving line of credit with M&T Bank for its working capital needs. The line is collateralized by the Organization's assets. Interest under this line of credit was 7.50% and 8.50% at June 30, 2025 and 2024, respectively. There were no outstanding borrowings under this line of credit at June 30, 2025 and 2024, respectively.

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10. Deferred Revenue

The Organization receives in-kind contributions of building materials and contributed services meeting the requirements for recognition. These goods and services are identified to a specific housing project, recorded as deferred revenue of \$186,445 and \$73,960 as of June 30, 2025 and 2024, 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 \$160,870 and \$76,614 as of June 30, 2025 and 2024, respectively.

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 \$30,375 and \$40,500 as of June 30, 2025 and 2024, respectively.

The Organization also received revenue related to the gala held after the year ended June 30, 2024. These funds were recorded as deferred revenue of \$3,300 as of June 30, 2024.

11. Non-Capitalized Operating Leases

The Organization leases retail space under a one-year lease. The original lease term was from 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 lease was formally renewed in October 2024, but the Organization continued to pay this rate from October 2023 to September 2024. The new lease term is from October 2024 through September 30, 2025 at a base rate of \$66,000 (\$5,500 per month) plus an allocation of taxes and utilities. The Organization also leases office equipment with lease expirations through December 2029.

The total minimum commitment at June 30, 2025, under the leases mentioned above, is due as follows:

Year	
2026	\$ 21,379
2027	4,879
2028	840
2029	840
2030	420
	\$ 28,358

For the space leases mentioned above, the total rent expense included in the statement of activities was \$94,902 and \$94,392 for the years ended June 30, 2025 and 2024, respectively. The total equipment lease expenses were \$7,853 and \$5,316 for the years ended June 30, 2025 and 2024, respectively.

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

12. Related Party Transactions

The Organization remits a portion of its contributions without donor restrictions to the HFHI in the form of a tithe. For the years ended June 30, 2025 and 2024, the Organization tithed \$68,316 and \$50,700, respectively.

The Organization paid Habitat 2.0 fees of \$19,763 to HFHI during the fiscal year ended June 30, 2025.

The Organization paid a U.S. Stewardship and Organizational Sustainability fee of \$0 and \$7,500 to HFHI during the years ended June 30, 2025 and 2024, respectively.

The Organization paid a Supporting Affiliate fee of \$7,000 and \$5,000 to Habitat for Humanity of NYS during the years ended June 30, 2025 and 2024, respectively.

The Organization paid architectural and engineering fees to the firm of one of its board members totaling \$9,988 and \$5,603 for the years ended June 30, 2025 and 2024, respectively.

An employee rented an apartment from the Organization and paid \$9,900 in rent to the Organization during the fiscal year ended June 30, 2025.

13. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

As of June 30	2025	2024
Time Restrictions:		
Pledges	\$ 217,597	\$ 413,414
Purpose restrictions:		
Youth Program funds	3,329	35,000
Neighborhood Revitalization funds	-	35,711
Equipment rental and supply funds	1,742	1,742
Executive Director search	10,000	-
House sponsors	25,000	-
Bank of America build day	10,000	-
Safelite build day	5,000	-
Total net assets with donor restrictions	\$ 272,668	\$ 485,867

Habitat for Humanity of Greater Newburgh, Inc.

Notes to the Financial Statements

For the years ended June 30, 2025 and 2024

13. Net Assets With Donor Restrictions (continued):

The sources of net assets released from restrictions are as follows for the years ended June 30:

For the years ended June 30	2025	2024
Time Restrictions:		
Pledges	\$ 236,318	\$ 339,641
Purpose restrictions:		
Homeownership insurance deductibles	-	1,000
Advancing Black Homeownership Funding Interest	-	100,000
Neighborhood Revitalization funds	35,711	3,040
Equipment rental and supply funds	-	4,923
Building Blocks Project phase II and III	-	25,000
State Farm grant youth program	31,670	-
Building Blocks phase IV Webster Bank	10,000	-
Dyson repair and maintenance grant funds	25,000	-
Dyson mini-grant organization assessment project	15,000	-
Executive Director search	5,000	-
Dyson transition planning	15,000	-
Total net assets released from restrictions	\$ 373,699	\$ 473,604

14. Board Designated Net Assets

The Organization reserves a portion of its net assets for the completion of projects that are currently in progress. As of June 30, 2025 and 2024, the value of this Board designation was as follows:

As of June 30	2025	2024
Reserve for House Completion	\$ 2,010,453	\$ 2,758,375
Operating reserve held in cash	1,037,689	731,694
Total Board Designated Reserves	\$ 3,048,142	\$ 3,490,069

The operating reserve held in cash consists of a money market account with a balance of \$909,199 as well as \$128,490 that was transferred to operating funds and is due to be repaid with interest back to the board reserve as of June 30, 2025.

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Notes to the Financial Statements
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15. Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized in the statement of activities for the years ended June 30 are as follows:

	2025	2024
Tools and supplies	\$ 3,608	\$ 8,783
Coffee break supplies	2,476	3,064
Photography services	-	2,000
Auction items	91,961	25,780
ReStore donations for resale	654,236	741,879
Construction and labor	38,133	69,298
Donated services	9,818	-
Fashion show donations	2,595	-
Total contributed nonfinancial assets	\$ 802,827	\$ 850,804

The contributed nonfinancial assets the Organization recognized in the statement of activities did not have donor-imposed restrictions. It is the Organization's policy to reflect donated materials, professional services, equipment, and investments as contributions when received at their retail value or estimated fair market value. The coffee break supplies, donated services, and salary reimbursement were utilized and valued based off of invoices. The fashion show donations, tools and supplies, and construction and labor were utilized and were valued using the fair market value of readily available market prices for similar items and services. The auction items, golf auction, and Re-store donations - resale items were monetized and were valued using the fair market value of readily available market prices for similar items and services.

16. 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 for the plan for the years ended June 30, 2025 and 2024.

17. Concentration of Credit Risk

The Organization maintains its cash in accounts whose balances may exceed federally insured limited. The Organization has not experienced any losses to date resulting from this policy.

Habitat for Humanity of Greater Newburgh, Inc.
Notes to the Financial Statements
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18. Liquidity and Availability of Resources

The Organization's financial assets available for general use at June 30, consist of the following:

	2025	2024
Financial assets available:		
Cash and cash equivalents	\$ 1,005,944	\$ 1,192,093
Grant receivables	124,472	71,900
Pledges receivable, current portion	120,945	224,192
Accounts receivables	55,488	42,218
Mortgage loans receivable, current portion	87,034	93,732
Total financial assets available	1,393,883	1,624,135
Less:		
Donor restrictions - purpose	55,071	72,453
Board designated reserves	1,037,689	731,694
House deposits	11,000	15,250
Financial assets available to meet cash needs for general expenditures within one year	\$ 290,123	\$ 804,738

An additional \$2,010,453 is Board designated for house completion. This amount is not included in the note above as expenses related to house completion are a part of general operations, ongoing, and do not require Board approval for payment. The Organization's working capital and cash flows fluctuate during the year due to the timing of cash receipts and major contributions. At June 30, 2025, the Organization had available financial assets of \$290,123, representing less than one month of general expenditures. As part of the Organization's liquidity management, it has a policy to structure 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 9), that can be drawn upon with Board approval. Management has determined this level of liquidity to be sufficient.