FINANCIAL REPORT
Audited

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

June 30, 2021

Audited for:

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

Audited by:
RBT CPAs, LLP
11 Racquet Road
Newburgh, NY 12550
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HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Habitat for Humanity of Greater Newburgh, Inc. (the "Organization"), a non-profit Organization, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 26 to the financial statements, the spread of the global pandemic, coronavirus disease ("COVID-19"), has created economic uncertainty.

RBT CPAs, LLP
Newburgh, NY
December 1, 2021

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

STATEMENTS OF FINANCIAL POSITION

As of June 30		**2021**		RESTATED 2020
ASSETS				
Current Assets:				
Cash and Cash Equivalents (Note 3)	**$**	**471,557**	$	385,941
Equity Securities (Note 4)		**19,930**		4,421
Accounts Receivable (Note 6)		**92,884**		236,098
Pledges Receivable - Current		**170,753**		152,141
Inventory		**82,508**		58,645
Prepaid Expenses		**33,180**		35,699
Current Portion of Mortgage Loans Receivable (Note 9)		**135,813**		140,037
Construction in Progress (Note 7)		**863,698**		1,018,441
Security Deposit		**8,000**		8,000
Total Current Assets		**1,878,323**		2,039,423
Property and Equipment:				
Buildings		**1,474,717**		1,474,717
Machinery and Equipment		**26,739**		26,739
Vehicles		**81,262**		81,262
		1,582,718		1,582,718
Less: Accumulated Depreciation		**661,643**		622,463
Total Property and Equipment		**921,075**		960,255
Other Assets:				
Mortgage Loans Receivable - Net of Current Portion (Note 9)		**778,259**		853,959
Pledges Receivable - Net of Current Portion		**101,215**		159,666
Total Other Assets		**879,474**		1,013,625
Total Assets	**$**	**3,678,872**	$	4,013,303

See Notes to Financial Statements

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	2021	RESTATED 2020
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Line of Credit (Note 10)	**$ -**	$ 300,000
Current Portion of Long-Term Debt (Note 11)	**59,678**	135,719
Accounts Payable	**46,774**	27,998
Deferred Revenue (Note 12)	**222,655**	348,513
House Deposits	**3,000**	7,500
Credit Card Payable	**3,947**	3,859
Sales Tax Payable	**4,400**	914
Refundable Advances (Note 13)	**224,873**	224,873
Total Current Liabilities	**565,327**	1,049,376
Long-Term Liabilities:		
Long-Term Debt - Net of Current Portion (Note 11)	**385,242**	445,445
Paycheck Protection Program Loan (Note 14)	**183,761**	189,450
Total Long- Term Liabilities	**569,003**	634,895
Total Liabilites	**1,134,330**	1,684,271
Net Assets:		
Without Donor Restrictions:		
Reserve for House Completion (Note 17)	**1,473,929**	997,421
Undesignated	**890,192**	1,170,945
With Donor Restrictions (Note 19)	**180,421**	160,666
Total Net Assets	**2,544,542**	2,329,032
Total Liabilities and Net Assets	**$ 3,678,872**	$ 4,013,303

See Notes to Financial Statements

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contributions	$ 536,098	$ -	$ 536,098
Grants	108,500	160,300	268,800
In-Kind Contributions	515,562	-	515,562
ReStore Sales	443,507	-	443,507
Transfers to Homeowners (Net of Discounts)	545,754	-	545,754
Mortgage Loan Discount Amortization	64,891	-	64,891
Miscellaneous Income	1,381	-	1,381
PPP Loan Forgiveness (Note 14)	189,450	-	189,450
	2,405,143	160,300	2,565,443
Net Assets Released from Restrictions	140,545	(140,545)	-
Total Revenues, Gains, and Other Support	2,545,688	19,755	2,565,443
Expenses and Losses:			
ReStore	842,912	-	842,912
Program	1,160,283	-	1,160,283
Management and General	133,348	-	133,348
Fundraising	196,254	-	196,254
Total Expenses	2,332,797	-	2,332,797
Other Revenue/(Expense):			
Net Investment Income	2,740	-	2,740
Rental Income	6,920	-	6,920
Interest Expense	(26,796)	-	(26,796)
Total Other Expense	(17,136)	-	(17,136)
Change in Net Assets	195,755	19,755	215,510
Net Assets - Beginning	2,168,366	160,666	2,329,032
Net Assets - Ending	$ 2,364,121	$ 180,421	$ 2,544,542

See Notes to Financial Statements

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

STATEMENT OF ACTIVITIES — RESTATED

For the Year Ended June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contributions	$ 622,996	$ -	$ 622,996
Grants	137,200	-	137,200
In-Kind Contributions	472,120	-	472,120
ReStore Sales	462,627	-	462,627
Neighborhood Revitalization	9,300	-	9,300
Transfers to Homeowners (Net of Discounts)	303,280	-	303,280
Mortgage Loan Discount Amortization	63,508	-	63,508
Miscellaneous Income	18,716	-	18,716
	2,089,747	-	2,089,747
Net Assets Released From Restrictions	4,647	(4,647)	-
Total Revenues, Gains, and Other Support	2,094,394	(4,647)	2,089,747
Expenses and Losses:			
ReStore	885,018	-	885,018
Program	1,078,756	-	1,078,756
Management and General	182,317	-	182,317
Fundraising	166,039	-	166,039
Total Expenses	2,312,130	-	2,312,130
Other Revenue/(Expense):			
Interest Income	(721)	-	(721)
Rental Income	4,615	-	4,615
Interest Expense	(34,385)	-	(34,385)
Total Other Expense	(30,491)	-	(30,491)
Change in Net Assets	(248,227)	(4,647)	(252,874)
Net Assets - Beginning - as Previously Reported	2,500,173	-	2,500,173
Prior Period Adjustments (Notes 23 & 24)	(83,580)	165,313	81,733
Net Assets - Beginning - Restated	2,416,593	165,313	2,581,906
Net Assets - Ending	$ 2,168,366	$ 160,666	$ 2,329,032

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021		ReStore	Program	Management and General	Fundraising	Total Expenses
Payroll	B	$ 168,506	$ 352,613	$ 91,017	$ 97,788	$ 709,924
Employee Benefits	B	42,196	73,337	15,652	19,037	150,222
Payroll Tax Expense	B	14,079	30,854	7,880	8,257	61,070
Compensation and Related Expenses		224,781	456,804	114,549	125,082	921,216
Building Materials and Supplies	A	443,588	508,553	376	-	952,517
Communications	D	-	1,806	374	146	2,326
Professional Fees	A	-	21,375	-	-	21,375
Advertising	A	2,811	500	-	-	3,311
Bank Charges	A	7,510	-	1,655	5,613	14,778
Family Services	A	-	1,121	-	-	1,121
Dues and Subscriptions	D	-	16,554	133	8,855	25,542
Travel	E	153	997	2,004	-	3,154
Home Warranty Repairs	A	-	849	-	-	849
Utilities	D	14,951	19,032	2,379	2,379	38,741
Insurance	D	1,649	19,484	2,435	2,435	26,003
Office Expense	E	15,032	25,845	7,991	3,231	52,099
Development	A	-	-	-	10,258	10,258
Volunteer Services	A	237	4,165	-	-	4,402
Rent	A	87,783	-	-	-	87,783
Americorps	A	-	24,631	-	-	24,631
Tithe to HFHI	A	-	30,680	-	-	30,680
Vehicle Expense	A	8,272	10,799	-	-	19,071
Repairs and Maintenance	D	3,814	6,137	767	767	11,485
Event Expense	A	-	241	-	36,803	37,044
Neighborhood Revitalization Initiative	A	-	5,231	-	-	5,231
Total Expenses Before Depreciation		810,581	1,154,804	132,663	195,569	2,293,617
Depreciation	D	32,331	5,479	685	685	39,180
Total Expenses		$ 842,912	$ 1,160,283	$ 133,348	$ 196,254	$ 2,332,797

Method of Allocation:

A Direct Expenses
B Estimated Time and Effort
C Historical Average Based Percentages
D Combination of A and C
E Combination of A, B, and C

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020		ReStore	Program	Management and General	Fundraising	Total Expenses
Payroll	**B**	$ 176,323	$ 397,547	$ 86,366	$ 87,210	$ 747,446
Employee Benefits	**B**	67,528	108,399	15,379	20,606	211,912
Payroll Tax Expense	**B**	13,873	32,630	7,144	7,270	60,917
Compensation and Related Expenses		257,724	538,576	108,889	115,086	1,020,275
Building Materials and Supplies	**A**	462,950	340,951	-	-	803,901
Communications	**E**	586	3,955	58	378	4,977
Professional Fees	**A**	-	2,152	14,000	-	16,152
Advertising	**A**	-	500	-	-	500
Bank Charges	**A**	6,226	-	8,633	-	14,859
Family Services	**A**	-	5,791	-	-	5,791
Dues and Subscriptions	**A**	-	16,776	304	7,005	24,085
Travel	**D**	1,153	4,232	530	530	6,445
Home Warranty Repairs	**A**	-	4,078	-	-	4,078
Utilities	**C**	12,733	19,564	2,302	1,151	35,750
Insurance	**D**	1,574	20,009	2,501	2,501	26,585
Office Expense	**D**	12,156	30,397	1,788	3,576	47,917
Development	**A**	-	1,153	-	11,897	13,050
Volunteer Services	**A**	-	5,815	-	-	5,815
Rent	**A**	87,480	-	-	-	87,480
Americorps	**A**	-	31,352	-	-	31,352
Tithe to HFHI	**A**	-	24,948	-	-	24,948
Vehicle Expense	**A**	8,003	8,780	-	-	16,783
Repairs and Maintenance	**D**	2,102	5,542	693	693	9,030
Event Expense	**A**	-	687	-	23,222	23,909
Neighborhood Revitalization Initiative	**A**	-	13,498	-	-	13,498
Total Expenses Before Depreciation		852,687	1,078,756	139,698	166,039	2,237,180
Depreciation	**B**	32,331	-	42,619	-	74,950
Total Expenses		$ 885,018	$ 1,078,756	$ 182,317	$ 166,039	$ 2,312,130

Method of Allocation:

A Direct Expenses
B Estimated Time and Effort
C Historical Average Based Percentages
D Combination of A and C
E Combination of A, B, and C

HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31	2021	2020
Cash Flows from Operating Activities:		
Change in Net Assets	$ 215,510	$ (252,874)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by/(Used in) Operating Activities:		
Depreciation	39,180	74,950
Unrealized (Gain)/Loss	(2,374)	1,032
Donated Securities	(13,135)	-
Mortgage Note Discount Amortization	(64,891)	(63,508)
Forgiveness of Paycheck Protection Program Loan	(189,450)	-
Change in Working Capital Components:		
(Increase)/Decrease in Accounts Receivable	143,214	(175,739)
(Increase)/Decrease in Pledges Receivable	39,839	63,323
(Increase)/Decrease in Inventory	(23,863)	22,088
(Increase)/Decrease in Prepaid Expenses	2,519	5,223
(Increase)/Decrease in Non-Interest Bearing Mortgage Loans	144,815	126,739
(Increase)/Decrease in Construction in Progress	154,743	(214,832)
Increase/(Decrease) in Accounts Payable	18,776	(87,830)
Increase/(Decrease) in House Deposits	(4,500)	2,250
Increase/(Decrease) in Credit Card Payable	88	-
Increase/(Decrease) in Sales Tax Payable	3,486	-
Increase/(Decrease) in Deferred Revenue	(125,858)	97,068
Total Adjustments	122,589	(149,236)
Net Cash Provided by/(Used in) Operating Activities	338,099	(402,110)
Cash Flows from Financing Activities:		
Proceeds from Line of Credit	-	300,000
Repayment of Line of Credit	(300,000)	-
Principal Payments on Long Term Debt	(136,244)	(128,935)
Paycheck Protection Program Loan Proceeds	183,761	189,450
Net Cash Provided by/(Used in) Financing Activities	(252,483)	360,515
Net Increase/(Decrease) in Cash and Cash Equivalents	85,616	(41,595)
Cash and Cash Equivalents - Beginning	385,941	427,536
Cash and Cash Equivalents - Ending	$ 471,557	$ 385,941
Suplemental Disclosures		
Cash Paid for Interest	$ 26,796	$ 34,385

Non-Cash Transactions

Donated securities were recevied by the organization and transferred into existing equity security accounts totaling $13,135 for the year ended June 30, 2021.

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. The 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 could 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 the 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 various programs and supporting services has been summarized on a functional basis in the statements 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 statements of functional expenses.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash equivalents, receivables, payables, and short-term borrowings arising in the ordinary course of business, approximate fair value due to the short maturity of these instruments. The carrying amount of long-term debt approximates fair value because the interest rates fluctuate with market interest rates or the fixed rates are based on current rates offered to the Organization for debt with similar term and maturities.

The fair value of the Organization's investments 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, 2021 through December 1, 2021, 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 maturities of three months or less to be cash equivalents.

Equity Securities

Equity securities are stated at fair value and unrealized holding gains and losses are included in the change of 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 allowance for doubtful accounts is based on specifically identified amounts that the Organization believes to be uncollectible. Management had determined that no allowance for doubtful accounts was necessary as of June 30, 2021 and 2020.

2. Summary of Significant Accounting Policies (continued):

Inventory
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.

Fixed Assets
Depreciation of property and equipment is computed using the straight-line method over the estimated useful life of the asset, ranging from 3 to 39 years. The Organization's capitalization policy is to capitalize assets with a useful life greater than one year and $5,000.

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 date. 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
Advertising expenses are charged against income as incurred. Advertising costs for the years ended June 30, 2021 and 2020 were $3,311 and $500, respectively.

Recent Accounting Standards
In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers ("Topic 606"). Topic 606 supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)" and requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted Topic 606 as of July 1, 2020.

Revenue Recognition
The Organization derives approximately 61% of its revenue from non-exchange contracts. Approximately 39% of the Organization's revenue is derived 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 and ReStore customers and special events attendees.

Revenue from grants and contributions is 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 and is the unit of account in Topic 606. 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 the ReStore location in Newburgh, New York.

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.

2. Summary of Significant Accounting Policies (continued):

Homes 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. ReStore's purpose is to provide low-cost materials and furnishings as part of the Organization's mission.

Disaggregation of Revenue from Contracts with Customers

As of June 30		2021
Non-Exchange Contracts	$	1,559,625
Performance Obligations Satisfied at a Point in Time		1,005,818
Total	$	2,565,443

Impact of Topic 606 Adoption

The adoption of this ASU did not have a significant impact on the Organization's financial statements. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard.

Income Taxes

The Organization files an annual 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 Institute 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 no longer subject to income tax examinations by the federal, state or local tax authorities for years prior to 2018.

Paycheck Protection Program Loan

The Organization accounts for its Paycheck Protection Program ("PPP") Loan as a financial liability in accordance with FASB ASC 470 Debt. See Note 14.

3. Cash and Cash Equivalents:

Cash and cash equivalents consisted of the following:

As of June 30		2021		2020
Cash in Banks	$	468,057	$	377,941
Escrow		3,000		7,500
Petty Cash		500		500
	$	471,557	$	385,941

4. Equity Securities:

The following is a summary of the Organization's investment in equity securities:

As of June 30, 2021		Cost		Unrealized Gain		Unrealized (Loss)		Fair Market Value
Mutual Funds	$	7,243	$	1,177	$	-	$	8,420
Stocks		10,991		1,198		(679)		11,510
	$	18,234	$	2,375	$	(679)	$	19,930

4. Equity Securities (continued):

As of June 30, 2020	Cost	Unrealized Gain	Unrealized (Loss)	Fair Market Value
Stocks	$ 5,099	$ 138	$ (816)	$ 4,421

5. Fair Value Measurements:

The estimated carrying and fair values of the Organization's financial instruments are as follows:

As of June 30, 2021	Carrying Value	Estimated Fair Value
Mutual Funds	**$ 7,243**	**$ 8,420**
Stocks	**10,991**	**11,510**
	$ 18,234	**$ 19,930**

As of June 30, 2020	Carrying Value	Estimated Fair Value
Stocks	$ 5,099	$ 4,421

The fair value of the equity 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 market value measurement in accordance with accounting principles generally accepted in the United States of America.

For the year ended June 30, 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent.

As of June 30, 2021	Total	Level 1	Level 2	Level 3
Mutual Funds	**$ 8,420**	**$ 8,420**	**$ -**	**$ -**
Stocks	**11,510**	**11,510**	**-**	**-**
Total	**$ 19,930**	**$ 19,930**	**$ -**	**$ -**

As of June 30, 2020	Total	Level 1	Level 2	Level 3
Stocks	$ 4,421	$ 4,421	$ -	$ -

6. Accounts Receivable:

The Organization's accounts receivable consists of the following:

As of June 30	2021	2020
Accounts Receivable	**$ 57,884**	$ 201,098
Grants Receivable	**35,000**	35,000
	$ 92,884	$ 236,098

7. Construction in Progress:

Construction in progress for 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, materials, and professional services. All direct recorded costs of individual projects are transferred to construction costs when the title transfers to the homeowner.

As of June 30		2021		2020
Houses Under Construction	**$**	**863,698**	$	1,018,441

8. Mortgage Loans Administration:

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:

Mortgage loans receivable consist of non-interest-bearing 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 rate 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 a refinance and is forgiven at 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 liens, third trust deeds, mortgages, and deed restrictions.

As of June 30		2021		2020
0.00% mortgage receivable, due in monthly payments of $170, through April 2024, collateralized by real estate	**$**	**8,595**	$	9,982
0.00% mortgage receivable, due in monthly payments of $212, through May 2024, collateralized by real estate		**10,847**		12,564
0.00% mortgage receivable, due in monthly payments of $250, through September 2025, collateralized by real estate		**13,858**		15,976
0.00% mortgage receivable, due in monthly payments of $295, through June 2026, collateralized by real estate		**18,606**		21,441
0.00% mortgage receivable, due in monthly payments of $262, through June 2024, collateralized by real estate		**10,361**		12,882
0.00% mortgage receivable, due in monthly payments of $411, through March 2026 collateralized by real estate		**30,384**		33,303
0.00% mortgage receivable, due in monthly payments of $289, through June 2026, collateralized by real estate		**18,811**		20,886
0.00% mortgage receivable, due in monthly payments of $178, through January 2021, collateralized by real estate		**1,387**		3,350
0.00% mortgage receivable, due in monthly payments of $147, through March 2022, collateralized by real estate		**3,380**		4,849
0.00% mortgage receivable, due in monthly payments of $246, through November 2031, collateralized by real estate		**33,014**		33,679
0.00% mortgage receivable, due in monthly payments of $186, through January 2024, collateralized by real estate		**8,713**		10,146

9. Mortgage Loans Receivable (continued):

0.00% mortgage receivable, due in monthly payments of $301, through April 2025, collateralized by real estate	**18,840**	21,052
0.00% mortgage receivable, due in monthly payments of $355, through August 2026, collateralized by real estate	**23,515**	26,234
0.00% mortgage receivable, due in monthly payments of $262, through May 2024, collateralized by real estate	**9,954**	15,392
0.00% mortgage receivable, due in monthly payments of $248, through November 2031, collateralized by real estate	**33,295**	33,866
0.00% mortgage receivable, due in monthly payments of $176, through April 2020, collateralized by real estate	**-**	1,705
0.00% mortgage receivable, due in monthly payments of $355, through May 2026, collateralized by real estate	**27,444**	29,333
0.00% mortgage receivable, due in monthly payments of $195, through March 2022, collateralized by real estate	**4,699**	6,482
0.00% mortgage receivable, due in monthly payments of $262, through June 2023, collateralized by real estate	**10,158**	12,506
0.00% mortgage receivable, due in monthly payments of $378, through March 2031, collateralized by real estate	**52,562**	53,319
0.00% mortgage receivable, due in monthly payments of $265, through September 2024, collateralized by real estate	**11,639**	13,358
0.00% mortgage receivable, due in monthly payments of $339, through August 2027, collateralized by real estate	**27,065**	29,153
0.00% mortgage receivable, due in monthly payments of $147, through June 2023, collateralized by real estate	**-**	5,335
0.00% mortgage receivable, due in monthly payments of $201, through October 2025, collateralized by real estate	**11,414**	12,847
0.00% mortgage receivable, due in monthly payments of $234, through October 2031, collateralized by real estate	**31,328**	31,873
0.00% mortgage receivable, due in monthly payments of $355, through December 2027, collateralized by real estate	**29,517**	31,802
0.00% mortgage receivable, due in monthly payments of $276, through March 2031, collateralized by real estate	**38,246**	38,861
0.00% mortgage receivable, due in monthly payments of $408, through February 2026, collateralized by real estate	**29,719**	32,653
0.00% mortgage receivable, due in monthly payments of $362, through April 2025, collateralized by real estate	**22,421**	25,311
0.00% mortgage receivable, due in monthly payments of $181, through February 2024, collateralized by real estate	**8,761**	10,263
0.00% mortgage receivable, due in monthly payments of $234, through April 2024, collateralized by real estate	**10,966**	13,590
0.00% mortgage receivable, due in monthly payments of $335, through January 2026, collateralized by real estate	**24,345**	26,570
0.00% mortgage receivable, due in monthly payments of $454, through February 2031, collateralized by real estate	**62,932**	63,688
0.00% mortgage receivable, due in monthly payments of $200, through June 2031, collateralized by real estate	**28,570**	28,766
0.00% mortgage receivable, due in monthly payments of $268, through April 2025, collateralized by real estate	**16,568**	18,703

9. Mortgage Loans Receivable (continued):

0.00% mortgage receivable, due in monthly payments of $262, through May 2023, collateralized by real estate	**9,955**	12,317
0.00% mortgage receivable, due in monthly payments of $315, through May 2027, collateralized by real estate	**29,093**	29,948
0.00% mortgage receivable, due in monthly payments of $290, through October 2031, collateralized by real estate	**38,637**	39,438
0.00% mortgage receivable, due in monthly payments of $151, through December 2031, collateralized by real estate	**20,398**	20,764
0.00% mortgage receivable, due in monthly payments of $192, through August 2022, collateralized by real estate	**2,569**	4,938
0.00% mortgage receivable, due in monthly payments of $311, through April 2031, collateralized by real estate	**43,630**	44,072
0.00% mortgage receivable, due in monthly payments of $193, through March 2024, collateralized by real estate	**9,322**	11,048
0.00% mortgage receivable, due in monthly payments of $369, through July 2032, collateralized by real estate	**52,898**	53,483
0.00% mortgage receivable, due in monthly payments of $179, through July 2027, collateralized by real estate	**15,656**	16,268
	914,072	993,996
Less: Current Receivable	**135,813**	140,037
Long-Term Portion	**$ 778,259**	$ 853,959

Aggregate maturities required on notes receivable at June 30, 2021 are due in future years as follows:

2022	**$ 135,813**
2023	**132,474**
2024	**128,393**
2025	**123,205**
2026	**108,258**
Thereafter	**864,685**
	1,492,828
Less: Unamortized Discount	**578,756**
Net Mortgage Receivable	**$ 914,072**

10. Short-Term Borrowing:

The Organization's short-term borrowing consisted of the following:

As of June 30	**2021**	2020
Line of credit with M&T Bank payable with interest at prime plus 1.00% (3.25% at June 30, 2021 and 2020)	**$ -**	$ 300,000

11. Pledged Assets and Long-Term Debt:

Pledged assets and long-term debt consisted of the following:

As of June 30		**2021**		2020
5.99% note payable, due in monthly payments of $928 including interest, through November 2021, collateralized by Isuzu Box Truck	**$**	**4,570**	$	15,934
4.38% note payable, due in monthly payments of $7,447 including interest, through August 2021, collateralized by the Organization's assets		**14,810**		101,414
4.50% note payable, due in monthly payments of $4,887 including interest, through April 2030, collateralized by a building		**425,540**		463,816
		444,920		581,164
Less: Current Maturities		**59,678**		135,719
Long-Term Portion	**$**	**385,242**	$	445,445

Aggregate maturities required on long-term debt at June 30, 2021 are due in future years as follows:

2022	**$**	**59,678**
2023		**42,149**
2024		**44,085**
2025		**46,111**
2026		**48,229**
Thereafter		**204,668**
	$	**444,920**

12. 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 by specific housing projects and are recorded as deferred revenue of $22,087 and $63,960 as of June 30, 2021 and 2020, respectively.

The Organization also receives 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. As of June 30, 2021, and 2020, there was deferred development assistance of $200,568 and $284,553 respectively.

13. 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. Orange County reported that this grant is still open and, therefore, these funds remain recorded as refundable advances.

14. Paycheck Protection Program Loans:
During April 2020, the Organization received a Paycheck Protection Program ("PPP") loan of $189,450 provided under the CARES Act in response to the economic impact of the COVID-19 global pandemic. The Organization received full forgiveness of this loan in March 2021. The loan forgiveness was recorded as income for the year ended June 30, 2021.

During March 2021, the Organization received a second PPP loan of $183,761. The Organization may receive partial or full loan forgiveness if it maintains its employee head count and salary levels, and spends the loan proceeds on eligible expenditures, such as payroll and certain operating costs, over a specified covered period of time. As of June 30, 2021, the Organization had maintained its head count and salary levels and estimated that it had utilized 100% of the loan proceeds on expenditures that are eligible for loan forgiveness. Therefore, the Organization believes it is highly likely that the full loan will be forgiven within the next twelve months, at which time the liability will be released and income will be recognized to the extent of the amount forgiven. Any portion of the loan that is not forgiven will be payable with interest at 1%. The loan is uncollateralized and guaranteed by the Small Business Administration.

15. Operating Lease:
The Organization leases retail space under a one-year lease with Brian Jo Lynn Holding Corp. The lease term is from October 1, 2020 to September 30, 2021 at a base rate of $60,000 per year ($5,000 per month) plus an allocation of taxes and utilities. The Organization has the option to renew the lease until September 30, 2022.

The total minimum commitment at June 30, 2021, under the lease, is due as follows:

2022	**$ 15,000**

16. Related Party Transactions:
The Organization annually 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, 2021 and 2020, the Organization tithed $30,680 and $24,948, respectively.

The Organization paid a U.S. Stewardship and Organizational Sustainability fee of $7,500 to HFHI during the years ended June 30, 2021 and 2020.

The Organization paid a Supporting Affiliate fee of $5,000 to Habitat for Humanity of NYS during the years ended June 30, 2021 and 2020.

Management has determined that the related parties are not variable interest entities subject to consolidation under accounting principles generally accepted in the United States of America.

17. Reserve for House Completion – Board Designation:
The Organization reserves a portion of its fund balance for the completion of projects that are currently in progress. As of June 30, 2021, and 2020, respectively, the value of this Board designation was $1,473,929 and $997,421.

18. In-Kind Contributions:
Included in in-kind contributions are building materials and contributed services (meeting the IRS requirements for recognition) which have been donated to the Organization for use in the houses which are rehabilitated. During the fiscal years ended June 30, 2021 and 2020, respectively, the value of these in-kind contributions was recognized as $48,111 and $31,076. These gifts are recorded as deferred revenue until sale of the home.

Included in ReStore in-kind contributions are building materials, home goods, and furniture for the purpose of resale. During the fiscal years ended June 30, 2021 and 2020, respectively, the value of these in-kind contributions were $467,451 and $441,044.

19. Net Assets With Donor Restrictions:
Net Assets with Donor Restrictions consisted of the following:

As of June 30		**2021**		RESTATED 2020
Time Restrictions:				
Pledges, Net of Current Portion	**$**	**101,215**	$	159,666
Dyson Foundation Grant		**75,000**		-
Purpose Restrictions:				
Homeowner Insurance Policy Claims		**1,000**		1,000
Strategic Planning		**2,925**		-
Cleaning and Personal Protective Equipment (PPE)		**281**		-
Net Assets with Donor Restrctions	**$**	**180,421**	$	160,666

Net assets released from restrictions consisted of the following:

For the Year Ended June 30		**2021**		RESTATED 2020
Time Restrictions:				
Pledges, Net of Current Portion	**$**	**58,451**	$	4,647
Dyson Foundation Grant		**75,000**		-
Purpose Restrictions:				
Strategic Planning		**4,875**		-
Cleaning and PPE		**2,219**		-
Total Assets Released from Restrictions	**$**	**140,545**	$	4,647

20. 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, 2021 and 2020.

21. Concentration of Credit Risk:
The Organization maintains its cash in accounts which periodically exceed federally insured limits. It has not experienced any losses to date resulting from this policy.

22. Liquidity and Availability of Financial Resources:
The following reflects the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2021 and 2020.

As of June 30		**2021**		RESTATED 2020
Financial Assets at Year-End				
Cash and Cash Equivalents	**$**	**471,557**	$	385,941
Equity Securities		**19,930**		4,421
Accounts Receivable		**92,884**		236,098
Current Pledges Receivables		**170,753**		152,141
Current Mortgage Receivables		**135,813**		140,037
Total Financial Assets at Year-End		**890,937**		918,638
Less Those Unavailable for General Expenditures within one year, due to:				
Donor Restrictions		**180,421**		160,666
House Deposits		**3,000**		7,500
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	**$**	**707,516**	$	750,472

22. Liquidity and Availability of Financial Resources (continued):
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 10), that can be drawn upon with Board approval.

23. Prior Period Adjustments:
During the 2020 audit, a prior period adjustment was recorded in the amount of $80,733 for inventory and $1,000 for restricted in-kind contributions that were omitted as of June 30, 2019.

24. Restatement of Prior Year Net Assets Classifications:
During the 2021 audit, $159,666 was identified as having been misclassified within net assets on the 2020 financial statements. The 2020 financial statements have been restated to correct the presentation and reflect an increase of $159,666 to net assets with donor restrictions, with a corresponding decrease to undesignated net assets without donor restrictions as of June 30, 2020. The statement of activities has also been restated to reflect a reclassification of opening net assets, decreasing the unrestricted and increasing the restricted balance by $164,313 as of July 1, 2019.

25. New Accounting Standards:
Leases
FASB Accounting Standards Update No. 2016-02 (updated with Accounting Standard Update No. 2020-05), Leases is effective, and will be adopted by the Organization, for the fiscal year 2023. The new standard establishes two categories of leases – operating and financing – and requires lessees to recognize a right-of-use asset and a liability for all leases in both categories. Implementation of the standard will require certain retrospective adjustments at the time of application. Management is currently evaluating the impact of this standard on its financial reporting.

Contributed Nonfinancial Assets
FASB Accounting Standards Update No. 2020-07, Not-For-Profit Entities, is effective for fiscal years beginning after June 15th, 2021. The new standard establishes a separate line on the Statement of Activities for contributed nonfinancial assets (CNFA), also known as gifts in kind, separate from contributions of cash and other financial assets. The standard also requires the categorization of CNFA and disclosures as to the monetization, utilization, and valuation. The standard will be adopted by the Organization and applied retrospectively.

26. Uncertainty:
Beginning in March 2020, local, U.S., and world governments encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries experienced disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic and its long-term economic ramifications. Accordingly, while management cannot quantify the financial and other impacts to the Organization as of December 1, 2021, management believes that a material impact on the Organization's financial position and results of future operations is reasonably possible.