

FINANCIAL REPORT  
Audited  
**HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.**  
June 30, 2024

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***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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# HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

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## TABLE OF CONTENTS

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	Page
<b>Independent Auditor's Report on the Financial Statements</b>	1 - 2
<b>Financial Statements:</b>	
Statement of Financial Position	3 - 4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 16

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LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the financial statements of Habitat for Humanity of Greater Newburgh, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and the changes in its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months from the report date.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***RBT CPAs, LLP***

Poughkeepsie, NY  
February 26, 2025

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

### STATEMENT OF FINANCIAL POSITION

As of June 30	2024
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents (Note 3)	\$ 1,192,093
Receivables (Note 4)	114,118
Pledges Receivable - Current (Note 5)	224,192
Inventory	97,822
Current Portion of Mortgage Loans Receivable (Note 7)	93,732
Construction in Progress (Note 8)	2,055,815
Security Deposit	8,000
Prepaid Expenses	79,193
Total Current Assets	3,864,965
Property, Plant and Equipment:	
Buildings	1,487,067
Machinery and Equipment	26,739
Vehicles	147,838
	1,661,644
Less: Accumulated Depreciation	800,187
Total Net Property, Plant and Equipment	861,457
Other Assets:	
Mortgage Loans Receivable - Net of Current Portion (Note 7)	515,393
Pledges Receivable - Net of Current Portion (Note 5)	189,222
Total Other Assets	704,615
Total Assets	\$ 5,431,037

See Notes to Financial Statements.

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

	2024
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities:	
Current Portion of Long - Term Debt (Note 10)	\$ 2,106
Accounts Payable	307,224
Credit Card Payable	4,999
Sales Tax Payable	5,807
House Deposits	15,250
Deferred Revenue (Note 11)	194,374
Total Current Liabilities	529,760
Long - Term Liabilities:	
Long - Term Debt - Net of Current Portion (Note 10)	92,669
Net Assets:	
Without Donor Restrictions:	
Board Designated (Note 15)	3,490,069
Undesignated	832,672
With Donor Restrictions (Note 14)	485,867
Total Net Assets	4,808,608
Total Liabilities and Net Assets	\$ 5,431,037

See Notes to Financial Statements.

# HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contributions	\$ 236,467	\$ 52,725	\$ 289,192
Grants	119,643	385,000	504,643
Contributed Non-Financial Assets (Note 17)	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 Amortization	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
	3,299,596	468,735	3,768,331
Net Assets Released From Restrictions	473,604	(473,604)	-
Total Revenues, Gains and Other Support	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
Change in Net Assets	(270,739)	(4,869)	(275,608)
Net Assets - Beginning - Previously Reported	4,767,147	238,059	5,005,206
Prior Period Adjustments (Note 16)	(173,667)	252,677	79,010
Net Assets - Beginning - Restated	4,593,480	490,736	5,084,216
Net Assets - Ending	\$ 4,322,741	\$ 485,867	\$ 4,808,608

*See Notes to Financial Statements.*



# HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2024		Program	ReStore	Management and General	Fundraising	Total Expenses
Payroll	B	\$ 727,433	\$ 219,369	\$ 113,850	\$ 125,857	\$ 1,186,509
Employee Benefits	B	141,425	50,334	22,078	16,840	230,677
Payroll Tax Expense	B	64,058	17,928	10,381	11,431	103,798
Compensation and Related Expenses		932,916	287,631	146,309	154,128	1,520,984
Building Materials and Supplies	D	1,046,779	715,150	-	-	1,761,929
Communications	C	8,045	384	-	1,871	10,300
Professional Fees	A	6,971	-	29,018	4,784	40,773
Advertising	A	-	153	-	1,220	1,373
Bank Charges	A	-	16,202	3,448	8,046	27,696
Family Services	A	14,717	-	-	-	14,717
Dues and Subscriptions	C	18,987	4,747	-	16,086	39,820
Travel	A	6,607	1,996	11,917	-	20,520
Home Warranty Repairs	A	2,866	-	-	-	2,866
Utilities	C	25,109	17,304	2,094	2,094	46,601
Insurance	C	26,198	17,971	-	-	44,169
Office Expense	D	51,234	18,587	7,685	5,123	82,629
Development	A	-	-	-	15,243	15,243
Volunteer Services	A	4,662	4,134	-	-	8,796
Rent	A	-	94,392	-	-	94,392
Americorps	A	15,820	-	-	-	15,820
Tithe to HFHI	A	50,700	-	-	-	50,700
Vehicle Expense	A	20,800	17,458	-	-	38,258
Repairs and Maintenance	C	-	1,886	50,225	-	52,111
Event Expense	A	-	-	-	95,977	95,977
Neighborhood Revitalization Initiative	A	3,040	-	-	-	3,040
Total Expenses Before Depreciation		2,235,451	1,197,995	250,696	304,572	3,988,714
Depreciation	D	-	6,601	48,624	-	55,225
Total Expenses		\$ 2,235,451	\$ 1,204,596	\$ 299,320	\$ 304,572	\$ 4,043,939

**Method of Allocation:**

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

*See Notes to Financial Statements.*

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

### STATEMENT OF CASH FLOWS

<b>For the Year Ended June 30</b>	<b>2024</b>
Cash Flows from Operating Activities:	
Change in Net Assets	\$ (275,608)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by/(Used in) Operating Activities:	
Depreciation	55,225
Loss on Sale of Investment	41
Mortgage Loan Discount Amortization	(84,742)
Present Value Adjustment	6,636
Change in Working Capital Components:	
(Increase)/Decrease in:	
Receivables	135,132
Pledges Receivable	(13,055)
Inventory	(22,443)
Prepaid Expenses	(38,571)
Non-Interest Bearing Mortgage Loans	143,230
Construction in Progress	51,892
Escrow Deposits	1,350
Increase/(Decrease) in:	
Accounts Payable	67,388
House Deposits	4,450
Credit Card Payable	(11,922)
Sales Tax Payable	1,242
Deferred Revenue	(84,707)
Total Adjustments	211,146
<b>Net Cash Used in Operating Activities</b>	<b>(64,462)</b>
Cash Flows from Investing Activities:	
Purchases of Invesments	(1,203)
Proceeds from Sale of Investments	1,162
<b>Net Cash Used in Investing Activities</b>	<b>(41)</b>
Cash Flows from Financing Activities:	
Proceeds from Long Term Debt	77,900
Principal Payments on Long Term Debt	(41,000)
<b>Net Cash Provided by Financing Activities</b>	<b>36,900</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(27,603)</b>
Cash and Cash Equivalents - Beginning	1,219,696
Cash and Cash Equivalents - Ending	\$ 1,192,093

See Notes to Financial Statements.

# HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

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## 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 may differ from those estimates.

#### Restricted Assets

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

#### Functional Allocation of Expenses

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

#### Fair Value of Financial Instruments

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

#### Cash and Cash Equivalents

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

#### Receivables and Credit Losses

The Organization adopted ASC 326, Financial Instruments - Credit Losses, as of July 1, 2023. The measurement of expected credit losses under the current expected credit loss ("CECL") methodology is applicable to financial assets measured at amortized cost, which include trade receivables, contract assets and non-current receivables.

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.

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.

## 2. Summary of Significant Accounting Policies (continued):

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, 2024.

Provisions for allowance for credit losses are recorded in general and administrative expense. The allowance for credit losses as of June 30, 2024, and change in allowance for credit losses during the year ended June 30, 2024, was not material to the financial statements and was not recorded.

The Organization provides for bad debts using the reserve method; however, grants receivable are already shown at their net realizable value after any necessary write-offs. Pledges receivable are shown at their net realizable value adjusted for present value. The balance is stated at the amount management expects to collect. At June 30, 2024 management determined that no allowance for doubtful accounts was deemed necessary.

### **Inventory**

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

### **Property, Plant and Equipment**

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

### **Compensated Absences**

Employees of the Organization are generally entitled to paid vacation depending on length of service and other factors. It is impractical to estimate the amount of compensation to accrue for future absences. Therefore, no accrual for unused vacation days is provided at the balance sheet 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 Expenses**

Advertising expenses are charged against income as incurred and totaled \$1,373 for the year ended June 30, 2024.

### **Revenue Recognition**

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.

### **Customer Types**

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

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

### **Performance Obligations**

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

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

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

### 2. Summary of Significant Accounting Policies (continued):

#### Transaction Price

The transaction price of a contract is comprised of the following: (1) fixed cash consideration due from the customer; plus (2) estimated cash variable consideration due from the customer; plus (3) noncash consideration due from the customer; minus (4) estimated cash or noncash consideration payable to the customer; minus (5) contingent amounts, unless no revenue reversal is probable (i.e., constraint); plus or minus (6) any financing component.

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

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

#### Disaggregation of Revenue

For the Year Ended June 30	2024
Non-Exchange Contracts	\$ 2,082,931
Performance Obligations Satisfied at a Point in Time	1,678,891
Rental Income not Subject to ASC 606	6,509
Total	\$ 3,768,331

#### Contract Assets

Beginning Balances as of July 1	2023
Gross Trade Receivables	\$ 3,291
Mortgage Receivables, Net of Discounts	667,613
Total	\$ 670,904

#### Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification ASC 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet for all leases, including operating leases. The Organization adopted the new standard effective July 1, 2023, and has elected not to apply ASC 842 requirements to immaterial leases. Since the Organization does not have any material operating leases as of June 30, 2024, the adoption of ASC 842 did not have a material impact on its financial reporting.

#### Income Taxes

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

The Organization adopted the provisions of accounting principles generally accepted in the United States of America regarding accounting for uncertain tax positions. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that would require adjustment to the financial statements in order to comply with the provisions of this guidance. With few exceptions, the Organization is not subject to income tax examinations by the U.S. federal, state or local tax authorities for fiscal years prior to 2021.

#### Subsequent Events

Management has evaluated subsequent events from June 30, 2024 through February 26, 2025, the date on which the financial statements were available to be issued.

### 3. Cash and Cash Equivalents:

Cash and cash equivalents consisted of the following:

As of June 30	2024
Cash	\$ 444,457
Escrow	15,250
Petty Cash	692
Board Designated Cash	731,694
	<u>\$ 1,192,093</u>

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

### 4. Receivables:

Accounts receivable consisted of the following:

As of June 30	2024
Accounts Receivable	\$ 42,218
Grants Receivable	71,900
	<u>\$ 114,118</u>

### 5. Pledges Receivable:

Pledges receivable consisted of the following:

As of June 30	2024
With Donor Restrictions - Time Restricted	\$ 427,842
Less: Present Value Adjustment*	14,428
Net Pledges Receivable	413,414
Less: Current Portion	224,192
Long-Term Portion	<u>\$ 189,222</u>

Amounts Due in:

Less than one year	\$ 224,192
One to five years	189,222
	<u>\$ 413,414</u>

\*Rates used were based on IRS long-term Applicable Federal Rate of 4.79% as of June 30, 2024.

### 6. Mortgage Loan Administration:

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

### 7. Mortgage Loans Receivable:

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

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

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

As of June 30	2024
0.00% mortgage receivable, due in monthly payments of \$170, through April 2026, collateralized by real estate	\$ 3,801
0.00% mortgage receivable, due in monthly payments of \$212, through June 2026, collateralized by real estate	4,914
0.00% mortgage receivable, due in monthly payments of \$250, through September 2025, collateralized by real estate	7,084

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

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### 7. Mortgage Loan Receivable (continued):

0.00% mortgage receivable, due in monthly payments of \$262, through July 2024, collateralized by real estate	261
0.00% mortgage receivable, due in monthly payments of \$289, through June 2026, collateralized by real estate	11,420
0.00% mortgage receivable, due in monthly payments of \$147, through July 2028, collateralized by real estate	7,395
0.00% mortgage receivable, due in monthly payments of \$246, through November 2031, collateralized by real estate	30,953
0.00% mortgage receivable, due in monthly payments of \$186, through January 2026, collateralized by real estate	3,330
0.00% mortgage receivable, due in monthly payments of \$301, through April 2025, collateralized by real estate	11,196
0.00% mortgage receivable, due in monthly payments of \$355, through August 2026, collateralized by real estate	15,088
0.00% mortgage receivable, due in monthly payments of \$248, through November 2031, collateralized by real estate	31,151
0.00% mortgage receivable, due in monthly payments of \$355, through May 2026, collateralized by real estate	18,436
0.00% mortgage receivable, due in monthly payments of \$262, through January 2025, collateralized by real estate	2,045
0.00% mortgage receivable, due in monthly payments of \$378, through March 2031, collateralized by real estate	49,721
0.00% mortgage receivable, due in monthly payments of \$265, through September 2024, collateralized by real estate	1,043
0.00% mortgage receivable, due in monthly payments of \$339, through August 2027, collateralized by real estate	19,852
0.00% mortgage receivable, due in monthly payments of \$201, through October 2025, collateralized by real estate	6,030
0.00% mortgage receivable, due in monthly payments of \$234, through October 2031, collateralized by real estate	29,280
0.00% mortgage receivable, due in monthly payments of \$355, through December 2027, collateralized by real estate	353
0.00% mortgage receivable, due in monthly payments of \$276, through March 2031, collateralized by real estate	36,118
0.00% mortgage receivable, due in monthly payments of \$408, through February 2026, collateralized by real estate	12,895
0.00% mortgage receivable, due in monthly payments of \$362, through April 2025, collateralized by real estate	360
0.00% mortgage receivable, due in monthly payments of \$234, through July 2024, collateralized by real estate	695
0.00% mortgage receivable, due in monthly payments of \$335, through January 2026, collateralized by real estate	16,658
0.00% mortgage receivable, due in monthly payments of \$200, through June 2031, collateralized by real estate	96,740

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

### 7. Mortgage Loan Receivable (continued):

0.00% mortgage receivable, due in monthly payments of \$268, through April 2025, collateralized by real estate	9,526
0.00% mortgage receivable, due in monthly payments of \$262, through January 2025, collateralized by real estate	1,795
0.00% mortgage receivable, due in monthly payments of \$315, through May 2027, collateralized by real estate	17,852
0.00% mortgage receivable, due in monthly payments of \$290, through October 2031, collateralized by real estate	36,152
0.00% mortgage receivable, due in monthly payments of \$151, through December 2031, collateralized by real estate	19,656
0.00% mortgage receivable, due in monthly payments of \$311, through April 2031, collateralized by real estate	41,371
0.00% mortgage receivable, due in monthly payments of \$193, through December 2025, collateralized by real estate	3,628
0.00% mortgage receivable, due in monthly payments of \$369, through July 2032, collateralized by real estate	50,705
0.00% mortgage receivable, due in monthly payments of \$179, through January 2027, collateralized by real estate	11,621
	<u>609,125</u>
Less: Current Receivable	93,732
Long-Term Portion	<u>\$ 515,393</u>

Aggregate maturities required on notes receivable at June 30, 2024 are due in future years as follows:

2025	\$ 93,732
2026	89,120
2027	90,405
2028	55,407
2029	50,647
Thereafter	<u>541,256</u>
	920,567
Less: Unamortized Discount	<u>311,442</u>
Net Mortgage Receivable	<u>\$ 609,125</u>

### 8. Construction In Progress:

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

Construction in progress consisted of the following:

As of June 30	2024
Construction in Progress	<u>\$ 2,055,815</u>

### 9. Line of Credit:

The Organization's line of credit consisted of the following:

As of June 30, 2024	Authorized	Outstanding
Line of Credit with M&T Bank payable with an interest rate of 8.50%	<u>\$ 300,000</u>	<u>\$ -</u>



## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

### 10. Long-Term Debt:

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

As of June 30	2024
0.00% note payable, due in monthly payments of \$351, beginning January 2025 through December 2028.	\$ 16,875
0.00% note payable, due in full April 2042, collateralized by designated real properties.	77,900
Total	94,775
Less: Current Maturities	2,106
Long-Term Portion	<u>\$ 92,669</u>

Aggregate maturities required on long-term debt at June 30, 2024 are due in future years as follows:

2025	\$ 2,106
2026	4,212
2027	4,212
2028	4,212
2029	2,133
Thereafter	77,900
	<u>\$ 94,775</u>

### 11. Deferred Revenue:

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

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 \$76,614 as of June 30, 2024.

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 \$40,500 as of June 30, 2024.

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.

### 12. 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 subsequent to year-end in October 2024, but the Organization continued to pay this rate from October 2023 through September 2024. The Organization also leases office equipment with lease expirations through June 2027.

The total minimum commitment at June 30, 2024, under the leases mentioned above, is due as follows:

2025	\$ 6,640
2026	4,324
2027	2,068
	<u>\$ 13,032</u>

For the space leases mentioned above, the total rent expense included in the statements of activities was \$94,392 for the year ended June 30, 2024. The total equipment lease expenses were \$5,316 for the year ended June 30, 2024.

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

### 13. Related Party Transactions:

The Organization remits a portion of its contributions without donor restrictions (excluding in-kind contributions) to the HFHI in the form of a tithe. For the year ended June 30, 2024, the Organization tithed \$50,700.

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

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

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

### 14. Net Assets with Donor Restrictions:

Net assets with donor restrictions consisted of the following:

As of June 30	2024
Time Restrictions:	
Pledges	\$ 188,414
Dyson Foundation Grant	225,000
Purpose Restrictions:	
Youth Program Funds	35,000
Neighborhood Revitalization Funds	35,711
Equipment Rental and Supply Funds	1,742
	<u>\$ 485,867</u>

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

For the Year Ended June 30	2024
Time Restrictions:	
Pledges	264,641
Dyson Foundation Grant	75,000
Purpose Restrictions:	
Homeownership Insurance Deductibles	1,000
Advancing Black Homeownership Funding Interest	100,000
Neighborhood Revitalization Funds	3,040
Equipment Rental and Supply Funds	4,923
Building Blocks Project Phase II and III	25,000
	<u>\$ 473,604</u>

### 15. 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, 2024, the value of this Board designation was \$2,758,375. The Board has also designated the balance of the MacKenzie Scott Foundation donation recorded in 2022 of \$731,694 as Board designated operating reserve.

### 16. Prior Period Adjustments:

During the 2024 audit, two prior year items were determined to be misstated, resulting in prior period adjustments as follows:

- Grant revenue that should have been recognized during the year ended June 30, 2023 was not recognized until June 30, 2024. This resulted in revenue, grants receivable, and net assets being understated by \$79,010 as of June 30, 2023.
- Current pledges receivable were not included in restricted net assets as of June 30, 2023, which resulted in restricted net assets being understated by \$252,677 and unrestricted net assets being overstated by \$252,677.

## HABITAT FOR HUMANITY OF GREATER NEWBURGH, INC.

### 17. Contributed Non-Financial Assets:

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

Contributed non-financial assets consisted of the following:

	Monetized/Utilized	Valuation Method	Amount
For the Year Ended June 30		2024	
Tools and Supplies	Utilized	Invoice	\$ 8,783
Coffee Break Supplies	Utilized	Invoice	3,064
Photography Services	Utilized	Invoice	2,000
Auction Items	Monetized	FMV	25,780
Re-Store Donations - Resale Items	Monetized	FMV	741,879
Construction and Labor	Monetized	FMV	69,298
Total			<u>\$ 850,804</u>

### 18. 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 year ended June 30, 2024.

### 19. Concentration of Credit Risk:

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

### 20. Liquidity and Availability of Financial Resources:

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

As of June 30	2024
Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 1,192,093
Receivables	114,118
Pledges Receivable, Current Portion	224,192
Mortgage Loans Receivable, Current Portion	93,732
Total Financial Assets at Year-End	<u>1,624,135</u>
Less: those unavailable for General Expenditures within one year, due to:	
Donor Restrictions - Purpose	72,453
Board Designated Reserves	731,694
House Deposits	15,250
Total Unavailable for General Expenditures within one year	<u>834,647</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 789,488</u>

An additional \$2,785,375 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. At June 30, 2024, the Organization had available financial assets of \$789,488, representing approximately two months of general expenditures. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization maintains a line of credit in the amount of \$300,000 (Note 9), that can be drawn upon with Board approval. Management has determined this level of liquidity to be sufficient.

