

HABITAT FOR HUMANITY OF OREGON, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2023



KERN ▲ THOMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

**HABITAT FOR HUMANITY OF OREGON, INC.**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Habitat for Humanity of Oregon, Inc.  
Portland, Oregon

**Opinion**

We have audited the accompanying financial statements of Habitat for Humanity of Oregon, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of Oregon, Inc. as of June 30, 2023, and the changes in net assets 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. 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 Oregon, Inc. 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 Habitat for Humanity of Oregon, Inc.'s ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards 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, including omissions, 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.

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

In performing an audit in accordance with generally accepted auditing standards, 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 Habitat for Humanity of Oregon, Inc.'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 Habitat for Humanity of Oregon, Inc.'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.

***Report on Summarized Comparative Information***

We have previously audited Habitat for Humanity of Oregon, Inc.'s 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon  
November 20, 2023

**HABITAT FOR HUMANITY OF OREGON, INC.**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2023**

(With Comparative Totals as of June 30, 2022)

<b>ASSETS</b>	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 974,027	\$ 940,870
Restricted cash	2,821,584	-
Accounts receivable	38,706	1,707
Contributions and grants receivable	108,671	38,012
Prepaid expenses	36,458	26,211
Current portion of notes receivable (Note C)	76,076	107,271
Donated land held for sale	6,208	6,009
<b>Total current assets</b>	<u><b>4,061,730</b></u>	<u><b>1,120,080</b></u>
<b>Long term assets</b>		
Notes receivable, long term portion (Note C)	191,031	215,769
Down Payment Assistance Loans net of \$638,685 loan loss reserve (Note E)	51,095	47,302
<b>Total long term assets</b>	<u><b>242,126</b></u>	<u><b>263,071</b></u>
<b>Total assets</b>	<u><b>\$ 4,303,856</b></u>	<u><b>\$ 1,383,151</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 42,456	\$ 41,888
Designations payable (Note F)	23,748	22,999
Refundable advance - State of Oregon	2,821,584	-
<b>Total current liabilities</b>	<u><b>2,887,788</b></u>	<u><b>64,887</b></u>
<b>Net assets</b>		
Without donor restrictions		
Board designated (Note I)		
Operating reserve	345,000	190,000
Loan capital	-	100,000
Available for operations	280,014	197,187
Total without donor restrictions	<u>625,014</u>	<u>487,187</u>
With donor restrictions (Note L)	791,054	831,077
<b>Total net assets</b>	<u><b>1,416,068</b></u>	<u><b>1,318,264</b></u>
<b>Total liabilities and net assets</b>	<u><b>\$ 4,303,856</b></u>	<u><b>\$ 1,383,151</b></u>

See notes to financial statements.

**HABITAT FOR HUMANITY OF OREGON, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2023**

(With Comparative Totals for the Year Ended June 30, 2022)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
			<b>2023</b>	<b>2022</b>
<b>Contributions</b>				
Individuals	\$ 77,983	\$ -	\$ 77,983	\$ 83,476
Charitable fund drives, net	16,756	-	16,756	24,242
Oregon Habitat affiliates	11,041	-	11,041	-
Foundations	20,000	-	20,000	45,500
Corporations	16,811	138,731	155,542	1,563
State of Oregon Grant	385,297	-	385,297	-
State tax checkoff	13,320	75,477	88,797	130,680
FHLB Affordable Housing Program Grant	-	-	-	44,000
CDFI Rapid Response Program Grant	-	-	-	200,000
Habitat International support	28,304	-	28,304	18,191
In-kind services	400	-	400	5,897
Total contributions	569,912	214,208	784,120	553,549
<b>Earned income</b>				
HUD Healthy Homes program	20,293	-	20,293	-
Oregon Downpayment Assistance program	115,291	-	115,291	82,500
Oregon IDA Fiscal program	6,750	129,000	135,750	144,453
Loan fund application fees	3,250	-	3,250	-
Affiliate grant writing fees	123,601	-	123,601	61,662
Affiliate conference fees	116,227	-	116,227	24,000
Affiliate dues and fees for services	40,000	-	40,000	40,000
Interest income	22,791	-	22,791	1,491
Total earned income	448,203	129,000	577,203	354,106
Total contributions and earned income	<b>1,018,115</b>	<b>343,208</b>	<b>1,361,323</b>	<b>907,655</b>
Net assets released from restrictions				
Satisfaction of program restrictions	383,231	(383,231)	-	-
<b>Total revenue and support</b>	<b>1,401,346</b>	<b>(40,023)</b>	<b>1,361,323</b>	<b>907,655</b>
<b>Expenses</b>				
Program services	1,132,951	-	1,132,951	970,487
Supporting services				
Management and general	74,570	-	74,570	76,619
Fundraising	55,998	-	55,998	58,442
<b>Total expenses</b>	<b>1,263,519</b>	<b>-</b>	<b>1,263,519</b>	<b>1,105,548</b>
<b>Change in net assets</b>	<b>137,827</b>	<b>(40,023)</b>	<b>97,804</b>	<b>(197,893)</b>
Net assets, beginning of year	487,187	831,077	1,318,264	1,516,157
<b>Net assets, end of year</b>	<b>\$ 625,014</b>	<b>\$ 791,054</b>	<b>\$ 1,416,068</b>	<b>\$ 1,318,264</b>

See notes to financial statements.

**HABITAT FOR HUMANITY OF OREGON, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2023**

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>Total</u>	
		<u>Management and General</u>	<u>Fundraising</u>	<u>2023</u>	<u>2022</u>
Grants to Habitat affiliates	\$ 129,591	\$ -	\$ -	\$ 129,591	\$ 219,259
Oregon Down Payment Assistance grants	52,405	-	-	52,405	-
Loan loss provision & write-offs	48,612	-	-	48,612	214,044
Rent	14,824	713	1,167	16,704	16,704
Salaries, taxes and benefits	558,389	26,847	43,971	629,207	472,806
Affiliate conference and training	150,824	-	-	150,824	20,561
Travel and training	11,393	6,216	512	18,121	17,488
Tithe to Habitat International	11,627	-	-	11,627	9,385
DEI initiatives	68,531	-	-	68,531	28,203
Affiliate advocacy	50,605	-	-	50,605	28,025
Subcontract accounting	8,647	24,953	-	33,600	18,310
Legal and professional	2,290	10,700	581	13,571	13,466
Insurance	4,230	203	333	4,766	2,425
Office expense	13,490	519	2,237	16,246	16,549
In-kind legal and professional	-	-	-	-	5,897
Other	3,522	4,419	711	8,652	6,021
Fundraising	3,971	-	5,492	9,463	3,842
Uncollectible pledges	-	-	994	994	2,235
Loss on two Chiloquin lot sales	-	-	-	-	10,328
	<u>\$ 1,132,951</u>	<u>\$ 74,570</u>	<u>\$ 55,998</u>	<u>\$ 1,263,519</u>	<u>\$ 1,105,548</u>

See notes to financial statements.

**HABITAT FOR HUMANITY OF OREGON, INC.**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2023**

(With Comparative Totals for the Year Ended June 30, 2022)

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Cash received from donors and others	\$ 643,548	\$ 568,498
Earned fees and other revenue	554,412	287,544
Payments for salaries, benefits, and payroll taxes	(629,207)	(463,562)
Payments to vendors	(455,115)	(199,855)
Refundable advance - State of Oregon	2,821,584	(7,500)
Grants to Oregon affiliates	(129,591)	(241,483)
Oregon downpayment assistance grants	(52,405)	-
Interest received	22,791	1,046
<b>Net cash provided by (used in) operating activities</b>	<b>2,776,017</b>	<b>(55,312)</b>
 <b>Cash flows from investing activities:</b>		
Issuance of notes receivable	(104,143)	(232,656)
Repayments of notes receivable	107,271	170,886
Net proceeds from sale of investments	-	2,500
Land held for sale	(199)	(284)
<b>Net cash provided by (used in) investing activities</b>	<b>2,929</b>	<b>(59,554)</b>
 <b>Net increase (decrease) in cash</b>	<b>2,778,946</b>	<b>(114,866)</b>
Cash and cash equivalents, beginning of year	940,870	1,055,736
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,719,816</b>	<b>\$ 940,870</b>
 <b>Reported in the Statement of Financial Position as:</b>		
Cash and cash equivalents	974,027	940,870
Restricted cash	2,821,584	-
<b>Total amount reported in Statement of Financial Position</b>	<b>\$ 3,795,611</b>	<b>\$ 940,870</b>

See notes to financial statements.



## HABITAT FOR HUMANITY OF OREGON, INC.

### NOTES TO FINANCIAL STATEMENTS

June 30, 2023

#### NOTE A – DESCRIPTION OF ORGANIZATION

Seeking to put God’s love into action, Habitat for Humanity of Oregon (the Organization) brings people together to build homes, communities, and hope. Habitat for Humanity of Oregon provides fundraising, training, disaster preparedness and advocacy support to all 24 Habitat for Humanity affiliates in Oregon. These locally based nonprofit organizations have dedicated staff and volunteers who build and repair homes across our state. Together, we are leaning in to pursue housing justice, undertaking our shared efforts in culturally responsive ways.

The Organization operates the following programs that benefit the community:

- **Training and technical assistance:** On April 26-28 of 2023, The Organization hosted the Western Region Conference, with the theme: “Unlocking the Future: Building with Courage and Compassion.” This was our first in-person conference as a four-state partnership. Record attendance of 443 included participants from 118 organizations across 18 states and the District of Columbia. Workshops and networking group sessions scored on average 4.5 out of 5 points overall. In addition to this in-person conference, the Organization hosted numerous webinars over the course of the past year. We provided direct support to Oregon affiliates during times of key transition. Quarterly networking groups convened participants from a four-state area to discuss timely topics in each of six staff focus areas: Executive Directors, ReStore Managers, Family Services, Resource Development, Construction Technology and Volunteer Coordination.
- **Government relations and advocacy:** The Organization leads advocacy efforts at the state level and carefully tracks legislative issues that affect the mission and operations of the 24 affiliates we serve. Seeking to expand our community impact, we meet face-to-face with elected officials and state employees in ongoing conversations about affordable homeownership needs and opportunities. Our Habitat at the Capitol advocacy day resumed in-person this year, with 43 participants from 14 affiliates participating in 48 legislative meetings. Four homeowners joined this event to share personal stories.
- **Disaster Risk Reduction and Response:** The Organization promotes awareness of the potential impact of disasters in affiliate service areas, promotes risk reduction, assists affiliates with developing a continuity of operations plan and participates in statewide recovery planning. This body of work is a combination of information sharing and training with local affiliates. The Organization most frequently supports Oregon affiliates with immediate and long-term wildfire recovery by engaging key contacts from the state, as well as regional and national practitioners in wildfire recovery.
- **Pursuing housing justice and culturally responsive actions:** Throughout the past year, The Organization’s Board and staff co-led efforts to steadily advance the priorities outlined in our DEI (Diversity, Equity and Inclusion) Roadmap. The Board set aside one hour of every Board meeting, inviting the full staff team to collaborate in this work. The Habitat Equity Academy for Leaders (HEAL) culminated in a Capstone event at the Oregon Gardens in October of 2022, followed by a qualitative evaluation we conducted with participants. The Homeowner Advisory Council grew to nine active members who engaged in support throughout the year, including advocating for federal and state policy priorities. We published our equity statement. The Organization Staff Team participated in half-day HEAL retreats 1-2 times per quarter. The Western Region Conference, with the theme of “Unlocking the Future: Building with Courage and Compassion,” centered on the importance of DEI and housing justice.

**HABITAT FOR HUMANITY OF OREGON, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023**

**NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)**

- Fundraising support: During the year ending June 30, 2023, Habitat for Humanity of Oregon secured significant funding resources to support local Habitat for Humanity affiliates and first-time Habitat homebuyers across the state. This includes down payment assistance grants from Oregon Housing and Community Services, HUD Healthy Homes Repair Program Grants, Economic Equity Investment Program funds, and administration of outreach for Individual Development Accounts. In addition, the Organization facilitated direct funding awards to local Habitat affiliates through numerous programs administered by Oregon Housing and Community Services: Local Innovation Fast Track (LIFT) for Homeownership, the Homeownership Development Incubator Program (HDIP), Home Ownership Assistance Program (HOAP) Training and DEI consultation grants, Homeownership Support Services, Language Access and Targeted Outreach grants, and the Market Cost Offset Fund.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the 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 stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Cash and Cash Equivalents**

The Organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. Cash and cash equivalents held for long-term investment purposes are excluded from cash and cash equivalents and are included in investments. The Organization maintains cash in bank deposits which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**HABITAT FOR HUMANITY OF OREGON, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

**Revenue Recognition**

Revenue streams that are accounted for as an exchange transaction include program fees and affiliate dues. Fees are recognized over time as services are provided based on standard billing rates, adjusted for estimated allowances. The Organization considers dues from its affiliates to be a service fee in exchange for participating in its various training, capacity building and support programs. Habitat for Humanity of Oregon charges its affiliates for the writing of grant applications and records its fee during key benchmarks of the project.

With regard to revenues from all sources, the Organization evaluates whether each transfer of assets is (1) an exchange reciprocal transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a release of a promisor's obligation to transfer assets.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. Expenses are charged to each program based on direct expenditures incurred. Any program expenditure not directly chargeable is allocated to a program based on units of service or allocable space occupancy.

**Income Taxes**

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

HABITAT FOR HUMANITY OF OREGON, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Designations Payable**

A donor may designate their pledge to a particular 501(c)(3) Habitat affiliate with a local presence. The Organization has no discretion over these pledges and therefore they are not included in public support in the Statement of Activities.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE C – NOTES RECEIVABLE – HABITAT OREGON FUND

Habitat for Humanity of Oregon has created loan funds to offer its affiliates a way to finance the purchase of land for decent and affordable homes or to make much needed home repairs. The source of funds are permanently restricted grants described in Note L.

The loans are staggered with either five- or ten-year terms and bear no interest. Principal is paid ratably over the term of the note.

Principal is expected to be collected during the following five years as follows:

Year Ending June 30,	
2024	\$ 76,076
2025	67,826
2026	46,650
2027	24,337
2028	14,099
Thereafter	<u>38,119</u>
	<u>\$ 267,107</u>

Funds are loaned to affiliates interest free as a program of the Organization. Any Habitat for Humanity affiliate in Oregon can apply for funds to assist in the acquisition of land, permits, home repair, and related activity. Every loan in excess of \$30,000 is collateralized by either a deed against real property or a UCC filing with the state of Oregon.

**HABITAT FOR HUMANITY OF OREGON, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023**

**NOTE C – NOTES RECEIVABLE – HABITAT OREGON FUND (CONTINUED)**

Notes receivable consist of the following:

Benton	\$ 27,103
Central Lane	37,540
Junction City	26,697
Lincoln County	14,396
Portland /Metro East	53,354
Rogue Valley	844
Tillamook	11,052
Umpqua	78,528
West Tuality	<u>17,593</u>
	<u>\$ 267,107</u>

**NOTE D – CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable at June 30, 2023 represent unconditional promises to pay. The receivables are expected to be collected during the year ending June 30, 2023.

**NOTE E – DOWN PAYMENT ASSISTANCE LOANS**

The Organization provides down payment assistance (DPA) under various programs funded by the state of Oregon and others as follows:

- Prior to 2023, DPA funds were made available through the Oregon Housing & Community Services and the US Treasury Department's Community Development Financial Institution (CDFI) Fund. Borrowers were approved for the loan based upon their income level and were required to attend HUD certified homebuyer education classes. Qualified DPA applicants received up to a \$20,000 interest free loan that will be forgiven after approximately thirty years.
- Subsequent to June 30, 2023, Oregon Housing & Community Services recently awarded three Downpayment Assistance grants to Habitat for borrowers who identify as First Generation, First Time, or Veteran Homebuyers. All DPA recipients must qualify based upon income and attend HUD certified homebuyer education classes. Amounts available to borrowers vary depending upon sale price of the home and will be in the form of grants and/or loans to the homebuyers. Loans will be issued interest free and be forgiven after five years.

The Organization has established a Loan Loss Reserve for all of its loans, reducing the value of the loans outstanding by 92%. Any funds returned by the borrowers will be recycled into new down payment assistance loans. As of June 30, 2023, the Organization had issued \$638,685 in Loans, calculated a Loan Loss Reserve of \$587,590, reflecting a net loan value of \$51,095.

**NOTE F – DESIGNATIONS PAYABLE**

The Organization agreed to serve as an agent for Habitat affiliates under contractual arrangements for local, federal, and Oregon employee charitable fund drives. Habitat for Humanity of Oregon, Inc. pays affiliates upon conclusion of each year's fund drive, and in aggregate owed affiliates \$23,748 for their designations as of June 30, 2023.

**HABITAT FOR HUMANITY OF OREGON, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023**

**NOTE G – RETIREMENT PLAN**

The Organization sponsors a SIMPLE IRA for the benefit of its employees. The Organization contributes 3% of salaries to the plan. Employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code. The Organization contributed \$16,026 for the year ended June 30, 2023.

**NOTE H – GRANTS TO HABITAT AFFILIATES**

In order to facilitate coordinated applications for grant and charitable contributions from individuals, businesses and foundations, the Organization makes many appeals statewide for the benefit of the individual Habitat for Humanity affiliates that are located in the state. Many of these grants are collected in one fiscal year but distributed in the next based upon grant requirements. The Oregon State Tax Checkoff funds are used by the affiliates during the year to run credit reports on their applicants.

Remaining funds are distributed in the following fiscal year.

	<u>State Tax Checkoff</u>	<u>Grants</u>	<u>Charitable Fund Drives</u>	<u>Total</u>
Albany	\$ 2,462	\$ -	\$ 1,035	\$ 3,497
Bend-Redmond	22,846	-	1,447	24,293
Benton	3,671	-	-	3,671
Central Lane	1,728	4,476	-	6,204
Columbia County	3,109	-	-	3,109
Columbia Gorge	2,418	-	607	3,025
Coos County	1,728	-	264	1,992
Florence	2,937	-	9	2,946
Grande Ronde	950	-	229	1,179
Grants Pass	1,382	-	3,025	4,407
Junction City	7,342	-	528	7,870
La Pine Sunriver	20,428	9,845	4,054	34,327
Lebanon	1,728	-	406	2,134
Lincoln County	1,468	-	57	1,525
McMinnville	1,468	-	725	2,193
Mid-Willamette Valley	1,728	-	106	1,834
N. Willamette Valley	3,023	-	4,174	7,197
Newberg	1,728	-	845	2,573
Portland Region	4,232	-	216	4,448
Rogue Valley	3,282	1,710	792	5,784
Sisters	5,485	-	91	5,576
Tillamook	2,807	-	44	2,851
Umpqua Valley	3,972	1,283	106	5,361
West Tuality	9,155	1,200	48	10,403
	<u>111,077</u>	<u>18,514</u>	<u>18,808</u>	<u>148,399</u>
Less designated allocations	<u>-</u>	<u>-</u>	<u>(18,808)</u>	<u>(18,808)</u>
	<u>\$ 111,077</u>	<u>\$ 18,514</u>	<u>\$ -</u>	<u>\$ 129,591</u>

**HABITAT FOR HUMANITY OF OREGON, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023**

**NOTE I – BOARD DESIGNATED FUNDS**

The Organization maintains an operating reserve equal to 4 months of operating costs. At June 30, 2023 this reserve totals \$345,000.

**NOTE J – REFUNDABLE ADVANCES**

The Organization has received cash advances under grants listed below. As these grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, grant revenue is recognized as revenue when the Organization has incurred qualifying expenditures in compliance with specific contract or grant provisions. Cash associated with these refundable advances are segregated from operating cash.

OHCS Individual Development Account program	\$ 100,000
OHCS Down Payment Assistance	1,241,730
Culturally Responsive Down Payment Assistance	<u>1,479,854</u>
	<u>\$ 2,821,584</u>

**NOTE K – IN-KIND CONTRIBUTIONS**

The Organization reports as revenue the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated. During the year ended June 30, 2023, the Organization recorded \$400 of in-kind legal services. In addition, the Organization regularly receives contributed services from a large number of volunteers who assist in program activities, fund-raising, and other activities. The value of such services, which the Organization considers not practical to estimate, has not been recognized on the accompanying financial statements.

**NOTE L – NET ASSETS WITH DONOR RESTRICTIONS**

Restricted net assets restricted for purpose at June 30, 2023 consist of the following:

Habitat Oregon Loan Fund	\$ 600,000
Oregon Charitable Checkoff Fund	86,799
Neighborhood IDA	<u>104,255</u>
	<u>\$ 791,054</u>

**NOTE M – CONDITIONAL PROMISES TO GIVE**

The Organization has been promised the following awards that are subject to both a barrier, and right of return to funder should the conditions of the awards not be met. The amounts below reflect the remaining conditional promises not yet recognized as revenue as the conditions, primarily incurring expenses, are not yet met.

**HABITAT FOR HUMANITY OF OREGON, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023**

**NOTE M – CONDITIONAL PROMISES TO GIVE (CONTINUED)**

Grant	Amount Subject to Barrier and Right of Return
CRO Down Payment Assistance	\$ 1,447,595
CRO Administration	144,760
HOAP - General Down Payment Assistance	2,422,595
HOAP - General Admin	242,260
HOAP - Veterans Down Payment Assistance	450,000
HOAP - Veterans Admin	45,000
Economic Equity Investment Program	807,000
Economic Equity Investment Program - Administration	43,000
HOAP DEI and Training	30,000
Health Homes Repair	1,979,707
IDA Fiscal Officer Program Grant	300,000
Total	\$ 7,911,917

**NOTE N – LIQUIDITY**

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2023:

Financial assets at year-end	
Cash and cash equivalents	\$ 974,027
Accounts receivable	38,706
Contributions and grants receivable	108,671
Notes receivable	76,076
Less those unavailable for general expenditure within one year, due to:	
Purpose restriction	(791,054)
Financial assets available to meet cash needs for general expenditures within one year	\$ 406,426

**NOTE O – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 20, 2023, which is the date the financial statements were available to be issued.

In August 2023 the organization signed a two-year lease requiring monthly payments of \$2,000.