

HABITAT FOR HUMANITY OF OREGON, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2024



KERN  THOMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2024**

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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, 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 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, 2024, 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 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kern & Thompson, LLC*

Portland, Oregon  
January 29, 2025

# HABITAT FOR HUMANITY OF OREGON, INC.

## STATEMENT OF FINANCIAL POSITION

June 30, 2024

(With Comparative Totals as of June 30, 2023)

### ASSETS

	<u>2024</u>	<u>2023</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 641,146	\$ 974,027
Restricted cash	1,705,555	2,821,584
Accounts receivable	11,614	38,706
Contributions and grants receivable	339,784	108,671
Prepaid expenses	2,000	36,458
Revolving fund, short term portion (Note C)	60,232	76,076
Rural ready, short term portion (Note C)	59,920	-
Donated land held for sale	4,327	6,208
<b>Total current assets</b>	<u>2,824,578</u>	<u>4,061,730</u>
<b>Long term assets</b>		
Notes receivable - revolving fund, long term portion (Note C)	102,206	191,031
Notes receivable - rural ready, long term portion (Note C)	237,067	-
Down Payment Assistance Loans net of \$1,447,275 loan loss reserve (Note E)	125,850	51,095
<b>Total long term assets</b>	<u>465,123</u>	<u>242,126</u>
<b>Total assets</b>	<u><u>\$ 3,289,701</u></u>	<u><u>\$ 4,303,856</u></u>

### LIABILITIES AND NET ASSETS

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 33,044	\$ 31,687
Payroll liabilities	15,968	10,769
Designations payable (Note F)	22,823	23,748
Deferred revenue	5,000	-
Refundable advances - State of Oregon (Note J)	1,705,555	2,821,584
<b>Total current liabilities</b>	<u>1,782,390</u>	<u>2,887,788</u>
<b>Net assets</b>		
Without donor restrictions		
Board designated funds (Note I)		
Operating reserve	410,000	345,000
Available for operations	497,311	280,014
Total without donor restrictions	907,311	625,014
With donor restrictions (Note L)	600,000	791,054
<b>Total net assets</b>	<u>1,507,311</u>	<u>1,416,068</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 3,289,701</u></u>	<u><u>\$ 4,303,856</u></u>

See notes to financial statements.

# HABITAT FOR HUMANITY OF OREGON, INC.

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
<b>Contributions</b>				
Individuals	\$ 76,097	\$ -	\$ 76,097	\$ 77,983
Charitable fund drives, net	24,576	-	24,576	16,756
Oregon Habitat affiliates	1,702	-	1,702	11,041
Foundations	97,500	-	97,500	20,000
Bequest	62,396	-	62,396	-
Corporations and conference sponsorships	21,445	-	21,445	155,542
State of Oregon grant	-	30,000	30,000	385,297
State tax checkoff	-	171,244	171,244	88,797
Oregon Downpayment Assistance grants	934,440	-	934,440	-
Economic Equity Investment Program - Rural Ready	770,400	-	770,400	-
Habitat International support	467	-	467	28,304
Other income	7,000	-	7,000	400
Total contributions	1,996,023	201,244	2,197,267	784,120
<b>Earned income</b>				
HUD Healthy Homes program	204,353	-	204,353	20,293
Oregon Downpayment Assistance program	169,492	-	169,492	115,291
Oregon IDA program	68,800	-	68,800	135,750
Loan fund application fees	15,880	-	15,880	3,250
Affiliate grant writing fees	86,400	-	86,400	123,601
Affiliate conference fees	1,200	-	1,200	116,227
EEIP Rural Ready administrative fee	38,400	-	38,400	-
Affiliate dues	40,000	-	40,000	40,000
Interest income	84,684	-	84,684	22,791
Total earned income	709,209	-	709,209	577,203
Total contributions and earned income	<b>2,705,232</b>	<b>201,244</b>	<b>2,906,476</b>	<b>1,361,323</b>
Net assets released from restrictions				
Satisfaction of program restrictions	392,298	(392,298)	-	-
<b>Total revenue and support</b>	<b>3,097,530</b>	<b>(191,054)</b>	<b>2,906,476</b>	<b>1,361,323</b>
<b>Expenses</b>				
Program services	2,675,175	-	2,675,175	1,132,951
Supporting services				
Management and general	111,678	-	111,678	74,570
Fundraising	28,380	-	28,380	55,998
<b>Total expenses</b>	<b>2,815,233</b>	<b>-</b>	<b>2,815,233</b>	<b>1,263,519</b>
<b>Change in net assets</b>	<b>282,297</b>	<b>(191,054)</b>	<b>91,243</b>	<b>97,804</b>
Net assets, beginning of year	625,014	791,054	1,416,068	1,318,264
<b>Net assets, end of year</b>	<b>\$ 907,311</b>	<b>\$ 600,000</b>	<b>\$ 1,507,311</b>	<b>\$ 1,416,068</b>

See notes to financial statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2024**

(With Comparative Totals for the Year Ended June 30, 2023)

		<b>PROGRAM SERVICES</b>	<b><u>SUPPORTING SERVICES</u></b>		<b><u>Total</u></b>	
			<b>Management and General</b>	<b>Fundraising</b>	<b>2024</b>	<b>2023</b>
Grants to Habitat affiliates (Note H)	\$	909,306	\$ -	\$ -	\$ 909,306	\$ 181,996
Loan loss provision and write-offs (Note E)		859,685	-	-	859,685	48,612
Rent & Utilities		23,955	749	776	25,480	16,704
Salaries, taxes and benefits		701,593	21,940	22,726	746,259	629,207
Affiliate conference and training		16,369	-	-	16,369	150,824
Travel and training		30,195	31,274	43	61,512	18,121
Tithe to Habitat International		-	-	-	-	11,627
DEI initiatives		27,829	-	-	27,829	68,531
Affiliate advocacy		44,839	-	-	44,839	50,605
Subcontract accounting		8,944	33,099	-	42,043	33,600
Legal and professional		3,605	10,789	-	14,394	13,571
Insurance		8,059	252	261	8,572	4,766
Office expense		27,086	449	3,721	31,256	16,246
Other		8,297	13,126	295	21,718	8,652
Fundraising		49	-	950	999	9,463
Uncollectible pledges		-	-	(392)	(392)	994
Oregon IDA program expenses		5,364	-	-	5,364	-
	<b>\$</b>	<b><u>2,675,175</u></b>	<b>\$ <u>111,678</u></b>	<b>\$ <u>28,380</u></b>	<b>\$ <u>2,815,233</u></b>	<b>\$ <u>1,263,519</u></b>

See notes to financial statements.

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

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2024**

(With Comparative Totals for the Year Ended June 30, 2023)

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 91,243	\$ 97,804
Adjustments to reconciled change in net assets to net cash provided by (used in) operating activities:		
Loss on loans	859,685	48,612
<b>Change in assets and liabilities:</b>		
Accounts receivable	27,092	(36,999)
Contributions and grants receivable	(231,113)	(70,659)
Prepaid expenses	34,458	(10,247)
Accounts payable and accrued expenses	1,357	568
Payroll liabilities	5,199	-
Designations payable	(925)	749
Deferred revenue	5,000	-
Refundable advances	<u>(1,116,029)</u>	<u>2,821,584</u>
<b>Net cash provided by (used in) operating activities</b>	<u><b>(324,033)</b></u>	<u><b>2,851,412</b></u>
<b>Cash flows from investing activities:</b>		
Issuance of downpayment assistance loans	(934,440)	(23,121)
Issuance of rural ready notes receivable	(299,600)	-
Issuance of notes receivable - revolving loan fund	-	(51,338)
Repayments of rural ready notes receivable	6,374	400
Repayments of notes receivable - revolving loan fund	104,670	77,587
Land held for sale	<u>(1,881)</u>	<u>(199)</u>
<b>Net cash provided by (used in) investing activities</b>	<u><b>(1,124,877)</b></u>	<u><b>3,329</b></u>
<b>Net increase (decrease) in cash</b>	<b>(1,448,910)</b>	<b>2,854,741</b>
Cash and cash equivalents, beginning of year	<u>3,795,611</u>	<u>940,870</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 2,346,701</b></u>	<u><b>\$ 3,795,611</b></u>
<b>Reported in the statement of financial position as:</b>		
Cash and cash equivalents	\$ 641,146	\$ 974,027
Restricted cash	<u>1,705,555</u>	<u>2,821,584</u>
<b>Total amount reported in statement of financial position</b>	<u><b>\$ 2,346,701</b></u>	<u><b>\$ 3,795,611</b></u>

See notes to financial statements.



## HABITAT FOR HUMANITY OF OREGON, INC.

### NOTES TO FINANCIAL STATEMENTS

June 30, 2024

#### NOTE A – DESCRIPTION OF ORGANIZATION

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

**FUNDRAISING SUPPORT:** During the year ended June 30, 2024, Habitat for Humanity of Oregon used a hub-and-spoke model to mobilize new state and federal funding resources to support local Habitat for Humanity affiliates' efforts serving first-time homebuyers and home repair recipients across the state:

- Down payment assistance from Oregon Housing and Community Services to benefit first-time and first-generation homebuyers across the state.
- HUD Healthy Homes award to help rural affiliates to meaningfully increase home repair production.
- Economic Equity Investment Program funds (EEIP) administered by Business Oregon paired with existing loan capital to create a hybrid grant/loan product to help rural affiliates secure and/or pre-develop sites for nearly 100 homes.
- Individual Development Account (IDA) matched savings resources from Neighborhood Partnerships, administering this program on behalf of Oregon Housing and Community Services.

In addition, Habitat Oregon helped local Habitat affiliates to secure \$5,550,000 from Oregon Housing and Community Services during this same timeframe. These direct funding awards include Local Innovation Fast Track housing (LIFT) for Homeownership and Homeownership Development Incubator (HDIP) Programs.

**TRAINING AND TECHNICAL ASSISTANCE:** On April 22-23, 2024, Habitat for Humanity of Oregon hosted a Repair Summit in Lincoln City. Fifty attendees participated in the two-day summit including industry leaders, partners, funders, and staff from 16 ambitious Habitat affiliates. Together, the group shared best practices, discussed program sustainability, examined equitable access and outreach, learned about funding resources and more. In addition to this in-person conference, Habitat Oregon hosted numerous webinars over the course of FY24. 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.

## HABITAT FOR HUMANITY OF OREGON, INC.

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024

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

**GOVERNMENT RELATIONS AND ADVOCACY:** Habitat Oregon 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. We hosted the annual “Habitat at the Capitol” advocacy day, during which 38 participants met with 40 legislators. Two homeowners joined this event to share personal stories. During the 2024 short session, legislators advanced Governor Kotek’s statewide housing production package with bipartisan support. Made up of Senate Bills 1537 and 1530, and House Bill 4134, this package included \$376 million to boost housing production, streamline development, and support renters.

**DISASTER RISK REDUCTION AND RESPONSE:** Habitat Oregon 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. Habitat Oregon 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 FY24, Habitat Oregon’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. Our staff team took a deep dive with co-facilitators, who conducted confidential interviews to inform a full-day retreat where the staff team leaned in together to foster and improved sense of belonging during day-to-day operations. The Homeowner Advisory Council continues to provide support throughout the year, including advocating for federal and state policy priorities, helping to interview job candidates and scoring competitive applications for the Rural Ready program. As we pursued our strategic planning process, the staff team reached out repeatedly to the local Habitat affiliates we serve, the Homeownership Advisory Council and key stakeholders to inform our long-term vision and goals.

#### 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 subject to donor-imposed stipulations that will be met 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.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2024**

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

**Financial Statement Presentation (Continued)**

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. As of June 30, 2024, there was cash of about \$193,000 in excess of FDIC insurance.

**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**

With regard to revenues from all sources, the Organization evaluates whether each transfer of assets is (1) an exchange 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. Revenue streams that are accounted for as an exchange transaction include program 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 each project.
- *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.

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

**June 30, 2024**

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

**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.

**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, 2023, 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 (net assets with donor restrictions).

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

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

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

**June 30, 2024**

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

Year Ending June 30,	Revolving Fund	Rural Ready
2025	\$ 60,232	\$ 59,920
2026	46,649	59,920
2027	24,336	59,920
2028	14,098	59,920
2029	11,144	57,307
Thereafter	5,979	-
	<u>\$ 162,438</u>	<u>\$ 296,987</u>

Funds are loaned to affiliates interest free as a program of the Organization. Any Habitat 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 of trust against real property or a UCC filing with the state of Oregon.

Notes receivable consist of the following:

	Revolving Fund	Rural Ready
Benton	\$ 14,103	\$ -
Central Lane	22,540	-
Columbia County	-	55,067
Columbia Gorge	-	44,800
Grande Ronde	-	14,000
Junction City	22,885	27,533
Lincoln County	10,635	-
Mid-Willamette Valley	-	56,000
N. Willamette	-	55,067
Newberg	-	16,520
Portland/Metro East	37,500	-
Tillamook	8,552	28,000
Umpqua	46,223	-
	<u>\$ 162,438</u>	<u>\$ 296,987</u>

**NOTE D – CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable at June 30, 2024 represent unconditional promises to pay. The receivables are expected to be collected during the year ending June 30, 2024.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2024**

**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 a 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 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 its DPA 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, 2024, the Organization had issued \$1,573,125 in loans, calculated a Loan Loss Reserve of \$125,850, netting to a loan value of \$125,850. Loans totaling \$934,440 were issued during the year ending June 30, 2024, of which \$859,685 were written off as an estimated loss on the statement of functional expenses.

**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 \$22,823 for their designations as of June 30, 2024.

**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 \$18,357 for the year ended June 30, 2024.

**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 individual Habitat for Humanity affiliates located in the state. Many of these grants are collected in one fiscal year but distributed in the next based upon grant requirements.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2024**

**NOTE H – GRANTS TO HABITAT AFFILIATES (CONTINUED)**

Remaining funds are distributed in the following fiscal year.

	State Tax Checkoff	Rural Ready & HUD HHP	Grants IDA Admin	Total
Albany	\$ 580	\$ -	\$ -	\$ 580
Bend-Redmond	7,382	-	5,000	12,382
Benton	844	-	-	844
Central Lane	844	-	129	973
Columbia County	1,450	144,000	6,500	151,950
Columbia Gorge	1,424	115,200	-	116,624
Coos County	1,555	-	-	1,555
Florence	1,055	-	-	1,055
Grande Ronde	896	36,000	-	36,896
Grants Pass	738	-	-	738
Junction City/Harrisburg	1,318	73,727	7	75,052
La Pine Sunriver	5,642	-	-	5,642
Lebanon	1,265	-	-	1,265
Lincoln County	712	779	1,500	2,991
McMinnville	1,055	-	-	1,055
Mid-Willamette Valley	1,977	144,000	-	145,977
N. Willamette Valley	685	144,000	-	144,685
Newberg	949	43,200	-	44,149
Portland Region	23,490	-	7,000	30,490
Rogue Valley	4,113	-	2,500	6,613
Sisters	2,610	-	-	2,610
Tillamook	1,424	73,597	2,500	77,521
Umpqua Valley	1,925	-	1,250	3,175
West Tuality	11,547	32,937	-	44,484
	<u>\$ 75,480</u>	<u>\$ 807,440</u>	<u>\$ 26,386</u>	<u>\$ 909,306</u>

**NOTE I – BOARD DESIGNATED FUNDS**

The Organization maintains an operating reserve equal to 4 months of operating costs. At June 30, 2024 this reserve totals \$410,000.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2024**

**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.

Down payment assistance program -	
Culturally Responsive Organization	\$ 687,108
Home ownership assistance program - General	810,655
Down payment assistance - Home ownership	
assistance program - Veterans	165,000
Down payment assistance - Home ownership	
assistance program - Veterans Administration	5,250
Individual development account fiscal	
office program grant	34,300
Individual development account - Matching funds	<u>3,242</u>
	<u>\$ 1,705,555</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. 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, 2024 consist of \$600,000 that must be used as a revolving loan fund.



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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2024**

**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.

CRO Down Payment Assistance	\$ 687,108
CRO Administration	68,711
HOAP - General Down Payment Assistance	1,014,155
HOAP - General Administrators	101,415
HOAP - Veterans Down Payment Assistance	390,000
HOAP - Veterans Administrators	39,000
Economic Equity Investment Program	36,600
Economic Equity Investment Program	4,600
Health Homes Repair	1,788,747
IDA Fiscal Officer Program Grant	<u>463,242</u>
Total	<u>\$ 4,593,578</u>

**NOTE N – OPERATING LEASE COMMITMENTS**

The Organization has entered into a lease for office space requiring a \$2,000 payment per month through August 15, 2025. Management has considered the impact of *Accounting Standards Update No. 2016-02, Leases Topic 842* ("ASC 842"). The potential Right of Use asset and associated lease liability would be immaterial at June 30, 2024, and have not been recorded in the financial statements.

**NOTE O – LIQUIDITY**

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2024:

Financial assets at year-end	
Cash and cash equivalents	\$ 395,632
Accounts receivable	11,614
Contributions and grants receivable	339,784
Notes receivable	<u>120,152</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 867,182</u>

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

**June 30, 2024**

**NOTE P – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 29, 2024, which is the date the financial statements were available to be issued.