

HABITAT FOR HUMANITY OF OREGON, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2025



KERN ▲ THOMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2025**

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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, 2025, 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, 2025, 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 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kern & Thompson, LLC*

Portland, Oregon  
December 3, 2025

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

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2025**

(With Comparative Totals as of June 30, 2024)

<b>ASSETS</b>	<b>2025</b>	<b>2024</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 455,807	\$ 641,146
Restricted cash	441,377	1,705,555
Accounts receivable	44,413	11,614
Contributions and grants receivable	323,858	339,784
Prepaid expenses	7,863	2,000
Notes receivable revolving fund, short term portion	46,650	60,232
Notes receivable Rural Ready program, short term portion	89,040	59,920
Donated land held for sale	-	4,327
Total current assets	<u>1,409,008</u>	<u>2,824,578</u>
<b>Long term assets</b>		
Notes receivable revolving fund, long term portion	55,555	102,206
Notes receivable Rural Ready program, long term portion	312,612	237,067
Down Payment Assistance Loans, net	209,382	125,850
Total long term assets	<u>577,549</u>	<u>465,123</u>
<b>Total assets</b>	<b>\$ 1,986,557</b>	<b>\$ 3,289,701</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 36,095	\$ 33,472
Payroll liabilities	5,363	15,968
Designations payable	20,114	22,395
Deferred revenue	-	5,000
Refundable advances - State of Oregon	441,377	1,705,555
Total current liabilities	<u>502,949</u>	<u>1,782,390</u>
<b>Net assets</b>		
Without donor restrictions		
Board designated funds		
Operating reserve	410,000	410,000
Available for operations	473,608	497,311
Total without donor restrictions	<u>883,608</u>	<u>907,311</u>
With donor restrictions	600,000	600,000
Total net assets	<u>1,483,608</u>	<u>1,507,311</u>
<b>Total liabilities and net assets</b>	<b>\$ 1,986,557</b>	<b>\$ 3,289,701</b>

See notes to financial statements.

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

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2025**

(With Comparative Totals for the Year Ended June 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
<b>Contributions</b>				
Individuals	\$ 105,457	\$ -	\$ 105,457	\$ 76,097
Charitable fund drives, net	20,083	-	20,083	24,576
Foundations	120,000	25,560	145,560	97,500
Bequest	67,735	-	67,735	62,396
Conference sponsorships	12,158	198,750	210,908	21,445
State of Oregon grant	-	-	-	30,000
State tax checkoff	-	101,880	101,880	171,244
Oregon downpayment assistance grants	1,044,155	-	1,044,155	934,440
Economic Equity Investment Program - Rural Ready	419,100	-	419,100	770,400
HUD Healthy Homes grants - direct support	387,834	-	387,834	-
OHA Healthy Homes grants - direct support	12,880	-	12,880	-
Habitat International support	3,280	-	3,280	467
Other income	5,000	-	5,000	8,702
In-kind donations	10,131	-	10,131	-
Total contributions	<u>2,207,813</u>	<u>326,190</u>	<u>2,534,003</u>	<u>2,197,267</u>
<b>Earned income</b>				
Oregon downpayment assistance administrative support	173,126	-	173,126	169,492
EEIP Rural Ready administrative support	72,100	-	72,100	38,400
HUD Healthy Homes administrative support	112,574	-	112,574	204,353
OHA Healthy Homes administrative support	50,000	-	50,000	-
Oregon IDA administrative support	116,100	-	116,100	68,800
Loan fund application fees	-	-	-	15,880
Affiliate grant writing fees	87,480	-	87,480	86,400
Affiliate conference fees	174,157	-	174,157	1,200
Affiliate dues and fees for services	40,000	-	40,000	40,000
Interest income	44,197	-	44,197	84,684
Total earned income	<u>869,734</u>	<u>-</u>	<u>869,734</u>	<u>709,209</u>
<b>Total contributions and earned income</b>	<u><b>3,077,547</b></u>	<u><b>326,190</b></u>	<u><b>3,403,737</b></u>	<u><b>2,906,476</b></u>
Net assets released from restrictions				
Satisfaction of program restrictions	326,190	(326,190)	-	-
Total revenue and support	<u>3,403,737</u>	<u>-</u>	<u>3,403,737</u>	<u>2,906,476</u>
<b>Expenses</b>				
Program services	3,233,077	-	3,233,077	2,675,175
Supporting services				
Management and general	183,124	-	183,124	111,678
Fundraising	11,239	-	11,239	28,380
Total expenses	<u>3,427,440</u>	<u>-</u>	<u>3,427,440</u>	<u>2,815,233</u>
<b>Change in net assets</b>	<b>(23,703)</b>	<b>-</b>	<b>(23,703)</b>	<b>91,243</b>
Net assets, beginning of year	907,311	600,000	1,507,311	1,416,068
<b>Net assets, end of year</b>	<u><b>\$ 883,608</b></u>	<u><b>\$ 600,000</b></u>	<u><b>\$ 1,483,608</b></u>	<u><b>\$ 1,507,311</b></u>

See notes to financial statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2025**

(With Comparative Totals for the Year Ended June 30, 2024)

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>			<u>Total</u>	
	<u>Affiliate &amp; Homeowner Resource Development</u>	<u>Affiliate Training and Support</u>	<u>Advocacy and Lobbying</u>	<u>Program Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2025</u>	<u>2024</u>	
	Grants to Habitat affiliates	\$ 848,927	\$ 100,000	\$ -	\$ 948,927	\$ -	\$ -	\$ 948,927	\$ 909,306
Loan loss provision and write-offs	960,623	-	-	960,623	-	-	960,623	859,685	
Rent and utilities	9,302	14,357	3,117	26,776	4,152	184	31,112	25,480	
Salaries, taxes, and benefits	274,351	423,441	91,944	789,736	122,458	5,430	917,624	746,259	
Affiliate conference and training	2,177	271,852	3,235	277,264	277	-	277,541	16,369	
Travel and training	9,893	17,400	4,615	31,908	3,492	67	35,467	86,134	
Tithe to Habitat International	-	41,260	-	41,260	-	-	41,260	-	
Advocacy events	84	-	12,709	12,793	-	-	12,793	10,989	
In-kind services	2,842	2,000	-	4,842	2,420	-	7,262	-	
In-kind supplies	-	2,869	-	2,869	-	-	2,869	-	
Legal and professional	11,134	239	72,000	83,373	42,482	-	125,855	89,437	
Insurance	4,875	4,009	871	9,755	1,159	51	10,965	8,572	
Office expense	11,936	9,743	2,783	24,462	2,643	936	28,041	31,256	
Memberships and dues	250	2,400	4,840	7,490	385	2,500	10,375	3,895	
Other	-	9,689	1,310	10,999	3,656	2,071	16,726	27,851	
	<u>\$ 2,136,394</u>	<u>\$ 899,259</u>	<u>\$ 197,424</u>	<u>\$ 3,233,077</u>	<u>\$ 183,124</u>	<u>\$ 11,239</u>	<u>\$ 3,427,440</u>	<u>\$ 2,815,233</u>	

See notes to financial statements.

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

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2025**

(With Comparative Totals for the Year Ended June 30, 2024)

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (23,703)	\$ 91,243
Adjustments to reconciled change in net assets to net cash provided by (used in) operating activities:		
Loss on loans	960,623	859,685
<b>Change in assets and liabilities:</b>		
Accounts receivable	(32,799)	27,092
Contributions and grants receivable	15,926	(231,113)
Prepaid expenses	(5,863)	34,458
Accounts payable and accrued expenses	2,623	1,357
Payroll liabilities	(10,605)	5,199
Designations payable	(2,281)	(925)
Deferred revenue	(5,000)	5,000
Refundable advances	(1,264,178)	(1,116,029)
<b>Net cash provided by (used in) operating activities</b>	<b>(365,257)</b>	<b>(324,033)</b>
<b>Cash flows from investing activities:</b>		
Issuance of downpayment assistance loans	(1,044,155)	(934,440)
Issuance of rural ready notes receivable	(163,115)	(299,600)
Repayments of rural ready notes receivable	58,450	6,374
Repayments of notes receivable - revolving loan fund	60,233	104,670
Proceeds from sale of land	4,327	-
Capitalized costs of lot for sale	-	(1,881)
<b>Net cash provided by (used in) investing activities</b>	<b>(1,084,260)</b>	<b>(1,124,877)</b>
<b>Net change in cash</b>	<b>(1,449,517)</b>	<b>(1,448,910)</b>
Cash and cash equivalents and restricted cash, beginning of year	2,346,701	3,795,611
<b>Cash and cash equivalents and restricted cash, end of year</b>	<b>\$ 897,184</b>	<b>\$ 2,346,701</b>
<b>Reported in the statement of financial position as:</b>		
Cash and cash equivalents	\$ 455,807	\$ 641,146
Restricted cash	441,377	1,705,555
<b>Total amount reported in statement of financial position</b>	<b>\$ 897,184</b>	<b>\$ 2,346,701</b>

See notes to financial statements.

## HABITAT FOR HUMANITY OF OREGON, INC.

### NOTES TO FINANCIAL STATEMENTS

June 30, 2025

#### 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 partners with people in your community, and all over the world, to help them build or improve a place they can call home. Habitat homeowners help build their own homes alongside volunteers and pay an affordable mortgage. Habitat for Humanity of Oregon (Habitat Oregon or the Organization) works alongside dedicated staff and volunteers building and repairing homes across our state. We help advance homeownership throughout Oregon by supporting affiliates in the following areas:

- Fundraising and lending to fuel Habitat affiliates’ work.
- Training and technical assistance to empower Habitat affiliates’ staff.
- Public policy and advocacy in support of our vision that every Oregonian has a safe and stable place to call home.
- Disaster resilience, response and recovery.

**FUNDRAISING SUPPORT:** Habitat for Humanity of Oregon uses a hub-and-spoke model to mobilize state and federal funding resources to help local Habitat for Humanity affiliates expand their capacity to serve first-time homebuyers and home repair recipients:

- Down payment assistance from Oregon Housing and Community Services directly benefits first-time and first-generation homebuyers across the state.
- HUD Healthy Homes program resources help rural affiliates to meaningfully increase home repair production.
- Economic Equity Investment Program funds administered by Business Oregon and paired with Habitat’s Oregon loan capital empowers rural affiliates to secure and/or pre-develop sites for nearly 100 homes.
- Individual Development Account (IDA) matched savings resources from Neighborhood Partnerships help savers to achieve their goals, from critical home repairs to new home purchases.

Habitat Oregon has helped local Habitat affiliates secure \$6,566,000 to expand new home construction with the Local Innovation Fast Track housing (LIFT) Homeownership program administered by Oregon Housing and Community Services.

**TRAINING AND TECHNICAL ASSISTANCE:** The April 2025 Western Region Conference welcomed a record number of attendees, bringing together 550 Habitat staff, board members, and volunteers—along with generous sponsors, speakers, and housing partners from across the western United States and beyond. Centered on the theme framing brighter futures, the conference focused on building capacity, advancing housing justice, fostering resilience, and placing people at the heart of everything we do. The 2025 conference affirmed the strength, spirit, and determination of the Habitat network and its affordable housing allies.

In addition to this in-person conference, Habitat Oregon hosted numerous webinars over the course of the 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 five staff focus areas: Construction Technology, Volunteer Coordination, Homeowner Services, Resource Development and ReStore Management.

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

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

**GOVERNMENT RELATIONS AND ADVOCACY:** Habitat for Humanity of Oregon has formed and supported the Unlocking Homeownership Coalition. Anchored by dozens of nonprofits, homeownership developers and other aligned partners, this Coalition stands united in the belief that homeownership is essential to building generational wealth, community stability and a more just Oregon. In March 2025, we hosted the first Unlocking Homeownership Coalition Advocacy Day: Nearly 100 advocates from 45+ organizations met with 66 Oregon legislators to push for better access to first-time and first-generation homeownership, and the increased supply of entry level homes for sale. Amid federal uncertainty and competing priorities for state resources, we secured key wins that move us closer to a future where more Oregonians can put down roots and thrive.

**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.

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

**Basis of Accounting**

The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with generally accepted principles promulgated in the United States of America (US GAAP). Under the accrual basis of accounting, revenues are recorded when earned, and expenditures are recorded as incurred.

**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.

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.

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

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

**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, 2025, there was cash of approximately \$181,000 in excess of FDIC insurance.

**Accounts Receivable**

Accounts receivable, comprised of amounts due from affiliates for grant writing and membership dues, are recorded monthly as the related services are provided and billed. Management periodically assesses the estimated allowance for credit losses based on historical credit loss experience, current conditions, and reasonable and supportable forecasts. Delinquent receivables are written off against the allowance based on credit evaluations and specific circumstances of the tenant. Management has determined an allowance for credit losses is not necessary. No accounts were older than 90 days, as of June 30, 2025.

**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.

**Designations Payable**

The Organization participates in workplace giving campaigns. These workplace donors 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.

**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**

**June 30, 2025**

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

**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 dues from its affiliates and service fees 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.

**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.

**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, 2024, from which the summarized information was derived.

**Reclassifications**

Certain prior year amounts have been reclassified for consistency with current year presentations. These reclassifications had no effect on the reported results of operations.

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

**NOTE C – NOTES RECEIVABLE – HABITAT OREGON FUND**

The Organization offers its affiliates funding to finance the purchase of land for decent and affordable homes, or to make much needed home repairs. The notes are staggered with five- or ten-year terms and bear no interest. Principal is paid ratably over the term of the note.

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 a deed of trust against real property or a UCC filing with the state of Oregon.

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

Year Ending June 30,	Revolving Fund	Rural Ready
2026	\$ 46,650	\$ 89,040
2027	24,336	92,543
2028	14,098	92,543
2029	11,145	89,370
2030	5,976	34,652
Thereafter	-	3,504
	\$ 102,205	\$ 401,652

Notes receivable are from the following affiliates:

	Revolving Fund	Rural Ready
Benton	\$ 1,104	\$ -
Central Lane	10,853	-
Columbia County	-	50,867
Columbia Gorge	-	38,080
Grande Ronde	-	11,433
Grants Pass	-	9,520
Junction City	19,072	21,933
La Pine/Sunriver	-	49,933
Lincoln County	8,135	13,067
Mid-Willamette Valley	-	45,733
N. Willamette	-	75,647
Newberg	-	33,600
Portland/Metro East	22,500	-
Sisters	-	28,015
Tillamook	6,053	23,824
Umpqua	34,488	-
	\$ 102,205	\$ 401,652

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

**NOTE D – CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable at June 30, 2025, represent unconditional promises to pay. The receivables are expected to be collected during the year ending June 30, 2025.

**NOTE E – 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 and included as restricted cash on the accompanying statement of financial position.

Down payment assistance program –	
Home ownership assistance program – Veterans	\$ 135,000
Down payment assistance - Home ownership	
assistance program - Veterans Administration	2,250
Individual development account fiscal	
office program grant	117,007
Oregon Health Authority Healthy Homes Repair Grant	<u>187,120</u>
	\$ <u><u>441,377</u></u>

**NOTE F – 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, 2025, the Organization had issued \$2,617,280 in loans, calculated a Loan Loss Reserve of \$2,407,898, netting to a loan value of \$209,382. Loans totaling \$1,044,155 were issued during the year ending June 30, 2025, of which \$960,623 were written off as an estimated loss on the statement of functional expenses.

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

**NOTE G – 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. Remaining funds are distributed in the following fiscal year.

	State Tax Checkoff	Rural Ready & OCF Grant	Grants IDA Admin	HUD and OHA Healthy Homes	Total
Albany	\$ 882	\$ -	\$ -	\$ -	\$ 882
Bend-Redmond	10,287	-	5,000	-	15,287
Benton	1,176	-	-	-	1,176
Central Lane	2,204	-	-	565	2,769
Columbia County	882	18,000	6,500	-	25,382
Columbia Gorge	1,029	-	-	550	1,579
Coos County	2,425	-	-	-	2,425
Florence	1,837	-	-	550	2,387
Grande Ronde	1,249	15,000	-	565	16,814
Grants Pass	1,029	24,480	-	-	25,509
La Pine Sunriver	7,825	133,200	-	-	141,025
Lebanon	808	-	-	670	1,478
Lincoln County	2,057	36,000	1,500	7,137	46,694
McMinnville	2,939	-	-	1,515	4,454
Mid-Willamette Valley	882	-	-	-	882
N. Willamette Valley	882	81,720	-	-	82,602
Newberg	882	54,000	-	80,710	135,592
Portland Region	41,587	-	7,000	-	48,587
Rogue Valley	4,519	-	2,500	-	7,019
Sisters	2,866	71,700	-	667	75,233
Tillamook	1,983	-	2,500	6,385	10,868
Umpqua Valley	1,836	-	1,250	-	3,086
West Tuality	7,934	-	-	289,263	297,197
	<u>\$ 100,000</u>	<u>\$ 434,100</u>	<u>\$ 26,250</u>	<u>\$ 388,577</u>	<u>\$ 948,927</u>

The Organization competitively applies for and receives grant funding from various sources, which it subsequently distributes to affiliate organizations. For certain programs, such as the HUD and OHA Healthy Homes program, these resources are structured as reimbursements for local home repair activities. IDA matched savings resources are released once savers have met their goals. In the case of new home purchases, Habitat Oregon wires the funds directly to escrow. To access the Rural Ready program, affiliates submit applications competitively scored by the Organization and participate in ongoing reporting to the state.

In addition to the grants listed in the above table which are included as revenue and shown as a grant to affiliates, another \$873,343 of support was provided to Habitat affiliates due to the effort of the Organization to encourage state fundings for affiliate projects. Habitat for Humanity of Oregon acts as an intermediate for these funds but does maintain variance power or control over who receives them. Therefore, those funds are not included in the statement of activities, nor the statement of functional expense.

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

**NOTE H – 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 \$20,114 for their designations as of June 30, 2025.

**NOTE I – 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 \$22,046 for the year ended June 30, 2025.

**NOTE J – BOARD DESIGNATED FUNDS**

The Organization maintains an operating reserve equal to four months of operating costs. At June 30, 2025, this reserve totals \$410,000.

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

Restricted net assets restricted for purpose at June 30, 2025 consist of \$600,000 that must be used as a revolving loan fund.

**NOTE L – CONDITIONAL PROMISES TO GIVE**

In addition to the refundable advances described in Note E, 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.

<u>Grant</u>	<u>Amount Subject to Barrier and Right of Return</u>
HOAP - Veterans Down Payment Assistance	\$ 396,000
HUD Healthy Homes Repair	1,235,673
OR Health Authority Healthy Homes Repair	687,120
IDA Fiduciary Officer program funds	<u>547,007</u>
	<u>\$ 2,865,800</u>

HABITAT FOR HUMANITY OF OREGON, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

**NOTE M – IN-KIND CONTRIBUTIONS**

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. These amounts have been reported as both in-kind contribution revenue and in-kind expense on the statements of activities. The Organization recognizes the fair value of contributed services received if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

In-kind contributions consist of:

Conference supplies	\$	2,870
Speaker fees		2,000
Legal services		<u>5,261</u>
	\$	<u><u>10,131</u></u>

The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs and fund raising campaigns but which do not meet the criteria for financial statement recognition.

**NOTE N – OPERATING LEASE COMMITMENTS**

The Organization leases office space requiring a \$2,000 payment per month through August 15, 2026. 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, 2025, 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, 2025:

Financial assets at year-end:		
Cash and cash equivalents	\$	455,807
Accounts receivable		44,413
Contributions and grants receivable		323,858
Notes receivable, current portion		<u>135,690</u>
Less amounts unavailable for general expenditure within one year:		
Net assets with donor restrictions		<u>(600,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>359,768</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

**NOTE P – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 3, 2025, which is the date the financial statements were available to be issued.