



# MAULDIN & JENKINS

CPAs & ADVISORS

**THOMASVILLE-THOMAS COUNTY  
HABITAT FOR HUMANITY, INC.**

**FINANCIAL REPORT**

**JULY 31, 2023**

**THOMASVILLE-THOMAS COUNTY  
HABITAT FOR HUMANITY, INC.**

**FINANCIAL REPORT**

**JULY 31, 2023**

**THOMASVILLE-THOMAS COUNTY HABITAT FOR HUMANITY, INC.**  
**FINANCIAL REPORT**  
**JULY 31, 2023**

---

**TABLE OF CONTENTS**

**Page**

<b>INDEPENDENT AUDITOR'S REPORT.....</b>	<b>1 and 2</b>
<b>FINANCIAL STATEMENTS</b>	
<b>Statements of financial position .....</b>	<b>3</b>
<b>Statements of activities.....</b>	<b>4 - 5</b>
<b>Statements of functional expenses .....</b>	<b>6 - 7</b>
<b>Statements of cash flows.....</b>	<b>8</b>
<b>Notes to financial statements .....</b>	<b>9 - 16</b>



## INDEPENDENT AUDITOR'S REPORT

---

To the Board of Directors  
Thomasville-Thomas County Habitat for Humanity, Inc.  
Thomasville, Georgia

### *Opinion*

We have audited the accompanying financial statements of **Thomasville-Thomas County Habitat for Humanity, Inc.** (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of July 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively, the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of July 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
April 16, 2024

**THOMASVILLE-THOMAS COUNTY  
HABITAT FOR HUMANITY, INC.  
STATEMENTS OF FINANCIAL POSITION  
JULY 31, 2023 AND 2022**

<b>ASSETS</b>	<u>2023</u>	<u>2022</u>
Cash	\$ 74,033	\$ 45,752
Homeowners' escrow funds	10,352	33,782
Contributions receivable	50,000	100,000
Employee Retention Credit receivable	120,848	-
Other receivables	4,098	13,851
ReStore inventory	15,000	90,281
Prepaid expenses and deposits	300	300
Noninterest bearing mortgage loans receivable, net of discounts of \$570,268 and \$908,574, respectively	661,049	883,085
Construction in progress	<u>260,865</u>	<u>133,255</u>
<b>Total assets</b>	<b><u>\$ 1,196,545</u></b>	<b><u>\$ 1,300,306</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and other accrued liabilities	\$ 51,867	\$ 15,436
Line of credit	36,185	25,675
Homeowners' escrow accounts payable	<u>10,352</u>	<u>33,782</u>
<b>Total liabilities</b>	<b><u>98,404</u></b>	<b><u>74,893</u></b>
Net assets		
Without donor restriction	1,048,141	1,125,413
With donor restriction	<u>50,000</u>	<u>100,000</u>
<b>Total net assets</b>	<b><u>1,098,141</u></b>	<b><u>1,225,413</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 1,196,545</u></b>	<b><u>\$ 1,300,306</u></b>

See Notes to Financial Statements.

**THOMASVILLE-THOMAS COUNTY  
HABITAT FOR HUMANITY, INC.**

**STATEMENT OF ACTIVITIES  
YEAR ENDED JULY 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Amortization of discounts on noninterest bearing mortgage loans receivable	\$ 49,573	\$ -	\$ 49,573
Interest income	12,053	-	12,053
Contributions	64,153	-	64,153
Grant revenue	29,983	-	29,983
ReStore revenue	72,401	-	72,401
Employee Retention Credit income	108,795	-	108,795
Sale of mortgage receivable	15,719	-	15,719
Other income and support	63,687	-	63,687
	<u>416,364</u>	<u>-</u>	<u>416,364</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of time restrictions	50,000	(50,000)	-
	<u>466,364</u>	<u>(50,000)</u>	<u>416,364</u>
<b>Expenses</b>			
<b>Program services</b>			
Home construction	80,491	-	80,491
ReStore	212,766	-	212,766
Other program	109,079	-	109,079
	<u>402,336</u>	<u>-</u>	<u>402,336</u>
<b>Supporting services</b>			
Administrative and general	141,300	-	141,300
	<u>543,636</u>	<u>-</u>	<u>543,636</u>
<b>Changes in net assets</b>	<b>(77,272)</b>	<b>(50,000)</b>	<b>(127,272)</b>
<b>Net assets, beginning of year</b>	<b>1,125,413</b>	<b>100,000</b>	<b>1,225,413</b>
<b>Net assets, end of year</b>	<b>\$ 1,048,141</b>	<b>\$ 50,000</b>	<b>\$ 1,098,141</b>

See Notes to Financial Statements.

**THOMASVILLE-THOMAS COUNTY  
HABITAT FOR HUMANITY, INC.**

**STATEMENT OF ACTIVITIES  
YEAR ENDED JULY 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Home sales	\$ 125,280	\$ -	\$ 125,280
Amortization of discounts on noninterest bearing mortgage loans receivable	54,099	-	54,099
Interest income	2,463	-	2,463
Contributions	280,050	100,000	380,050
Grant revenue	90,936	-	90,936
ReStore revenue	107,168	-	107,168
	<u>659,996</u>	<u>100,000</u>	<u>759,996</u>
<b>Total revenues and other support</b>			
<b>Expenses</b>			
<b>Program services</b>			
Home construction	256,407	-	256,407
ReStore	106,527	-	106,527
Other program	229,419	-	229,419
	<u>592,353</u>	<u>-</u>	<u>592,353</u>
<b>Total program services</b>			
<b>Supporting services</b>			
Administrative and general	155,359	-	155,359
	<u>747,712</u>	<u>-</u>	<u>747,712</u>
<b>Total expenses</b>			
<b>Changes in net assets</b>	(87,716)	100,000	12,284
<b>Net assets, beginning of year</b>	<u>1,213,129</u>	<u>-</u>	<u>1,213,129</u>
<b>Net assets, end of year</b>	<u>\$ 1,125,413</u>	<u>\$ 100,000</u>	<u>\$ 1,225,413</u>

**See Notes to Financial Statements.**

**THOMASVILLE-THOMAS COUNTY  
HABITAT FOR HUMANITY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JULY 31, 2023**

	<u>Program Services</u>			<u>Total Program Services</u>	<u>Supporting Services</u>	
	<u>Home Construction</u>	<u>ReStore</u>	<u>Other Programs</u>		<u>Administrative and General</u>	<u>Total</u>
Compensation and benefits	\$ 12,004	\$ 65,109	\$ 30,842	\$ 107,955	\$ 66,686	\$ 174,641
Contractors	24,011	20,009	46,687	90,707	10,004	100,711
Professional fees	19,106	-	15,006	34,112	44,338	78,450
Occupancy	575	11,551	575	12,701	3,602	16,303
Insurance	363	-	-	363	363	726
Travel and entertainment	592	840	592	2,024	4,136	6,160
Interest	5,553	-	-	5,553	-	5,553
Construction and program services	13,800	110,472	155	124,427	-	124,427
Office expenses	3,598	3,276	3,276	10,150	10,289	20,439
Bank fees	-	618	618	1,236	618	1,854
Advertising	-	-	9,576	9,576	-	9,576
Other	889	891	1,752	3,532	1,264	4,796
	<u>889</u>	<u>891</u>	<u>1,752</u>	<u>3,532</u>	<u>1,264</u>	<u>4,796</u>
Total expenses	<u>\$ 80,491</u>	<u>\$ 212,766</u>	<u>\$ 109,079</u>	<u>\$ 402,336</u>	<u>\$ 141,300</u>	<u>\$ 543,636</u>

See Notes to Financial Statements.

**THOMASVILLE-THOMAS COUNTY  
HABITAT FOR HUMANITY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JULY 31, 2022**

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Home Construction</u>	<u>ReStore</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Administrative and General</u>	<u>Total</u>
Compensation and benefits	\$ 13,712	\$ 38,937	\$ 35,231	\$ 87,880	\$ 76,176	\$ 164,056
Contractors	32,278	26,899	62,764	121,941	13,449	135,390
Professional fees	17,263	-	12,375	29,638	31,073	60,711
Information technology	-	65	65	130	86	216
Occupancy	4,397	14,396	4,397	23,190	5,074	28,264
Insurance	4,549	-	31,045	35,594	4,549	40,143
Travel and entertainment	-	573	1,989	2,562	9,130	11,692
Interest	1,796	-	-	1,796	-	1,796
Construction and program services	178,978	22,252	74,557	275,787	3,675	279,462
Office expenses	3,434	3,000	3,000	9,434	10,963	20,397
Bank fees	-	405	405	810	405	1,215
Advertising	-	-	2,812	2,812	-	2,812
Other	-	-	779	779	779	1,558
<b>Total expenses</b>	<b><u>\$ 256,407</u></b>	<b><u>\$ 106,527</u></b>	<b><u>\$ 229,419</u></b>	<b><u>\$ 592,353</u></b>	<b><u>\$ 155,359</u></b>	<b><u>\$ 747,712</u></b>

See Notes to Financial Statements.

**THOMASVILLE-THOMAS COUNTY  
HABITAT FOR HUMANITY, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JULY 31, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (127,272)	\$ 12,284
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Discounts on current year originations of noninterest bearing mortgage loans	-	75,461
Amortization of discounts on noninterest bearing mortgage loans receivable	(49,573)	(51,017)
Issuances of noninterest bearing mortgage loans receivable	-	(125,280)
Gain on sale of mortgage receivable	(15,719)	-
Repossession of takeback and foreclosed homes	-	49,034
Noncash contributions	-	(151,080)
(Increase) decrease in operating assets:		
Contributions receivable	50,000	(100,000)
ERC receivable	(120,848)	-
Other receivables	9,753	60,006
ReStore inventory	75,281	6,678
Construction in progress	(127,610)	(11,880)
Increase in operating liabilities:		
Accounts payable and other accrued liabilities	36,431	5,830
Net cash (used in) operating activities	(269,557)	(229,964)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Mortgage payments received	81,671	152,719
Cash received from sale of mortgage receivable	205,657	-
Net cash provided by investing activities	287,328	152,719
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	36,414	30,000
Payments on line of credit	(25,904)	(4,325)
Net cash provided by financing activities	10,510	25,675
 Net increase (decrease) in cash	28,281	(51,570)
 Cash at beginning of year	45,752	97,322
 Cash at end of year	\$ 74,033	\$ 45,752
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 5,553	\$ 1,796

**See Notes to Financial Statements.**

**THOMASVILLE-THOMAS COUNTY HABITAT FOR HUMANITY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Thomasville-Thomas County Habitat for Humanity, Inc. (the "Organization"), a nonprofit corporation located in Thomasville, Georgia, was incorporated in 1986 in the state of Georgia. The Organization is an affiliate of Habitat for Humanity International, Inc. ("Habitat International"). The Organization empowers individuals and families to build and buy their own homes with the help of people in the local community. With volunteer labor, local donations, and some in-kind materials, homes are sold and rehabilitated at no interest to workforce households who are required to demonstrate a need for housing, the ability to pay their mortgage, and participate in the construction of the homes. The program prepares partner families to be successful homeowners.

The Organization also operates a ReStore, which is a retail center for new and gently used building materials and home furnishings sold to the general public at deeply discounted prices.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted by the Organization are set forth below.

**Basis of accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Thomasville-Thomas County Habitat for Humanity, Inc.. follows the requirements of Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions which are used to account for resources available to carry out the purposes of the Organization in accordance with the limitations of its bylaws.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contribution revenue recognition

In accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases those net asset classes. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. There were no conditional promises to give at July 31, 2023 and 2022.

Contributions of long-lived assets are reported as contribution revenues without donor restrictions unless specifically restricted by the donor and are reported at fair value. Gifts specified for the acquisition or construction of long-lived assets are reported as net assets without restrictions when the assets are placed in service.

In-kind contributions are recorded as revenue and expense in the accompanying financial statements. These contributions consist primarily of donated land, all of which is recorded at its estimated fair values.

#### Grants and Subsidies

The Organization recognizes grants and subsidies as revenue in the period earned. For grants that are reimbursement basis, the Organization records revenue and a receivable when the condition identified in the grant has been completed. There were no grants receivable at July 31, 2023 and 2022.

#### Inventory

ReStore inventory represents building materials and materials to be used in construction of Habitat houses or sold to the general public. All inventory is donated and valued at fair value at date of receipt. ReStore inventory is recorded net of any allowance for obsolescence. ReStore sales are recognized at the time the transaction occurs in the store.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Mortgages Receivable**

First mortgages from the sale of houses are interest free amounts due from the home buyer. Second mortgages on houses represent the difference between the cost of the house and the assigned value of the house when the residence is transferred to the occupant. Both mortgages are interest free to the homeowner but are discounted at an appropriate rate of interest for financial statement presentation purposes.

A loan is considered impaired when it is probable, based on current information and events, that the Organization will be unable to collect all principal payments due in accordance with the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal payments when due.

Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Impaired loans are measured by the fair value of the collateral. The amount of impairment, if any, and any subsequent changes are included in the allowance for loan losses.

#### **Foreclosed Assets**

Foreclosed homes acquired through or in lieu of loan foreclosure are refurbished for future qualified residents and are initially recorded at the lower of cost or fair value. Any write-down to fair value at the time of transfer to foreclosed assets is charged to the allowance for loan losses. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Costs of improvements are capitalized, whereas costs relating to holding foreclosed homes and subsequent adjustments to the value are expensed.

#### **Construction in Progress**

Costs of construction in progress consist of the cost for the land used for the construction site and direct home construction costs, unless it is determined to be impaired. In which case, the impaired construction in progress is written down to fair value. Construction overhead is expensed as incurred. Homes completed pending closing are classified as construction in progress until delivered. The Organization reviews construction in progress for impairment during each reporting period on a lot-by-lot basis. Generally accepted accounting principles require that if the undiscounted cash flows expected to be generated by an asset are less than its carrying amount, an impairment charge should be recorded to write down the carrying amount of such asset to its fair value.

## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Organization estimates fair values of land and construction inventory evaluated for impairment under generally accepted accounting principles based on market conditions and assumptions made by management at the time they are evaluated, which may differ materially from actual results if market conditions or assumptions change. For example, further market deterioration or changes in assumptions may lead to the Organization incurring additional impairment charges on previously impaired land and construction inventory, as well as on land and construction inventory in progress not currently impaired but for which indicators of impairment may arise if further deterioration occurs.

#### **Revenue Recognition**

It is the Organization's policy to sell affordable housing with interest free mortgages. In accordance with generally accepted accounting principles, the mortgages receivable have been discounted based upon the prevailing market rates at the inception of the mortgage.

#### **Donated Materials and Services**

Donations of building materials (in-kind contributions) are recorded at their estimated fair value at the date of donation.

No amounts have been reflected in the statements of activities and changes in net assets for volunteer services because the criteria for recognition of such volunteer efforts under FASB guidance have not been satisfied. Nevertheless, volunteers have donated a substantial amount of their time to the program services of the Organization.

#### **Program Services**

Program services include construction, family services, senior housing, and providing affordable home furnishings in the retail stores. The cost of home building or rehabilitation is charged to program services as the homes are completed and sold.

#### **Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The Organization has allocated salaries and related expenses, as well as other indirect costs, on the basis of estimates of time and effort.

## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Income Taxes**

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been made in these financial statements.

Management of the Organization considers the likelihood of changes by taxing authorities in its exempt organization returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed returns that require disclosure in the accompanying financial statements.

The Organization files the Form 990 in the U.S. Federal Jurisdiction.

#### **Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change in the near term related to the determination of the allowance for loan losses, the valuation of land and construction in progress, and the determination of accrued construction rehab costs.

### **NOTE 3. ESCROW CASH**

Funds received from homebuyers prior to closing are held in escrow and restricted to closing costs on home sales. These escrow funds are recorded as cash with a corresponding liability in the financial statements as escrow accounts payable.

The Organization is responsible for paying property taxes and insurance from funds paid by the homeowners along with their regular mortgage payment. The asset represents the amounts paid for by the Organization and not yet reimbursed by the homeowner.

As of July 31, 2023 and 2022, the Organization held \$10,352 and \$33,782, respectively, in homeowners' escrow funds that are included on the statement of financial position.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at July 31:

	<u>2023</u>	<u>2022</u>
Cash	\$ 74,033	\$ 45,752
Contributions receivable	50,000	100,000
Employee Retention Credit receivable	120,848	-
Other receivables	10,352	13,851
Current portion of noninterest bearing		
Mortgage loans receivable	<u>105,379</u>	<u>134,783</u>
Financial assets at year end	<b>360,612</b>	294,386
Less those unavailable for general expenditures		
Within one year, due to donor-imposed restrictions:		
Restricted by donor with time restriction	<u>(50,000)</u>	<u>(50,000)</u>
	<b><u>\$ 310,612</u></b>	<b><u>\$ 244,386</u></b>

### NOTE 5. CONTRIBUTIONS RECEIVABLE

At July 31, 2023, all of the Organization's outstanding contributions of \$50,000 are expected to be collected in less than one year.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. MORTGAGES RECEIVABLE

There were noninterest bearing mortgage loans receivable on 27 and 34 homes at July 31, 2023 and 2022, respectively.

The following is a summary of the activity related to mortgages receivable, presented net of the imputed interest amounts during the years ended July 31, 2023 and 2022:

	2023	2022
Balance, beginning of year	\$ 883,085	\$ 844,881
New mortgages issued	-	125,280
	883,085	970,161
Current year payments received	(81,671)	(152,719)
Discounts on current year originations of noninterest bearing mortgage loans receivable	-	(75,461)
Amortization of discounts on noninterest bearing mortgage loans receivable	49,573	51,017
Repossession of take-back and foreclosed homes	-	(49,034)
Noninterest bearing mortgage loans receivable received as contributions, net of discount	-	139,121
Sale of mortgage receivable, net of amortization	(189,938)	-
Balance, July 31, 2023	\$ 661,049	\$ 883,085

Maturities of first mortgage notes receivable are summarized as follows:

Gross amounts due in:	
Less than one year	\$ 105,379
1 to 5 years	308,514
After 5 years	817,424
	1,231,317
Unamortized discount	(570,268)
Net amounts due	\$ 661,049

During the years ended July 31, 2023 and 2022, zero and one homes were transferred to homeowners, respectively.

### NOTE 7. LINE OF CREDIT

In December 2021, the Organization entered into an unsecured revolving line of credit, which allows maximum borrowings of \$50,000 and matures in April 2024. Interest on outstanding borrowings was payable monthly beginning in January 2021 at the Wall Street Journal Prime rate plus 0.50% per annum (9.00% and 5.25% at July 31, 2023 and 2022, respectively). The outstanding borrowing against this line of credit was \$36,185 and \$25,675 as of July 31, 2023 and 2022, respectively.

## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS**

At July 31, 2023 and 2022, the Organization had net assets restricted by donors for general operating purposes in future periods of \$50,000 and \$100,000, respectively. Net assets with donor restrictions are composed of contributions receivable as July 31, 2023 and 2022.

\$50,000 was released from donor restrictions by satisfying the donor's time restriction during the year ended July 31, 2023. There were no net assets released from donor restrictions during the year ended July 31, 2022.

### **NOTE 9. RELATED PARTIES**

During the year ended July 31, 2023 and 2022, the Organization paid a total of \$42,750 and \$34,500, respectively, for operations and construction management services provided by two board members. There were no payments due at July 31, 2023 and 2022.

### **NOTE 10. CONTINGENCY**

The Organization is involved in a number of legal actions relating to delinquent mortgages. It is the policy of the Organization to foreclose or receive the residence by way of a deed in lieu of foreclosure. The Organization does not anticipate any losses to be incurred from any of these legal actions.

### **NOTE 11. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through April 16, 2024, the date on which the financial statements were available to be issued. Subsequent to year end, the Organization received \$108,795 in employee retention credit funds and \$12,053 in interest earned thereon. The Organization also owed \$25,254 to a firm that assisted in filing for the employee retention credit funds. The revenue and expenses and related accounts receivable and accounts payable were accrued in the accompanying financial statements.

There were no other events that have occurred requiring disclosure in the financial statements.